

LOCAL GOVERNMENT COMMITTEE

Tuesday 3 October 2000
(*Afternoon*)

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CONTENTS

Tuesday 3 October 2000

	Col.
LEADERSHIP ADVISORY PANEL	1185
COUNCIL TAX (ADMINISTRATION AND ENFORCEMENT) (SCOTLAND) AMENDMENT (NO 2) REGULATIONS 2000 (SSI 2000/261)	1199
PETITION	1201
BUDGET PROCESS	1204

LOCAL GOVERNMENT COMMITTEE

† 27th 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

WITNESS

Alastair MacNish (Leadership Advisory Panel)

CLERK TO THE COMMITTEE

Eugene Windsor

SENIOR ASSISTANT CLERK

Irene Fleming

ASSISTANT CLERK

Craig Harper

LOCATION

The Hub

† 26th Meeting 2000, Session 1—held in private.

Scottish Parliament

Local Government Committee

Tuesday 3 October 2000

(Afternoon)

[THE CONVENER *opened the meeting at 14:02*]

Leadership Advisory Panel

The Convener (Trish Godman): Right, comrades—let us make a start. I welcome Alastair MacNish and Mike Palmer from the leadership advisory panel. Before I ask Alastair to give us a short presentation, I ask committee members to agree to discuss agenda item 6—our inquiry into local government finance—in private. We will be discussing the terms of reference for that inquiry and I do not wish to show our hand to the Executive. We will also consider which witnesses to call—it would be unfair to discuss in public whether we were for or against particular witnesses. Do members, especially Kenny Gibson, agree that we should discuss item 6 in private?

Members indicated agreement.

The Convener: As I said, Alastair MacNish and Mike Palmer are here. Alastair is the chair of the leadership advisory panel and Mike, who is from the Scottish Executive, is secretary to that panel. Alastair, we usually give witnesses a few minutes to say what they want to say, after which we open up the meeting for questions.

Alastair MacNish (Leadership Advisory Panel): I thank the convener for that kind invitation to address the committee. I know that the committee has a full agenda, so I will be as brief as possible. I will give the committee some general information about the leadership advisory panel. The paper that I submitted says that the panel was established in August 1999, but we really got off the ground in November 1999. The background to that was the massive slimming of local government management structures and bureaucracy since 1996.

South Lanarkshire Council probably has younger senior management than any comparable organisation in local government. That was a result of the reorganisation in 1996 and the subsequent changes that have taken place, such as the reduction of funding and so on. The political management structures did not change in 1996—by and large, those remained consistent with the two-tier structures. The bureaucracy of 18 or 19 committees still exists, but with a slimmed-down

management side. That is the background against which we started our work. It is important to establish that.

It is also important to state that the leadership advisory panel is not about revisiting or reinventing McIntosh. We are examining the McIntosh recommendations against the criteria that each council has set. I have been interested in the visits that the committee has made to councils. We have found out much the same in councils that we have visited as the committee found. We believe that there is genuine commitment to improve image and performance in the councils that we visited. They are trying to free up officers' time to deliver more quality services. It is not universal, but there is a commitment to improve the lot of local government. Councils are at different stages: some will require more rigorous help than others; some started the process late and others started it early. The best time was probably in between.

It is vital to state that there is no quick fix; we must get the changes right in the long term. I believe, and the panel believes, that it is about evolution rather than revolution. There might be a tendency to try to be first, but that is not always best. We must measure progress against the panel's criteria.

The main objectives, which are covered fully in the submission, are to create a genuine advocacy role for all members of a council—not only for leading members—and to ensure that members are able to question and challenge the leadership openly and appropriately. That is easy to say, but difficult to achieve. The ability to question leadership is a vital aspect of scrutiny.

The other main principle is that there should be streamlining of bureaucracy and speeding-up of decision making in local government. Anybody who has been an elected representative in local government will have been frustrated by the time that it takes to make decisions and, when a decision appears to have been taken, how long it takes to transfer that into the public domain. One of the aims of the review is to correct that and at least to make the public more aware.

The hardest part of our remit is to enable more people to come into local government as elected representatives. Councils are trying hard to improve that. We do not have a system that provides an adequate answer, but some improvements have been made. Three or four different models are being developed in the reviews. Everybody knows about the cabinet executive model—about 20 per cent of councils will go down that road. Another model is to introduce a revised committee structure in councils by massively reducing the number of committees. In some councils, 14 standing committees have been reduced to four or five. That reduces

bureaucracy significantly, but there must be proper scrutiny. It is important that scrutiny is not a nod-through—it must be genuine scrutiny of the leadership and the council. Members' time must be made available for debate on policy matters.

We are confident that, in the vast majority of cases, we will be able to report significant progress by March 2000. That might not be so in all cases, but if we believe that councils have been tardy in moving forward, we will say so. If we believe that a council has been innovative and is showing one of the ways ahead, our report will highlight that. We are issuing best practice as we go along.

If, however, a council cut the number of committees or took a thematic approach to service delivery, there would be a danger that the fiefdom of the previous system might create—in the main departments—working parties that would replace the committees. The number of committees might go down from 14 to five, but there would be 28 working parties.

