



OFFICIAL REPORT
AITHISG OIFIGEIL

Local Government, Housing and Planning Committee

Tuesday 7 September 2021

Session 6



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LOCAL GOVERNMENT, HOUSING AND PLANNING COMMITTEE
3rd Meeting 2021, Session 6

CONVENER

*Ariane Burgess (Highlands and Islands) (Green)

DEPUTY CONVENER

*Elena Whitham (Carrick, Cumnock and Doon Valley) (SNP)

COMMITTEE MEMBERS

*Miles Briggs (Lothian) (Con)

*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)

*Meghan Gallacher (Central Scotland) (Con)

*Mark Griffin (Central Scotland) (Lab)

*Paul McLennan (East Lothian) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Caroline Dicks (Scottish Government)

Councillor Alison Evison (Convention of Scottish Local Authorities)

Shona Robison (Cabinet Secretary for Social Justice, Housing and Local Government)

Sarah Watters (Convention of Scottish Local Authorities)

CLERK TO THE COMMITTEE

Euan Donald

LOCATION

Committee Room 6

Scottish Parliament

Local Government, Housing and Planning Committee

Tuesday 7 September 2021

[The Convener opened the meeting at 10:00]

Decision on Taking Business in Private

The Convener (Ariane Burgess): Welcome to the third meeting of the Local Government, Housing and Planning Committee in session 6.

Our first agenda item is consideration of whether to take in private agenda item 3, which will be an opportunity for members of the committee to reflect on the evidence that they heard earlier in the meeting. Do members agree to take agenda item 3 in private?

Members indicated agreement.

Local Government, Housing and Planning

10:00

The Convener: Agenda item 2 is an opportunity for the committee to take evidence to inform its understanding of what its key priorities should be for this session. It is also an opportunity for the committee to inform its pre-budget scrutiny. The committee will take evidence, virtually, from the Cabinet Secretary for Social Justice, Housing and Local Government and then from the Convention of Scottish Local Authorities.

I warmly welcome to the committee, for the first time in this session, the Cabinet Secretary for Social Justice, Housing and Local Government. I also welcome her officials from the Scottish Government: Catriona MacKean, deputy director of the better homes division; Caroline Dicks, head of the affordable housing supply programme; and Stephen Garvin, deputy director of the building standards division.

I invite the cabinet secretary to make some opening remarks.

The Cabinet Secretary for Social Justice, Housing and Local Government (Shona Robison): I welcome the opportunity to engage with the committee this morning and I am sure that it will be the first of a number of engagements around the important issues that we will touch on today.

As members are aware, my new portfolio is wide-ranging and, although it is challenging, it offers great opportunities to address the issues that lie at the heart of achieving a fairer Scotland.

Housing must be a key part of the recovery and “Housing to 2040”—Scotland’s first long-term housing strategy—sets out our vision for Scotland’s homes and communities and our approach to improving Scotland’s housing over the next two decades. The strategy shows how integral housing is to our objectives of tackling poverty and inequality, creating and supporting jobs, meeting energy efficiency and decarbonisation aims as well as fuel poverty and child poverty targets, and creating connected, cohesive communities. We have an increased ambition to deliver 110,000 affordable homes by 2032, with at least 70 per cent for social rent and 10 per cent in our remote, rural and island communities.

We have also been concentrating on the first 100 days commitments. One such commitment was to begin cladding assessments; we have agreed to fund assessment and remediation

where the need is identified, and we will use all available consequential funding to do so.

A further important 100 days commitment has been to develop a new rented sector strategy. The forthcoming strategy will deliver a new deal for tenants, by giving them more secure, stable and affordable tenancies with improved standards of accommodation, new controls on rent and more flexibility to personalise homes. We will also introduce a new housing regulator for the private rented sector.

We will consult on a draft strategy in early 2022 and help to inform a housing bill in the second year of the Parliament, which will bring in some of the legislative elements that are required to meet those challenges.

We are working at pace to develop the delivery process for the £10 million tenant grant fund, which will provide support for renters who have been financially impacted by the pandemic. That work will include consideration of how the fund will interact with the existing tenant hardship loan fund, which has provided more than £500,000 of loans so far.

What has also to be established is the short-term lets licensing legislation, which we consider to be vital for balancing the needs and concerns of residents and communities with wider economic and tourism interests. We intend to introduce that legislation in November.

Our on-going work to meet our climate change targets is also critical. By 2030, at least 1 million Scottish homes and around 50,000 non-domestic buildings will need to change their heating systems for a zero-carbon system; that is not an easy challenge. Our draft heat in buildings strategy sets out actions to transform Scotland's building stock over the next 24 years; that will play a key role in meeting emissions targets and removing poor energy efficiency as a driver of fuel poverty. We are stepping up our investment over the next five years and have allocated £1.8 billion to support the accelerated deployment of heat and energy efficiency measures in homes and buildings across Scotland. Working alongside the Cabinet Secretary for Net Zero, Energy and Transport, we will do all that we can to support a just transition as we decarbonise housing across Scotland.

I will conclude my opening remarks with a brief focus on child poverty. We are aware that meeting the statutory targets set by the Child Poverty (Scotland) Act 2017 will be challenging, particularly without the full powers to tackle the drivers of poverty. However, we see ending child poverty as a national mission and are concentrating our efforts in this area to deliver real change. Last year, we invested around £2.5 billion

to support low-income households, including nearly £1 billion to directly support children. We will outline further measures to tackle child poverty in our next delivery plan, which will be published in March next year and will set out the further action at the pace and scale required to deliver more progress.

Convener, I hope that that brief overview of some of our key priority areas is helpful. I am, of course, happy to answer any questions that the committee might have.

The Convener: Thank you; I appreciate your opening remarks, cabinet secretary, which point us in a good direction for asking our questions. I will just comment that I think that we have a great opportunity. You said that you are overseeing a wide-ranging area, but it is all joined up. The committee has been talking about our remit being local government and housing and planning, and how important it is to hold all those together and see how those aspects of how we design Scotland work. We have the opportunity now to do that.

The committee has some questions and I will start. What are the biggest challenges facing local authorities? Do you agree with the Accounts Commission for Scotland that tackling inequalities and addressing the effects of poverty are some of the biggest challenges facing local authorities? I heard you say that one of the most important challenges is tackling child poverty. Can you share a bit more about that?

Shona Robison: I agree that opportunities are provided by joining up all those areas. The committee has a great opportunity to pull together the various strands and look at how we work as a Government, not just in my portfolio, I hasten to add, but across the whole Government. That is why, in relation to child poverty, I have tasked my Cabinet colleagues to tell me what more they can do in their portfolios to leave no stone unturned in looking at game-changing policies that they can deliver in their portfolio areas to make sure that there is a cross-Government effort. However, it is not only a cross-Government effort, because it has to involve local government and the third sector, too. We all have to work together if we are going to get anywhere near those interim child poverty targets, which are very challenging, as I said in my opening remarks.

I agree with the Accounts Commission that significant progress still has to be made in reducing inequalities and protecting human rights. As I said earlier, we have agreed a national mission to tackle child poverty, and we remain firmly committed to that. It will take all of us working together to do that. We are working in particular with COSLA, Public Health Scotland and the third sector to identify how we can support and embed positive changes that have been made as

a result of the crisis. There are some changes that we want to make permanent, and we do not want to go back to some of the old ways of working. We need to deliver further progress on our fairer Scotland ambition. I meet COSLA regularly, and we are working with the Deputy First Minister on the Covid recovery plan, which local government is at the heart of.

I hope that that gives the committee a flavour of the key elements that we are working on and taking forward.

The Convener: Thank you. My colleague Elena Whitham will ask the next question.

Elena Whitham (Carrick, Cumnock and Doon Valley) (SNP): I refer members to my entry in the register of members' interests, as I am still a serving councillor on East Ayrshire Council.

What are your views on the role of local government in Scotland's economic recovery from the pandemic? What actions are required, and how can those be taken in such a way that there is no further increase in inequalities? We know that the impact of the pandemic has been heavily gendered. I welcome your views on those questions.

Shona Robison: First, I absolutely agree that the pandemic has impacted on everyone, but not on everyone equally. We know that those who were most impacted by poverty before the pandemic have been the hardest hit and, as you point out, a gendered analysis of the pandemic reveals a lot of evidence that there has been an impact in that regard. We need to take all that into account in the Covid recovery plan.

