



OFFICIAL REPORT
AITHISG OIFIGEIL

DRAFT

Local Government, Housing and Planning Committee

Tuesday 17 September 2024

Session 6



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Tuesday 17 September 2024

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LOCAL GOVERNMENT, HOUSING AND PLANNING COMMITTEE
24th Meeting 2024, Session 6

CONVENER

*Ariane Burgess (Highlands and Islands) (Green)

DEPUTY CONVENER

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

COMMITTEE MEMBERS

*Miles Briggs (Lothian) (Con)

*Pam Gosal (West Scotland) (Con)

*Mark Griffin (Central Scotland) (Lab)

*Fulton MacGregor (Coatbridge and Chryston) (SNP)

*Emma Roddick (Highlands and Islands) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Fiona Campbell (Scottish Government)

David Heaney

Angela Leitch

Martin McElroy

Jane O'Donnell (Convention of Scottish Local Authorities)

Shona Robison (Cabinet Secretary for Finance and Local Government)

CLERK TO THE COMMITTEE

Euan Donald

LOCATION

The David Livingstone Room (CR6)

Scottish Parliament

Local Government, Housing and Planning Committee

Tuesday 17 September 2024

[The Convener opened the meeting at 09:31]

Interests

The Convener (Ariane Burgess): Good morning, and welcome to the 24th meeting in 2024 of the Local Government, Housing and Planning Committee. I remind all members and witnesses to ensure that their devices are on silent.

Today Emma Roddick MSP will be joining us online. I welcome Fulton MacGregor to his first meeting as a member of the committee. Our first item of business today is to invite him to declare any relevant interests.

Fulton MacGregor (Coatbridge and Chryston) (SNP): Thank you, convener. I have no relevant interests to declare. However, for the purposes of the committee, I want to put on the record that I was a local authority councillor in North Lanarkshire Council between 2012 and 2016.

The Convener: Thank you very much, and welcome to the committee.

Decision on Taking Business in Private

09:32

The Convener: The second item on our agenda is to decide whether to take item 5 in private. Do members agree to do so?

Members indicated agreement.

Councillors' Remuneration and Expenses (Recommendations)

09:32

The Convener: The next item on our agenda is take evidence on the Scottish local authorities remuneration committee—SLARC—recommendations for councillors' remuneration and expenses from two panels of witnesses. On our first panel we are joined in the room by Jane O'Donnell, who is chief executive of the Convention of Scottish Local Authorities; and by two former members of SLARC, David Heaney and Martin McElroy. We are also joined online by Angela Leitch, who is a former convener of SLARC. I welcome the witnesses to the meeting.

I invite Angela Leitch and Jane O'Donnell to begin by making short opening statements.

Angela Leitch: Can you hear me?

The Convener: Yes.

Angela Leitch: Thank you, convener, for the opportunity to come back to the committee to discuss the findings that we set out in the SLARC report earlier this year. As members are aware, I wrote to the cabinet secretary following the publication of the Government's response to our recommendations. I did that having discussed the response with my colleagues, two of whom are in the room with you today.

First, I have to say that we definitely welcome the Scottish Government's broad acceptance of the recommendations, as set out in our report. There are, however, three issues that SLARC would like to bring to your attention and perhaps have a bit of a discussion about today: first, the timing of the implementation of our recommendations; secondly, the delegation of funding responsibility solely to local government; and thirdly, the importance of the role that the national sphere of governance in Scotland plays in the minds of the Scottish people when advocating for local government.

I will be very brief. I set the out timing in the letter fairly extensively, so I do not intend to go over that again. We did work throughout 2023 and into 2024 based on the understanding that the necessary statutory instruments or regulations could not be effected until implementation of what we would propose was accepted in the year 2024-25. Subsequently, it was, in fact, very late in the calendar year when we were advised that that would not be the case.

Nevertheless, given that retrospective application is always an option, we felt that it was important to set out the fact that both the banding

changes and the increase to councillors' remuneration could be implemented this year. It was 2011 when the previous SLARC report was presented and very few of its recommendations were approved at that point in time.

The second point is on funding. It is important that the committee be aware of the work of SLARC, throughout our commission, on affordability. That was part of our remit. Again, I have set that out in our letter. We broke things down in quite a lot of detail just to demonstrate the consideration that we had given to the matter. We have highlighted what would be the situation at the national level and we have broken it down by local authority. The amounts are quite modest, given the timescale between this review and the previous review. What is suggested is not a pay increase, as such. It is not an annual increase, but a fundamental reassessment of the role of councillors within local authorities.

That is why we have spent such a lot of time on the subject. It came as a bit of a surprise to SLARC that total responsibility for that funding would come from finding it in existing local government funding. Had we been aware of that—that certainly had not been our understanding—we would have made a recommendation that, at the very least, a shared approach be adopted.

Finally, I think that there are a number of recommendations that the Scottish Government, while acknowledging and accepting them, has indicated would be the responsibility of COSLA and local authorities to take forward and implement. We gathered evidence—my colleagues in the room will certainly be able to reinforce this in answer to questions—that the view across the electorate is that it has to be a joint endeavour. If we are serious about removing barriers and reinforcing the importance of this front-line level of democracy, our not leaving it solely to local authorities is very important; a demonstration of the value that the Government places on this sphere of government is very important.

I acknowledge that several MSPs started out their political careers in local government; they will understand the challenges that people face. Our view is that although it is important that we acknowledge that finance is challenging in the current circumstances, it is also important that we acknowledge the imbalance in representation. Local councillors are making decisions and determining services within very tight constraints and on many occasions are not broadly representative of the communities that they serve.