One council has a simple way of addressing that publicly. At every council meeting, the chief executive must say how many working parties there were at the start of the council session and how many there are now. If the number has gone up or down, it must be explained why. It is simple, but at least it is a step in the right direction.

There is much work to be done, but we are about halfway through. Now comes the difficult part, because we are hearing about the reviews that are being undertaken by councils. We are confident that we will be able to report that the vast majority of councils have tried genuinely to improve local government's performance and image throughout Scotland.

I am happy to answer questions.

The Convener: On a practical point, you talked about councillors' work load. Your work load must mean that things are pretty hectic—I know that the panel is down from eight members to seven. You touched on the fact that you need to go back to councils to see whether they have genuinely conducted reviews. How much of your time is taken up with that?

Alastair MacNish: The second visits have been about seeing what stages the councils have reached. Each council must submit to the panel in advance of the second meeting an outline of the stage that their review is at, where they are with their public consultation and so on. We then question them according to the criteria that the panel has established. It is a bit like what I am doing here.

We are trying to complete our report by March. If we work back from there, the schedule is quite

tight. We hope to complete final visits—if they are necessary—and write up the report in January. We envisage that each council will write a 500-word introduction to their section, which will say what they believe they have done. We will comment on that, giving the panel's view. We will then give further advice on where we think each council has fallen short.

The last stage, which I hope will be necessary only in a very few cases, is to tell the Scottish Parliament and the Scottish Executive about the instances in which we believe councils have not answered the questions that were established as part of the criteria. I hope that there will be no councils for which we have to do that, but there might be some. The time scale is tight.

Our questioning of councils is rigorous. As I mentioned to my colleague, Michael McMahon, we are not a merry band of volunteers traipsing around the country, as he suggested at a previous meeting. To suggest that is to do the panel a disservice—panel members work very hard. The work is time-consuming, albeit at times refreshing. At other times, it is very depressing.

The Convener: I am sure that it is.

Mr Michael McMahon (Hamilton North and Bellshill) (Lab): I made the comment about the merry band of volunteers. I want to pick up on the panel's work load. From what you have said in your submission, a great deal of commitment is required. Would it be possible for you to publish an interim report, which would indicate to local authorities the kind of matters that you have been examining? That would allow them to respond before the full report was completed.

Alastair MacNish: We have been doing that informally. Rightly or wrongly, the commitment that the panel made was that the first to hear about concerns would be a council about which we were concerned. There will be no reports to ministers or the media. We said that issues would be brought first to a council's attention and that we would try to solve problems at that level. If we have believed that a council was struggling, we have either offered to come in and help or we have given that council the example of another council that is developing similar strategies to ours.

I do not think that our deadline makes publication of an interim report practical. However, the work will not finish in March. There is a role—although I hasten to add that it is not our role—for on-going monitoring. Many councils will not have implemented the changes. The situation will need to be monitored closely to ensure that councils put into practice what they said they would do. The work will take a lot longer than until March 2001 to complete.

Mr McMahon: Was that deadline set by you? Is

it a feasible deadline, or do you feel that you will be required to cut short your investigations?

Alastair MacNish: Our deadline was December. I am making no play of the fact that we are volunteers, but that was long enough. A lot of hours have been put into the inquiry, as members will know, and I convinced the leadership advisory panel that it should continue until March. Following the late publication of the Kerley report, I did not think that it was fair to expect councils to stick to the original timetable. We can still complete the inquiry by March, but we will start to struggle if the process goes on much later than that.

If we cannot complete the inquiry by March, we will be honest and say that. However, I am reasonably confident that we will. We might regret the fact that one or two councils are not further along the line, but that will not be for the want of trying to push them forward to set up their reviews and engage in consultation.

14:15

Mr Kenneth Gibson (Glasgow) (SNP): How can local authorities complete their reviews and consider implementation when there is so much uncertainty about which aspects of the Kerley report will be implemented by the Scottish Executive? You will be aware that many of the recommendations are fairly revolutionary, concerning not only the electoral system, but the number of councillors. Surely the recommendations will have a major impact on councils, if they are implemented in part or wholly. If even some of Kerley's recommendations were implemented, would there not have to be a continuing review following the completion in March of the panel's review? Would that not throw all the balls back up in the air?

Alastair MacNish: Yes. That is a fair point. We always knew that the Kerley report would have an impact on the leadership advisory panel. If they were agreed to, the first 22 recommendations of the Kerley report could be implemented without effect—other than largely improving the lot of councils that are trying to deliver the new agenda. The recommendations from recommendation 23 onwards are more contentious.

Proportional representation is irrelevant to the leadership advisory panel. It will not matter whether PR is implemented; the same proposals would be made by the panel whether there was a hung council or a huge majority. A review of structures would make no difference. What will make a difference is the size of councils—the number of councillors—as many of the structures will have to be changed.

