



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

LOCAL GOVERNMENT AND REGENERATION COMMITTEE

Wednesday 23 April 2014

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Wednesday 23 April 2014

CONTENTS

	Col.
FLEXIBILITY AND AUTONOMY OF LOCAL GOVERNMENT	3359

LOCAL GOVERNMENT AND REGENERATION COMMITTEE
11th Meeting 2014, Session 4

CONVENER

*Kevin Stewart (Aberdeen Central) (SNP)

DEPUTY CONVENER

*John Wilson (Central Scotland) (SNP)

COMMITTEE MEMBERS

*Cameron Buchanan (Lothian) (Con)

*Mark McDonald (Aberdeen Donside) (SNP)

Stuart McMillan (West Scotland) (SNP)

*Anne McTaggart (Glasgow) (Lab)

Alex Rowley (Cowdenbeath) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Councillor Michael Cook (Commission on Strengthening Local Democracy)

Susanne Eriksson (Secretary General to the Parliament of Åland)

Harry Jansson (Member of the Parliament of Åland)

Axel Jonsson (Member of the Parliament of Åland)

Professor Richard Kerley (Commission on Strengthening Local Democracy)

Louise Macdonald (Commission on Strengthening Local Democracy)

Councillor David O'Neill (Commission on Strengthening Local Democracy)

Stewart Stevenson (Banffshire and Buchan Coast) (SNP) (Committee Substitute)

Adam Stewart (Commission on Strengthening Local Democracy)

CLERK TO THE COMMITTEE

David Cullum

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Local Government and Regeneration Committee

Wednesday 23 April 2014

[The Convener opened the meeting at 09:30]

Flexibility and Autonomy of Local Government

The Convener (Kevin Stewart): Good morning and welcome to the committee's 11th meeting in 2014. I ask everyone to ensure that they have switched off mobile phones and other electronic equipment. I have received apologies from Stuart McMillan and Alex Rowley. We are joined by Stewart Stevenson, who is substituting for Mr McMillan. You are more than welcome, Stewart.

Do members have any interests that they wish to declare in advance of the session this morning?

Members indicated disagreement.

The Convener: Agenda item 1 is the first oral evidence session of our inquiry into the flexibility and autonomy of local government in Scotland. The written submissions that we have received as part of the inquiry have been published on our website. During the first week of the Easter recess, Anne McTaggart, Mark McDonald and I undertook a three-day fact-finding visit to Germany, Denmark and Sweden to examine how local government operates in those countries. A report of that visit will form part of our inquiry report in due course. I thank the clerks for putting together that trip, which was an exceptional programme. I also thank our hosts in all three countries, who welcomed us and provided us with lots of information.

For today's meeting, we have two panels of witnesses. Our first panel is joining us live from Mariehamn in Åland via conference link and represents the Parliament of Åland. We need to conclude this session within the hour as our colleagues in Åland have a plenary session to attend after they have given evidence to us. I welcome the members from Åland and ask them to introduce themselves. I am Kevin Stewart, convener of the committee. We are most grateful to hear from you this morning.

Harry Jansson (Member of the Parliament of Åland): Good morning. It is nice to hear from you. I am a member of the Parliament here in the Åland Islands. I have been a member since 2007. I am also a member of our committee for constitutional affairs, as set out in the Act on the Autonomy of Åland, and a member of the joint committee with

Finland. We are developing a new autonomy system.

Axel Jonsson (Member of the Parliament of Åland): Good morning, Scottish fellows. I, too, am a member of the constitutional committee and the committee that is negotiating on the new autonomy act. I am also the party leader of the Åland Islands equivalent of the Scottish National Party—the Åland Progressive Group. It is very interesting to discuss with you these important issues.

Susanne Eriksson (Secretary General to the Parliament of Åland): Good morning, ladies and gentlemen. I am the Secretary General of the Åland Parliament.

The Convener: Thank you. I am well aware that I sometimes speak rather quickly. If I start doing that, let me know. I am from the north-east of Scotland and unfortunately we sometimes talk very fast.

Ms Eriksson, I understand that you will start by giving us a brief overview of the autonomy that exists in Åland.

Susanne Eriksson: Yes. I understand that the committee has the Act on the Autonomy of Åland. I will start with a short introduction to the act because it is the foundation of the autonomy of Åland. The act is the most complicated law in Finland because it is passed by the Parliament in Helsinki and, in addition, there is the need for the consent of the Åland Parliament. The act is dividing power between Åland and Finland; it is a safe system but it is not very easy to amend, which means that the division of power can never be changed without an agreement between the two Parliaments.

The division of power is described in the Act on the Autonomy of Åland, in two sections, more or less. In section 18, we find all the fields of competence of Åland. That section sets out what belongs to Åland concerning legislative power and administration of the areas concerned. It is more or less the case that Finland has no say on those areas.

Everything that belongs to the internal affairs of the Åland Islands belongs to the Parliament of Åland. That includes education, social and health care, culture, environmental protection, traffic, the postal service, radio, television and matters concerning municipalities. The rules concerning the 16 municipalities on Åland belong to the Åland Parliament, which has the power to decide how many municipalities there should be on Åland and what power should be transferred to them. We have quite a lot of municipalities—16—compared with Sweden and the rest of Finland but, on the other hand, the municipalities on the Åland Islands, according to our laws, do not have exactly

the same power as the municipalities on the mainland. On Åland, healthcare and education for pupils between 16 and 18 belongs to the Government of Åland, rather than to the municipalities. The laws on municipality-level taxation also belong to our Parliament. That is the only taxation that we still have. You will hear more about that later.

In section 27 of the Act on the Autonomy of Åland, we find all the competences that belong to the Parliament of Finland. We can more or less say that they are the rest—the powers that I did not mention when listing those of Åland. Competence for foreign affairs also belongs to Finland. That does not mean, however, that we have no influence concerning international treaties. When Finland goes into an international treaty that has an effect on our field of competence, there is a need to have the consent of the Åland Parliament for that treaty also to be valid on the Åland Islands. That happens about 20 to 30 times a year. The President of Finland, through the Governor, who has a special position in our autonomy system as a person in between the state and the Åland authorities, brings international treaties over to the Parliament, and the Parliament gives its consent—more or less as a rubber stamp—easily and with no complications.

However, when Finland started to negotiate with regard to the European Economic Area treaty, and later on European Union membership, section 59 of the autonomy act put Åland into a negotiating position. Åland politicians decided that Åland should join Finland in the EU, but on certain conditions, which are contained in a protocol to the accession treaty between Finland and the other member states.

That protocol says that Åland is to be a so-called third country when it comes to indirect taxes. That was the technical solution that was chosen to make it possible to go on with tax-free selling on the ferry boats in traffic between Åland and Sweden and between Åland and Finland because this is a society that, to a very great extent, depends on shipping—not on fishing or tourism. We already knew that the tax reselling in the internal traffic within the EU was supposed to disappear in 1999. That is why we needed that solution.

Just as important is that the protocol on the Åland Islands in the accession treaty says that Åland should be able to continue with our special rules, which is very close to autonomy. For instance, we can demand what is called the right of domicile of people who want to buy land and establish themselves on Åland. People get the right of domicile either if they are born Ålander or after five years of residence if they move into Åland, which is quite a long time.

The Convener: Thank you very much. I understand that Mr Jansson is going to talk about some of the financial powers of Åland.

Harry Jansson: We currently face a very weak position in the Åland system, at least from our political point of view, because the main power that is connected to taxation is still vested in the powers of the Government and the Parliament in Helsinki. The system is quite complicated, as the Finnish state collects all the taxes here on the islands. We can decide the level of the municipality taxation. That means that our own laws, passed by our own Parliament, decide the conditions for the municipalities to follow when the percentage of the tax is decided on. However, our only other power of taxation is that we can also levy additional taxes here on the islands. You will understand that additional taxes would just be an extra burden for our population, for companies and so on.

Our financial management is therefore mainly directed from Helsinki. To put it simply, the taxes that the Finnish state collects go into the Finnish state budget and then we get what you might call repayment annually to cover our expenses. We are now trying to change that situation; my colleague Axel Jonsson will talk more about that. We no longer accept that we do not have any powers to make any economic impact on our society.

Otherwise, everything here is governed in detail by our own Government because we have the freedom to administer our budget. It might sound a bit surprising to you when I say that that is progress, but before 1993 the Finnish state—after a budget year was completed—examined every penny that was used here on the islands to see whether we had used the money in the same way as the Finnish state had done. It was a system that was based on supervision in every sense. That is why we have been pleased just to have this budgetary freedom for the past few years, but no longer. That is why we are now trying to achieve some new goals when it comes to economic power.

09:45

If you will allow me, convener, I want to make a general remark. I find it very interesting that you are trying to develop an internal Scottish system of autonomy or local government. I am sure that you will be aware of this, but when you look at other existing models, you have to bear it in mind that each of them has its own unique background. The Åland solution, for example, was based on a conflict; we wanted to be a part of Sweden, but the Finns could not accept that choice. Although we have had more than 90 years' experience of autonomy, our system is still not perfect, and you

will find that it contains a number of conditions that you will not want to adapt for your own system. I think that you will be able to see what those are when you take a closer look.

Finally, I just want to say that, a few years ago, I visited the Shetland Islands to take part in a seminar on the issue that you are dealing with today, and Mr Pettersson, a colleague of mine from the Åland Centre party, of which I am the leader in the Åland Islands, represented the Åland Parliament at a similar seminar last year. We are happy to assist you in any way you want.

The Convener: Thank you very much, Mr Jansson. We turn to Mr Jonsson, who I believe is going to talk about the on-going development of autonomy.

Axel Jonsson: As my colleague Harry Jansson pointed out, the system of autonomy that we live with is not perfect, which is why we are working to develop it. The basis of the demands from the Åland Islands is that we want a more flexible system. As Ms Eriksson said, although our autonomy is secure, our system's flexibility is very limited. Any change that we want to make to the Act on the Autonomy of Åland has to be passed by two Parliaments after elections; because of the very complicated process for changing the act and giving the Åland Parliament more powers of competence, our autonomy is actually very underdeveloped and our powers of competence are very limited compared with those of other European and international autonomous areas. We see that Scotland, for example, has made progress over the past 20 years but, over the same period, more or less nothing has changed in the Åland Islands. A lot of things have changed around us—for example, we joined the European Union in 1995—but the Act on the Autonomy of Åland is more or less the same as it was 20 years ago.