We ask the committee to consider both our letter and our representation today in considering any further actions that the Government might take in response to our report. Thank you.

The Convener: Thank you very much.

Jane O'Donnell (Convention of Scottish Local Authorities): Thank you, convener, and I thank the committee for inviting COSLA here today. As Angela Leitch just noted, the invitation followed recent correspondence between SLARC, COSLA and the Cabinet Secretary for Finance and Local Government, of which I think you are aware.

The way in which we recognise the value of our councillors in Scotland is a matter of great importance, not only to COSLA and the 1,267 people in our communities who act as our councillors, but to the communities that they serve. We all want councils that are truly representative of the people whom they represent. That is essential to our democracy—not only for effective running of the country, but for the trust and belief that people have in it to deliver improved outcomes and quality of life for everyone. However, we know that not everyone in our country feels able to stand as a councillor, or can—which is even more significant—remain as a councillor because of decreasing remuneration for the role.

You have heard from our colleagues on SLARC previously and will, probably, here today, about the huge body of evidence that they collated and considered before they made their recommendations. COSLA's presidential team and I have been around the country visiting councils—we are about halfway through—and speaking to councillors, so we have heard at first hand of the barriers that people face when they want to stand for election to represent their communities. COSLA is committed to removing barriers for anyone who wants to be a councillor, whether that is through the party-political system or through people choosing to stand as independent councillors, of whom there are many.

We have, in COSLA, a special interest group on barriers to elected office and we have put resource into that. It comprises a diverse range of people who are councillors and can give us their lived experience. Their experience is at the heart of the COSLA submission to the committee. From this work, and reflecting the findings of SLARC, we know that a key barrier to being a councillor for women, people with disabilities, single parents, young people and those from ethnic minority backgrounds, is the level of remuneration, which currently does not provide a real living wage and, therefore, blocks unrepresented people from being a key voice in our democratic decision-making bodies. It is vital to acknowledge that no one is disputing that fact from the evidence that has been brought forward; we all accept and recognise that that is the case.

It was the COSLA view at the outset of the most recent SLARC inception that lack of understanding about the role of councillors might significantly hinder the calls for improved terms and conditions. We were pleased to see the remit of SLARC directly address that point, in asking whether the role of a councillor has changed. The committee provided the wealth of evidence that I previously mentioned, which demonstrated the added complexities of the role in 2024, including expectations around partnership working, the increased role in scrutiny and challenge, and responsibilities around strategic input. SLARC found that, on average, councillors spent about 26 hours a week in 2023 on the formal aspects of their roles and also took on additional responsibilities as councillors, which means even more hours. The remuneration that is proposed by SLARC in its report is an appropriate increase that is reflective of the added complexity.

COSLA is clear that its vision is to ensure that everyone can live well in our communities. We have a long-held ambition to strengthen local democracy and we want to see more political power at a level that is closest to our communities. This is reflected in our shared working with the Scottish Government on the local governance review and our shared priority to deliver sustainable services through public service reform. Why do I mention that? It is because we can do that only by ensuring that our elected members at national and local levels are as diverse as our communities, and reflect the views and the lived experience of the people whom they are there to serve. As financial restrictions hit our services, it is vital that the people who scrutinise and, ultimately, make the decisions on proposals reflect the people whom they represent.

The committee is already aware that the 2011 SLARC recommendations were never implemented. Back in 2011, the reason that was given was lack of resources. If we believe in democracy, we cannot allow another set of recommendations to go unrealised. We acknowledge that the cabinet secretary is committed to implementing several of the recommendations, but leaving the cost of the recommendations to local government budgets would result in limited implementation and an unacceptable pitting of front-line services and colleagues against the cost of democracy. COSLA understands the reasons for the delay in the report and the ministerial response, but we want to stress the importance of the work being prioritised, going forward. We want to see implementation of the recommendations. All 32 COSLA leaders have accepted the recommendations in principle and stress the importance that any uplift be backdated to April 2024.

For our part, in COSLA, the barriers to elected office interest group has already begun work to consider the implementations that the committee decided were for COSLA to take on. The group notes the varying legislative, financial and capacity challenges that are involved in implementation and we know that they will result in different timelines for each recommendation, but we remain committed to delivering them.

I will just finish by re-emphasising that the independent SLARC was re-established in April last year in response to a joint commitment from COSLA and Scottish Government that terms and conditions would truly reflect the responsibilities of a modern-day councillor. Becoming a modern-day councillor must be open to everyone in Scotland—not just to those who can afford to do so. Thank you.

The Convener: Thank you very much. It was good to hear COSLA's perspective.

We have a number of questions on areas that both of you have touched on, illuminated and possibly given us some answers to, but we want to dig down a bit further.

Angela Leitch, I will come to you first. In your opening statement, you said—I will paraphrase you, perhaps badly—that, if SLARC had understood the Government's response, it would have made a recommendation on a shared approach. To what extent was the issue of who should cover the cost of SLARC's recommendations discussed before the committee started its work?

09:45

Angela Leitch: Our understanding from the brief that we were given was that it was a joint commission, as Jane O'Donnell set out, and, therefore, the implementation of any of our proposals would be jointly considered and agreed. We firmly believed that we were working to a date that would allow our proposals to be incorporated into the local government settlement for 2024-25. Around December 2023, when the report was practically finished, it became evident that that would not be possible. We thought that there was sufficient detail to allow any preparation for regulation changes to commence at that point, which is why we continued refining the report up until February 2024.

At the outset—I think that my two colleagues would certainly reinforce this, if either of them wants to come in—our firm belief, on the timescale that we were asked to follow, was that affordability was key and that that was something that would be considered jointly by COSLA and the Scottish Government.