We have told councils that, in their review, they must take cognisance of what Kerley has

recommended to the Scottish Executive, so that even if they do not want to go down a particular road, they must look at a "What if?" scenario. For example, what if Glasgow City Council was reduced from 80 to 53 councillors? In the vast majority of councils, there will be little change in the number of councillors. In 80 to 85 per cent of councils there will be no change; it is in the large councils that there will be change. I accept that that will cause a difficulty thereafter, in terms of new structures.

Mr Gibson: You are saying that PR will not have an impact. However, in Glasgow City Council there are only two members of the main opposition party to scrutinise 25 committees and sub-committees, whereas there were 59 prior to the elections last year. How can effective scrutiny take place when there are so few opposition members and so many committees? In Midlothian Council, there is only one Liberal Democrat opposition councillor. Surely, PR would have a significant impact.

Alastair MacNish: With respect, scrutiny is not the job only of the opposition party. McIntosh's report was adamant that the rank and file of the administrations were frustrated at not being able to challenge councils. I would be disappointed if, at the end of the process, only two opposition members were able to scrutinise a council—that would mean that the councils had failed miserably in their review.

The review is about enabling people to become community advocates and to challenge the council leadership, regardless of their party. For nigh on 100 years, another system has been in place. We are trying to change that by enabling the rank and file to stand up openly to scrutinise the performance of a council; to say, "I am sorry, but that does not suit the electorate in my ward." We hope for a sea change in scrutiny, and not only in scrutiny by the opposition. I know what you are trying to achieve with proportional representation, but the principle is different.

Mr Keith Harding (Mid Scotland and Fife) (Con): You stress in your report that you are not biased towards any model of political management. Could you explain why an executive would work well in some councils, but would be inappropriate in others?

Alastair MacNish: I am not sure whether the answer in any equation is black and white—we need solutions that suit local communities. Every council should examine the executive model—no council should dismiss it as irrelevant. In the majority of councils, there are five or six or so people who, in effect, make up an executive—whether or not they operate in a committee system, those people act as an executive. I am not concerned with whether there is a committee

system, which would be created around such an executive to allow scrutiny, or a cabinet, which would facilitate speedier decision making, as long as the rest of the council is able to challenge policy decisions effectively. There will be a bit of both.

Three executives are already in place in councils and we are confident that that will not reduce the democratic process in those councils. Also, there are councils that have moved from having 14 standing committees to having only five and that have brought in performance indicators; I am confident that that is going to work, too. I am not ducking the issue, but I do not think the answer is as clear as Keith Harding suggests.

Where two councils are of equal size and roughly the same nature—both urban, for example—and we are happy with the development in council Y, we have suggested to council X that we should offer it some information on development. In each case the council has said yes, but we need to convince officers as well as members. In many councils, officers are comfortable with the status quo. Any change that politicians might want to make might be seen by officers as being more difficult. That is not true of all councils, but in some cases officers put on the brakes because they think that the current system works quite well for them.

Mr Harding: When I visit councils, I get the impression that smaller councils think that the cabinet model is inappropriate for them. In your report, you say that it is clearly inappropriate for some councils. Can you say for what sort of councils that system would be inappropriate?

Alastair MacNish: It would be very difficult for councils in sparsely populated areas to have a cabinet system. The delegation to local areas of decision making is also important—that is the other aspect that some councils are examining. I am not going to get caught up in the Caithness question. When I went to Inverness, I asked whether anybody was from Caithness—Mr Stone will notice that I have been reading the reports of the Local Government Committee.

On the conclusions that councils are arriving at, it is probably difficult to establish definitively whether large urban areas are suitable for a cabinet system and rural areas are not. It is more difficult to run a cabinet system in a rural area. In urban areas it is easier to conduct appropriate scrutiny of a cabinet because transport makes the cabinet more accessible. New technology could answer that problem in rural areas in the long term. However, technology in local government is not nearly as advanced as it should be. We are way behind where we should be.

Dr Sylvia Jackson (Stirling) (Lab): Thank you.

Your remarks have been interesting and most welcome. Your comments mirror much of the feedback that we received on our visits to various councils.

I was particularly interested in your comment that the process is one of evolution rather than revolution. Your submission says that there will be a

“specific date for implementation of the new system”.

How can we get the message across to councils but maintain the momentum of evolution even after that specific date? It is important that we consider it to be a continuous learning process.

When Kenny Gibson and I went up to Aberdeen, we saw that the council had started to examine ways of scrutinising the committee structure. I would be interested to know whether you had a similar experience.

You said that while it was fine to have thematic approaches across committees, working parties alone would not help the situation. The other point is that it would not make any difference unless service delivery also changed. Will the scrutiny in councils take service delivery on board? I am thinking particularly about health boards and integrated working.

Have you identified any more stumbling blocks—apart from the ones that you have mentioned?

Alastair MacNish: I am only the chair of the panel, but I think that the message that we may well state in our final report is that we do not stop at this point and that this is only the start of the process. Some councils will regret that and would rather just tick a box and get the leadership advisory panel out of the road. I stress that we will not be in place in the future, however; someone else can drive the initiative.