The fact that the outside world has been changing faster and faster is a growing problem, and we want a more flexible system in order to meet tomorrow's challenges. Obviously, we cannot know what all those challenges will be, but I note that we are already seeing economic challenges. To be straightforward about it, we get a percentage of the Finnish state budget, and Finland is doing quite badly economically.

In the past few years, the Åland Islands have done quite well in economic and industrial terms, but because the Finnish economy is doing very badly, we have had to cut our public expenditure because our income is decreasing even though our economy as a whole is doing okay. It is a problem explaining to Åland islanders why that should be so. Many people are questioning the system. When Finland is doing well economically, we get an okay amount of money. This is probably

the first time that Finland has gone through bad economic times over a longer period, and that is affecting society in the Åland Islands in a very strange way, because of the strong link to the Finnish economy that exists in our budgetary system.

As has been mentioned, language protection lies at the core of the autonomy of the Åland Islands. When Åland wanted to be part of Sweden in 1921, the decision by the League of Nations could be justified in international law only by virtue of the fact that, at the time, Finland was a bilingual state, in which Swedish and Finnish were spoken to an equal extent. Although in theory—under its constitution—Finland is still a bilingual country, in practice many things have changed since 1921. That has created many problems for the inhabitants of the Åland Islands. Since protection of the Swedish language is at the core of our autonomy, that is a good argument for us to put forward in the negotiations for a new autonomy act. When we speak to Finnish authorities and they cannot answer us in Swedish, even though we have the right to communicate with them in Swedish, that is a great problem for our inhabitants. Therefore, we want a more flexible system, not only for the economy, but to deal with the language situation. We want to be able to create our own authorities and systems in which inhabitants of the Åland Islands can get public services in Swedish. That is also important for our autonomy as a whole from a historical perspective.

Last November, negotiations began in a committee involving Finnish parliamentarians and members of the Åland Parliament. We are negotiating what kind of system we want to have; any change will apply from 1922 onwards. As I mentioned, the Act on the Autonomy of Åland has to be changed by two Parliaments, with an election in between. That is why we aim to have a changed act, which will apply from 1922.

We have reached a central part of the negotiations, in which we are discussing the most important parts of the new autonomy system. We are having very hard negotiations on that topic. To summarise the demands of the Åland islanders, we want to be able to take on new powers through a decision by the Åland Parliament, without having to involve the Finnish Parliament. We want to move away from today's system, in which the Finnish Parliament has the final say on moving an area of competence from Finland to Åland. We want to be able to do that by ourselves.

We do not demand that for all areas of competence; we demand it for all areas except those that lie at the very core of sovereignty, such as security and defence policy, currency and monetary policy, the Supreme Court and foreign affairs.

We want to have the full capability to create working tax autonomy. We believe that autonomy without tax competence is not really autonomy, if you look at it from an international perspective. We also want the ability to make our own international agreements on topics within our areas of competence. Today, we can agree with international agreements that Finland makes with other states but we also want to make our own international agreements in the new system. We want a flexible system that enables us to take powers to the Åland Parliament in order to meet the challenges of tomorrow.

As I mentioned before, my party is working for full independence but while we are waiting for the other parties to realise that we should decide on our own future, we are working with them to develop autonomy in the right direction.

That is, in short, what the challenges for the future look like today.

The Convener: Thank you. We will now move to questions.

Anne McTaggart (Glasgow) (Lab): Good morning. Thank you for those informative contributions.

I was one of the party who went out to Germany, Denmark and Sweden last week—actually, it was two weeks ago now; it seems pretty long ago. When we were there, we asked about the formal procedures for dealing with any grievances. Do you have any formal procedures for dealing with grievances?

Harry Jansson: Could you explain the word grievances to us? It is unfamiliar to us.

Anne McTaggart: Disagreements.

The Convener: Tensions, arguments, disagreements—how are they dealt with?

Harry Jansson: At the beginning of autonomy, a special body was organised, called the Åland delegation. It is under the influence of the President, but is independent with regard to the way in which it deals with Ålandic matters. For instance, if we need extra grant money, because we need to make a big investment in something, we can apply for a special grant from Finland. It is so strong that it can decide on its own that Åland can have that extra sum of money. That body also has the power to control laws that are passed by Parliament. It is the first level of control. It ensures that we have used our authority and competence in the right way. It is a very strong body. Can we call it a body that arbitrates?

Susanne Eriksson: Yes.

Harry Jansson: Yes, because it has representatives from both Åland and Finland.

Susanne Eriksson: The system is very legalistic. Laws that are passed by the Åland delegation can be referred to the Supreme Court of Finland and, after that, to the President of Finland, who can veto them. However, that can be done only if we are stepping into the legislative competence of Finland, not because the Parliament has passed a law that, from a political point of view, Finland does not like. The veto can be used only in relation to strict legal points.

You can read more about the Åland delegation in chapter 8 of the Act on the Autonomy of Åland. Chapter 7 explains the issue of the lump sum that we get back from Finland, which was mentioned earlier.

10:00

Harry Jansson: I have one more general remark. If you create a system in which you transfer some decision-making powers—or whatever you call them—to local government via a local Parliament or council, it is very important that you have an independent body that can take decisions when there is conflict at the table. There will be conflict between the state and local government, that is for sure.

The Convener: Thank you—that is very useful.

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): Section 59a of the legislation that governs your operation relates to the preparation of national positions that are taken to the European Union and the European Council. It states:

“If the positions of Åland and the State cannot be harmonised in accordance with this Act in a matter falling within the powers of Åland, the position of Åland shall on the request of the Government of Åland be declared when the positions of Finland are being presented in the institutions of the European Union.”

Are you able to indicate how often that happens? Is the fact of the provision being in the legislation sufficient to ensure that it happens rarely?

Harry Jansson: That last remark was very elegantly put by you, sir. That is how the provision functions. Before we included it in the Act on the Autonomy of Åland, we had difficulties, but since we amended the law, such problems rarely arise.

You should also have a look at the provision that deals with the Court of Justice in Strasbourg. Before we managed to make the amendment that enables us to have a defence before the court, we had problems. In some cases, the Finnish state more or less refused to defend the islands in the court, so we felt quite defenceless at that time. That provision has been a very important element for us since we entered the European Union.

Stewart Stevenson: Do you have the right of appearance as part of the Finnish delegation that enables you to speak directly at council meetings of one sort or another in Europe?

Harry Jansson: Yes, we have that right, but we are still dependent on the Finnish chairman, who is usually the minister in charge of the Finnish delegation, deciding that all the representatives may speak. We are still more or less dependent on that kindness, if I can put it in that way. Ålandic ministers have taken the floor—

Susanne Eriksson: Not very often.

Harry Jansson: No, not very often.

Cameron Buchanan (Lothian) (Con): Good morning. I have been to Mariehamn, and I noticed that Swedish, rather than Finnish, seemed to be the main language spoken there. We went there because the boats that go from Sweden to Finland are duty free. If you have the agreement for independence, will that duty-free arrangement, which seems to be a major factor for tourism, stop?

The Convener: That question is a bit out of sync with our inquiry, but if the witnesses want to answer it that is fine.

Axel Jonsson: As we said, our relationship with the European Union does not change with independence. The Åland protocol is still the same, and we are outside the tax union, so nothing changes with regard to tax-free traffic.

Harry Jansson: It is a bit more complicated than that. If Åland becomes an independent state, our position in relation to the European Union would have to be renegotiated, and the protocol would be scrutinised by the European Commission and by all members of the EU.

Cameron Buchanan: Is the main language spoken in Åland still Swedish, or is it Finnish?

Susanne Eriksson: I should have mentioned that Åland is the only unilingual—Swedish speaking—part of Finland. There is a central section of the Act on the Autonomy of Åland that states that the Finnish authorities should deal with the authorities in Åland in Swedish.

As Mr Jonsson said, however, the Swedish that is spoken in the rest of Finland is in practice becoming more or less a private language that is used in private life. The authorities and companies are becoming more and more Finnish speaking. It will be harder for Finland to fulfil its obligation under the act that its authorities should communicate with us in Swedish.

Mark McDonald (Aberdeen Donside) (SNP): Good morning. I have been looking at figures for the number of businesses that are located in Åland and comparing them with figures for the

island communities in Scotland. I note that the population of Åland is very similar to that of the Western Isles in Scotland, yet there are almost twice as many businesses in Åland. Is that because you are able to take specific economic development decisions in Åland? Have you put in place specific policies to grow the number of businesses in the islands?

Axel Jonsson: Even though we do not have full tax competence, we have powers as part of the industrial policy, so we have some instruments to improve our businesses. We have so many businesses on Åland because they are mostly small family businesses. I think that 90 per cent of businesses have between one and four employees or are just one-person companies with no employees.

Harry Jansson: We are still able to support different types of businesses, but the framework consists of the programmes that are made in connection with European Union, which governs everything in detail. That is a lesson for you to bear in mind: if you try to enhance any kind of local government, you must always have the EU question in your mind and ask how any decision will affect life as a member of the European Union. There is also the question of state aid and how the European Commission in Brussels will react if you start to support any sort of government or business that is not included in one of the accepted programmes.

Susanne Eriksson: Åland is situated in a very strong economic area between Stockholm and the south-west of Finland, which includes Helsinki, and we are taking advantage of that. That strong economic area has formed a spirit of entrepreneurship on the Åland Islands over many years.

Axel Jonsson: The most important thing for our strong economy is the tax derogation from the European Union. It is important not only for the tax-free ferry traffic but because the tax-free traffic provides our small companies with cheap transportation between Sweden and Finland. Without that transportation, we would probably not have many companies. The derogation is important not only for the shipping industry but for the economy as a whole.

Mark McDonald: I understand that the Åland Islands have significant renewable energy potential, which they share with the islands and island communities of Scotland. How are renewable energy projects being developed in Åland? Are the policies on that exclusively within the competence of the Åland Islands, or do you have to work closely with the Finnish Government to develop such projects?

Harry Jansson: That area is under the total control of the Åland Parliament and Government. The problem now is that, because of low energy prices, windmill companies are having a quieter, problematic existence. It is not that easy for our Parliament to support those companies in this difficult period.

