

LOCAL GOVERNMENT COMMITTEE

Tuesday 25 February 2003
(*Afternoon*)

Session 1

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LOCAL GOVERNMENT COMMITTEE

7th Meeting 2003, Session 1

CONVENER

*Trish Godman (West Renfrewshire) (Lab)

DEPUTY CONVENER

*Dr Sylvia Jackson (Stirling) (Lab)

COMMITTEE MEMBERS

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

Tricia Marwick (Mid Scotland and Fife) (SNP)

*Dr Richard Simpson (Ochil) (Lab)

*Iain Smith (North-East Fife) (LD)

Ms Sandra White (Glasgow) (SNP)

COMMITTEE SUBSTITUTES

Robert Brown (Glasgow) (LD)

Angus MacKay (Edinburgh South) (Lab)

John Young (West of Scotland) (Con)

*attended

THE FOLLOWING ALSO ATTENDED:

Peter Peacock (Deputy Minister for Finance and Public Services)

Carol Sibbald (Scottish Executive Finance and Central Services Department)

CLERK TO THE COMMITTEE

Eugene Windsor

SENIOR ASSISTANT CLERK

Ruth Cooper

ASSISTANT CLERK

Neil Stewart

LOCATION

The Hub

Scottish Parliament

Local Government Committee

Tuesday 25 February 2003

(Afternoon)

[THE DEPUTY CONVENER *opened the meeting at 13:01*]

Item in Private

The Deputy Convener (Dr Sylvia Jackson): I welcome colleagues to this meeting of the Local Government Committee, which is starting earlier than usual. I ask the committee to take item 6, which is consideration of our draft annual report, in private. Is that agreed?

Members *indicated agreement.*

Subordinate Legislation

Ethical Standards in Public Life etc (Scotland) Act 2000 (Modification of Enactments) Order 2003 (draft)

The Deputy Convener: Item 2 is consideration of several pieces of subordinate legislation, which were sent out to members with the briefing papers. The first instrument is subject to the affirmative procedure, so we are joined by Peter Peacock, the Deputy Minister for Finance and Public Services, and his officials. I invite the minister to make an opening statement.

The Deputy Minister for Finance and Public Services (Peter Peacock): I welcome the opportunity to bring before the committee the draft Ethical Standards in Public Life etc (Scotland) Act 2000 (Modification of Enactments) Order 2003, which the Subordinate Legislation Committee considered on 4 February. As members will be aware, the Ethical Standards in Public Life etc (Scotland) Act 2000 put in place an ethical framework for councillors and members of devolved public bodies in order to promote high standards in public life. Members of the Local Government Committee were involved, through discussion on the bill before it became an act, in work on several aspects of the framework—for example, the approval of the code of conduct.

The order is one of several that are being made to bring the full provisions of the 2000 act into force on 1 May 2003. The order will remove the existing local government regime for councillors' declarations on being elected and the registration of interests. The order will also repeal aspects of the Further and Higher Education (Scotland) Act 1992 in relation to conflicts of interest and confidentiality. The 1992 act contains provisions on conduct that are different from those that we seek to bring into force.

I am pleased that we are able to trigger the ethical standards framework, which is an important development for delivering fair, open and transparent standards for those who make a significant contribution to public life in Scotland. I acknowledge that it has taken us much longer to get to this point than was initially anticipated. However, much vital groundwork has been undertaken. I am grateful to the members and staff of the Standards Commission for Scotland for the volume of work that they have processed since they were appointed in January 2002, particularly on the production and consideration of the devolved public bodies' codes, about which there have been many detailed discussions.

The Standards Commission has also undertaken a series of roadshows and meetings to engage with councillors and public body members, to ensure that they are fully aware of the implications and the operation of the new framework. The attendance at those sessions, and the feedback from them, have been positive and valuable. The commission has consulted on draft guidance, which will be finalised in the next month or so—probably in the month after next.

A large number of responses was received and the quality of the content was high. The commission is re-examining several aspects of the draft to ensure that outstanding issues are addressed. The commission must work within the framework of the codes and we need to allow time to assess their impact.

The Standards Commission has been involved in the production of the codes of some 140 public bodies. Each code has been subjected to careful scrutiny to ensure that it is consistent with the model code that has been approved by the Parliament and that there is a high degree of uniformity within and across the sectors. It is vital to those who serve on more than one public body that there are clear and consistent procedures in place for registering and declaring interests.

The fact that the new regime will be implemented from the date of the coming council elections will secure a clear demarcation between the two regimes and should avoid confusion. It will also remove the burden from councillors who would otherwise have had to register their interests under two separate regimes during the same period of tenure. Any councillor who breaches the code during their next term of office will be subject to investigation and sanction by the Standards Commission.