We see local government as a key part of the economic recovery. We provided it with an additional £1.5 billion in direct support through the local government finance settlement, over and above the regular resource accounting and budgeting payments, for Covid recovery. It is important that we deliver a bold and ambitious recovery plan, and in Government our priority is to work collectively to ensure that that is the case. The Deputy First Minister is leading the engagement to strengthen our partnership with local government in order to support that recovery and maximise the benefit for our citizens.

In discussions with local government and partners, we have stressed the importance of learning from, and encouraging on-going participation from, local communities and of listening to people. I have been struck most of all by the local community resilience that we have seen, with people really supporting one another. We want to harness that as we move forward.

Working with partners in COSLA and with local government more widely will be an important focus

of our work with communities as part of the Covid recovery plan. I am sure that the Deputy First Minister will keep the committee furnished with the detail of that as we go forward.

Elena Whitham: Thank you for your response—I have a wee further question.

Thinking about local economies and the huge spending power that councils have, how can the Government support councils to enable them to encourage local community wealth building? Could that be done through reforms to procurement? There is a huge amount of spend in local authorities' budgets. Could you talk a little bit about that, please?

Shona Robison: You are absolutely right. Community wealth building has become a very strong concept. It has been tried in other countries and we are very committed to doing it in Scotland. The spending power of local government is huge and that is important for local communities and local jobs and services.

We have pushed ourselves in the agreement. As the committee will be well aware, we have gone a bit further on procurement than we previously did, which is quite right, and on conditionality in particular. We want to ensure that procurement brings as much local benefit as possible, for example by placing conditions around the fair work agenda in contracts that are let. All that will help to ensure that wealth is kept in communities, where possible. As cabinet secretary with responsibility for social justice, I am keen to work with my Government colleagues to make that happen.

10:15

Meghan Gallacher (Central Scotland) (Con): I refer members to my entry in the register of members' interests: I am a serving councillor in North Lanarkshire Council.

During the pandemic and over the past 18 months, councils, community groups and third sector organisations have gone above and beyond. There are many examples in Scotland of good, collegiate working between such organisations. How can the Scottish Government ensure that the spirit of partnership and innovation that community groups showed over the past year is built on and that public bodies do not simply resort to business as usual?

Shona Robison: That is an important question. There is a danger that we will all go back into silos, which would be really negative. We have to work hard to make sure that we do not do that, including in Government, where we must lead by example; we must work across Government as much as possible. I talked about the way in which

we are working across Government to tackle child poverty. It is not just my job but everybody's job to do that. Leading by example is important.

We want to build on the recommendations of the social renewal advisory board and ensure that the lessons of the pandemic are not lost and that they inform our approach. I met the board last week and we talked about how many of its recommendations have found their way into Government policy and ambition. That is good, because the recommendations are challenging—and rightly so.

In our work with local government, we want to focus on a community-based approach to Covid recovery and to sustain many of the good initiatives that arose during the pandemic, which support individuals in our communities. Such an approach is what we envisaged when we passed the Community Empowerment (Scotland) Act 2015. We wanted to enable much more community participation and engagement. The approach will be central to the Government's response in supporting organisations to make a meaningful impact on their communities.

We have the opportunity to make that happen, but it will not happen on its own; we need to work at it. I know from my discussions with COSLA that COSLA feels the same. We must maintain that can-do mentality, whereby things that previously seemed to take a long time to achieve were achieved and barriers were swept away. That can-do attitude was very much to the fore and we want to maintain it so that we can make progress in the recovery phase.

The Convener: You talked about barriers being swept away and the need to ensure that a can-do attitude remains, and you said that that will take work. What kinds of thing can we do to keep that partnership working and support the can-do attitude at community level?

Shona Robison: I think that it is about challenging silos, bureaucracy and barriers if they begin to emerge again. It is about challenging ourselves, too, because it is easy to fall back into old ways of working. We need to be open about the issue. The committee has a role in that regard, as does Government and local government; we need to act as checks on ourselves in that regard.

I think that communities want to lead and do stuff for themselves, and there is a lot of legislation and policy in place to help make that happen. Sometimes, letting go of power can be quite difficult, for all of us. However, when you look at what communities have achieved when they have taken over, for example, assets or buildings, you can see that they have managed to turn around things that statutory agencies were, with the best will in the world, sometimes not able to. There is

something very special and inspiring about the community ownership model. We need to see more of that. Where communities desire that—they should not be forced—they should be empowered to do that and we should support them.

Paul McLennan (East Lothian) (SNP): I, too, refer members to my entry in the register of members' interests—I am a councillor in East Lothian.

Cabinet secretary, you mentioned local government's role in economic recovery and building community resilience, which, of course, is vital. Will you comment on COSLA's "Blueprint for Local Government", which was published last year, particularly its call for

"Longer-term certainty in relation to budgets, allowing a focus on early intervention"

and

"prevention"?

Shona Robison: Early intervention and prevention are always better than trying to deal with the consequences of poverty or homelessness further down the line. You will see early intervention and prevention built into all our policies, but we need to get better at that. We have been saying for a long time that investing upstream is the best way to invest in order to prevent problems from emerging, but it is quite hard to do that and transform services while trying to keep those services running.

One of the key recommendations of the Christie commission was to invest upstream in prevention and early intervention. We need to work out ways of making that easier. We are currently in discussions with COSLA and local government on how we can help services to make that transition. That is easy to say but harder to do.

We are looking to continue funding the Hunter Foundation and its exciting work on transformation. The foundation brings funding to the table, too, which is always welcome. We have been partnering with and providing funding to the foundation. The work is to oil the wheels of change—to help to get from A to B and make that service change. You cannot do that overnight; you have to invest in that bridging to transform a service.

I am keen to see more of that. To tackle child poverty, we absolutely need to tackle its causes. Some of that is systemic. There is not a single solution; we need to tackle it all. Early intervention and prevention are key. Where possible, we need to push the spend in that direction. However, as I said, that is easy to say but a lot harder to do when we are also trying to keep services going day to day while we make the transition.

Paul McLennan: Yesterday, I met the Economic Development Association Scotland, which represents economic development professionals. One issue that was mentioned was the role of economic development units in local authorities. They are big facilitators when it comes to economic recovery, so how can we enhance their role?

Shona Robison: I would like to look at that in a bit more detail. If you write to me with some of the detail, I would be happy to look specifically at whether we can do more in relation to supporting EDAS.

Local government has always had a key economic development role. That role will be even more important during the Covid recovery, so if we can do more to support capacity and those on the front line who have that expertise in local government, I am certainly happy to consider that, along with my Cabinet colleagues. Perhaps you could drop me an email about that and I can look at it in more detail.

Paul McLennan: Thank you.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): Cabinet secretary, will you share a few words with the committee on the national care service consultation that is taking place? As you know, Scotland's councils will implement the national care service but, through its president, from whom we will hear shortly, COSLA says that we will lose substantial local autonomy. In fact, COSLA's president has described it as "an attack on localism". Will you address those concerns for the committee, and explain how you propose to deal with them?

Shona Robison: The lead minister on the consultation is Kevin Stewart, and he will be able engage with you a bit more about it. However, I will address some of the key points.

I feel quite close to the issue personally, given my previous role in Government. In addition, for many years, I was a home care manager for a local authority. It is a system that badly needs to be reformed. Reforms have been tried through the integration agenda, and good things have come from that, such as the work between local government, the national health service and the third sector becoming far closer. However, without a doubt, if you speak to stakeholders, you find that they are clear about the weaknesses in the current system.

The creation of the national care service is one of the most significant public service reforms that has been mooted for decades. The independent review of adult social care recommended the creation of a national care service, with Scottish ministers being accountable for adult social care support. Therefore, it has not been dreamed up by

the Scottish Government; it has come from a series of discussions and reports.

At the end of the day, it is the outcomes that are important. We want a system that supports people to not only survive but be empowered and thrive. We want a national care service that can oversee consistency of delivery of care, improve standards and ensure enhanced pay and conditions for workers. That is not insignificant, given the recruitment and retention issues in social care.

We have established a social covenant steering group, which, importantly, is made up of people with lived experience, to ensure that the new service is designed around the needs of care users and supports the needs of care workers. It is important that the national care service defines the strategic direction and quality standards of social care in Scotland. It will have local delivery boards, which will work with the NHS, local authorities and third and independent sectors to plan, commission and deliver the support.