Just two years ago, 25 per cent of total energy production came from our windmills. We were very happy to have progress in that area. Now, we are down at 20 per cent, which is due to the fact that we cannot support the companies, which are now having quite severe problems. We are trying to generate co-operation with Finland in this regard, but Finland has so far been reluctant to have Ålandic windmill producers within its very generous system of support for renewable energy.

The Convener: You talk about windmill producers. Are turbines actually being built in Åland? Is that what you are saying? Are windmills actually being manufactured in Åland?

Harry Jansson: No, I am afraid not.

Susanne Eriksson: They are producing electricity.

The Convener: So it is the subsidy for electricity production that you are having a problem with.

Harry Jansson: Yes.

John Wilson (Central Scotland) (SNP): Good morning. Mr Jonsson indicated that there were difficulties with the redistribution of the tax that is raised in Åland by Helsinki. Does all the national tax go to Helsinki? How is funding then redistributed to Åland?

Susanne Eriksson: The Act on the Autonomy of Åland states that 0.45 per cent of the income of Finland should go back to the Åland Islands. It does not matter how much we pay to Finland—that is fixed under section 47 of the act. That is why Mr Jonsson said that, even if the economy of the Åland Islands is running very well, we do not get more money back, but we depend on the economy of Finland.

John Wilson: You depend on Finland to decide how much money the Åland Islands should get as a budget.

Susanne Eriksson: No—it is specified in the autonomy act that the level is 0.45 per cent of the income in the Finnish budget, but we depend on how big the Finnish budget is.

John Wilson: The act specifies a fixed amount, no matter how much Åland contributes in tax take to Finland.

Axel Jonsson: Yes, that is right.

John Wilson: There has not been any attempt to change that section of the act. Does Finland resist changing that section?

Axel Jonsson: That is right.

Harry Jansson: There is also a parallel system. When we produce more than 0.5 per cent of Finnish income through direct state taxation, we receive the excess. If we produce more than 0.5 per cent, the extra money goes back to the Åland Islands, so it is a tax redistribution. It has been very important to us. Since the Act on the Autonomy of Åland came into force in 1993, we have been able to receive extra money every year because, on average, our business has done better than Finnish business. It has been a very important source of income and it has encouraged our Government to take action that has been good for business.

10:15

John Wilson: And good for Finland as well.

Harry Jansson: Indeed.

John Wilson: You mentioned earlier that the municipalities have their own tax-raising powers. How much of their income can they raise at a local level?

Harry Jansson: There is no limit in law, so they can raise 10, 15, 20 or 30 per cent of their income. The Parliament passes laws stating only the special terms for municipal decision. For example, anyone who travels on the islands to and from their work can have a discount—I do not know the proper word—on their taxation. The inhabitants are allowed to have such discounts. The Parliament decides what kind of benefits the population in a municipality should have, but the local council decides the level. For example, there is one municipality on the Åland Islands whose municipal tax rate is 16.5 per cent, and the highest rate on the islands is 19.5 per cent in a small municipality.

Susanne Eriksson: There is a small competition.

John Wilson: How much of the all-in money that the Parliament receives from Finland is redistributed to the municipalities?

Harry Jansson: From an all-in budget of about €340 million, we transfer about €35 million every year to the municipalities.

John Wilson: Thank you.

Stewart Stevenson: I have a brief question on the back of that. Section 50 of the Act on the Autonomy of Åland gives you the power to issue bonds and take out other loans. To what extent

have you exercised that power and how useful is it to you?

Harry Jansson: We have never used that right to finance our system with bonds. We are quite happy to state that we do not have any loans, so the Åland Government is not in debt. That is thanks to our having a more responsible policy in the days when our islands were doing very well economically. We were able to save in a special fund, which we have used for the bad times that we have had since 2008.

Stewart Stevenson: How much is in your special fund? You receive €340 million a year from Finland, so how much is in your special fund?

Harry Jansson: It was €50 million, but we have used it now. The last of the money has now gone, but we have extra liquid money.

Cameron Buchanan: In your Lagting—the Parliament—what influence does the Finnish MP have who comes over to represent Finland's interests? And, vice versa, do you have somebody from the Åland Islands who goes to the Finnish Parliament?

Susanne Eriksson: Yes, as is set out in the act. However, the Åland member in the Finnish Parliament represents the Åland voters in matters that are not covered by the autonomy of Åland, which is our democratic way of having some influence on the laws that the Parliament of Finland passes and which are valid on the Åland Islands. On issues that relate to the autonomy of Åland, the Åland voters are represented only by the Åland Parliament.

Power is therefore divided between the two Parliaments. They never meet and, in a formal sense, the Åland representative in the Finnish Parliament has nothing to do with the Åland Parliament. However, political connections are always being made and discussions are always going on, and the Åland MP in Helsinki functions like an Åland Islands ambassador, door-opener and whatever. There is no formal connection between the two Parliaments.

The Convener: Are you as a Government able to form and manage companies? If so, where do the profits go?

Harry Jansson: Are you talking about the Government creating its own companies?

The Convener: Yes.

Harry Jansson: That is a possibility, but we are very reluctant to take such measures. What has been very beneficial for the whole of the Åland population was our ability to establish in the 1970s a slot machine association, which in modern days has been very successful in internet gambling, internet poker and so on. That company is vital to

our economy, and, indeed, it is quite extraordinary for such small islands to be very successful in internet gambling. It is not something that we are very proud of, but it is very important to us: the company employs 200 people on the islands and last year provided the Government here with an income of roughly €20 million.

The Convener: Is the company privately owned, or does the Government have shares in it?

Harry Jansson: It is owned by the Government. It was founded by some private organisations that were involved with charity and other aspects of public life, but it is governed by our laws and, in that sense, by the Government itself. That is also why all the income from it goes into our budgets.

The Convener: It would be most interesting to get more detail on that matter. The committee clerks will write to you about it.

Do the 16 municipalities on the Åland Islands have the right or ability to form companies?

Harry Jansson: The right of municipalities to run businesses is quite restricted under the law that governs them. A municipality has a general authority to act. However, although it will be able to form a company, any such company should be for public use. In other words, the municipality is not able to create a publicly owned company that deals with any commercial matters. It has to produce a general good for the public, and it cannot make money or compete with traditional companies.

The Convener: You have said that before 1993 your budget and finances were scrutinised much more by the Finns. Can you give us more detail about the changes that were made at that point to give you more freedom than you had prior to 1993?

Susanne Eriksson: The crucial thing was the third Act on the Autonomy of Åland, which took effect on 1 January 1993. Its main change was that it gave us more economic freedom. As Mr Jonsson has said, until 1993 our budget had to be a mini-copy of the Finnish budget; after that, we had the right to decide not on the income for our budget but on how we could spend the money in it.

The Convener: Is it fair to say that you were allowed to spend the money on your priorities rather than what had been Finnish priorities?

Harry Jansson: Exactly.

Susanne Eriksson: Indeed. The needs of the Ålanders are not the same as those in Finland. For instance, the Finnish economy depends to a very great extent on forestry, and the forestry industry is very important there, but it is the shipping industry that is important on the Åland Islands, and

the Åland economy is also to a great extent a service-based economy. Until 1993, the kind of budget that could and should be used as a political instrument was missing in Åland.

The Convener: Thank you very much. Your evidence has been most useful to the committee. I realise that you have other business to attend to this morning, and we are grateful that you have taken time out to talk to us. The committee clerks might well follow up with further questions by email, but I hope that you have a good day in Åland.

10:27

Meeting suspended.

10:35

On resuming—

The Convener: I welcome to the meeting our second panel, who are attending in their capacity as members of the commission on strengthening local democracy in Scotland. They are Councillor David O'Neill, president of the Convention of Scottish Local Authorities and chair of the commission; Councillor Michael Cook, vice-president of COSLA; Professor Richard Kerley, professor of management at Queen Margaret University; Louise Macdonald, chief executive officer of Young Scot; and Adam Stewart, from the secretariat to the commission.

Councillor O'Neill, do you have any opening remarks?

Councillor David O'Neill (Commission on Strengthening Local Democracy): Yes, thank you. The red light on the microphone has just come on, which confirms that I do not need to press any buttons and that someone does that for me, which is good.

I am very pleased to be back here with other members of the commission on strengthening local democracy. Our job today is to share an update about our work and to provide a flavour of the views and evidence that we have received. We have provided you with an advance copy of our interim report. I am sure that you will have questions but, before we get started, I will say a few words about where we are and what we have learned so far.

First, thank you for inviting us back. We have been working hard since we last saw you and I am sure that all the commissioners here will want to share their perspectives with you. I am very pleased that you have begun an inquiry into the flexibility and autonomy of local government. It is really encouraging that wider thinking about local democracy is happening in a number of places.

That is a good thing; indeed, there is space for everyone to do that.

As chair of the commission, I am actively trying to work with as many people as possible. That is important to do because this is a crucial time for democracy. The debate about Scotland's future is becoming ever more hotly contested and passionate but, up to now, much more has been said about decentralisation to, rather than in, Scotland.

Through our work, it has become clear that people are really interested in another dimension, which is how they can have a stronger say over the decisions that affect them and their communities. It is also becoming clear that local decision making is perhaps the best way to improve outcomes. Therefore, the commission has been about local people and communities, and exploring whether a more local approach can transform inequalities and communities.

Secondly, we are working in two phases. The first phase is drawing to a close. It has focused squarely on listening to evidence about local democracy and what might be achieved in the future. Over the past few months we have been on an intensive journey. To give you a flavour of that journey, we have analysed more than 200 written responses to our call for evidence; delivered a programme of 13 evidence panel sessions, involving 70 witnesses from across Scotland, the United Kingdom and Europe; conducted a telephone survey with more than 1,000 households; and held five public listening events with different communities of interest to hear their views first hand.

It has been a mammoth task. Altogether, about 2,000 people have been directly involved, with thousands of others tuning in. We have webcast all our evidence sessions, we have used social media and we have worked with organisations such as the University of Edinburgh and Ipsos MORI to get their expertise. Everything is being made available on our website for scrutiny and we will continue to apply those principles.