David Heaney: I want to reiterate the point that Angela Leitch has just made. In fact, the committee first met in April 2023. The minutes of that meeting show that, when the committee was setting out its terms of reference, remit and how to approach its work, there was discussion around the timescales for work towards the completion of the statutory instrument. That had to be done by November 2023, which would have enabled a forward timeline towards April 2024 for implementation. There was a clear understanding from meeting 1—bearing in mind that the committee met 28 times in total and had several similar discussions throughout the 14-month lifetime that it was convened for—that that was the timescale and the purpose that we were working towards.

The Convener: Thank you very much for that detail. Jane O'Donnell, do you want to come in on that?

Jane O'Donnell: On the interactions that COSLA has had with its colleagues in the Scottish Government, it was our understanding that the cost of implementation would not be left to local government alone. That point was stressed many times by our presidential team to the cabinet secretary.

The Convener: I come back to Angela Leitch with a bit of a practical question. When you wrote to the cabinet secretary, you mentioned that SLARC completed its task with only six members rather than seven, which had been the original intention. I am interested to understand the reason for that and the impact that it might have had on the committee's work.

Angela Leitch: It is quite hard to say what the impact was. I think that the six individuals who were appointed worked as a united team. For a group of people who had not worked together in the past, we quickly formed a strong relationship. We were committed to the task in hand, which was the commission that we were given. Everybody came with a different skill set, so we utilised those skills to best advantage, and there were two sub-teams that we allocated work to.

We had been given an indication of a time commitment; I think that it was originally six days a month. On occasion, over the timescale, individual committee members went over that commitment, but, overall, we met it. We probably compensated for not having a seventh member of the group. I do not know why that was not possible, but I think that the skill set that we had served us well in making the recommendations that we made and coming to the conclusions that we came to.

The Convener: Under the circumstances, you managed to do a good job, so thanks very much for that. Willie Coffey has some questions.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): Good morning, everybody. Angela Leitch, in your submission you talked about the Verity house agreement and this whole thing not being in the spirit of that. First, does the Scottish Government normally make separate and specific provision for councillor salaries, or is it usually contained within the overall local government settlement?

Angela Leitch: I understand that it is not a separate payment; it is not one of the ring-fenced arrangements that are in place. However, given the circumstances, and given our commission, we firmly believed that, after a decade, it would feature in the settlement and that there would be some contribution towards it, or that there would be an acknowledgement in the settlement that would enable councils to increase remuneration by the amounts that we proposed.

We looked at the issues within the current financial circumstances. We know that budgets are very tight and that finances across the public sector are very tight. The £5.1 million that we proposed was something that the committee looked at long and hard. However, given that our commission was to look at how we remove barriers to public office in this important sphere of government, we felt that it was quite realistic, in acknowledgement of the complexity of the roles. As I have said, I am sure that there are some people in the room who understand that, having served on their local councils.

Willie Coffey: Was there some discussion leading up to the Verity house agreement to get the issue embedded in that agreement? Was it rejected? Did you propose that? How did things end up? Is it just not there at all and it remains a wish that it should be part of the Verity house agreement?

Angela Leitch: There is an opportunity in the fiscal framework that is part of the proposal for the Verity house agreement to explicitly come together to acknowledge the importance of working with local government to enhance representation at that level. David Heaney and Martin McElroy in particular worked on this but, as the report sets out, we gathered evidence on the underrepresentation of particular groups, which we traced back to remuneration, by and large. However, there are other issues that are not solely for local government and which do not only apply to local councillors, such as the difficulty of making very difficult decisions and the role that social media play.

There are a variety of factors, but our view is that the Verity house agreement and the fiscal framework would be a route whereby a contribution or an explicit commitment could be made to looking at the role of local elected

members, in terms of not just remuneration but promoting among a wider group of the electorate the work that councillors do.

Willie Coffey: It would be helpful to hear other colleagues' responses.

Jane O'Donnell: We work with the Verity house agreement all the time in COSLA. It is something that we are very familiar with. Its basis is an absolute respect between the two spheres of political governance in Scotland.

Angela Leitch has pointed out that the fiscal framework is an opportunity, but we drafted the Verity house agreement with our colleagues in Scottish Government on the basis of the principles of the European Charter of Local Self-Government, which says that funding for local government must be sustainable. As I said, the agreement also recognises the respect that is required at a local level. Those are both quite principled positions in the Verity house agreement that I feel add to the argument that the proposal should be something that is included and considered going forward.

Willie Coffey: To finish off on that point, are you saying that funding for local councillors should be a specifically set item in any future Scottish Government budget, that it should be specifically separate and that provision should be made for it? From my understanding, it is part of the overall settlement.

Jane O'Donnell: To be really clear, COSLA is not a fan of ring fencing in any way, shape or form. It would be very helpful for the Scottish Government to put its commitment into the financial agreement and to note that it is including the proposal as part of the general grant that goes to local government. It is COSLA's role, with our 32 leaders, to agree how that is distributed across the 32 councils.

Willie Coffey: I turn to the debate about whether the proposal is a salary increase.

Angela Leitch, you said that this is not a pay increase but is a reassessment. From the figures that we have, it amounts to a potential 15 per cent increase—or reassessment. Can you explain your thinking? Why do you describe it as a reassessment and not a pay increase if it amounts to 15 per cent?

Angela Leitch: Primarily, we use an annual uplift to look at councillors' remuneration—at least, we have done since 2017-18. Our remit was to look at the role of a modern-day councillor and to assess the complexities of that and what was a reasonable level of remuneration to apply to that position. Fundamentally, leaving the annual uplifts to the side, we were looking at an assessment of the role and its value in our local democracy. That

is the remit that we addressed through the evidence that I have already alluded to. My colleagues can expand on that.