I must be careful about what I say about the scrutiny of the committee structure. There are models of scrutiny in England and Wales, but I have yet to see one that has got it exactly right. We are not experts on all the systems in England and Wales, but it is evident that they have failed to establish their own agenda. They have not set out with a year plan for scrutiny. It is almost as if the leadership has been directing the scrutiny towards one or another part of its remit.

In Aberdeen, work is still being done to find a genuine scrutiny role for the members. It is interesting to note that, in Aberdeen City Council, there was all-party support for the process. That does not often happen and we are actively working with the council to develop its suggestions on the scrutiny model. Best practice is the wrong word, but we will inform people of examples of what we believe has worked in that area.

I have always believed that members of local authorities and the electorate are most passionately interested in whether potholes have been filled and whether the education service is good. If we free up the officers who are sitting in committees for five, six or seven hours—and we are talking about 20 officers—they will have less of an excuse for not delivering quality services.

I should mention in passing that, at the local authority level that I have been involved with, there has been a fillip in the past few weeks because of Jack McConnell's finance announcement. I know that the devil is in the detail, but the announcement has improved the atmosphere in the three councils that I have been to. The announcement puts pressure on the officers, as it further enhances the requirement on them to deliver quality services.

There would be stumbling blocks if the Scottish Executive fell into the trap of speaking in soundbites about our work. Our work is boring. It is not all wonderful announcements about councillors getting £12,000 a year. We are undertaking a lot of hard work and it would be spoiled if the confidence between the councils and ourselves were broken. We will not miss a council that does not comply with the remit that we have been given and that does not come up to scratch. I worry about the fact that, when the process goes quiet for a few months, politicians might be inclined to fill that gap. That would be a retrograde step for the panel.

Donald Gorrie (Central Scotland) (LD): I will ask two related questions.

I do not think that you mentioned area committees or a similar sort of approach. What examples have you met of area committees that have real power, real money and the ability to do things differently from other areas—that is, not cosmetic, gerrymandered area committees?

It seems to me that a danger of the cabinet system—or a danger of the central versus area committee system—could be that the officials start working for the establishment or the executive. The great strength of local government, as opposed to the jungle in which we operate, is that, in theory at least, local government officials work for the whole council—they work for Councillor Bloggs, who is 40th in the ranking, as well as for the council convener. Civil servants work against MSPs—we are the enemy.

14:30

It would be a big disaster if local government were to fall into that practice. Therefore, my questions are about area committees and seeking a reassurance from you on the conduct of officials.

Alastair MacNish: Although many councils suggest that they devolve responsibility down to the area level, that is done only in relation to modest matters of finance. To be honest, if one wants to devolve power, one must devolve money—that is the only way in which to make progress.

Two or three councils are, in their view, actively pursuing real devolution of power to areas. I will not name them, as that approach has yet to go before the full councils concerned for approval. Nevertheless, two or three councils are prepared to try that approach as part of the review, although officers are very nervous about that approach because they want to keep control at the centre. I am quite enthused about the approach of one council in particular, if only we can get it off the ground. It will not be many months before that happens—it will happen within the next two to three months. If we could get a model that works, I would be a lot more confident about pursuing the area committee approach.

I have the same concern in relation to the executive or cabinet approach. If we could get a successful model, I would praise it to the limits. I could not find one in England and Wales, so we will have to proceed a little more carefully.

Local government officers have always worked for all councillors. If there were an administration, officers would report to it, but in my experience officers worked for the whole council and gave genuine answers to any councillor who asked questions.

If the scrutiny model is robust enough, officers will work for all councillors. However, if that approach is only token, we will get into the worst situation—officers working only for the administration. Our role is to ensure that, as far as possible, the scrutiny model and officers' input into it are sufficiently robust to prevent any nonsense about officers reporting only to the administration. Not to put too fine a point on it, if officers did that, it would almost sound the death knell for local government and local democracy.

Mr Gil Paterson (Central Scotland) (SNP): My question relates to the scrutiny model.

In my experience, the scrutiny of an executive by the executive party finishes at the party's group meeting. It is a brave soul who ventures out of the group meeting and continues the argument outwith the group. The consequences of that for individuals in the party could be quite severe, although members of the group may argue fiercely within the group.

Are you getting feedback that the whipping system might be relaxed, given the new models that are coming in?

Alastair MacNish: If you were to visit councils and ask people about that, they would claim that no one ever applies the whipping system. That sort of response staggered me, to say the least. However, once you get talking about it, you might get the reply that the whip might be used on one or two occasions.

I passionately believe that the minimum requirement is for advance notification to be given if the whip is to be applied to an agenda item. That at least allows someone to question why the item is being whipped. That does not happen at the moment.

Gil Paterson is quite right: the real debate and argument takes place within the group. That does not happen in every council—in some councils, the clerk has no idea what is likely to be in the minute. Members will know which councils those are.

With an open scrutiny role, it will be more difficult for members to sit on their hands. If they are playing a genuine, public part in scrutiny, but say nothing about an issue that affects their area, it will be difficult for them—it is not easy under the current committee system for a member not to be available for such items. That marks an improvement, although we have a long way to go. A hundred years of doing things one way will not simply be changed.