What have we found? Put simply, local democracy is under pressure. A 50-year centralist trend has made local democracy large scale, remote and depowered. It is significantly out of step internationally. That has led to a mindset that hangs on to powers and resources rather than empowers individuals and communities. Part of that has meant that we have tried to fix problems with a top-down approach and a view that big is always beautiful.

The whole system is struggling to improve outcomes and reduce inequalities in Scotland because those occur at a very local community level. There is often a worrying them-and-us

culture in the wider framework of democracy, which is leading to a loss of trust, confidence and participation in democracy.

The good news, however, is that it does not need to be that way. A much more empowering approach is possible and is already being taken elsewhere in the world. The bad news is that, as a country, we have become used to a culture that does not empower people locally.

The commission's conclusion is that, if we want to improve outcomes, reduce inequalities, empower citizens and promote participation, we need a radical new way of thinking. We must reverse the idea that strong democracy consists of the trickle of powers from national Government to councils, then to communities, all tightly controlled from above. We need a culture of collaboration rather than the existing, often adversarial, culture. We need a new ideology, where democracy is designed from the bottom up and empowered, and has a collective interest in the democratic health of the whole country.

In practical terms, that will mean accepting that services can vary in different communities within a system of rights and standards, and that that is a positive consequence of a healthy democracy. It will mean geographic decentralisation, but also decentralisation of powers, so that local communities have control over what matters to them. Vitally, it will also mean much more local fiscal empowerment, so that real choices can be made locally. Above all, it will mean the confidence to do things differently. For example, we would open our minds to having different systems in different places, if that is what local people want.

Those are our interim conclusions and we think that they are already far reaching and require a totally different way of thinking. We know that that might be daunting, but that is the challenge that we are setting. The next stage is to unpick how it can be put into practice and how to describe the changes that will need to be made to deliver a radically different system of local democracy. That is critical, because strengthening local democracy is an issue for the whole system of government. There will be a new situation in Scotland, and we need to use it to push power down to the lowest possible level.

We hope that the committee will get behind that approach and use its influence to help. In the meantime, I am happy to answer any questions.

The Convener: Thank you, Councillor O'Neill. At the very outset, before the commission came into being, you were talking about local government's constitutional place. We have seen the report "Local and regional democracy in the United Kingdom" from the congress of local and

regional authorities of the Council of Europe, some of which is quoted in your interim report. The rapporteurs for that report, Angelika Kordfelder of Germany and Alexander Uss of the Russian Federation, said that they were

"aware of the difficulty of anchoring local self-government in constitutional law"

and of the fact that the UK has no written constitution.

The other week, when some of our members were going around Europe, the importance of local government's constitutional place was emphasised to us. It could be said that, in some places, it is there and they do not need to talk about it a lot, because they know their place and it is written into the constitution.

What are the commission's views on local government's constitutional place?

Councillor O'Neill: It would be fair to say that the commission takes the view that there should be constitutional protection for local government. Within my lifetime, and the lifetime of everybody in this room, we have seen a whole system of local government abolished at the whim of a national Government. Although there is no suggestion that anybody is thinking that way today, the fact that it happened in the past means that it could happen again.

The fact that there is no written constitution in the UK should not be a bar to having constitutional protection. Although the constitution is not written, it exists through custom and practice, case law and the establishment of institutions in perpetuity. It could be done, but I want to emphasise that the work of the commission is about strengthening local democracy, not merely about embedding local government, whether that is the system that we have now or some other system. It is about much more than just local government.

10:45

The Convener: On our trip away it was emphasised that the constitutional place of local government came with other guarantees in certain places. For example, in Denmark the agreement written into law is that if any new financial burdens are placed on local authorities by national Government, that money has to flow from national to local Government. In these very austere times, when local government has to deal with the burdens of welfare reform, for example, would such constitutional and legal protection be of benefit here in Scotland?

Councillor O'Neill: The commission's view is that in this instance local government needs to be fiscally empowered. That means that local government needs a far greater ability to raise its

own finances and decide how they will be spent. Right now we have a very centralised system: the vast majority of local government expenditure comes from the centre. The Cabinet Secretary for Finance, Employment and Sustainable Growth will tell you that should any new burdens be placed on local government, the Scottish Government will finance them. I am sure that he would say that if he was sitting here today.

Our interest is in establishing a system that gives more fiscal power and fiscal autonomy to local government, by having it written in a constitution or, if we have an unwritten constitution, by having it in legislation. We would be interested in looking at that.

The Convener: We are very grateful to you for sharing the interim report with us; I understand that it will be published later this week. It does not say where you see things going. If you had a blank canvas, how would you establish local government to ensure that local democracy was strengthened?

Councillor O'Neill: In part, it would need a change of mindset to see our communities being empowered, and partly it is about the compatibility of representative democracy and participative democracy, which are not necessarily the same thing but can be compatible—they can be part of the same machine, if you like.

We tend to have a very top-down, centralised structure. Part of the evidence that we received from our surveys was that people believed that the system was centralised to national Government and, in local government, to the council. People wanted the system to be decentralised into the heart of communities, so that there would be more participative democracy. As I said, representative democracy and participative democracy are parts of the same solution.

The Convener: We see that turnouts at elections are much higher for some of our near neighbours. When questioning some folks in Germany, Denmark and Sweden, it was very difficult to gauge how participative they were and how they allowed their citizens to take part. It just seemed to be the norm; each citizen sees themselves as having a place, which is helped by the constitutional and legal aspects that they have. Do you have any comments on that?

Councillor Michael Cook (Commission on Strengthening Local Democracy): As David O'Neill has explained, we are involved in a process. That is an important consideration in what we are able to say to the committee today. We are not at the point of extrapolating firm conclusions, although, as we continue our work, that will happen.

We have looked at the historical evidence and, like the committee, we have gathered a vast array

of contemporary evidence of the experience throughout Europe and other parts of the globe. We have extrapolated a series of themes from that. It has become clear that local empowerment is critical to the level of engagement of citizens in the political process. There is a clear correlation between voter turnout and the degree of activism in communities. We need to understand that relationship and make much more of the kind of relationship that we have. We have not done that so far.

Having looked at the evidence, we are coming to the conclusion that the centralising process that took place between the end of the second world war and 1996 is part of the problem, for us and for you, as sometimes perceived as part of the hierarchy of governance in this country. We are all perceived as being too remote from decisions that are taken in localities. In my locality and in that of David O'Neill—in all our localities to some extent—the people who can make the best judgments about those decisions are those who are most firmly planted on the ground and most locally proximate to those decisions. That is not to suggest that there is not an importance to certain decisions being made at other levels, but I suppose that what we are aspiring to and what is embodied in the European charter of fundamental rights is something that recognises true subsidiarity.

In our deliberations, we frequently talk about decentralisation and local empowerment, but in many ways we are talking about something altogether more radical—we have yet to find the language for it. It is not simply decentralisation, which implies that there is some hierarchy, with patronage from the top downwards. We are talking about something fundamental that grows up from the bottom. We create aggregation within that system, depending on the issues that we are dealing with.

The Convener: You mentioned empowering local communities and David O'Neill talked about changing the mindset to empower local communities. What is preventing that from happening right now? Who wants to have a stab at that?

Councillor Cook: I am happy to make a quick observation on that.

To some extent, we are all creatures of the host system. In some ways, we are all part of the problem that we are trying to wrestle with here. I suppose that we, the commission, are trying to open our minds to new ideas, based on new evidence, and to understand what others are doing that is right and what we are doing wrong. Fundamentally, that is what is happening. We happily recognise that that is a process that the committee is engaged in, too.

The Convener: Would you say that there are no real barriers, apart from the fact that we are creatures of habit?

Councillor Cook: One of the obvious barriers is our temperament. There is an old adage that no one willingly gives up power. I know that that is probably true of me; I hesitate to suggest it, but it may be true of some MSPs as well.

Councillor O'Neill: I can think of one barrier, which is the lack of fiscal empowerment within local government, given that so much of the money that we spend is from central Government. While that money is largely not ring fenced, it does not empower local government.

Participation in democracy is about much more than voter turnout. One of the reasons that we have a problem with voter turnout is that there is a perception among a large part of the public that their vote does not really count. We need to address that. Fiscal empowerment of local government would help with that. It cannot stop there, though. It has to go down into the heart of our communities.

Professor Richard Kerley (Commission on Strengthening Local Democracy): You asked a complex question, convener. As we were waiting for the committee, we observed on television the discussion in committee room 2, which is about the proposed new Portobello high school on what has long been established to be common good ground. What I found striking in that discussion was, first, the definition of what exactly the community is, as though it were some neat and tidy expression of opinion, when it seems clear from the available evidence that it is not.

People in part of the community want a school to be built, or they want the current school to be replaced. They think that the best place to put it is on the pre-existing park. Those in another part of the community do not want anything on their park. Somebody eventually has to make a judgment between those two choices. It is an interesting contrast with our discussion about representative democracy and participative democracy and where the balance between them rests. It is not a matter of viewing them as countervailing forces; it is about getting them in synch and working together.

One of the consequences of centralising decision making over time and of the presumption that the centre—whether it is in Aberdeen, Edinburgh or Holyrood—knows best is that we disempower people. We disempower groups of people, including professionals. The teaching workforce has recently been complaining about not having enough freedom to implement curriculum for excellence but, at the same time,

teachers have not been given enough guidance to help them implement it.

We also see that at a neighbourhood level. Views are often expressed that “they” or “the council” or “MSPs” should “do something about this.” Part of the cultural difference between us and some other countries and societies is an acceptance that a degree of local self-mobilisation is both legitimate and the appropriate way to tackle some specific local matters, as opposed to a broad, general proposition that may be legislated and provided for countrywide or jurisdictionwide.

Anne McTaggart: I wish to return to the point that was raised earlier about considering solutions should we have a blank canvas. I am a community development worker to trade, and I enjoy hearing about all this. However, I have been hearing discussions about giving more power to communities for a long time now. I have read through the interim report, but I am not 100 per cent sure about it. What vehicle or strategy would you use to enable the empowerment of communities?

Councillor O'Neill: We have not worked out the detail of that as yet, although we are committed to the principle. I could give some examples. My own ward of Irvine West is a community of about 25,000 people. Within it are a number of community associations that deliver a range of services to the community. If the local authority was to try to deliver those services, it would be a much more costly experience. The fact that the local communities are empowered to do that, and that they decide which services to deliver and how to deliver them in their community centres, has a positive impact.