The order will also remove what would have been overlapping provisions for members of boards of management of further education colleges. The Further and Higher Education (Scotland) Act 1992 defined procedures for handling conflicts of interest and confidentiality of information. Although the FE system has been in place for more than 10 years, it is inconsistent in a number of ways with the new requirements in the model code that the Parliament has approved.

We have worked closely with the Association of Scottish Colleges, which has indicated that colleges are content to accept the proposed amendments to the 1992 act. We are grateful to the ASC and its members for their contribution to the development of a code for the FE sector. The ASC and the Standards Commission recently agreed to work on the production of guidance that is tailored specifically to the FE sector. Further guidance will be available to college board members shortly.

We believe that Scottish councillors, prospective councillors and members of those devolved public bodies that are covered by the 2000 act will be ready to fulfil their commitment to the new framework from 1 May 2003. I will be happy to answer any questions before I move the order formally.

The Deputy Convener: I am sure that we all welcome the order. Members can ask questions for clarification.

Iain Smith (North-East Fife) (LD): The minister will be aware that I have expressed concern about the provisions on planning matters in the code of conduct for councillors. I am concerned that because the code has been drawn up too tightly in that regard, councillors might be unable to represent their constituents on planning matters. That would mean that they would be unable to fulfil their prime duty. Has the minister had any discussions with the Scottish parliamentary standards commissioner about that? Is there any possibility that those provisions will be reviewed? I have received representations from a number of councillors in my party and I know that councillors in other parties have similar concerns. The matter will not be unknown to the minister.

Peter Peacock: I am aware of Iain Smith's point, as I have had the opportunity to discuss it with him in the past. I acknowledge his concerns about those matters. The standards commissioner is also aware of those concerns. I understand that there will be guidance on that specific issue. I assure Iain Smith that if the guidance fails to address the concerns that he and others have expressed, I will be more than happy to meet him to discuss the matter and to identify whether the Executive could take things forward. I am not closing the book; I am suggesting that we should wait and see what the guidance does to help with the situation. If the guidance is unsatisfactory, we can have further discussions.

The Deputy Convener: That is very important, as that was a key issue. As there are no other matters of clarification, I ask the minister to move the motion.

Motion moved,

That the Local Government Committee recommends that the draft Ethical Standards in Public Life etc (Scotland) Act 2000 (Modification of Enactments) Order 2003 be approved.—[*Peter Peacock.*]

Motion agreed to.

The Deputy Convener: I suspend the meeting, to allow for a change of officials.

13:09

Meeting suspended.

13:10

On resuming—

Water Undertakings (Rateable Values) (Scotland) Order 2003 (draft)

The Convener (Trish Godman): We now have a second piece of subordinate legislation to consider. I invite the minister to make his opening statement.

Peter Peacock: Thank you, convener. I now have more suitable officials with me. I am not sure what the collective noun is for a large number of Executive officials—it might be an army rather than an aggregation.

The draft order deals with the rating of one of the prescribed industries. Scottish Water has been consulted and is content with the order, which is required to take account of changes in the water industry that are consequential to the implementation of the Water Industry (Scotland) Act 2002. Part 3 of the 2002 act provides for the establishment of Scottish Water as the successor to the three water and sewerage authorities that were established by the Local Government etc (Scotland) Act 1994.

Scottish Water took up rateable occupation of the lands and heritages previously occupied by the three water authorities with effect from 1 April 2002. The draft order before the committee today makes provision for the valuation of certain lands and heritages occupied by Scottish Water for the financial year 2002-03 and the two following years, prescribes the rateable value of those lands and heritages, and apportions the prescribed figure among local authorities. The effect of the order will be to ensure that Scottish Water will be billed for the rates payable for the lands and heritages that are occupied by the company from 1 April 2002.

I am happy to answer any questions before formally moving the order.

The Convener: Thank you. Are there any questions for the minister?

Mr Keith Harding (Mid Scotland and Fife) (Con): I have a point that I would like clarified. I also declare an interest as a member of Stirling Council. When we consider the amounts that are apportioned to councils, I am intrigued to know why Stirling Council will receive almost as much as City of Edinburgh Council.

Peter Peacock: That is an extremely good question. I will ask my officials whether they have any clue as to the answer. If they do not, I will give Mr Harding an answer in writing. Presumably it must be to do with the location of works within Stirling Council's boundaries that might serve other areas. Perhaps the member for Stirling could help.

Dr Sylvia Jackson (Stirling) (Lab): I am sure that you are correct.

Peter Peacock: We will come back to Keith Harding with clarification on that specific point.

The Convener: As there are no questions, and no one wants to debate or speak against the order, I invite the minister to move the motion.