Willie Coffey: Do other colleagues want to come in?

David Heaney: Recommendation 6 says:

“The Committee recommends that the salaries of councillors be set at 80% of the median salary for all employees in the public sector in Scotland as published in the Annual Survey of Hours and Earnings ... resulting in an annual salary of £24,581”.

The 80 per cent figure comes from the activity data that we got back from the councillor survey. The councillor survey, as Jane O'Donnell said, covered every council in Scotland. We had 785 responses from councillors—64 per cent of all the councillors in Scotland replied, so it was a fairly significant response. They told us that they spent about 82 per cent of their time in any week on council activities, so that was the matching figure. We thought that a reasonable figure would be 80 per cent of the median public sector salary, so that was how we arrived at £24,581.

Willie Coffey: My final question is for Jane O'Donnell. I think that you said that you hoped that, when the issue is settled, it could be backdated to 2023-24. I think that councillors are worth every penny that they get—I served myself for about 20 years in East Ayrshire—but what would the overall cost of that backdating be, if we could afford it?

Jane O'Donnell: To be clear, I was talking about backdating to April 2024, so from the start of this financial year. Therefore, the costs are included in the figure that Angela Leitch gave you, which is £5.1 million.

Emma Roddick (Highlands and Islands) (SNP): Good morning. I want to pick up on COSLA's comment that

“the timing of the response and related messaging has contributed to conflation between the SLARC recommendations and ongoing pay negotiations for our workforce, which is adding to a negative perception of the councillor role.”

Could you go into a bit more detail about why that comment was made?

Jane O'Donnell: That is a live issue in the social media response to the proposals. Obviously, we are still in pay negotiations with our colleagues in the Scottish joint council part of our workforce, who are represented by Unison, Unite and GMB. Colleagues in the room will be aware of the suggested strike action and so on, so it is a live issue.

COSLA would prefer to have multiyear settlements, but we currently have annual pay negotiations with our trade union colleagues. As

employers, we have a separate process of job evaluation, and we feel that the SLARC proposals are the equivalent of that. That has not been picked up in some of the response to the issue from the media. For example, COSLA, as an employer, holds the job evaluation scheme for our local government workforce. The workforce has annual pay increases, but every now and then, as employers, we have to acknowledge that a role has changed and, therefore, it is absolutely right that we reassess it with our trade union colleagues and come to an agreement on how the role is remunerated.

The SLARC process has been far more like that job evaluation process than the annual pay increase. As David Heaney and Angela Leitch have mentioned, that pay increase is already dealt with as a separate part of the work with Parliament. The situation has been unhelpful, in that it feels as if it has pitted our front-line workers against the people who are there to support and make decisions on the services that they deliver.

In local government, we like to see ourselves as a family. There is close working between councillors, managers and people who deliver the services. It feels really unhelpful that the two issues have been brought together, and that is not something that we want to continue.

10:00

The Convener: Thanks very much for that clarity. Emma, do you want to come back in?

Emma Roddick: Yes—just briefly. Was there a way to avoid that conflation? What should have been done differently?

Jane O'Donnell: I suppose that that goes back to the timescale and the points that Angela Leitch made at the start about timing. If we had been able to resolve the matter in December last year, looking forward to the financial year, that conflation would not have happened, because the conversations would not be happening at the same time. If we had stuck to the original timescales, we would not be having this conversation today.

Pam Gosal (West Scotland) (Con): Good morning. I thank the witnesses for their opening statements.

The cost of the pay uplift for ordinary councillors would be around £2 million and the cost of increasing pay for senior councillors would be around £2.6 million, which is a total of £4.6 million. Could COSLA provide more details on how it sees that being funded? Angela Leitch touched on the thinking behind its being in the Government's settlement. Jane O'Donnell mentioned that that was stressed many times to the cabinet secretary.

You said that you met 28 times as a committee, is that right?

David Heaney: Yes. SLARC met 28 times.

Pam Gosal: I want to get some more detail on the issue. Were any promises made at the time? Did you feel that the money was going to be in the settlement and was that stressed to the cabinet secretary? What were the responses? Can you give a bit more detail on how this will be funded?

Jane O'Donnell: I am happy to answer for COSLA and I will then hand over to my colleagues in SLARC to comment on their interactions with the Scottish Government.

It started with a joint position, and it remains a joint position. We agree the principles behind the recommendations and we want to take them forward. COSLA has been clear with our colleagues in the Scottish Government and with the Cabinet Secretary for Finance and Local Government that we could certainly not possibly cover the cost on our own. We have made that point a number of times. We understand the financial situation that the Scottish Government is in and the constraints that are on it. We note that, although the amount of money involved looks fairly small, it would have a huge impact on councils that are cutting services because of the financial constraints that they are under. It is very hard for councillors to go ahead and award themselves in line with this job evaluation.

The issue has been mentioned a number of times and our position has been clear all the way through.

Martin McElroy: Our engagement with the Scottish Government started in April last year. It was very positive and there was a good atmosphere of trying to make things work to the timescale that we had agreed. We had a specific commitment to get the report completed by November so that any potential uplift could be included as part of the statutory instrument and the negotiations for the budget.

However, by the late summer, it became pretty clear that we were slipping down the list of political priorities for the Scottish Government and that attendance by Scottish Government officials was a bit less consistent. COSLA officials—I am not just saying this because Jane O'Donnell is here—were absolutely superb throughout the process and were very supportive of our work. However, the crunch point came when the council tax freeze was announced and the messaging from the Scottish Government then was completely different—it was clear that the timescale that we originally agreed was just not going to be met. I think that that was in September or October last year.