As well as geographical communities, there are many examples of communities of interest that share geographical areas. I will use the case of a motorbiker as an example of someone with a particular interest. That person might have more in common with people living in Glasgow or Edinburgh than they have with the person living next door to them, as their interests are totally different. We should empower such groups, whether they are geographical communities or communities of interest.

Anne McTaggart: Why are we not doing that now? What is preventing us from doing it now?

Councillor O'Neill: Michael Cook touched on that earlier. There is a mindset around how we handle the money that we currently have. The way that I have put it in the past is that those in power need to be willing to give up a bit of sovereignty—I think that Michael would say that they need to give up some power—and allow it to be transferred elsewhere. There needs to be a desire and a

willingness for some sovereignty to be transferred to the people who can make best use of it.

11:00

Anne McTaggart: Would that need to be set out in legislation or in a constitution? What, legally, would we need for that to happen?

Councillor Cook: That touches on the issue that I was seeking to come in on. We are talking about cultural change, and Richard Kerley mentioned different cultural experiences, particularly in parts of Europe, with regard to how people work in a participative and representative context. One of our problems in discussing the issue today is that we are not yet through the process; it is work in progress, and we are still thinking through some of the issues.

One issue that we have been wrestling with is that question of how we effect cultural change. You are right that there has been a lot of bold talk about things needing to come from the bottom up. Quite honestly, we have been talking about that for decades, but we have never really broken the back of it, and focusing on the matter will be a job of work for us.

It might give you an insight into the conversations that we are having if I point out one particular issue that we are wrestling with. At one extreme, we could take a big-bang approach in which we effect change through significant instruction, some of which by its nature would come from the top, or, at the other extreme, we could take a more evolutionary approach in which we put some propositions on the ground and allow them to develop over time. We are wrestling with those extremes and trying to work out where we pitch up on that spectrum of possibility.

Because we are giving evidence somewhat prematurely, I am afraid that my answer might be slightly unsatisfactory, but I simply want to reassure you that we are alive to what you are asking about and that we are focused on it. We will try to craft a view on which the commission can agree and which offers a tangible and practical way forward to effect some of that cultural change.

Louise Macdonald (Commission on Strengthening Local Democracy): Given my background in community learning and development and youth work, I am with Anne McTaggart on this matter. Reflecting on Michael Cook's comments, I think that the commission is in some ways trying to live what it is talking about. We are trying to be transparent in our thinking and our processes and to share with people the challenges that we are facing as we go. Instead of simply grasping for the quick fix, we have at certain moments in our deliberations heard

evidence, particularly on certain big themes such as equality, asymmetry and standardisation, that has made us stop and rethink our approach. For example, I love CLD but in certain situations people just ask, "But what does that mean?"

We are talking about something more fundamental than tinkering. We are not there yet but, having heard what others involved in these conversations have said and having seen the work of the committee and others, I think that there is an appetite for this conversation. It is incumbent on all of us to take the opportunity and ensure that we do not just talk about the issue, and then talk about it all again in two or three years' time when the next committee or commission is established.

For me, our most telling evidence session was with young people—I suppose that it would be, given my background. We brought together more than 80 young people from mixed backgrounds, focusing on those who would not normally connect or engage. It was clear that they were quickly able to get into the discussion and that they did not find the subject nebulous or difficult. For them, it was all about certain basic human fundamentals such as equality, fairness, being heard, not playing to stereotypes, being honest, doing what you say you are going to do and listening. I found their debate and discussion really interesting, and I think that some of their points have been reflected in other places.

Some of the commission's sessions have been fundamental; indeed, I occasionally felt like I was sitting in a politics lecture. In some ways, though, it has been a joy. Because of the committee's position, it has the privilege of being able to listen to different voices all the time, but how often do we get the same privilege? The question, however, is how we make such things happen at local level.

One theme that we are wrestling with is how at local level in local government, local councillors become people who empower. One person who gave evidence used a phrase that sticks with me. They said, "How do we make councillors impresarios of empowerment?" The role of councillors is to empower and to recognise that they have that role in the community. That is a strong concept and ideal, but it requires mind shift. That is why we are talking about things such as mind shift and culture, which feels a wee bit woolly at this point. We are honest and say that we need to think about that more.

The Convener: Louise, given that you are not a politician or academic and are one of the few women on the commission, if you had a blank canvas, where would you start from?

Louise Macdonald: I would do what we are doing, which is going out and asking for views. We need to do more listening. The appetite is there.

What has been quite shocking in the evidence sessions, not only for me but for others, has been the feeling of us and them. Participative and representative can often feel like different sides of the coin, when in fact they can work powerfully together.

Although there is an issue about how we have that conversation differently, we have to challenge some of the structures that are in place to establish where there is flex and where we can do things differently. Is legislation required, is it just about ways of working, is it about working better with what we have or is it about—as Michael Cook said—people being brave enough to be the first ones to say, “Do you know what? We do not have legislation but we will give this a shot anyway and see how it works”?

As Michael Cook said, there is a sense that there will be a big bang. However, that will not help if it comes from on high, and if there is suddenly a decree on what there shall be. We are saying that what empowers people and ultimately leads to more participation is the feeling that what they do locally matters and that they have power and influence in their local community. People are empowered by a sense of place and the feeling that they can put down roots because they have a say.

The Convener: You talked about structures. From what you have gathered thus far, which structures work and which are failing?

Louise Macdonald: From a lot of the evidence that we have heard, it can be difficult for young people to find their way into any structure, because they have to establish an understanding of it. I would not pinpoint one particular structure. The issue is much broader and is about that sense of the whole system. In the report, we talk about a whole system across all spheres of government. It would not be fair to highlight one particular structure.

Councillor O'Neill: In the report, we say that there should be not necessarily a structure but a range of structures. Taking local authorities as an example, while people who live in the centre of any of our large cities and people who live in one of our island communities should have absolutely the same rights, how those rights are delivered in those communities will vary substantially. We are not looking to have one set of structures that covers the whole of Scotland. We should have a set of structures that suits the communities.

Stewart Stevenson: I am quite encouraged by what I am hearing but—and it is not a small but—we are all captured by the language of this funny job that we do. By the way, this is self-criticism as well as criticism of others. One heading in the report is:

“The spatial scale and decentralisation of local government”.

I wonder what that means to the person on Auchtermuchty High Street. What does “fiscal empowerment” mean in Inverurie? I suspect that we really have to get down to something that talks to people.

In many respects, I am an iconoclast in my party, in that I think that our councils are far too big. If I went to Stonehaven and asked people in the street where Foggie Loan was, I would be lucky if I found one person who could tell me the answer, even though both places are in Aberdeenshire.

The Convener: It has an amazing floorer show.

Stewart Stevenson: It has—as ever, the convener is on the money.

You capture the issue well in theme 4, on page 28, where you say that you are focusing on local democracy not local government, but I suspect that the two are not separable.

Do you think that some of our local authorities are so big that, in practical terms, it is difficult to create a sense of engagement and involvement? Is it the case that, even though councils such as Aberdeenshire have made big efforts to regionalise their decision making and their local bodies, they seem terribly big to people on the ground? Is that part of your thinking at this stage?

The Convener: Who wants to have a crack at that?

Councillor O'Neill: I emphasise that we are not looking at having a single structure for local government in Scotland. The evidence has shown us that, in general, local government in Scotland and in the UK is very large in comparison with that in other countries.

Two local authorities spring to mind as having been heavily criticised for having highly decentralised systems of administration when Audit Scotland conducted its first best-value audits some years ago—Argyll and Bute Council and Highland Council.

Anyone who knows Argyll and Bute will know that it could easily be split up into numerous communities, but let us look at the highest level. There are at least four separate geographical areas. Helensburgh is part of the central belt. There is the island of Bute; it could be argued that Dunoon and Bute are similar in that a ferry provides access from both to the central belt. There is mainland Argyll and there are the Hebridean islands. Within those four distinct areas, there are further subdivisions. The headquarters of Argyll and Bute Council is in Lochgilphead, but someone from the Hebridean

islands is unlikely to go to Lochgilphead for a service; they are more likely to go to Glasgow. Despite that, Argyll and Bute Council was criticised for having a decentralised system of administration. I think that that criticism was unfair and wrong.

Argyll and Bute Council should be allowed to set up systems that allow it to deliver to the communities that it represents. How it does that should not be dictated from the centre. Things will be done in a vastly different way in Argyll and Bute than will be the case in Aberdeen. I know that Aberdeen has a fairly decentralised system.

Stewart Stevenson: Forgive me—you mean Aberdeenshire.

Councillor O'Neill: Yes.

I would like to go ever so slightly further. Even within local authorities, there will not necessarily be one system. I will give two examples from my local authority area. North Ayrshire has a population of 138,000. The island of Arran, which makes up half the land mass of North Ayrshire, has a settled population of about 5,000 people. North Ayrshire Council does not configure its services on the island of Arran in the same way as it configures its services on the mainland. Although the same sets of rights and standards apply, we deliver services in those two areas in different ways.

About eight or nine years ago, we built a new secondary school for 300 pupils on the island of Arran. We would not dream of building a secondary school for 300 pupils on the mainland. We would build a secondary school for about 1,500 pupils—we listened to evidence on the building of such a school earlier. It is necessary for a council to configure its services to suit the communities that it serves, so it is not a case of having a uniform system. That means that the service delivery will sometimes look a bit messy, but that is not a bad thing.

11:15

Councillor Cook: I will simply embellish what David O'Neill said. Rather than extrapolating fully fledged conclusions at this stage, we have two key pieces of evidence that respond to the question. One piece of evidence is detailed in page 8 of the embargoed report, which begins to demonstrate that, whereas each councillor in Scotland covers around 4,300 citizens, a graduated system exists in Europe with France at one end, where the ratio of local elected members to citizens is 1 to 125, through to Denmark at the higher end where the ratio is 1 to 2,000. The Scottish experience seems to be distinctly different, although that is not markedly different from the other UK countries.

The second key piece of contemporary evidence, which applies to us as councillors and generally throughout the governance system in Scotland, is that people feel removed and remote from the system. That was the point that you were making in your question, Mr Stevenson.