The consultation that was launched on 9 August remains open until, I think, the beginning of November. It is vital that we hear the views of as many people as possible, including local government. Local government will be a key partner in making it happen. I am aware of COSLA's position on the service, and we might not ever agree on the principle of it. However, I hope that we might get to that position, and I certainly hope that we can work together on the implementation of the service. It is incredibly popular with stakeholders and many who work on the front line of social care.

We cannot continue with the current system, and I personally feel very strongly about that. We need a different system that ensures consistency of standards and delivers for people, rather than a system that people have to fit into.

I hope that my observations give you a flavour of the Government's position. We have work to do with COSLA to try, as far as we can, to overcome its concerns.

Willie Coffey: Do you see a possibility of extending the consultation period? COSLA is saying that there is a pretty short timescale to introduce the idea and that the consultation process has been a bit narrow. Is it possible that the Government would consider extending the deadline?

10:30

Shona Robison: That will be a judgment for Kevin Stewart, the minister who is leading on the issue, and not for me.

We absolutely want to hear the voices of not just COSLA but stakeholders and those who receive

social care. We are not starting from scratch. We have had lots of discussion on the issue, and there have been many parliamentary debates about it over the years. There was a lot of consensus among the manifestos leading up to the election that business as usual and the current models of social care just will not cut the mustard, so we need to do something different. I think that there is that level of consensus.

The detail is important, though, and how the service is taken forward and implemented matters. It is a big change, and it has to be got right. However, if we get it right, it could be one of the most important reforms that Parliament has ever supported and implemented.

Miles Briggs (Lothian) (Con): I want to follow the line of questioning that Willie Coffey has begun. As the cabinet secretary who is responsible for local government around the Cabinet table, is it your principle that, during this session of Parliament, local government will have more powers and not fewer, and that it will have more control over budgets, or are you willing to see that centralised to the Scottish Parliament?

Shona Robison: At the end of the day, what matters for me is outcomes. Where power lies and how it is exercised are about what the best outcomes are.

My colleague the Cabinet Secretary for Finance and the Economy, Kate Forbes, is in detailed discussions with COSLA about whether there are ways of making local government's life easier when it comes to, for example, ring-fenced budgets and their asks in relation to revenue raising. All those things will be under consideration to ensure that local government can exercise its functions in the way that it wants to. Local autonomy is important.

However, it strikes me that sometimes in Parliament, it is demanded of me and others that we should have a national approach to things that 32 local authorities currently decide on. Other times, there is criticism that local government should be given the autonomy to make decisions. These are not always easy demands to balance, so I think that we should focus on what the best outcomes are for the communities and people who are served. Wherever the power lies to deliver those outcomes, that should be our guiding principle.

The Convener: We are going to change themes and move to housing.

Meghan Gallacher: I will ask two questions on the Scottish Government's housing plans and the "Housing to 2040" strategy and route map.

First, the strategy refers to the "active role" that communities can play in the development of their

areas. How will the Scottish Government ensure that that happens?

The second question relates to short-term lets. Various organisations have raised concerns about the impact that proposed regulation could have on rural and urban economies and on tourism, as well as additional pressures that businesses will experience. I am interested in the cabinet secretary's views on the concerns that have been raised. Will the cabinet secretary update the committee on the Scottish Government's engagement with stakeholders?

Shona Robison: On the first question, when I came into post, "Housing to 2040" was one of the first documents that I looked at. I knew about the high-level elements but, from reading it in detail, I found that it is a very good long-term housing strategy that gives us the route map to some significant changes over a longer period.

It does not follow the five-year parliamentary session but instead takes a longer-term approach, which will be critical if we are to deliver to meet the housing needs of Scotland. It is not just about bricks and mortar; our aim is to create places that people want to live in and where they can work, bring up families and spend their leisure time. We know from our work with communities that good design really matters. We are committed to the community-led design work and the design version of the place standard, which is a new tool that we are launching later this year to help that happen.

This year, we are establishing the place-based investment programme, which is a £325 million investment over five years that will contribute to our ambitions in respect of community-led regeneration, community wealth building, town centre revitalisation and the concept of the 20-minute neighbourhood, where people will be able to get to leisure and shopping facilities and, where possible, places of work in 20 minutes, rather than having to travel long distances.

The second question was on short-term lets. We have been consulting for quite some time on short-term lets and it is important that we continue to do that. We have been trying to listen to stakeholders' views as much as possible. The working group lost some of its members, which was unfortunate, but since then I have had a series of productive discussions with those stakeholders and they have said that they will continue to work with us on the detail and the implementation issues. They will not necessarily agree with us on everything. In fact, those who left the working group are mainly proponents of a registration scheme rather than a licensing scheme. Nevertheless, they have signalled that they want to continue to work with us, even if they do not agree with some of the key elements of the proposals, because they want to

ensure that we get the implementation right. I welcome that.

At the end of the day, it is important to ensure that there is an even and consistent approach to safety standards across short-term lets. That is an important issue that was initially raised through the concerns of residents in communities across Scotland and by members of the Scottish Parliament. At the heart of our licensing scheme is a set of mandatory standards that will help to protect the safety of guests and neighbours in all types of short-term lets across Scotland.

I wrote to the committee to say that we would bring the legislation to Parliament in November because we have had over 1,000 responses to the latest consultation and it is important that we give them due consideration. As I said at the beginning of what is now rather a long answer, I want to listen to stakeholders, but we will stick by our principle of a licensing system. However, if there are changes that we can make on implementation, we will listen to stakeholders. We have already done that in relation to the energy efficiency requirements, which we removed because we thought that they might be onerous. We want to forge ahead, but we also want to ensure that it is not onerous or difficult for the people who will have to implement the changes.

The Convener: We will stay on the housing theme with questions from Elena Whitham.

Elena Whitham: I will ask about the affordable housing supply programme. We know that Scottish councils share the ambitious target of delivering 50,000 affordable homes over the next five-year term and that they have warmly welcomed the five-year resource planning assumptions that give them some certainty over their plans. However, what evidence does the Scottish Government have on the increasing costs of building new homes and the extent to which that might affect the progress of the affordable housing supply programme? How will that be monitored and reviewed over the next five years?

Shona Robison: Thank you for the welcome of the recent allocation of the five-year resource planning assumptions. That gives further confidence to partners, strengthens the certainty of delivering future affordable homes commitments and allows the sector the time to build the necessary capacity to plan and deliver that ambitious number of affordable homes. We will continue to work with partners in doing that.

Elena Whitham makes an important point about construction materials. We are aware, as you would expect, of concerns about price increases and supply shortages, and we are working closely with the construction industry through the Scottish construction leadership forum, which is chaired by

the Minister for Business, Trade, Tourism and Enterprise, Ivan McKee. We want to fully understand the current supply chain issues and, where possible, put in place mitigating actions to address those issues.

As you would expect, I am kept up to date about material cost increases and availability and the impact on the affordable housing supply programme. I meet regularly with local authorities and registered social landlords to discuss those matters and make sure that we support them in delivering the ambitious targets. I am confident that we can work through those issues and deliver the 110,000 affordable homes.

Elena Whitham: What progress is being made on the review of grant subsidy benchmarks and will there still be a differential between councils and RSLs? Are you confident that revised benchmarks will allow councils to meet the shared ambitions of the Scottish Government and local authorities to tackle poverty, inequality, homelessness and climate change?

Shona Robison: There is on-going discussion on that. It is important to recognise that the affordable housing investment benchmark assumptions are used only to determine the appraisal route that an application for grant funding follows; they are not grant rates or ceilings, so they should not have any impact on council or RSL rent-setting processes.

When determining the level of grant funding, councils and RSLs need to apply for an order to deliver projects. Councils and RSLs need to be comfortable with the level of borrowing that they plan to take on and should be satisfied that tenants' rents remain affordable.

I acknowledge the issues that have been raised during the review. The most recent proposal has resulted in a significant closing of the gap between council and RSL baseline benchmark assumptions, with the same additional benchmarks being proposed for the elements of higher quality that are being phased into the programme—for example, on zero emissions heating systems. However, I intend to hold firm and maintain a baseline differential between council and RSL benchmarks, primarily because of the different borrowing opportunities that are open to councils and RSLs when delivering affordable housing through the programme. It is important to recognise that.