It appears that there is a push from the highest level to make local government more open and to stop all the debate going on solely within the groups. If the administration confidently believes what it is doing, debate should be conducted openly. We are taking a long time to consider the new level of scrutiny, and believe that the suggestions that have been made so far are not enough. They might help, but I do not know whether they will solve things.

Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): I would be interested to know whether you have addressed this point. Considering your remit for reviewing decision making and policy development, it strikes me that the involvement of the community is important, particularly where there are sensitive local decisions that must be acceptable in the eyes of the public.

Have you considered the role of community councils? I freely admit that some are good and some are bad. The 32 councils vary. I will name no names. Some are member-led or party politically led; some have a strong executive. What work have you done on the dividing line between the officials and the councillors?

In the past, there have been cases of papers being generated by officials rather than by members. That has led ultimately to the allegation

that the council in question has been run by the officials rather than by the members. Historically, that has been perceived as a problem in some parts of Scotland. I am interested in your thoughts on that.

Alastair MacNish: The role of community councils does indeed vary across Scotland. In some areas, there is a wonderful rapport between community councils and the local authority set-up. In other areas, they do not see eye to eye about anything. The councils that are exploring the route of consultation and devolving power down to area level include community councils as major players.

I believe that the issue of community councils is far bigger and requires a separate study. Our remit is hard enough. This is not to diminish the situation, but people have to put up or shut up about community councils. The situation is unsatisfactory. It is the fault neither of community councils nor of councils, but we have not got it right and someone has to consider that seriously. There are some wonderful community councils and some horrendous ones. You may have had either a wonderful or a horrendous experience, Mr Stone—I say that with passion, although I will not say which of the two I am thinking about.

Mr Stone mentioned the debate about executives being member-led or officer-led. We were always accused. If ever something went wrong, the council was officer-led; if things were going well, it was member-led. I am not sure whether that is still the case. I genuinely cannot think of a council that is clearly officer-led, although I could in the past. If members gave me time, I might be able to think of one later. Having an officer-led council would not be healthy, although it might help the process in some instances—I say that more in supposition than with regard to reality.

Colin Campbell (West of Scotland) (SNP): Perhaps the moral is that officials and councillors should refer to their council, not to their respective bits of it.

I will return to the question about devolution, community councils and area groups. You are obviously excited by a plan that somebody has. I am not going to ask you who that person is: I am not that stupid—you would not tell me. Given what you have seen across councils and the innate conservatism of many people in councils, how optimistic are you that the good, nameless model that you know is under way will, in time, be duplicated in the rest of the land?

Alastair MacNish: If the first stage of the review works and councils become more open and the leadership becomes more accountable, it will be easier to implement the second stage, in which powers will be devolved to local areas. If the first

stage does not work, it will become more difficult to devolve as councils will retract back to the centre. Officers were more nervous than were members about this model. It is a strange thing. Where officers have a system that they think works okay, they will stick with it.

I am not over-optimistic that the model will be duplicated, but I am optimistic that, in time, if the review works, there will be more demand for further devolution—from within the council as well as from the partners. I passionately believe that local government has a role to play as the community leader and, therefore, that everybody should be included—community councils and the other partners in the community. If we fail to do that, we fail to deliver democracy in the community. I am 60:40 optimistic.

Colin Campbell: That is quite good.

The Convener: Is there any issue that continually arises? If so, what is it and how have you addressed it?

Alastair MacNish: Two issues arose on our first visits. First, councils said that we were not there to review them but had an agenda that had already been set by the Scottish Executive. It took the duration of the first visits to convince people that that was not the case and that we had made it clear that we would walk away from the whole remit if we received any instruction from the Executive that we did not believe was within that remit.

Secondly, the matter of finance recurred. Councils said that we were asking them to review their political position when both hands were tied behind their back, there was a weight around their neck and they were drowning.

Despite those reservations, councils accepted that they would have to undertake a review. However, I regret that some have gone more slowly than others. We kept saying that they did not have to rush, but that they had to start the process. Some councils—some members know who they are—are taking too long to get the review up and running. We will tackle that issue, which will form part of the report. We will ensure that they act on proposals before we finish our report.

There is mild enthusiasm among councils—more than I had expected. They are sick of the old practices and the bureaucracy that stymies development and innovation. Rank and file members are keen to do anything that will improve the situation, although the leaders are probably comfortable with holding powers and not letting them out. The members, who are elected by wards, are tired of the system and want change. Some of Kerley's recommendations will help that if they are implemented, because the balance will

change slightly. Time will tell which recommendations are accepted.

The Convener: You have raised a couple of interesting points. You asked who would pick up from where you leave off; I will not volunteer the committee to do that, but I accept that somebody has to do it.

The view is emerging that there is a need for a genuine scrutiny role for all members. I accept what Kenny Gibson said about that. Members should be able to challenge the leadership of the council, whether or not that leadership is from their party. A system that allowed one to do that with confidence would be good.

Also, the freeing up of officers' time so they do not have to sit for hours at committees should mean that services are examined much more comprehensively.