Those two critical pieces of evidence suggest that the configuration gives rise to some of the problems with which we are wrestling. We cannot offer you fully fledged conclusions at this stage, but it is clear that we must look at and make judgments about what we say to you and to everyone at large about how such matters should be considered and what the future configurations may be.

A risk to the commission is producing a report that says, for example, having 32 councils is wrong and that there should be 76. An obvious trap exists in that such a figure could then become what catches the eye and we end up with a dialogue that is purely about that issue. We are having a much more fundamental conversation than that. As David O'Neill has rightly emphasised throughout the discussion, the issue is not simply about local government but about a whole-system approach, looking at the context in which we operate and how we should do that differently.

Stewart Stevenson: I want to try and capture that in a wee pithy phrase. We constantly hear that there are too many politicians but, in fact, that claim may be caused by not having enough.

Councillor Cook: It would be rash of me to agree with that. However, that is an observation in which there seems to be some succour, given the experience in other parts of Europe where people appear to be more comfortable with having many more representatives, because there appears to be a pay-off as regards local empowerment and the feeling of being involved.

Professor Kerley: I will address Stewart Stevenson's earlier question rather than that last remark.

It is difficult to say whether some councils are too big, because it depends on the criteria on which we make a judgment. It is often observed that, in the changes that we have made over the past 20 or 30 years, we have tried to squeeze diverse aspects of service provision and reach into one common body. For example, refuse collection is a local activity that requires a mapping exercise—it is done electronically these days—about where to collect from and how often to do it. Refuse disposal or recycling tends by its nature to be a much larger-scale activity, but that is problematic if an aggregation of different local authorities does that activity.

The issue also turns on geography. With the possible exceptions of Broughty Ferry in Dundee,

Westhill in Aberdeen and Queensferry in Edinburgh, the cities are not generally viewed as being particularly big. It is easy for people to travel across the cities and relate to different parts of them. However, Highland is an enormous area. Therefore, if you want me to speculate on what we would do with a blank canvas, it might be that our enthusiasm for unitary authorities back in the 1990s was mistaken with regard to those far more widely dispersed and sparsely populated areas.

Another factor about scale is that small is not necessarily marvellous. No one can itemise in detail the number of communes in France, although the figure is around 36,000, with vast numbers of councillors. The reality in many of those smaller communes is that the person whom people pay attention to is the mayor. People such as Sarkozy and Hollande are immaterial. If someone gets on the wrong side of the mayor in some small French villages and towns, they might as well leave town, because they will not get planning consent or approval for their bar to open or be extended. They will not even get their rubbish collected properly if they upset the man—it is usually a man—who is the mayor of their particular town or village. Therefore, scale is a problematic issue to address.

Part of the spirit that might emerge from what we are saying is the view that we should throw some of that discussion back into defined groups of communities. If there is a view that Scotland has the wrong number of councils, it might not be for this Parliament to determine what the right number is but for it to enable a discussion in given areas to decide how many councils those areas think are appropriate. For example, do the relevant areas think that Renfrewshire should have one council but Highland should have 20?

The judgment of the Parliament might not be as effective at encouraging engagement as the local discussion that flows through discussion and participation into, ultimately, some kind of legislation.

The Convener: For the record, Westhill is in Aberdeenshire, not in the city of Aberdeen.

Professor Kerley: My apologies.

Stewart Stevenson: We have just heard what I would refer to as the “Clochemerle” effect. Those of a certain age will know what I am referring to. Yes, I see that some people know.

The Convener: And for those of us who are not of a certain age?

Stewart Stevenson: Later. There is no time now.

Your focus is on democracy, but powers are necessarily part of that discussion. In the context of Scotland acquiring the full range of powers, it

strikes me that there are some powers that, if they leave Westminster, should bypass this Parliament and go straight to local authorities. I am thinking in particular of powers in the area of social security—perhaps to do with the delivery of health, as frankly, I am not sure that Parliament is the best place for that—and indeed in relation to employment. That is my view, and that is neither here nor there.

I wonder to what extent such powers might go to local authorities whatever the outcome of the vote, because there are suggestions that the Parliament will have additional powers either way. I am sceptical about that happening in the case of a no vote, but that does not matter. Have you considered what powers might usefully bypass the Scottish Parliament? I do not think that there is anyone here who thinks that the number of MSPs should be increased, so if there are more powers, more powers will need to bypass the Parliament and be sent to other places in the democratic system. To what extent are you considering that issue?

Councillor O'Neill: To return to Richard Kerley's point about finance, that was an observation not a recommendation.

You asked whether powers should bypass the Parliament and go straight to local authorities. Again, I will use my local authority as an example. To give a ballpark figure, North Ayrshire's budget is about £430 million or so a year. The Department for Work and Pensions spends a not dissimilar amount of money within North Ayrshire, yet there is no joined-up approach. Should there be? We sought evidence on how that should happen and the evidence that came back basically said yes, that there should be a joined-up approach. I am less cynical than Mr Stevenson is about the transfer of powers, irrespective of the outcome of the vote. We already have legislation in place that will result in additional powers—in 2016, I think, but there should be more thereafter.

Power should lie at the most appropriate level. Sometimes it is appropriate for it to be at community level; sometimes at local authority level; and sometimes at national level.

To return a wee bit to part of the motivation for setting up the commission, since the end of the second world war—when we saw the trend towards centralisation—there have been massive improvements in the health and wealth of the citizens of the United Kingdom. However, the gap between those at the top and those at the bottom has grown wider. Again, I will use my council as an example. The difference between the shortest life expectancy and the longest life expectancy in North Ayrshire is 24 years and that is for communities that are 2.5 miles apart. Such a difference is not acceptable in a modern

developed western democracy. In our cities, such differences may exist between people who live just round the corner from one another. One street may have considerable wealth, while another street may have considerable deprivation. That is the motivation for doing something different from what we are doing currently, as what we are doing right now does not work.

Councillor Cook: We are a non-partisan commission, so it is difficult for us to make value judgments—or at least to express them, notwithstanding the strong views that some of us might have. We have talked about asymmetry in the democratic governance model, which is highlighted in the report.

I hate to use the word “asymmetry” given Stewart Stevenson’s earlier point about jargon, but it is something that we are alive to, and we need to deal with it. There is no reason for us not to discuss here—indeed, we are discussing—the asymmetry of powers and, potentially, of service provision. It is easy to see examples of that.

David O’Neill gave an example earlier of polar opposites in comparing the experience of the city of Glasgow with that of Orkney. You may want certain things to enable direct economic empowerment and some form of authority in Glasgow, and those might not be the same in Orkney. As you will see from the work of the Islands Commission, Orkney may want certain powers in relation to the shoreline and coast and so on, which is already a hot topic for that area.

We can envisage a certain type of development that would recognise real difference. We must recognise that between those polar opposites there are many different and diverse communities throughout Scotland. Another piece of jargon that we discussed at the conference was the phrase “differential democracy”, which made me cringe. It sounds terrible, but fundamentally it means different people with different circumstances having different arrangements. It is no more complicated than that. I suspect that, as a general principle, we can all sign up to that.

Mark McDonald: Although I do not have a fixed position as such, the trip that we undertook to Germany, Denmark and Sweden highlighted to me the difference in size and scale in the delivery of local democracy in those places. There is a differential even within those countries; we should not just assume that, because there are large numbers of municipalities or councils, they all have to conform to a similar size. That is perhaps the point that Professor Kerley was making with regard to the difference between Highland and Aberdeen city, or Inverness in relation to the wider Highland area.

I want to pick up on a couple of issues. First, we often hear conflicting complaints from the very same voices. On the one hand, there is an aspiration for much greater flexibility and freedom for the delivery of local services and priorities; on the other hand, there is perceived to be a postcode lottery in which certain areas deliver things differently and achieve different outcomes, which is somehow seen as a problem rather than a celebration of diversity and local freedom in decision making.

Do we need to get beyond the mindset that we want freedom and flexibility while at the same time wanting uniformity?

Councillor O’Neill: Earlier, I used the word “messy”. If we do not do things the same everywhere, that looks messy. Some people would say that that is a bad thing, but I do not think that it is. Looking messy can be a strength. It is about doing things in the appropriate way that suits a community. However, that does not mean that there has to be a different set of standards: they should be national. For example, a national standard should be that everyone has the right to expect a warm, dry house. Such standards should be set nationally, but how they are delivered locally—where the houses go and so on—should be a matter for local determination.

11:30

We received evidence from a disability rights group, which stated that people with disabilities are concerned that when they move from one local authority area to another the financial packages that are available to them vary, which means that they are disadvantaged by not having the ability to go from one geographical community to another, because they might lose out by doing so. A set of standards should apply across the board for such things. However, we should not think that things being messy is a weakness, because it could be a strength in our communities.

Councillor Cook: We envisage a framework that protects basic rights and standards for citizens—that is the kind of thing that you would expect to exist nationwide. As David O’Neill explained, we have been very sensitive to groups that have made specific representations based on their anxieties. Such groups frequently describe the problems that they experience as a postcode lottery.

Although we should broadly preserve fundamental rights, we need to accept that local decision making can be expressed in different terms. To use the jargon again, that goes back to the idea of asymmetry. It is the idea that in my locality people can genuinely choose—where it is not a matter of national service provision or

something of that nature, but a matter of local determination—how service provision should be configured and, for example, what the level of local taxation should be. The view on that in David O'Neill's area might be completely different from that in others. That is a legitimate difference, which should not be cohered within some national structure. It is the rights and standards that people should expect which should be protected, not those matters of choice. If we want to empower people locally, we must allow them to experience and make fundamentally different choices.

Louise Macdonald: A lot of the discussion that we had around the postcode lottery concerned equalities, and a lot of the fear came from the sense of not being part of the decision making. It comes back to people feeling that things are being done to them and that decisions are being made elsewhere, which they do not feel part of. It is about the dreaded “co-production” word, or the phrase “no decision about us without us”—that kind of standard or rallying call came through a lot. There was a sense of a lack of trust that that would happen locally, because there was a fear about the postcode lottery. That was what came through, although there should be a wee bit of a health warning on how that language is used sometimes.