Finally, I will consider COSLA's overall feedback on the group's work when deciding the outcome of the review, which will be considered in due course. I hope that that answers Elena Whitham's question.

10:45

The Convener: In the interests of time, I will not ask a supplementary question but, from a Highlands and Islands perspective, I want to flag up that, having travelled to the islands over the recess, I am aware that there are massive issues with housing there. At some point, we will raise that matter with you. It is clearly much more expensive to build housing on the islands. There are also issues relating to land, skills and labour. I am deeply concerned that we give a lot of consideration into how the 11,000 affordable houses that are earmarked for the islands will come about.

Shona Robison: I would be happy to write to the committee with more detail on that. The agreement included £45 million in addition to the affordable housing supply programme and the commitment that 10 per cent of the 110,000 homes will be located in remote and rural communities. There is also a dedicated plan for remote and rural housing. I would be happy to come back to discuss that in detail with the committee, if it would find that helpful.

The Convener: Thank you very much for that.

We are sticking with housing, but my colleague Miles Briggs will bring in the theme of homelessness.

Miles Briggs: I have a couple of questions relating to the emergency response to rough sleeping and homelessness during the pandemic, which we all welcomed. What consideration has the Scottish Government given to the proposals for legislative changes to improve homelessness prevention? Given what was set out in the final report of the homelessness prevention review group, what proposals might be introduced in this parliamentary session?

Shona Robison: You make a good point that the ability of agencies to respond to and tackle rough sleeping during the pandemic and ensure that people were kept safe is referred to quite a lot. That was very important, particularly at the height of the pandemic.

The action plan commits to placing greater emphasis on preventing homelessness, accelerating the shift to rapid rehousing and ending the use of night shelters and dormitory-style provision. We pledged to provide an extra £50 million to end homelessness and rough sleeping. As you referred to, we will also introduce legislation to strengthen people's housing rights and to place a duty on public bodies to prevent homelessness.

It is worth mentioning the issue of temporary accommodation, because I know that Miles Briggs and the committee have an interest in that area.

Temporary accommodation was used a lot during the pandemic to keep people safe, and there has been a bit of a lag in landlords being able to move people from temporary accommodation to settled accommodation because of the delay in turning houses around. We are working very closely with local authorities and are supporting them individually to ensure that temporary accommodation is always suitable when it is used. For some local authorities, that is quite a challenge, but we are working with them to ensure that the issue is tackled. I am happy to write to the committee with more detail on that, if that would be helpful.

Miles Briggs: Shelter Scotland has recommended a pledge on annual housing and social justice reporting. Is the Scottish Government looking at producing a report to Parliament, so that we are able to benchmark and see how progress on the building of social housing is being made across Scotland? If so, will the report be wider and include information on marginalised groups? Specifically, what assessments and benchmarking will the Government take forward and how can the committee play a role in that?

Shona Robison: I am happy to consider that reporting in addition to all the reports and statistics that come out. There is no lack of information but, if the committee would find it helpful for us to pull that together in a way that puts the key points in a single place, I am happy to do that.

Caroline Dicks might be the most appropriate person to come in at this point to talk about the benchmarks.

Caroline Dicks (Scottish Government): As the cabinet secretary said, a wide range of evidence is already collected. The Scottish Government's centre for housing market analysis supports local authorities in relation to housing need and demand assessments. There is also a range of other publications, such as social tenants in Scotland statistics, as well as information that comes in from the annual reports from the Scottish household survey.

As the cabinet secretary said, we can provide the committee with more details on some of those data sources, if that would be helpful. Also, there will be a consideration of the governance process, and a reporting and monitoring framework will sit alongside the housing to 2040 strategy that was discussed earlier; that framework will be established later this year, after there has been a discussion with key stakeholders. If stakeholders would like the report that has been mentioned to be taken into account, that can be added in. The strategy sets out the need to respond to emerging challenges and changing context and to identify where changes might be needed going forward.

Mark Griffin (Central Scotland) (Lab): I draw members' attention to my entry in the register of interests, as I am an owner of rental property in the North Lanarkshire Council area.

Cabinet secretary, are you able to give a flavour of what might be included in the new rented sector strategy consultation and indicate a timetable for when we might see legislation in Parliament?

Shona Robison: I am happy to do that. The rented sector strategy will build on what I hope you agree is significant progress in improving standards and tenants' rights over the years, which has been a collective endeavour by Parliament over some time. We are committed to a public consultation early next year, which will include plans for a new housing regulator for the private rented sector for new and strengthened tenants' rights, greater restrictions on evictions over winter and additional penalties for illegal evictions. We want to make sure that we can deliver enhanced tenants' rights, but we want to consult stakeholders on the detail of that. Any legislative issues that emerge from the rented sector strategy can be picked up by a housing bill in the second year of this parliamentary session. It seemed a logical way to do it, so we will consult on the strategy, publish the final strategy later in 2022 and thereafter look at any legislative changes that are required through a housing bill.

I do not know whether you want me to say something on rent controls. Clearly, rent controls are an issue that is part of the agreement with the Scottish Green Party. We want to consult on what a system of rent controls would look like and ensure that there is sufficient local flexibility in taking that forward. That is a big piece of work that we will take forward, which I know that your colleagues have been interested in as well.

Mark Griffin: Thank you, cabinet secretary—I appreciate that answer.

Will you set out the level of work that is going on to develop a data set? One of the big frustrations when it comes to policy on the private rented sector in particular is about the data on things such as rent level increases and length of tenancies. What work is being done to establish a comprehensive data set that is regularly updated to inform that policy work?

Shona Robison: Mark Griffin is right that we need a starting point of better data on the private rented sector to be able to deliver an effective system of rent controls. We will set out our intentions about how we will do that by the end of this year. That work will be taken forward in tandem with the new rented sector strategy, with both elements being consulted on in early 2022.

There are various options to consider for how that data is gathered. It is a big piece of work and

it is not easy. I am not sure that we can necessarily rely on the current sources of data that are available. Data is a key priority in order to have an effective system of rent controls, and officials are working very hard on that. Again, I am happy to provide the committee with a more detailed answer as a follow-up to this evidence session.

Mark Griffin: Finally, on the issue of affordability, there does not seem to be an agreed definition across all sectors of housing as to what an affordable home is. What work is being done to get an agreed definition of an affordable home?

Shona Robison: Mark Griffin is absolutely right. It is probably more complex than simply a ratio of income and cost. Work is being done to try and get an agreed definition of affordability across the system in order to give it more sophistication than it currently has. Again, I am happy to furnish the committee with more details as that work progresses. We want to get an agreed position across all the registered social landlords and local authorities—it is work in progress.

The Convener: Although we have other questions, in the interests of time, we will put them in a letter to the cabinet secretary. There are important issues to do with reducing emissions from home building. We are also interested in how local authorities will be affected by the levelling-up schemes. However, we will put those questions to the cabinet secretary in writing in the next few days.

I thank the cabinet secretary for coming to give evidence. It has been very helpful for us to get a baseline understanding of the Government's priorities to carry into our scrutiny in the coming session.

Shona Robison: I thank the committee for the opportunity to give evidence and look forward to meeting it again.

10:59

Meeting suspended.

11:05

On resuming—

The Convener: I warmly welcome to the meeting our second panel of witnesses: Councillor Alison Evison, president, and Sarah Watters, director of membership and resources, COSLA. Councillor Evison, I invite you to make some opening remarks.

Councillor Alison Evison (Convention of Scottish Local Authorities): Thank you very much, convener. I am glad to be able to come before the committee today and am delighted to

have the opportunity to follow up COSLA's recent written response to the Local Government, Housing and Planning Committee's request for views on the COSLA priorities that sit within the committee's remit. I acknowledge the breadth of the committee's remit, and COSLA's response has considered that as a whole.

First of all, I will say a quick word about COSLA. It is a membership organisation that covers all 32 local councils. It is organised into boards, which are represented by spokespeople and cover all aspects of local government work, and the spokespeople and COSLA's presidential team are mandated by the boards and our leaders to speak on behalf of local government on our agreed policy priorities and positions.

Local government covers a huge range of services. You will appreciate that, given that many of those services are covered more specifically by other Scottish parliamentary committees—and in the interests of joined-up working—much of the information that we have shared in our response has at various times been, or might also be, shared with other committees on request.