Your point about community councils has been raised before. There needs to be some kind of review of community councils. As McIntosh says, they should be a good source of local knowledge.

We are examining the matter of finance. Indeed, we will do so later today.

As there are no more questions, I thank Alastair MacNish and Mike Palmer for coming along and for their support. I am sure that we will have you back again—if not before your report is published, certainly when it is published.

Alastair MacNish: I wish the committee every success.

Mr Stone: Perhaps you could tell me the name of the council you were referring to. Does it begin with "High" and end with "land"?

Mr Gibson: Could you also tell Jamie Stone where to get a decent pair of trousers? [*Laughter.*]

Mr Stone: I could tell you where to get some manners, Kenny.

The Convener: Now, now. Can I have your attention please, gentlemen? We have some subordinate legislation to consider.

**Council Tax (Administration and
Enforcement) (Scotland)
Amendment
(No 2) Regulations 2000 (SSI
2000/261)**

14:45

The Convener: This negative instrument was sent to members some time ago and no comments have been received. The Subordinate Legislation Committee, of which Bristow Muldoon and I are members, considered the instrument. I hope that he remembers something about it, because I do not. The Subordinate Legislation Committee's report on the instrument is included in the papers for today's meeting. That committee decided not to draw the instrument to the attention of Parliament. As no motion to annul has been lodged, no other action can be taken on the instrument at this time.

Mr Gibson: I wanted some clarification of the implications of removing the requirement on local authorities to serve a final notice prior to applying for a summary warrant in relation to collection of unpaid council tax. I know that that will not be compulsory, but has there been any assessment of what it will mean for people? Does it mean that there will be more summary warrants because people will not get a final notice and will therefore not be as prepared as they might be? I just wonder what assessment has been made of the matter.

The Convener: I know that the Convention of Scottish Local Authorities has considered the matter and agreed on it. I hate to say this to a member of the SNP, but the regulation would bring Scotland into line with England and Wales, and COSLA is happy with it.

Mr Gibson: It is mentioned in "It Pays to Pay" and I spoke about it to the clerk before the meeting started. I want to find out whether it would have any effect other than to reduce the cost to councils. If the main effect is to reduce the cost to councils, great stuff, but if it means that more summary warrants will be issued, that might be a retrograde step.

The Convener: It would not mean that. It would give people an extra month to pay, if my memory serves me right. It would allow people in Scotland that extra month, so it should not affect the number of warrants issued.

Colin Campbell: Is the purpose of the regulations simply to speed up procedure?

Mr Gibson: "It Pays to Pay" is a worthwhile

document. I remember spending an exciting Saturday night reading it from cover to cover—because I am such a sad, boring individual.

The Convener: You certainly are.

Mr Gibson: My concern is not about the whole statutory instrument, but about that specific issue. I realise that more money will come in earlier on, which is definitely a benefit to local authorities, but I fear that there might be more summary warrants, just because people are not used to the system.

The Convener: I take your point, but there is no action that we can take at the moment. Members can either agree or disagree the instrument. If you disagree, I suggest that you either take up the issue or keep an eye on what happens in this area.

Mr Gibson: I was just asking for clarification. I did not want to do anything else with it at this stage.

The Convener: Does the committee agree that it has no recommendation to make on the Council Tax (Administration and Enforcement) (Scotland) Amendment (No 2) Regulations 2000 (SSI 2000/261)?

Members indicated agreement.

Petition

The Convener: Members will remember petition PE56 from Ian Cantwell, which we considered last week. When the petition was considered previously, a report from the Executive indicated that the assessors are accountable to the appropriate valuation joint board or local authority and that procedures for dealing with complaints are either in place or being put in place. However, the committee questioned whether matters that complainants believe have not been dealt with satisfactorily could be referred to the local government ombudsman. Members will see from the briefing paper that the Executive has clarified that that route is possible.

Are members agreed that I should write to the petitioner explaining the latest position and indicating that the matter is now closed as far as the committee is concerned?

Mr Harding: The whole point of the petition is that the legislation does not say that a complainant can go beyond the rating valuation board to the local government ombudsman. The petitioner wanted that added to the legislation.

The Convener: The letter from the Executive clarifies that point.

Mr Harding: But it is still not included in the legislation.

The Convener: Although I take your point, the Executive has clarified that the local government ombudsman can be called in. Are you asking how complainants will be aware of that?

Mr Harding: Anyone who tries to enforce that issue will find that it is not mentioned in the legislation. That is what happened to Mr Cantwell; he found that he could not get beyond the council's rating valuation board.

The Convener: Eugene Windsor has told me that the Executive has sought legal opinion on the matter and has concluded that complainants can go to the local government ombudsman. However, I understand your concern that that step is not mentioned in any legislation.

Mr Harding: My understanding was that Mr Cantwell was prevented from going to the local government ombudsman. Did the ombudsman not tell him that the matter was not within his remit?

Mr Paterson: As I recall, the petitioner felt that the process had reached a brick wall and that the authority was merely scrutinising itself.