The Convener: Roughly when did you start in April? Was it towards the beginning or the end?

Martin McElroy: It was towards the beginning.

The Convener: You started at a time where there was a change in leadership in the Government, which might have had an impact.

Pam, do you have more questions?

Pam Gosal: Martin McElroy has just mentioned that he could see that Government officials were not attending and relationships were changing. Did any of you voice that to the cabinet secretary? Was anything written or emailed to say, "You are not attending"?

Martin McElroy: Yes. There were a lot of attempts to engage with different officials. There were quite a few changes in the department—there were personnel issues, with people being absent and changing roles—so we did not have the consistency of support that we would have liked and hoped for. Even taking that into account, it was pretty clear, certainly by the time that the council tax freeze was announced, that the process was going to become very difficult for us. We were still on track to complete our work for November, but it became clear that, even if we submitted the report to the minister by November, it was very unlikely that it would be considered in time for the budget negotiations.

The Convener: Angela Leitch has indicated that she wants to come in.

Angela Leitch: I have a couple of points on that. As I said, SLARC thought long and hard about affordability. We were really mindful of how the proposals could be funded. On the face of it, £5.1 million sounds like a lot, but it is 0.04 per cent of the total Scottish local government budget. It is really modest, given the timescales over which there has been that gap.

The committee has previously taken evidence on barriers to elected office at a local government level, and our evidence has shown that remuneration is a barrier. The other barrier is the inability or the reluctance that local councillors have to award themselves any assistance. When we did a review of governance, we heard that councillors were at pains not to increase admin support to take a bit of pressure off their work, because they were aware of the importance of putting as much as possible into front-line services.

Although we recognise that funding is difficult across the piece, we need a demonstration or overt commitment. We need to say that this sphere of government and local representation are important parts of the system in Scotland. It is not just about funding; it is about considering how best to encourage people to stand in local elections

and how to achieve broad representation. That cannot be done just on their own by people who are in that sector or part of the system.

Pam Gosal: I echo the point that representation of communities is important. I was one of the first women of colour to come in to the Parliament, along with Kaukab Stewart, and was the first Indian woman. It took a long time—until 2021—for that to happen. It is important that we spread that through our councils to ensure that they represent communities in the right way, with the right people as councillors, so I absolutely agree with you.

If the Scottish Government refuses the request to pay for the SLARC recommendations, is it COSLA's view that regulations should not be introduced early next year? I know that we have talked a little about timings.

Jane O'Donnell: We really hope that the Scottish Government does not make that refusal, as that would be really unfortunate. As I said, there is a huge body of evidence behind why the recommendations are important. We have heard a number of acknowledgements today that the findings are accurate—we all accept that. Given that we know that the findings absolutely represent the reason why people are not stepping forward into political life, we really hope that the Scottish Government does not refuse to pay for the proposals. We have the Verity house agreement. There are opportunities for Scottish Government and local government to come together to find the right way forward.

I emphasise that local government is up against it in terms of finances, as you will have seen in your communities. We are losing our ability to deliver the services that we want to deliver to the people who rely on us. If we are asked to cover the cost, either the recommendations will not be implemented and, therefore, we will continue to have a very restricted group of people making decisions in our communities, or there will be a further impact on services. From the councillors who I know and work with day to day, they will always put themselves last and the services first. That means that the recommendations of SLARC would not be implemented.

Mark Griffin (Central Scotland) (Lab): Good morning. I have a question about the methodology that was used for the recommendation on remuneration. You have linked that salary recommendation to the 2022 Office for National Statistics data. I appreciate that, during the course of your work, you expected the Government to lay regulations in April of this year, but the Government has said that it will not implement the recommendation until 1 April 2025. Given that unexpected time lag, do you intend to provide an updated recommendation, which would perhaps not be limited to a strict financial number, but

which might reference the most recent Office for National Statistics publication?

David Heaney: As a committee, SLARC is stood down, so we are not in a position to make any further recommendations in that regard. We based our recommendation on the data for 2022, which was the most recent year for which we had a full year of data. Given what you have just said, it would make sense that, whenever implementation of the remuneration recommendation was being considered, it was based on data from the most recent year, which, at that point, might well be 2023. It would be logical to do that, but our committee is not in a position to recommend that.

Martin McElroy: On the issue of how long it has been since SLARC was last convened, we thought that it would be useful to have a SLARC assessment, so to speak, every term, so that the remuneration level does not get so out of date. We thought that marrying up councillors' salaries with 80 per cent of the annual survey of hours and earnings level would be an appropriate link, and that that would be based on up-to-date figures. The hope is that the Scottish Government will include that thinking in the statutory instrument.

Fulton MacGregor: Good morning. I want to ask about the work that was done for the recommendation on the uplift or the reassessment—whatever we call it. I am in a similar position to Willie Coffey on that. I declared my interests earlier. The recommendation on increasing councillors' pay is very welcome and overdue, as councillors' pay has increased only minimally since I first became a councillor in 2012. Therefore, I welcome it.

I want to ask about an issue that has occurred to me while the discussion has been on-going. What did you find out in your investigations about the role of councillor being a second job? Often, that is the case through necessity. Most councillors I know have another job. Whether they say that their job as a councillor or the other job is their second job is neither here nor there. They usually have two jobs. Did you undertake any analysis of what impact the uplift or reassessment might have on that?

There are two sides to that coin. The first aspect is one that we have already talked about. Do you think that the uplift or reassessment will take away the aspect of low pay being a barrier to being a councillor, with the result that more folk will be able to go for the role of councillor? Conversely, do you think that the reassessment will mean that councillor pay will go up to what we could call a high enough level, whereby it more represents a fairer or a "normal" wage, with the result that some people might feel unable to do their other job, and that it might therefore act as a barrier in that way?