Central to the work that lies ahead for us all are COSLA's priorities for the recovery period. Those are set out in the COSLA blueprint for local government, which I am glad to have heard being referenced already this morning. The blueprint is framed around the six key themes of strengthening local democracy; funding services and communities; wellbeing, including health and social care; education and children and young people; economy and the environment; and supporting vulnerable communities. COSLA and our councils have an integral role to play in Scotland's recovery and are ready to work as partners with the Scottish Government on that essential work. After all, local government is the anchor of our communities. However, proper funding will be paramount in underpinning the work that councils want to do, and I am looking forward to discussing our thoughts on that fundamental issue this morning.

I am pleased to be joined by my colleague Sarah Watters, COSLA's director of membership and resources, who will help to convey our position on financial issues. Between us, we will, as far as we are able to, add to the information that you have on other specific areas of interest.

The Convener: Thank you very much. We have a range of questions to ask you.

Given COSLA's role in representing the interests of local government in Scotland, what should the committee focus on over this parliamentary session? Moreover, the committee is keen to play a role in helping people to understand and appreciate the importance of local

government, so we would very much appreciate it if you could add anything that might support our thinking on how we can do that.

Councillor Evison: As I have said, COSLA is the voice of local government across Scotland. All 32 councils are members of it, and we work on a democratic basis to represent the views of local government.

A key aspect of that is recovery, our vision for which is set out clearly in the blueprint. We need that local and democratically empowered voice to deliver Scotland's recovery, which is the issue that we need to address as we move forward. We have defined the essential components of that in the local governance review, highlighting fiscal empowerment, community empowerment and functional empowerment as the three key areas on which we must work together to deliver recovery in our communities. That is our focus.

Fiscal empowerment must be key in what we do, because none of the services and none of the prevention work that we have been talking about can be delivered, nor can we value the workforce in the way that we want to value it and the way that it deserves to be valued, unless we have that fiscal empowerment. My ask of the committee is to help us to develop that work in partnership with the Scottish Government, because we need to work together if we are to achieve those things and to achieve the standing between us that is so important.

It is important that our councillors work directly with their local communities and that they step up and are part of their communities. Members of the committee will know exactly what I am talking about, because they have served as councillors. Councillors are part of their communities—they live in and represent their communities and are their voice on the council. I emphasise that point: we are closest to our communities, and we represent their voice. Many councils have that lived experience, which is so important.

The Convener: We move on to questions on next year's elections from Miles Briggs.

Miles Briggs: Good morning. I want to start by putting on record the committee's thanks to councillors across Scotland for the additional work that they have done and the support that they have provided to their communities during the pandemic. It is important to recognise that.

As we look towards next year's council elections, what additional things could the Scottish Government or the Scottish Parliament do to help to encourage higher voter turnout and to encourage more people to take up the challenge of becoming a local councillor?

Councillor Evison: I am very grateful for your remarks about local councillors. You are right—together, councillors and council staff have gone above and beyond over recent months to serve and work within their communities.

As we move towards the next election, two things are really important. The first is that we promote local government's role as the democratic local voice. That is key. Too often, as people in other spheres of government across the United Kingdom will recognise, we get publicity for things that are not going well, while all the important services that we provide get ignored. We can all help to promote local government's role.

As you might have seen, COSLA has developed fact Fridays whereby, each week, we put out different messages about the kind of work that local government does and the breadth of the services that it provides. Last week, for example, we made reference to the work that has been done to support violence against women partnerships. Such work is a crucial part of local government's work. It is important that we work together to emphasise that. That is one thing that we can do in the future.

An important part of my work has been to encourage diversity among people who come forward to represent their communities, and any support that the committee could give to encourage that would be helpful. At the moment, only 29 per cent of councillors across Scotland are women. We also have very poor representation of people with disabilities and people from ethnic minority communities. I know that the Scottish Parliament has taken steps forward in that respect in this year's parliamentary elections. We need to work on that as well, to make sure that every sector of our communities is represented at the decision-making table, because when that is the case, we can really see the difference that it can make.

Therefore, two things are important. We need to publicise the work that local government does and how integral it is in providing essential services to our communities. We also need to ensure that there is greater diversity among the people who stand for elected office next year.

Miles Briggs: That was a very helpful answer.

I want to pursue the issue of remuneration for councillors. Some people might not want to discuss that issue, but since local government was reformed to create larger wards with three or four members, it has become a focus. I know from the information about age range that was gathered for the research that was published in 2018 that standing as a councillor has become something that people do in later life.

Do you have any views on support for councillors and the remuneration that they receive for the work that they do?

Councillor Evison: COSLA has just conducted a survey of councillors to compare the number of hours worked and the commitment given with the remuneration received. The report from that consultation will shortly be available to the committee and others. We will be delighted to share it with you as soon as we are in a position to do so.

We are finding that that is a huge issue that is putting people off from standing as councillors. As has already been described, the work that councillors have to do is not a part-time job; it is a full-time job that is paid a part-time salary. Many people cannot afford to step forward to represent their communities because of the remuneration involved.

We have also discovered that a lot of people stand for council once, then discover that they have difficulties in their own lives and so do not stand for a second time. We lose so much experience and knowledge when people stand only once and do not stand for re-election later on.

Remuneration is a huge barrier for councillors. If we are trying to increase the diversity of people who stand, that needs to stop being a barrier. People who are nearing retirement age might find it easier to stand than people with young families, but we need those people with young families to stand to be part of our council bodies. I would welcome any support that you can give on that crucial aspect.

Unfortunately, because of how things are set up, it has to be the Scottish Parliament that decides on the remuneration that councillors get. We cannot decide that ourselves, so any support that Parliament can give on remuneration for councillors will strengthen our democracy and increase the diversity of the people who stand.

11:15

Elena Whitham: I want to explore further the issues with diversity that you have talked about. As a former member of COSLA's barriers to elected office working group, I am aware of all the work that is being done in the background by COSLA and by councils in general to increase the representation of under-represented groups in our councils. You have already touched on the outputs of that working group. Can you expand a little bit more on those today?

Councillor Evison: As you have described, we have a cross-party working group, which includes independents, to try to address the barriers to standing for elected office. We are trying to make

sure that, by next year, people from across our communities are willing and able to stand for election.

One aspect of that work is remuneration, and we are addressing that together through the survey that we have just done. Another aspect is the overall culture. We have done an awful lot of work to try to change the culture in our councils and how people are presented in order to encourage more people to stand. Too often, people have gone into their town hall, looked at the pictures on the walls around them and seen male people staring down at them. They do not see diversity, so they do not see role models and they do not get the sense that they could do the role or that they are included.

We have been looking at how councils operate as a whole and whether some aspects of operation put people off from standing for elected office. I always say to people that the methods of business and governance were put in place to suit a previous demographic, and if the demographic changes, how we do things can change. It is not tablets-of-stone stuff—there are ways to change standing orders and governance processes within our councils. That can be looked at.

We have worked with other local government associations across the whole of the UK on encouraging civility in public office. Our colleagues in Parliament will recognise how off-putting it is when you do not get civility or respect either from other people with whom you are working or from the wider public. We need to work together to address that in how we do our own business, in wider society, in social media and in other aspects of life. We need to be ready, together, to find and stamp out any unacceptable processes. We are doing a lot of work on that together with others.

We need to make sure that people who stand for the council can have family leave. That is really important. We have had various examples of people being able to benefit from that. We also need support from the Parliament for that, because it links closely with special responsibility allowances and how people are paid, so we need to work with you to develop that process.

We have developed processes as people have told us of their importance. We have lone working guidance to support people who are working on their own. We also have guidance on the menopause to help people who are at that age to be able, with support, to carry on their work as councillors. We have recently been working with Inclusion Scotland to work out how we can encourage disabled people to become part of the council. We have therefore done a lot of work with partners across the UK and with the Scottish Parliament to try to address such issues. The work

is not finished, so any support that people can give us will be gratefully received.

Elena Whitham: I have a wee supplementary. Under your leadership, COSLA had its first job-sharing role for a spokesperson. That had never been done before, and it goes without saying that such a move allows local authorities to look at the levels of change in their own areas. It is incumbent on us all to increase representation from different groups. I just want to put that on the record.