The Convener: The Executive is now saying that the law permits the petitioner to go to the local government ombudsman. However, I take your point that complainants might not be able to find

out that they can take that step, even if they employ a lawyer to examine the legislation. Do you want some further clarification on the matter?

Mr Harding: I think that we should find out how the Executive will make this known to the wider public.

Colin Campbell: Is not the local government ombudsman available to anyone who feels discontented with local authority decisions?

Mr Harding: I am sure that, in the initial petition, the petitioner said that he contacted the local government ombudsman and was told that the matter was not the ombudsman's responsibility.

Bristow Muldoon (Livingston) (Lab): This petition has been knocking back and forth for some time. As the Executive has clarified the position, we should simply write to the petitioner with that clarification, unless someone has strong evidence that disputes the Executive's conclusions.

Mr Stone: Although I do not disagree with that, members might agree that this is not a particularly clear subject. Many of us will have served on rating valuation appeal committees. Unlike areas such as education, roads or transport, the public do not understand the appeals process in this area, the clerk's job and so on. Although I hate to use the word guidance, the Executive should issue something to make matters clearer to the public. That said, I do not disagree with Bristow Muldoon's point.

The Convener: Are you suggesting that we pass on the information that we have to the petitioner and seek further clarification from the Executive?

Mr Stone: Possibly. Donald Gorrie will keep me right on this point. I have always felt that this area is rather unclear. Perhaps we should make representations to the Executive.

Donald Gorrie: That is a good idea.

The Convener: We will write to Jack McConnell and ask how the Executive will publicise the fact that the local government ombudsman can be involved. We will also follow Bristow Muldoon's suggestion and write to the petitioner suggesting that he take his complaints to the ombudsman.

That resolves the petitioner's dilemma, but it does not resolve the wider issue for other people who may find themselves in the same position. We should ask the Deputy Minister for Local Government about that.

Mr Stone: The system of appointments to the rating valuation appeal panel is a strange area—is it not still governed by the Lord Lieutenant's advisory committee? It seems an anachronism.

The Convener: Yes—something like that. Is that agreed?

Members *indicated agreement.*

Budget Process

The Convener: We should go through the paper on the budget process and pick up anything on which members wish to comment or ask for clarification. Does anyone have any comments on the introduction and background, or on the issues for consideration?

Donald Gorrie: I am meeting some local government people this evening—what do I tell them about what they will get? At the moment, we know only what it says in the paper about a 7 per cent increase and provision for general increases, but there is no detail. The detail may emerge after the discussions in November. It is difficult to assess whether our goals have been met by the global figures.

I am not sure how we should progress. If we ask the Minister for Finance, presumably he will respond that there is nothing more to say until he has talked to the Convention of Scottish Local Authorities. At some stage, we need detailed figures on which we can question the minister and have a debate.

The Convener: One of the suggestions is that the Minister for Finance will give oral evidence. He is attending the committee in connection with a statutory instrument and, as far as I know, he will extend his visit to enable us to ask other questions on the budget figures.

Mr Gibson: It is very important. We have a bland statement of the 7 per cent increase in local authority revenue expenditure, which is apparently £1.2 billion, but, taking into consideration the McCrone recommendations, COSLA has said that the extra burdens will amount to £3.024 billion over the next three years. We may be lulling local government into a false sense of security when, in fact, there will be the same—if not more—cash pressures as there have been in recent years. As for the

“projected increases in capital expenditure”,

they are increases only when compared with the present. Capital expenditure will still be less than it was a decade ago. The information needs to be broken down further so that it means something, especially for individual councils. Donald Gorrie is right about that. There is a long time between the announcement and knowing what it will mean for individual authorities.

Bristow Muldoon: The time scale for individual authorities knowing their budget is not really surprising; it is the usual time scale. Local authorities receive their budget indications towards the end of the year, in November or December. In the past, Government has generally tried to reach

agreement with COSLA on the distribution formula and that is what it is trying to do again. That is why there are no figures for individual authorities.

Various people are pushing a number of points on how the distribution formula should be adjusted. I expect that there will probably be some significant adjustment. When the Minister for Finance is here, we might want to explore what progress has been made on that.

As I understand it, the minister's announcement is the start of a consultation process rather than the final budget for future years. That is why one cannot go much beyond the global figure for local government. If one published an amount for every local authority at this stage, every local authority would campaign for an increase in its share. It is sensible for Government to try to reach an accommodation with the whole of local government through its representative body, COSLA.

The only other thing I would note is that COSLA, in public statements so far, has welcomed the Executive's proposals for local government as a whole.

Mr Gibson: Given the political colour of COSLA, that is hardly a shock.

Bristow Muldoon: It is hardly a shock that you should criticise it.

Mr Gibson: The minister knows that there is £1.2 billion, not £1.1 billion or £1.3 billion, so he must have an idea, if not of how much will go to individual councils, of what categories he wants the money to be spent on. How much flexibility will local government have, or will the money be soaked up by new burdens and responsibilities on local authorities? It would have been helpful if we had been given some guidelines as to the minister's thinking at this stage.