I hope that that question makes sense. That thought came to me today. Did that issue come up in any of your discussions?

David Heaney: There is certainly a balance to be struck, and our survey reflected that. I can quickly go through some of the figures for you, if that would be helpful.

Forty-two per cent of councillors said that their council role was full time, but more than half of them were employed elsewhere, either full time or part time, so folk seem to be juggling those two different calls on their time. Some people said that they did a full-time job and carried out the role of a councillor on top of that—in other words, they had one and a half full-time roles, if you like. We certainly got the sense that people were balancing that.

There was also a sense that, with the current level of remuneration for councillors, people could not afford to give up their full-time job, especially younger councillors with other financial commitments, such as mortgages and so on. However, the increase might well tip people towards taking on the role as more of a full-time role and shifting away from a full-time role to a part-time role or away from a part-time role.

10:15

Martin McElroy: What you have said about there being a balance to be struck is absolutely spot on. Although some respondents to the survey said that they did not want the councillor role to be considered as full time because they wanted to continue with their professional life outside of elected politics, the vast majority of folk who responded who said that they were working said that they would like the councillor role to be full time, but that they had to work out of necessity, because of the level of remuneration.

The other factor that was completely overrepresented in the answers that we received was the number of councillors who worked for other politicians, such as parliamentarians. We even found that there were senior councillors whose remuneration was of a level that meant that they had to have other employment, and the only other fully understanding employer was another politician. At one point, the committee had a discussion about the quandaries that could come from that, especially if, for example, a councillor's employer took a certain position on an issue on which the councillor, as a local elected member, felt differently, and how that could conflict with their decision making. We would have liked to have explored the potential impacts of that issue further if we had had time, but we had to strike a balance.

You are right. There were some people who were keen for the councillor role to be full time if it was remunerated properly, but there were others who said that they liked the fact that they could do it part time and still have their career.

Fulton MacGregor: Thank you very much for those answers. I reiterate what I said in my opening remarks: I very much welcome the proposed uplift, which makes a lot of sense and is well overdue.

Jane, you mentioned in answer to other questions and, I think, in your opening statement the possibility of people in the same council being pitted against one other on the issue. I want to take that a bit further. Is there a risk, depending on the final decision on how the uplift will be paid for, that we could be left in a situation in which—I do not think that we are set up for this just now—local authorities end up making individual decisions, which could mean that X local authorities agree to the uplift and Y do not, or do you think that that will not happen and that the uplift will go ahead across the board or not at all?

Jane O'Donnell: I think that that is a risk. Individual local authorities have a responsibility for the wellbeing of all their elected members, and they will take that into account. Not all local authorities could even begin to cover the cost of the proposed uplift. We have already referred to the fact that the impact on their finances is so great at the moment that they could not take that on. Therefore, we might find that some local authorities implemented the uplift and some did not. That would exacerbate the differences in experience of people who are trying to be councillors in this country. It would be a real shame if councillors who work in some of the smaller areas, for example, were not able to achieve an uplift that would let them look after their own wellbeing and maybe drop other things that they do not need to do because of the way the finances are.

That is a risk. COSLA would not encourage that, but every local authority has its own responsibilities in that regard, so it is possible.

The Convener: Angela Leitch has indicated that she would like to respond to Fulton MacGregor's earlier question.

Angela Leitch: In addition to the points that David Heaney, Martin McElroy and Jane O'Donnell have made, it is important to reiterate that these recommendations do not sit alone. We made a series of recommendations, some of which went beyond our remit, but they were made intentionally because they were based on the evidence that we had gathered during the nine-month period in which we worked with a variety of partners.

The remuneration per se for an ordinary councillor is set to go up quite modestly when we think about the complexity of the work that they do and the level of decision making that they are now involved in. Councillors are very much there for the wellbeing of local communities and to bring about improved outcomes for local communities, as many of you know. That is why some of the other recommendations, such as the recommendation that the bandings be reviewed, with band A being removed, were thought to be important. I know that that applies only to senior councillors, but it is a reflection of the level of decision making that is involved in some of those positions. We also proposed an increase in remuneration for the senior roles for the smallest councils. That was an attempt to spread the load so that more people could benefit from slightly higher remuneration, in recognition of the complexity of the work that they do.

There are another two recommendations that I want to flag up. The first is on governance. We proposed that each council should undertake a review of the governance arrangements to make sure that people can participate as well as they possibly can in any new administration. That is really important if we want a rich diversity of people to come forward.

The final recommendation that I want to flag up is the one about administrative support. I recognise that some of that is within the gift of local authorities', but I also recognise—as did the committee—that endorsement by the Scottish Government that such matters are important would go a long way towards taking some of the sting out of some of the decisions that local authorities have to make.

The Convener: I wonder whether someone from SLARC could clear up an issue that I picked up when you appeared before us previously, which was about disconnecting the recommendation on remuneration from an hourly rate and making the situation similar to that for MSPs, whereby they get paid a certain amount but there is no hourly rate. I see nodding heads; perhaps Martin McElroy can tidy that up for me.

Martin McElroy: Sure. We felt that it was almost a case of providing parity of esteem for being an office-holder and acknowledging that being a councillor will require someone to work 60 hours in some weeks and far fewer hours in other weeks. We had to make the call somewhere, and the average number of hours reported by councillors came out at a 0.8 working week. That was for things that we specifically attributed to being a councillor. We were very careful to delineate the elements that the public purse should not reimburse people for, such as party activities or optional duties. We focused on what

we saw as the core remit of a councillor, and the figure that we came up with was produced on the basis of the evidence that we obtained from the councillor survey.