Paul McLennan: Good morning. We had the Accounts Commission with us last week—we talked about challenges, and the issue of inequalities was mentioned. I want to get your views on that, given that inequalities have become more entrenched in the past 18 months as a result of Covid.

In the previous session, we spoke with the cabinet secretary about building resilience in our communities and about the resources that we need to ensure that we do not miss opportunities arising from how communities have stood up in the past 18 months or so.

My final question, which I also raised with the cabinet secretary, is about the role of economic development units. As you will know if you listened to the previous session, I spoke to the Economic Development Association Scotland about the importance of those units in our economic recovery. What are your views on that? What are you hearing from economic development colleagues in councils about how we can enhance their role?

Councillor Evison: The issue of inequalities is crucial. Inequalities existed anyway but, during the past few months, they have become more pronounced and have had a more devastating effect. The inequalities that different groups experience have also been enhanced. We have to work together on addressing that, which will involve tackling child poverty and poverty more widely. It is not just about dealing with poverty by supporting people now—although that is a huge aspect of the work—but about looking at the causes of that poverty. As you say, we have to bring in things such as economic development, good fair work and good jobs to our local areas to address some of the issues around inequalities.

Inequalities have been enhanced recently and, as a priority, we need to work together to address them. In doing so, it is important that we work with our communities in each area of Scotland. The inequalities that are experienced in an urban area will be different from those in a rural or island area. We have to ensure that we work closely with local communities, as has been happening during the Covid months, and with local people to address

the situations that people are noticing where they live and to respond to local needs in partnership.

Local partnership working has been very strong in recent months. That has been able to happen because the barriers have been taken down and money has been put into the system to allow things to happen. That is a key aspect—during Covid, for various reasons, money was provided to deal with immediate needs. In the long term, we have to look at local government funds and how we ensure that the support that was provided during Covid can continue through local funding.

We have developed good working relationships with the third sector in our local communities, and I think that people are open to continuing that work, which has brought so many benefits. In particular, where I am a councillor, third sector community groups have worked with council officers, who have taken the lead in ensuring that inequalities are addressed and that people are not missed out.

As the council, we have an overview of what is needed in our area, and that has enabled us to support local groups. In the previous session of Parliament, the Scottish Council for Voluntary Organisations, COSLA and Aileen Campbell, as the then Cabinet Secretary for Communities, Social Security and Equalities, signed an agreement with a protocol for the third sector, the Scottish Government and local government to work together at national level.

You mentioned economic development as a key aspect of the work. It is absolutely the key to what we are doing, and local government has to be at the centre of that. Local government employs 250,000 people across Scotland, and in many areas we are the biggest employer, so we can have a huge influence on local economic development through the jobs that we provide for people who live and work in an area. Obviously, if jobs are provided locally in an area, in many cases, the spend is also in that area. That is an important aspect of economic development.

Councils' power over and involvement in procurement, and the money that they spend on local services, can be important aspects of local economic development. We are working together to improve procurement.

Community wealth building was mentioned earlier. Work can be done by local government, as an anchor in communities, to help to make the best use of local resources to drive economic development.

All those areas are essential. I hope that I am giving a sense of the joined-up nature of local government's work. It involves procurement; employment; development in education, skills and training; and the apprenticeships that local government can offer. Where I am a councillor,

foundation apprenticeships are a key aspect of what we do through local schools to encourage people to get the skills to move forward. There is also the housing work, which helps people in communities. All that work to help economies is linked through local government. Business Gateway, which is one of COSLA's organisations, does huge amounts of work in our communities to help businesses to develop so that they can provide jobs and provide that function in the community.

I agree that local government has a key role in economic development. Economic development will be a key aspect in the recovery, and we must be empowered to play our part in it, building on the partnerships that have developed during Covid. I hope that there will be a recognition that all the things that I have talked about are joined up and need to carry on being joined up. That work needs to be locally empowered and locally delivered to make the best use of our local areas.

Paul McLennan: I have a quick supplementary question. You mentioned the third sector and talked about collaborative working between the Scottish Government and COSLA. What is the role of third sector interfaces, and what is your relationship with them? I know that that will probably vary throughout the country but, generally, could there be closer working? What is your view of the relationship between TSIs and COSLA?

Councillor Evison: We always want even closer working, because that is the answer to working in our communities. We cannot work on recovery if everyone is working in a different way. We need to come together and develop our work in partnership, and that has been happening recently. Local government needs to be empowered to do that. We need to look at where power lies. In the past, local government has sometimes been constrained in what it can do because our funding is centred on priorities from somewhere else. Much of our money is ring fenced, so we do not have flexibility to develop the local partnerships and links that our communities want.

We need to be able to listen to people locally to find out what needs to be delivered, and we need to be able to respond to that. That requires us to be empowered and to have that local democratic accountability.

I will bring in Sarah Watters, in case she wants to add anything.

Sarah Watters (Convention of Scottish Local Authorities): I will respond to the question about relationships with the third sector. Obviously, having funding on a single-year basis is frustrating for local government, especially when we are

trying to work with partners and we can give them funding only on a single-year basis. If the committee focused on the impact of that on the wider community, COSLA would value that, because we want to not just support communities but be able to plan for the medium to long term. Organisations such as the Accounts Commission have said that there is an absolute necessity to have more focus on medium to long-term planning. Local government wants to do that—it wants to give certainty and stability to its community partners—but that is extremely difficult with funding on a single-year basis.

We absolutely appreciate that the Scottish Government has constraints that come from the UK Government's budget decisions and whether it has a multiyear spending review. However, we need stability, especially after Covid and the impact that it has had. In the current financial year and the previous one, a lot of resource has been put into the system but, actually, it is about taking a three, four-year or five-year view so that we can all work for the good of our communities and not limp from year to year with less certainty about whether contracts can be renewed, staff can be employed and so on. Ultimately, that impacts on communities.

11:30

The Convener: We will change the topic. I invite Willie Coffey to come in.

Willie Coffey: It is important to hear your views, Councillor Evison, on the national care service proposals. We spoke to the Cabinet Secretary for Social Justice, Housing and Local Government earlier. Although the proposals do not fall within her direct remit, she has responsibility for local government. Does COSLA support the principle of a national care service?

Councillor Evison: The issue of a national care service has been considered for many years. The important point—this is COSLA's view—is that any national care service must be locally empowered.

There might be good reasons to consider having a monitoring system, work on improvement and workforce planning at national level. Workforce planning is a key aspect of what we need to improve in our care service, and it can obviously be done at the national level. Those aspects can be looked at from a centralised point of view and would have benefits for the running of care as a whole.

When we look at national care, the important thing is to consider what we are actually talking about. If we are talking about those aspects but with locally delivered services to people and communities, there would be huge advantages to that approach.

It is important that we realise that the way in which we are looking at national care seems, in many ways, to be a distraction from what we need to do for recovery. We need to get things better, look at outcomes and deliver things that improve outcomes and help the recovery. At the moment, there is no evidence that centralisation would deliver better outcomes—that has never been made clear. We must ensure that what we are doing is outcome focused and not a distraction from recovery.

In many ways, the proposed national care service is an attack on localism, communities and place-based work, which the committee has talked about. If you are considering a place-based approach, you need to look at absolutely everything that is delivered in a local area.

There is a lot in the Feeley report on adult social care, which was published last year, that we agree with and think is really important. A lot of that is about having person-centred care, listening to local communities and having fair work. All those things feature in COSLA's blueprint; we want to deliver that, too. However, we do not believe that structural change and reorganisation is the way to do that. That would take away the localism—local choice, involvement and place-based work—that is essential.

The proposals also divide up care in a way that it cannot be divided up. In a previous answer, I mentioned how everything is intertwined at a local level. Part of care relates to the community in which people can access leisure services that are appropriate to their needs, and to the environment that makes it possible for them to go out and enjoy things. It is to do with local libraries, local leisure activities and how the streets are accessible. All that must be part of the consideration when we are looking at care. It is also about the houses that people live in—we have talked about houses this morning, too. All that cannot really be divided up if we are looking at having packages that support people and are locally based.

It is particularly concerning that there has been no prior engagement with COSLA about the expanded nature of what is to be put into national care. The proposals include children's services, community justice services, alcohol and drug services and social work—that is, they include many things that are done across our councils. That represents a total departure from what is in the Feeley report. As I said, we agreed with many of its recommendations.