15:00

The Convener: The minister will appear before the committee on 31 October; we can ask him those questions then. I suggest that we also request written evidence from COSLA on the impact of the Executive's statement on local government funding requirements. Members would have that written evidence in advance and could link it with questions that they want to ask the minister. It might also be a good idea to take oral evidence on the same day from Executive officials about the impact on resource accounting and budgeting, as well as evidence from someone such as Professor Arthur Midwinter, who comes from a different angle and is often very interesting. He gave us evidence at stage 1 of the budget process.

I take Bristow Muldoon's point that this is the

beginning of a process, not the end, and that we must get involved. We have a two-week recess and we are not meeting on 24 October. Our meeting of 31 October is the first time that we can get Jack McConnell here. I suggest that we invite him and seek evidence from the other people to whom I have referred. I am happy to take suggestions from members about other people from whom we could take oral or written evidence. We will not have met for three weeks, so a long meeting on 31 October should not bother us. We need to do this properly.

Bristow Muldoon: I am sure that members would not mind a long meeting about such an important issue.

The Convener: It will be Hallowe'en. If members wish to invite other witnesses or to receive other written evidence, they should contact Eugene Windsor and discuss it with him.

Mr Gibson: Paragraph 18, in the annexe to the paper, states:

"The Committee notes the differences of understanding between COSLA and the Executive regarding Section 94 consent, and would seek a definitive clarification on this matter."

Who will give that definitive clarification? The Executive, COSLA and the Executive's officials all appear to be giving different interpretations.

The Convener: Jack McConnell's letter, of which you will have a copy, has answered that.

Mr Gibson: I saw Jack's letter, in which he disputes how COSLA reached its view. Given the importance of the issue and the weight that COSLA has attached to it, we need a more detailed explanation of why COSLA disputes what the minister is saying.

The Convener: You can ask the minister that question when he appears before the committee. We can also ask COSLA to provide an explanation in its written evidence. I take the point that COSLA and the minister are saying two completely different things and that the matter must be clarified one way or the other. Kenny Gibson is right to ask who can provide definitive clarification—it may be the last person that we speak to.

Mr Paterson: Will the committee agree to some changes to page 5 of the paper? Paragraph 7 states, in relation to local government finance, that the committee

"understands the reasons as explained by the Minister."

That is not my recollection of the committee's view. I have never understood why the Executive has taken the position that it has. I have not met a single person in local government who thinks that there is no need for a review of local government

finance. I would like to delete

"and understands the reasons as explained by the Minister."

All we would have to do then would be to drop the word "also" in the next sentence, so that it would read, "The Committee accepts that some genuine efforts are being made". I think that some genuine efforts are being made—that has been explained to us—but I think that, although we would like to, we do not quite "understand".

The Convener: Allow me to clarify. Page 5 is part of annexe A to today's paper. The annexe formed our submission to the Finance Committee at stage 1, which the committee has already agreed.

Mr Paterson: God help me then. I missed that. I am sorry.

The Convener: If the issue comes up again, you will be able to ask about it, but that specific paper was agreed some time ago and has gone to the Finance Committee.

Mr Paterson: At least I have clarified my position on the record.

The Convener: You have. It is well and truly on the record.

Donald Gorrie: In response to Bristow Muldoon's points, which I accept, I want to clarify that I am not coming from the angle that we should be able to discuss soon how much Aberdeenshire or Perthshire should get. I want to be satisfied that money has been included properly for the McCrone recommendations. What exactly has been included for pay increases, and how will they be dealt with year after year? Will there be money for the less popular local government services? There is more money for services such as education, but in the past 10 years there have been consistent cuts in recreation, to take just one example. Are we assured that there will be no more cuts? I know that councils can make alterations, but I want to hear about the Executive's notional global division between services.

The Convener: I know that Jack McConnell is keen to speak to all the committees and will set aside as much time as he possibly can to do that. Those are the sort of questions that not only this committee, but other committees that are interested in service delivery, will ask him. When he comes to the committee, members will be absolutely free to ask him whatever they like.

Dr Sylvia Jackson: I want to support Donald Gorrie. We have heard COSLA's evidence about the amount of money that is needed to bring us back to the position that we were in a fair time ago. We need to find out how far we go along that

route. In a way, it is quite a systematic line of questioning.

The Convener: You are both coming from the same angle. Members will have plenty of time to ask those questions when the minister comes on 31 October.

I suggest that we take written evidence from COSLA on the impact of the Executive's statement. In particular, we will ask COSLA about section 94, so that we get separate written evidence on that. We will take oral evidence from Executive officials on resource accounting and budgeting. I suggest that we also take oral evidence from Professor Arthur Midwinter. He gave evidence at stage 1 and a continuum would be a good idea. We will also invite the Minister for Finance, so that members can put the questions that have been raised.

If that is agreed, I will take it forward for the meeting on 31 October. Be prepared for a long committee meeting. Are we agreed?

Members indicated agreement.

The Convener: I ask for the public to be excluded from the meeting now, as we will take the next item in private.

15:08

Meeting continued in private until 15:20.

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