We were attempting to provide parity of esteem for councillors as office-holders, and to acknowledge the fact that it is not a 9-to-5 job; while some weeks will be very busy, some weeks will be a bit quieter.

The Convener: Thank you. That is very helpful. Willie Coffey wants to come in on the same issue.

Willie Coffey: Martin, you touched on the subject of time off for public duties. You mentioned that that was an issue that was raised in the survey. I well remember my time on East Ayrshire Council, when it was nigh on impossible for me to perform my role as a councillor with the 10 days a year that were allocated to me by my employer at the time.

That issue is governed by United Kingdom legislation, as I understand it, but it does not define a framework for what reasonable time off is. It simply says "reasonable". If a councillor does not think that it is reasonable, they will, in effect, be in dispute with their employer. Is it time for a proper framework to be set and for the Government to specify what it thinks reasonable time off is for people to carry out the public duties of a councillor?

Martin McElroy: Yes, I think that that is a very good idea. The Employment Rights Act 1996 governs the matter, so it is well outwith the remit of the councils and the Scottish Parliament. I would welcome that. It would certainly help to make it much clearer what people are entitled to. We are not talking only about being an elected member; that can apply to other things as well, such as jury duty or other forms of public service. I would very much welcome that.

The Convener: Thank you for shining a light on that. I will now bring in Miles Briggs.

Miles Briggs (Lothian) (Con): Good morning, and thanks for joining us. I want to return to the letter sent by COSLA after the Scottish Government had responded, which mentioned the Moorhead review in the Republic of Ireland. What have you as a committee looked at with regard to the funding of the recommendations? How did the Irish Government respond to the Moorhead recommendations and take forward a framework for funding them? Finally, has any research been done on this, given that the main sticking point, that I think we are all now clear on, is how this will be funded or whether the funding will be shared?

As I mentioned your letter, Jane, can I bring you in for a response?

Jane O'Donnell: We identified the Moorhead review as a good comparison. We are still really hopeful that the Scottish Government will support the recommendations that it and COSLA have jointly agreed to accept.

The sheer body of evidence from our SLARC colleagues is, I think, vital here. Although we identified the Moorhead review as an example, that was really about the way in which national Government had responded to the local aspect. I think that, instead of our just picking up examples from somewhere else entirely, the body of evidence from our SLARC colleagues on the Scottish example is why we are keen for this to be taken forward.

David Heaney: We made comparisons across UK nations, the Republic of Ireland and, indeed, other European countries. The Irish example that you have cited is interesting, because the councillor salaries were, I think, upgraded on the back of a review in 2020. A councillor is now paid just under €30,000, but according to a further study done just this year, even that is tight. That is about £25,000, so the current payment in the Republic of Ireland is still slightly above what SLARC has recommended for Scotland this year.

Miles Briggs: In the context of this whole conversation about funding, is there any priority that you think needs to be addressed? After all, the Cabinet Secretary for Finance and Local Government is coming in next. Would the uplift for councillors rather than for senior councillors be your main priority? If a negotiation were now to take place ahead of the budget on the money that might be found for this, would the £2 million for that uplift be your priority rather than the £2.6 million for senior councillors? It is quite clear that the Government and the councils are heading for stalemate on this matter. What, for you as a committee, is the most important priority going forward?

David Heaney: That is not something that our committee has looked at, Mr Briggs. We looked at the overall question of affordability within our remit, and as you will see, we have recommended two slightly different solutions for senior councillors and ordinary councillors—if you want to use that phrase. However, our committee has not considered the relative merits or priorities of those groups. We have looked at all 1,200-plus councillors in Scotland, considered their different roles and made recommendations on the basis of the whole group.

Miles Briggs: Did you want to come in, Jane?

Jane O'Donnell: I do not think that COSLA would come down on one side and say that one group of councillors was more important than another. What I would say is that we recognise

that there is a lack of diversity among the people who stand and work as councillors in our communities, and that is as much the case for our senior councillors. Given the decisions that they take and the strategic direction that they set for their area, the issue is as important at that level as it is at the level of the ordinary councillor—although I would say that none of us knows what might be meant by “ordinary councillor”, given that they are all so busy and do so much.

COSLA would like the recommendations for all councillors to be taken forward, and that will come down to the Scottish Government discussing with COSLA what we can do to ensure that that happens. Every year that goes past that we do not address this, the democratic deficit gets wider.

The Convener: Fulton MacGregor, do you want to round us off with a final question?

Fulton MacGregor: I am okay, convener. The questions that I wanted to ask have been covered.

The Convener: I think so, too. The final question was about the next steps and I think that Jane O'Donnell nailed it there when she talked about wanting the recommendations to be fulfilled.

I thank the witnesses so much for coming in, and thank Angela Leitch, too, for joining us online. The evidence has been very helpful.

I briefly suspend the meeting to allow for a changeover of witnesses.

10:30

Meeting suspended.

10:33

On resuming—

The Convener: Our second panel this morning is Shona Robison, the Cabinet Secretary for Finance and Local Government, and Fiona Campbell, who is a local government strategy manager in the Scottish Government. I welcome the cabinet secretary and Ms Campbell to the meeting.

Before we turn to the committee's questions, I invite the cabinet secretary to make a short opening statement.

The Cabinet Secretary for Finance and Local Government (Shona Robison): Thanks very much, convener. I do not want to take up too much time before we move to questions, but I do want to say a few words to begin with.

First, I thank Angela Leitch, the convener of SLARC, and all the members of that committee for the time that they have given to and their work on the issue of councillor remuneration and the report

that they have produced. I am also grateful to COSLA officers who supported the committee in its work.