However, the fear is tied to the sense of disempowerment and people not feeling that they are part of decision making. We are saying that if we move beyond compliance-led, box-ticking exercises for equalities and make it about involving people, that can be part of vibrant local democratic structures and local service delivery.

Mark McDonald: Obviously, I appreciate that the commission is not simply looking at local government. I realise that we can sometimes fall into the trap of focusing solely on the role of local authorities. However, there is also the question of how we ensure that the people feed into the decision-making process and how we empower them. When we were in Malmö, we discussed the setting up there of what they call a citizens panel. It has what we would probably determine to be the usual suspects—people who would put themselves forward for community councils and other forms of civic participation—but people are also selected via a filtering process to ensure that there is a gender, ethnicity and age balance from within the population. Those people are invited to join the citizens panel alongside those who have put themselves forward. Have you considered that approach?

We often talk about civic participation and how we get communities involved. I am not denigrating the work that community councils and community groups do, as they do a fantastic job in many places, but they often include the same faces with

different hats. How can we encourage wider participation in society so that we do not just talk to a very small group of people who are often self-selected and have not had to put themselves forward to their communities to be elected to represent them? Have you looked in detail at how we can encourage wider participation and break through some of the apathy that exists in communities?

The Convener: Adam Stewart looks keen to answer that question.

Adam Stewart (Commission on Strengthening Local Democracy): Yes. I think that I can say a little bit about the process.

That issue has very much come across in most of the evidence sessions that we have held with a variety of groups, including many activists in communities who would recognise that there are issues around the representativeness of the voices of the wider community. We have actively tried to explore that, and we have said a little bit about it in the interim report.

On the options for deliberative consultations, you mentioned Malmö. Other options, in places such as São Paulo, are often mentioned. The concept is really about a much more active way of engaging with communities and allowing them to take very active and empowered decisions on quite substantial elements of policy making or budgets. We intend to do further research on that for the second phase of our work. We are currently working with the University of Edinburgh on some of the options, and I think that it is likely that some of them will be reflected in the second stage of our conclusions.

Professor Kerley: Mark McDonald has raised a really important issue. It is very hard to produce an instant solution—indeed, we do not have an instant solution—but we need to grapple with precisely that kind of challenge.

I would not discount the value of those usual suspects on a wet Thursday night in February when there is a champions league game, a great bit of tennis or a great bit of drama on television. It is the two or three people who are willing to turn out and keep things ticking over who sometimes sustain the life of such participative organisations through the ups and downs that invariably arise when people are trying to maintain that level of engagement.

There are two or three different aspects to the matter. First, we need to show through our actions whether, in decision-making bodies of whatever kind—whether that is a local authority, parliamentary committee or parliamentary body—the engagement that people demonstrate and the ideas that they generate through that are treated seriously and in a considered way so that people

do not walk into a meeting with councillors, council officials or MSPs with the implicit assumption that minds have already been made up and ask what the point is of saying something.

That requires formal bodies to be much clearer about the kind of discussion process that they are engaging in. We often elide and confuse the words “participation”, “negotiation” and “communication” in very unhelpful ways. I frequently hear on the television or the radio or read in the paper, “They said they wanted to consult us, but they ignored our views.” It is as though consultation implied that, whatever people come up with, those of us who make decisions—whether that is MSPs, David O'Neill or Michael Cook—will say, “Fine. That's it.” There needs to be a far more nuanced and subtle process that is about considered engagement from the different sides—I do not like to use the term “both sides”.

My second point is that serious engagement can be generated across a range of people if there is consistency in doing that. A number of local authorities—those in which there is lively community council engagement, with decision making by health boards and the councils—have shown that that can be done. If you encourage people to engage, comment, discuss and grapple with issues, treat that seriously, and respond in a way that shows respect, people can be encouraged to build more engagement.

That is the cultural change to which Michael Cook and others referred. It is a long slog. You do not turn around a command economy in three weeks. It takes months, if not years to do that.

Louise Macdonald: We held a specific evidence-taking session on this topic—along with all the evidence-taking sessions, it is available to watch again. That session stuck with me because we were challenged to take things beyond even what Richard Kerley was talking about. There is some great work going on across the piece in relation to listening and engagement but, if that does not come with power and the sense of owning anything, there is a problem. Even in a situation in which, for example, a community group is asked to look after something, there is always a sense that that is a temporary arrangement—it is never a wholly trusting arrangement in which everyone is part of things together. Am I making myself clear?

The Convener: You are talking about power. In most cases, does that mean resources—that is to say, money?

Louise Macdonald: No, not always. I do not think that that is what people were talking about. There is a problem with people being involved in decision making only on a paternalistic and temporary basis, rather than feeling part of it. That

is where the challenge lies. That involves what we are saying about mindsets and culture, and the need to move beyond consultation. Lots of people are talking about that. As you know, the co-production conference is happening today and people are coming from all over Scotland to debate these issues in relation to the health service. These are not themes that are sitting in one place and which concern only local government.

Sometimes it can feel as though people are saying, “We have heard what you said and now we will go off and make a decision.” People are asking how we can move things beyond that.

Mark McDonald: One of the difficulties that is often faced is that people will become activated only by an issue that directly affects them. When I was a councillor, I saw people coming along to local meetings week after week until the issue that they wanted to be resolved was resolved, and then they would disappear and never be seen again.

I wonder whether we have worked out yet what the best vehicle is for public interaction with local authorities, central Government and other agencies. In some communities, there are no community councils, either because there is no desire to establish one or because the people who were members have all left and no one is coming forward to take it on. That means that, in some communities, there is no statutory consultation body for local authorities, because community councils are the bodies that, by statute, local authorities have to consult on issues around planning and so on. Have we considered whether that situation is as good as it could be? I suspect that the answer is no. Are there different ways in which we could do things in order to encourage that kind of community participation?

Councillor O'Neill: Before I answer that, I will return briefly to the convener's question about whether power equals resource. I would say that that is not necessarily the case. A planning application is a good example of that. When someone says, “I want this to happen” or “I do not want that to happen,” there is power involved in taking that decision, and, inevitably, someone will be pleased and someone else will be upset.

On the issue of the vehicle for community participation, I would say that various vehicles exist. With regard to whether they are good enough, I would say that they are probably not as widespread as they should be. Some local authorities are very good at participative budgeting, while others are less good. Some are good at involving the usual suspects and go no further than that, and some go much further. I will use my authority as an example again. We have the people's panel, which is 2,000 individuals, who

are not chosen at random but are selected scientifically to give a spread of gender, age and so on. Half of them come from areas that have high levels of deprivation and the other half do not. Many authorities have that type of system in place.

11:45

In North Ayrshire, we do a household survey once at the beginning of every term. A very detailed survey goes out and the level of return, statistically speaking, makes it a very useful piece of work. Many authorities do that. We do not all do it, but there is certainly a case for picking up best practice from elsewhere and rolling it out. However, there is more than one way of doing things.

Mark McDonald: I am aware that local authorities do household surveys and things like that, but the public might disengage because they do not see the follow-through and do not believe that they are involved beyond the point at which they are asked the questions by the local authority. You need to have people involved. You cannot have them in the room voting, for example, but do we need to look at involving people more throughout the decision-making process, up to the point at which the decision is made, rather than just involving them at the beginning? They often feel that they are excluded from that point onwards.

The Convener: Do you want to come back in, Mr O'Neill? I want to take Michael Cook, as well.

Councillor O'Neill: Yes.

Councillor Cook: I could not resist coming in on the question of activism as a result of what takes place on the ground. I am a councillor and I got involved in local government because I fought against the threatened closure of a local swimming pool. My entire experience was born of that individual experience.

I continually ask myself why the hell I got involved in all this—perhaps you sometimes ask yourself that, too. I suppose that I got involved because I genuinely believed that it was possible to influence things and effect change. In a way, that describes in a nutshell the process that we have to create, as a cornerstone of what we are about. As we described earlier, elements of process and culture are involved, but we need to give people the belief that their views count, that they can influence things and that their perspectives will make a difference. The evidence of experience from other countries suggests that if we can begin to get those things right, people will become more engaged in the participative side of things and are more likely to be active in the representative side as well. There is a clear correlation between those things. We do not have

fully formed conclusions to offer you today, but—using the asymmetry theme again—we can say that there are, as David O'Neill described, all sorts of vehicles out there to ensure that people get engaged.

To come back to the convener's question, some of this is about resourcing, but it is about more than just that. It is about a belief that you can make a difference and that your view counts. If you believe that your view counts, you will take part. That is the nature of things, and we need to build a culture that recognises that across the board.

As we articulated earlier, the question that we are wrestling with is how much of that culture change we can effect by soft processes and how much we can effect by making hard changes. We are still thinking about that.

John Wilson: Good morning. I have an interest to declare: I have been an elected member in two different local authorities, and my wife is currently an independent local authority councillor. I am also the chair of a local community organisation that took on the lease of a community facility from a local authority and today has opened up the running of the post office services in the village that I live in. Consequently, I am very aware of differences in decision-making processes and where people can and should engage.

Like Louise Macdonald, I have a community development background, and Arnstein's ladder of citizen participation is embedded in my brain.

The committee is fortunate in that, over the past two years, it carried out an inquiry into and produced a major report on community empowerment, which has informed the Scottish Government's proposed community empowerment bill. In our report, we identified a number of areas where, although local government claims to be engaged with communities in the decision-making process, it seems to be failing. In that regard, I highlight the community planning partnerships. Since the new life for urban Scotland initiative in 1988, which was also the year when the EU produced its subsidiarity document, we have been convinced that communities can be involved in decision making at a local level through the community planning process. What has changed? Why, given the various structures that have been imposed by national and local government, do you feel we need to strengthen local democracy in the way that you have presented in your report?

Councillor O'Neill: When I talked about the motivation for setting up the commission, I cited the example of differences in life expectancy. However, there are many other factors to take into account. After all, someone who lives in a deprived community will have not only a shorter

life expectancy but worse general health throughout their lifetime, and they are more likely to be victims of crime, to live in poor housing conditions and so on.

Over the past number of years—our report talks about the past 50 or 60, but I think that this goes back to the second world war—the gaps have got wider and wider, and the move towards centralisation has become embedded in the mindset of the people who make the decisions on these matters. Community planning—

John Wilson: I am sorry to interrupt, Councillor O'Neill, but I wonder whether you can clarify your comment about centralisation and the mindset of those who make the decisions, because I think that the point is fundamental to our discussion about local democracy. When you talk about the mindsets of decision makers and the centralisation of decisions, are you talking about the UK Government, the Scottish Government or—as I would argue and could highlight examples of—local authorities?