We have been given no evidence or reason for the expansion of control to all those other areas. There has been no explanation as to why it is important to include them in part of the centralisation or why local choice should be taken away from our communities.

We need to listen to local voices. As I said, our councillors represent our local communities. There will be many councillors who, like me, have served on parent councils and community councils—those are the sort of people who become councillors. We have stepped up from those communities to represent them, so we understand the importance of community empowerment and listening to local voices.

It is important to drill down into what people are actually saying. I am not sure that people are talking about centralisation. People are talking about a person-centred approach to service delivery and the ability to access services in the same way in all parts of Scotland if, for example, they move. People are talking about having basic criteria and basic standards—those sorts of issues. We have seen that in other areas, too. We have had discussions about education and how it is delivered in Scotland. That is how we work in that sphere. We have had a really good example of partnership working in the delivery of early learning and childcare. That is done with central discussions but local delivery, so it is possible to do that.

It is important to drill down into what people want and see that structural change is not the answer to that. Structural change will take years to put in place. It will take at least the length of this parliamentary session. We want recovery now. All the things that have been suggested will require funding, so we want funding in place to enable us to deliver that recovery now—not structural change, which might or might not have an impact, and which would certainly not have an impact for a long time.

Willie Coffey: You have probably answered an additional 10 questions in that reply, but it is important to hear what you have to say. Did you hear the cabinet secretary say that we really need to improve care services across the board in Scotland and that we want to establish consistency so that everyone can expect the same level and quality of service? What impact does that have on councils' autonomy and the local decision-making process that councils might deploy in that delivery? Is it about squaring that circle to achieve that outcome while retaining local democratic control of delivery?

Councillor Evison: Local councils also want to improve care. It is obvious—it has been highlighted in the past few months—that care needs to improve. That is not disputed, and we are very up for working together on that improvement. We are not in any way against the Scottish Government and local government working in partnership to develop that improvement. Local government has had aspirations to improve care, but we come back again to the funding model. We

have not been able to do that prevention work. The cabinet secretary hinted at the issues of trying to deliver something now while trying to work on prevention. In local government, we certainly recognise that issue. We have not had the funding to be able to do that prevention work.

We have not had the funding to reward our workforce in the way that it deserves to be rewarded. We value it and we want to help people with their skills and development, but we have not had the resources for that. We are talking about the importance of fair work. Yes, it is important, but we can deliver it in another way. We are not against improvement—we want to work together on improvement—but having the funding close to where the services are delivered is crucial. It is important to allow people to have a voice in how services are delivered in their area. Yes, there should be national criteria so that people can access a basic level of services wherever they want, but if people have a desire to develop care in a particular way in a particular area, they should also be able to deliver that. That wider understanding of leisure services, the local environment and housing—everything that must be part of effective care—means that those decisions are best made at a local level.

We are very happy to work together on improvement. Funding is essential. We can do a lot of the improvement work if we are given the funding for it. We are also happy to work on the level of central workforce planning and agreed criteria for a basic field from which we can all work. There is a lot on which we agree, but taking it all in to be dealt with centrally is not the answer.

Miles Briggs: I think that we were all taken by your strongly worded statement on behalf of COSLA. I would like your views on whether integration of health and social care has worked and whether that is what is driving consideration of a move to a centralising approach. I will put to you the question that I put to the cabinet secretary: will local government have more or fewer powers and more or less control over budgets by the end of this parliamentary session?

Councillor Evison: Integration might have worked differently in different parts of the country. That might be something that we can work on. One of the key aspects of our local governance review was functional empowerment, which means allowing different bodies to work effectively together to deliver for their local areas. In this case, we are talking about the NHS and local councils working together. If functional empowerment is not provided, people are not able to work together to address what is important to their local area.

Integration joint boards have not worked when it has not been possible to put in place functional

empowerment effectively in the local area. The boards are organised differently. Government ministers might have taken a silo approach by looking at aims and outcomes in their areas, rather than looking across the piece. The recovery agenda might make us look across the piece more, rather than thinking in silos. That might be a benefit. When different parts of the public sector have been working with different budget set-ups and different spending priorities, or when individuals have not been empowered to work in their local areas, that has not always been effective.

There have been some great innovative ideas, such as Orkney wanting to develop a single public service model, in which one public service would cover the 22,000 people there and bring together the NHS and the council so that they could work more effectively to deliver services. We are up for innovation. We have had ideas for innovation and improvement, but we have found barriers that prevent us from delivering that innovation. In many cases, if integration joint boards are given the power to innovate and to make improvements, they could deliver what people are asking for in local areas.

You asked whether local government will have more or fewer powers at the end of this parliamentary session. Scotland will be the loser if local government has fewer powers. We are a key sphere of government in Scotland. We are the voice of our local communities. We come from our communities, we represent them and we work with them at local level. We recognise that the 32 councils across Scotland, and the areas within them, are very different, so we work responsively. If we are building community wealth, developing 20-minute neighbourhoods, taking a place-based approach to planning or whatever else it is, we need a local voice and local representation.

It would be good to work with the committee to encourage the voice of local democracy and to encourage funding for local government, which has been in steep decline in recent years. If we had the money available to respond to local choices, Scotland would be the better for it and local services would be delivered in the way that local people want them to be delivered.

The Convener: I have very quickly been learning a lot about local government in this role. The fiscal framework has piqued my interest. The Scottish Government has invited local government to bring forward its own proposals for such a framework. How could a fiscal framework between the Scottish Government and local government work? What must be done to ensure that a rules-based system could work? What are the barriers to progress, given that issues such as ring fencing, single-year budgets and unsatisfactory changes to

settlements have been under discussion for decades?

Councillor Evison: In the previous parliamentary session, the Scottish Government agreed to develop a fiscal framework. The current proposals for council tax raise the issue of what happens to that agreement that we already had on the fiscal framework.

You raise crucial issues about the ring fencing of money and about money coming in small pots throughout the year rather than being decided at the beginning. Sarah Watters has already described how that prevents long-term planning, which makes it harder for councils to work with third sector partners or with us. It also makes it hard for councils to give their officers security of employment to work on economic development. People must know that they will be in place for more than one year if they are to be able to do that kind of work.

I will ask Sarah Watters to answer those huge questions in detail, because that is her area.

11:45

Sarah Watters: As part of the local governance review, we are extremely keen to develop proposals on the fiscal framework between the Scottish and UK Governments. There is currently a review of the fiscal framework, and Councillor Gail Macgregor has a call with Kate Forbes on Wednesday to talk about that. We would like a lot of the aspirations that are in the Scottish Government's manifesto on the framework to be translated into a fiscal framework between the Scottish Government and local government. That would include things such as more stability and certainty, greater borrowing powers and additional areas of local taxation.

Currently, professional associations such as the Society of Local Authority Chief Executives and Senior Managers and the Association of Directors of Education in Scotland crave stability and certainty. That would get everybody on to a much better footing for recovery, which is absolutely key.

Another issue is about transparency in the local government settlement. I hope that members are aware of the Scottish Parliament Information Centre's briefing "Local Government Finance: Concepts, Trends and Debates". That really useful document presents the complexity of the local government funding landscape as it is at the moment.

There has been mention of integration joint boards and what is working and not working. When those were established, they were meant to introduce seamless budgets. However, that has been very difficult, as there has been a focus on

health budgets and acute services—which local government would say is at the expense of local government. The share that local government gets of the Scottish Government's overall budget has declined in recent years.

In the past, COSLA has tended to look at funding in cash terms, because that makes very clear how much cash there is in one year compared with the previous year. However, in the SPICe report, the real-terms reduction in funding is very telling in relation to what has happened when it comes to things such as meeting pay pressures, demand pressures and inflation. That is what local government has to cope with, on the ground, every year. The real-terms cut inhibits the longer-term view.

Our aspiration is to have a fiscal framework that focuses on stability, certainty and transparency. Another aspiration is to grow the size of the funding pie, if you like, through the opportunity to have tax-raising powers. However, it is vital to stress that those must be locally appropriate; they have to work for a local area. For example, if we are considering things such as a tourist tax or workplace parking—or, indeed, any other ideas that we would like to explore in partnership with the Scottish Government—those must be dealt with in a way that is locally appropriate.