Motion moved,

That the Local Government Committee, in consideration of the draft Water Undertakings (Rateable Values) (Scotland) Order 2003, recommends that the Order be approved.—[*Peter Peacock.*]

Motion agreed to.

Non-Domestic Rating (Petrol Filling Stations, Public Houses and Hotels) (Scotland) Order 2003 (draft)

The Convener: We now have a third piece of subordinate legislation to consider. Again, the order is subject to the affirmative procedure, so I invite the minister to make an opening statement.

Peter Peacock: I have little to say by way of introduction. As members will be aware, in December 2001, Andy Kerr announced a package of rate relief measures for small businesses and rural communities. Implementation of the rural rate relief measures required a mixture of primary and secondary legislation. Members will recall that the Local Government in Scotland Act 2003 contains a number of rural rating provisions.

The order extends the scope of the existing rural rate relief scheme, which applies to village shops, to cover petrol stations, public houses and hotels. The Executive recognises the continuing concern about the threat to services in small rural communities. The order will add petrol stations, public houses and hotels to the category of premises that attract 50 per cent mandatory relief under the rural village shop rate relief scheme. That is a positive approach to the needs of rural areas in Scotland and a positive response to the recommendations in the Scottish national rural partnership's report "Services in Rural Scotland" on rate relief for rural businesses that provide important services in rural areas.

I am happy to answer questions before I move the order formally.

13:15

Iain Smith: I will take the opportunity to raise a pet hobby-horse of mine, which is the definition of the term "rural". I welcome the extension of rate relief to other rural business, but concern remains that there has not been a review of what is defined as rural since the previous census, even though the new census material is available. When will

such a review be carried out? The question that I have asked previously is whether institutions that happen to be in or near a rural community will be taken into account in deciding what is rural. We should not have the ridiculous situation in which a large hospital is taken into account in deciding whether a village is rural, particularly given that, in 10 years, the hospital might no longer be there or no longer be large.

Dr Jackson: In addition to answering Iain Smith's important point, will the minister remind us whether other orders have been introduced to give rate relief to businesses other than petrol filling stations, public houses and hotels?

Peter Peacock: The issue of how to define a rural area will be reconsidered with the General Register Office for Scotland following the census results to which Iain Smith referred. As a result of Iain Smith's comments, we have registered the point about the threshold in the current definition of a rural area being exceeded by virtue of the fact that there is a regional or wider area institution in a community. That issue will be considered as part of the review process.

Sylvia Jackson asks about other statutory orders. The Local Government in Scotland Act 2003 makes provision for small food stores and, as I recall, for other matters such as automatic telling machines in rural areas. The present order adds to the existing provisions for rural areas by adding filling stations, public houses and hotels to the category of premises that receive rate relief.

Dr Jackson: Have the other orders that you mention been approved, or are we waiting for them?

Carol Sibbald (Scottish Executive Finance and Central Services Department): We required to make provision in primary legislation to cover small food stores because of the definition that was being used for them, which was similar to that for general food stores, which are already part of the scheme. That means that a separate order is not required for small food stores.

It was possible to add petrol filling stations and hotels by secondary legislation. As our note on the order mentions, we will produce orders under the negative procedure to deal with the rateable value threshold for those categories of premises. Those are the only other orders that will come before the committee on the issue.

Motion moved,

That the Local Government Committee, in consideration of the draft Non-Domestic Rating (Petrol Filling Stations, Public Houses and Hotels) (Scotland) Order 2003, recommends that the Order be approved.—[*Peter Peacock.*]

Motion agreed to.

13:18

Meeting suspended.

13:19

On resuming—

Taxi Drivers' Licences (Carrying of Guide Dogs and Hearing Dogs) (Scotland) Regulations 2003 (SSI 2003/73)

The Convener: The regulations, which are to be considered under the negative procedure, were issued some time ago and no comments have been received on them. However, the Subordinate Legislation Committee considered the regulations at its meeting last Tuesday and sought clarification from the Executive as to why they are necessary. The Subordinate Legislation Committee considered the regulations again this morning and a copy of its deliberations has just been circulated to members. Members also have a copy of a letter to me from Peter Peacock, which explains the background to the regulations.

Do members have any comments?

Iain Smith: The Subordinate Legislation Committee's report draws attention to the fact that the Executive has not indicated

"that the instrument is to be made available free of charge to those who bought copies of the earlier instruments".

I see no reference to that matter in the response from the Executive. Should we highlight that point?

The Convener: We will put that point in our report and ask the Executive to provide the instrument free of charge to those people.

Apart from that point, do members agree to make no recommendation on the regulations?

Members indicated agreement.

13:20

Meeting continued in private until 13:30.

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