Councillor O'Neill: All of them. On page 12 of the report, a table relating to local authorities shows that up to 1975, there were four cities, 33 counties, 21 large burghs, 176 small burghs and 196 district councils. We now have only 32 councils. Local government itself has set a bad example with regard to the centralisation that has taken place. I do not know how many health boards there used to be, but I think that we are down to 14 in Scotland. If my memory serves me right, I think that there used to be five health trusts in the Ayrshire and Arran area, and we are now down to one health board. The culture is not particular to one Government or one party; it exists across the UK.

In all honesty, I have to say that people thought that they were doing the right thing, but the evidence shows that the approach has not delivered what we wanted it to deliver and that the gaps have actually gone in the wrong direction and increased. If we want to do something about inequalities in health and wealth, we cannot achieve the necessary changes by doing what we have always done. We need to do something different and all the evidence that we have received suggests that doing things from the community level up has a far better outcome for communities than the top-down approach that the UK, Scotland and local authorities have adopted for the past 50 or 60 years.

Councillor Cook: There is a slight risk of us, as individuals who are part of the commission, getting into the realms of speculation but when it comes to the concept that sits behind community planning, I do not imagine that any of us bridle at the proposition that public sector and other partners, whether in the voluntary sector or the private

sector, should act collectively in the interests of their communities. In order to do that, they need to understand their communities. They need to understand the place and what is going on—the kind of process that David O'Neill described earlier—and we are all comfortable with that idea.

If I were to indulge in a bit of speculation, however, I would say that part of the problem has been to do with timescales. The community planning process has been an iterative one, and we have been learning certain things as we go along and have come across certain pitfalls as the process has developed.

The other obvious issue is the question of scale. Often, we talk about community planning partnerships that are organised at a fairly substantial scale; we have not yet cracked the real local dimension of community planning partnerships. I can tell you quite directly that, in my own council, I am active in thinking about those processes and discussing them with officers. We have a series of devolved entities in the five local areas that sit within the sixth-largest geographic local authority in Scotland, and we are thinking about how we really penetrate communities.

Part of what I wanted to do was to ensure that we create and develop community planning models that exist at the very lowest level—settlement community planning models. Some of those things will happen where councils think about and set up a process by their own lights, determining that that is how they should move forward, but there has been an issue about scale and about the level at which we are organised, and that is something that we need to address.

Again, there is a slight risk that you are catching us part way through a process, and we need to develop our thinking about those things, but we will refine our ideas and I hope that we will be able to come back to the committee with a more fully fledged answer to your question.

John Wilson: Thank you. I say to Councillor O'Neill that I have lived through three major changes in local government. A change took place in 1974-75, when the UK Government imposed local government structures on Scotland. In 1995-96, changes to local government structures were once again imposed on us by a UK Government that was not happy about the lead that was being taken by two leading regional councils in Scotland—Lothian and Strathclyde—against the welfare reform drive that the UK Government was engaged in during that period.

My analysis is that those changes, which resulted in the de-democratisation—if I can say that—of local government, took place because of fears on the part of central Government about the power, or perceived power, that local government

had in those areas. However, it is interesting to note that the 2007 change in local government, which we tend not to talk about too much, involved the introduction of a form of proportional representation, which changed the face of many local authorities in Scotland in terms of the representation of elected members and the structures.

When we compare our structures with some European local government structures, we do not find situations elsewhere in which there is one leading party, or a coalition of two parties, in power. In Denmark, for example, usually four or five parties form a coalition. Professor Kerley might want to correct me, but it is argued that, if four or five parties form a coalition in local government, people who participate in voting feel that the person they vote for will have a bigger impact on the decisions that the local authority makes. At present, however, many people become disenfranchised because they feel that their vote does not count when it comes to local government.

Going back to Councillor O'Neill's example, that is particularly the case in deprived communities. Analysis of recent local government elections shows that in some of the most deprived areas in Scotland, only 20 per cent of people are turning up to vote. When we analyse that further, we can see that only 80 per cent of the population in those areas are registered to vote. Twenty per cent of the population are not registered to vote, and we get 20 per cent turnout at polling stations, despite all the work that is supposed to have been done by central and local government to tackle areas of multiple deprivation in Scotland.

Professor Kerley gave the example that people in a middle-class area in the suburbs of Edinburgh probably get better services than people living in the most deprived areas of Edinburgh, just by virtue of their voice and the way they articulate their needs. How do we ensure that we get people in deprived areas to participate in the process and increase their role in local democracy in Scotland?

12:00

Professor Kerley: You raise some fundamental questions, some of which are quite hard to address in the context of our assumptions and the discussion that we have had in the commission.

I was one of the people blamed for or seen as responsible for the move towards the single transferable vote system. Indeed, a member of the Labour Party once said to me, "You elected more bloody SNP councillors than Alex Salmond ever did," which I took with a pinch of salt. I was engaged in that because I thought that that

change of system was appropriate for our local government.

The interesting contrast is that in a number of the countries that the committee has looked at and, on some occasions, has visited, the form of representation that you find in local government is based on a list form of election, which, to all intents and purposes, removes the notion of somebody having a representative.

I have had discussions about that with councillors in the Netherlands. I asked them, "If I lived in Prinsengracht and wasn't happy with the refuse collection, which councillor would I speak to?" These were men and women who were committed and engaged, and they looked at one another and at me and said, "Why would you want to do that?" I said that it was because that is what I would do in my city. They said, "We don't do that. You would speak to the officials or the burgemeester responsible for that function. You wouldn't assume that there was a local, territorial engagement—one man or woman whom you could speak to."

In the United Kingdom generally, we are less disposed to vote in every election than people are in many other countries. Members will know that from their experience. Alex Rowley is not here but he was elected on a turnout of 30-odd per cent in the by-election in Fife. Many constituency representatives have turnouts of 50 per cent plus.

I do not understand why—I have not had a satisfactory answer to this—but, curiously, the highest level of electoral engagement that we have in the United Kingdom, as it is at present, is in Northern Ireland, where turnouts of about 60 per cent are not unusual. The country has one of the weakest local government systems in north-western Europe, and certainly the weakest local government system in the United Kingdom, yet the percentage of people who turn out to vote is in the high 50s or around 60 per cent. That is socially differentiated as well, as it is in every country. In Denmark and Germany, you see turnouts of 30 per cent in areas that are fragile, marginal and transient, with high levels of turnover and low levels of income.

Part of what we are trying to get at in this work is to see voting for representative bodies as one aspect of local democracy. However, it is not the only one. There are other vehicles—there is a variety of forms of citizen engagement.

I would love to see 80 per cent of people voting, as happens in Italy. In France the other week, people bemoaned the fact that only 62 per cent of the electorate turned out to vote. We would be delighted if we achieved such a figure in a local government election—that would be a healthy sign—but we will not do so without a great deal of

change and engagement on many levels. As others have said, when people think that they can have an impact on what public bodies do, they are more inclined to vote.

I know that the convener is conscious of time; this will be my final point. The solution is not a retro solution. Back in the 1960s and the early 1970s, we had dismal levels of electoral turnout. I know from having looked at the records that there were at least two or three occasions on which there were no county council elections. There was a year when Kincardineshire had no elections and there was a year when Berwickshire had no elections, because there was no contest.

If Mr Wilson can think back to 1974-75, he may well have met councillors who never fought an election. I met one who said, "Good God, I've never fought an election—I've just been nominated." That was it. Therefore, there is no golden age to which we could return.

John Wilson: I want to make a final point, which is that the commission's work, commendable though it is, is not being done in a vacuum. Other things are happening. A good example of how not to do consultation is the consultation that the Local Government Boundary Commission for Scotland is doing on councillor numbers in 2016. It started off the process by stating how many councillors it expected every local authority to have in 2016, before it had engaged in conversations with the local authorities. How we consult and what we mean by consultation will be the determining factor when it comes to increasing participation in local democracy at all levels.

The work that the commission is doing is extremely useful. I hope that we can engage in future discussions about how we can take it forward, from the perspective of not only local government but the Parliament, in relation to what we consider true democracy to be.

The Convener: That was a statement rather than a question, so I will let Stewart Stevenson ask a question, if he is very brief.

Stewart Stevenson: I have a tiny statement to make to Professor Kerley. There have also been parliamentary elections in which there have been unopposed returns on more than one occasion in the past 100 years.

Professor Kerley: I do not recall those.

Stewart Stevenson: I can give you the details, if you would like.

The Convener: You can have those discussions after the meeting.

Cameron Buchanan: I have two questions, the first of which is about the use of the single

transferable vote in local government, which has not been seen as a success. People always want to know who their councillor is; they find it very difficult to understand that they have more than one councillor.

Secondly, what will your next step be, given that there are no pound signs in the interim report?

Councillor O'Neill: The single transferable vote is not universally popular in local government.

Cameron Buchanan: Not at all.

Councillor O'Neill: Why do we have a single system of election for local government across Scotland? If I stand in the middle of my ward in Irvine and walk for half an hour in any direction, I will get to the edge of the ward, yet Michael Cook could not drive around his ward in a day—mind you, that probably has something to do with the fact that his car is a wreck. The size of his ward is vastly different from the size of mine. Imposing the STV system on a rural community in the same way that it is imposed on an urban community does not work.

We have not put pound signs in our report, because we deliberately avoided considering a change in structure, which would have involved pound signs.

The Convener: Thank you very much.

I would like to ask one final question. When do you hope to conclude your work? When will the full—as opposed to the interim—report be published?

Councillor O'Neill: Adam Stewart can give some detail on that.

Adam Stewart: Over the next few months, we want to reflect on all the evidence that we have heard so far. We will look through some options papers for each of the four key themes that are set out in the report. By June, we will probably have done the work of looking at those options. That will be followed by a period of write-up, which we hope to have concluded by the end of the summer.

The Convener: So we can look forward to publication of the full report by the end of summer.

Adam Stewart: Yes.

The Convener: Thank you very much for your time and your evidence.

12:09

Meeting continued in private until 12:30.

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