COSLA has a working group looking at the issues. Councillor Macgregor will be discussing its work with Ms Forbes on Wednesday. We would like to think that, by the end of September, we will have some good, firm proposals to bring to the cabinet secretary for discussion.

The Convener: Thank you very much for that, Sarah. We move to another topic. I invite Meghan Gallacher to ask her questions.

Meghan Gallacher: My questions to both witnesses are about participatory budgeting and community empowerment. Is progress being made in ensuring that all communities—not just those that have confidence and expertise—are being heard by local authorities and participating in their budgetary decisions? To follow on from that, as we emerge from the pandemic, will communities be more engaged with the budget-setting processes of councils? Will there be a change in attitude, with a willingness for communities to be more engaged?

Councillor Evison: Thank you very much for those questions. Participatory budgeting is something that COSLA has been signed up for and has very much supported. Officers based at COSLA are working on participatory budgeting and supporting our communities.

However, a point that is often raised is that it is important for communities to be able to have participatory budgeting not just with their local

councils, but with the wider public sector. In short, that should go beyond council budgets to other aspects of the public sector. We have been pushing for that really important development, because we should not presuppose what communities want to get involved in. Communities themselves should decide what they want to participate in.

The approach is extending across the country. Areas including Fife have been doing participatory budgeting for years and are way ahead; others are developing and practising it at a smaller scale through grant schemes. Nevertheless, there is a commitment to that approach across Scotland, even though the pandemic has probably held up progress in some areas.

As for whether all communities are being heard, I listened with interest to the cabinet secretary's earlier comments. A big concern for us is that, although some communities are able to get up and run with doing things for themselves such as organising participatory budgeting, other communities are not so able. They might be newer communities that have not yet developed the local leadership to take on such things; they might be commuter communities that do not have a sense of working in the local area; or they might be more disparate or spread-out communities that, because of their geographical location, do not have the same heart as others. There are lots of reasons why places might not be as ready or able to do these things.

However, that brings us back to the role of local councils. As we move forward with community empowerment through, say, community wealth building or participatory budgeting, the council is the local body that can give support to iron out those kinds of inequalities and empower, support and develop communities to enable them to come forward with their ideas. Only local government can iron out such inequalities. It is not enough to say that they exist and that some communities are further ahead than others; it is our job in local government—and it is a job that we are totally up for—to make sure that everybody has a voice, can take part and can take advantage of that empowerment.

What we are after is that local voice. Given that we are part of, come from and represent those communities, we think that it is really important that the local voice is heard. Indeed, that is the function of our councils.

The Convener: I call Elena Whitham to continue the theme of community wealth building.

Elena Whitham: President, you have mentioned community wealth building quite a few times in your evidence this morning. In a recent

letter to the committee, the Scottish Government said:

"We intend to introduce Community Wealth Building legislation during the current session to encourage the model's wider adoption across Scotland. Part of this will be removal of any impediments experienced by local authorities and other ... 'anchor' organisations seeking to advance a wellbeing economy."

What is COSLA's understanding of those impediments? What more can the Scottish Government do to help remove such barriers?

Councillor Evison: I would strongly argue that councils are the anchor of our communities. They have the overview, so they need to be able to develop that place-based approach, ensure that they can use all local resources to harness everything that exists to support the local economy, and look at how their procurement system is organised and how they can use and develop it to support community wealth building.

Obviously, employment and the use of local land and assets are part of that, too. It is important that councils have the power to support the work of communities in bringing about place-based inclusive growth if we are to create resilient economies and help prevent further problems in our communities as well as economic problems.

We should be encouraged to have collaborative working across the piece, and it is particularly important that issues around procurement are removed so that we can look locally at the best way of spending that money. There is also the issue of how we work across the public sector in a local area; that is not always easy, and we need to get rid of all such impediments.

We need to have that joint interest. After all, community wealth building involves not just the local council, but everyone in the local area working together, and we must ensure that that can be taken on board, too, in all the functions of the public sector.

We have some great examples of how community wealth building is developing. As you know, the head of North Ayrshire Council has done a lot of work on that, but the Ayrshires in general have also done a lot of work. We need to learn from them where the impediments are, and we need to listen to them on what they have found works or does not work. We need to respond together to address those points.

Sarah Watters: I go back to one of the issues on the revenue side, which is one-year funding. Going from year to year makes it very difficult to spread the benefits and give that certainty in local supply chains to encourage and drive innovation, especially in relation to issues such as reaching net zero. There is no local business that would not

welcome the certainty that the public sector can bring because of its scale.

On the capital side, local government has a huge part to play in stimulating local economies through capital projects. It was welcome that last year's capital spending review had five-year plans, but it was disappointing that the level of capital funding was significantly reduced. There is concern that that will inhibit the role that local government can play on various projects, whether that be on flood risk management, school building or housing projects. Those can create a lot of training, apprenticeships and job opportunities, and leave a legacy in that community. If we are to get to the heart of community wealth building, we need that medium-term view—it does not even need to be long term.

We need honesty about what exactly local government has discretion to spend locally. Much of local government spend is directed; we would like to be able to take more decisions locally and, as Councillor Evison quite rightly said, across partnerships. If IJBs were truly empowered to make local decisions about care and support, and did it together, rather than being inhibited by their accounting structures and reporting, we could make clear strides in community wealth building.

The Convener: Thank you for that—you have made some great points on how we can move forward to build community wealth.

We will change the topic. We are concerned about some of what we have heard about the levelling up fund. Willie Coffey will ask some questions on that.

Willie Coffey: Has COSLA had any direct engagement with the UK Government on the question of former European Union structural funds, levelling-up funds or shared prosperity funds? Last week, you might have heard the cabinet secretary say that there had been no engagement between the Scottish and UK Governments during the entire process. Has COSLA had that direct engagement with the UK Government? Do you share the cabinet secretary's concerns about the potential impact of that on the Scottish block grant?

Councillor Evison: I will answer that by saying that we have had opportunities to talk about the levelling up fund but not in a way that would influence the levelling up fund. We have not had any involvement in its design or implementation, which would appear to be the major point of your question. However, through the Scotland Office, our environment and economy spokesperson, Steven Heddle, has had individual conversations—although not ones that could influence how things are done. Given that we are talking about localism and really understanding

what is needed in the local area, there was probably a missed opportunity to look, through our councils, at what is needed in the local area. I will hand over to Sarah Watters for a fuller answer on that.

Sarah Watters: We share the Scottish Government's concerns about anything that would have an impact on the block grant adjustment. That will form part of the discussions that Ms Forbes is having at UK level on the review of the fiscal framework. In its manifesto, the SNP Government said that it was keen to expand the scope of the review of the fiscal framework. We would like as much transparency as possible on the impact of levelling up, especially given that, as Councillor Evison said, we have not had an opportunity to shape those funds. We do not want to see things given with one hand and taken away with the other.

12:00

Recently, we did a piece of work with all the directors of finance to find out how engaged they are with the funds. Councils are finding the timescales to be very challenging. For example, many wanted to engage with round 2 of the levelling up fund, but the timescales were extremely challenging. In reality, the councils will have to engage with the fund as another source of funding.

We need to ensure that there is absolute transparency through the fiscal framework work, at all levels, so that we know the impact of the funding and can be sure that it is additional to what is already in the system.

Willie Coffey: Is there a potential issue for local autonomy in much the same way that we discussed earlier in relation to the national care service? Does the process pose any threat to local decision making and accountability?

Sarah Watters: One of the key concerns about the whole levelling up fund is the bid approach to funding. The bid approach does not necessarily mean funding getting to places of greatest need. Instead, the approach might mean that funding reaches places that, to put it bluntly, can write and submit good bids. It might come down to local capacity. It would be really disappointing if there were areas of real need that, for a variety of reasons, do not have the capacity to access the funds. That is a major concern for local government. As members are probably well aware, COSLA prefers a distribution of funding that is needs and client based. Having constantly to work in a bid environment is not what COSLA would like to see for such funding.

Willie Coffey: I thank you both very much for your answers.

The Convener: That concludes our questions. It has been a rich and thought-provoking session, which will form a really good basis for our future work. Thank you for spending your time with us and sharing your views.

Councillor Evison: It has been a pleasure to talk to you.

The Convener: As previously agreed, we will continue the meeting in private to consider item 3.

12:02

Meeting continued in private until 12:42.

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