I also put on record my thanks to all serving and former councillors for their work. Councillors are key to our democratic system and play a valuable part in local decision making. We all know that it is not an easy role, and I am grateful to those who have chosen to stand in the past or are considering standing in the future.

SLARC was reconvened by the Scottish Government at COSLA's request to undertake an independent review of remuneration and local authority bandings, with a key focus on whether levels of remuneration reflected the responsibilities of modern-day councillors and were not barriers to elected office. The Scottish Government's response to SLARC's recommendation report was published on 5 July. In that, I indicated that I was happy to accept the majority of the pay and structural change recommendations and would make regulations early in 2025 to implement them.

A key factor with regard to the timing for implementing the recommendations was that the initial report was not published until February 2024, which, of course, was after the Scottish Government and individual local authorities had agreed and set their budgets. Therefore, it was not possible to consider the cost implications and take them into account when making spending decisions this financial year.

Convener, I need to be up front about costs. The Scottish Government does not and has never provided funding specifically to meet the costs of councillor salaries; that has always been a matter for local authorities. Councillor salaries and associated expenses are paid from each authority's annual allocation, as agreed under the local government settlement. However, I have indicated to the COSLA presidential team that I am happy to consider the cost of implementing the recommendations as part of the discussions on next year's budget and settlement. I am sure we will talk more about that during the session.

As for the shared recommendations for the Scottish Government and COSLA—for example, on promoting the role of councillors in the severance resettlement payment—I have accepted most of them, either in part or in principle. I am happy for my officials to work with COSLA to give them further consideration.

As I have said, councillors play a key role in Scotland's democratic system. Pay is only one barrier to individuals standing for election, and we need to look beyond it to review and remove other barriers to office. The COSLA barriers to elected office special interest group will, I think, be critical in this area, and I know that it is moving at pace on

the matter. After all, councils, too, have a role to play by, for example, looking at the timing of meetings and reviewing any administrative barriers that might, albeit unintentionally, impact on participation. I look forward to seeing the outputs from that group and have asked my officials to support that work, where it is appropriate for them to do so.

I will end there, convener, but I will briefly repeat my thanks to SLARC for its work and to past and serving councillors for their contributions.

The Convener: Thank you very much for that outline.

I have an initial question on the timing of the SLARC report. It was published in mid-February, but what we have just heard from our previous panel comprising members of SLARC and COSLA was that it could have been published sooner. It could have been published in December, but the committee was under the impression that it had the time to continue to refine it.

In addition to that piece of the puzzle, we are also interested in the fact that, although the report was published in mid-February, it took the Scottish Government until July to publish its response. Why was that?

Shona Robison: As ever with detailed reports with a number of recommendations, some with far-reaching implications—and not just on a cost basis—the recommendations had to be properly looked at, analysed and responded to, and that was done. If we had rushed out a response without looking at the detail and the implications, we might well have been equally criticised.

To be frank, I suspect that, if we had had the report and if we had ensured that our response landed around the time of the pay review and the publication of the pay policy, that might have led to some unwelcome scene setting for what has become a series of quite difficult local government pay negotiations. Given that context, I am not sure that there would have been a great or perfect time for this to have been published, as comparisons were always going to be made between the uplift proposed in the report and what might be proposed for local government staff. To be honest, I just do not think that you can avoid that, and I therefore do not think that it would have mattered when things were published. That comparison was always going to be made.

The important thing is what we do now, and there is room and scope for agreement to move this forward. The history of looking at councillor remuneration is a troubled one; the first attempt back in 2011, I think, did not really get very far. What will be important—and I want to be really clear about this—is cross-party support, not just at local government level but in here, too. After all,

regulations will require support if changes are to be made. If this is to be a priority, it must be taken forward on a cross-party basis. Indeed, that is the only way in which it will be taken forward.

The Convener: Thanks very much for that. Mark Griffin has some questions.

Mark Griffin: Good morning, cabinet secretary. You have previously touched on the impact on industrial relations in the local government workforce. COSLA has said:

“the timing of the response and related messaging has contributed to conflation between the SLARC recommendations and on-going pay negotiations for our workforce”.

What is your response to that? Have negotiations over local government staff pay been made any more difficult because this discussion has been going on at the same time?

Shona Robison: As I said earlier, I do not think that there would have been any perfect time for this report. If it had been published earlier, it would have been the opening gambit for some of those negotiations. It would have been right at the start of them. You could argue that it would have framed and set the floor for those discussions with local government workforces. I do not think that there would have been any ideal timing in that respect.

Looking at the negotiations in detail, I note that it is very welcome that two of the three unions have now accepted the offers that have been made. There was a range of other things that the local government unions were looking for in terms of pay progression for the lowest paid and so on. I am not sure that the SLARC recommendations were centre stage in all that. There was a whole load of other pay issues that were being negotiated. The fact that two out of three unions have now accepted shows that enough progress was made, particularly on pay progression for the lower paid, to satisfy two out of the three unions.

Mark Griffin: The other issue that I want to cover relates to the regulations that the Government intends to lay. We heard from the previous panel and SLARC that they had hoped that those regulations would be in place for 1 April 2024. I understand why that was not possible, for the reasons that you have given. The witnesses on the earlier panel also said that SLARC set the benchmark for its data at 80 per cent of the level in the 2022 annual survey of hours and earnings because that had the latest available figures. Will the regulations that you lay reflect the latest ONS data or will they fall back on the 2022 figures that were available to SLARC at the time? It has expressed a preference that that be updated to whatever the latest verified data is.

Shona Robison: I will bring in Fiona Campbell on that specific point in a second. I do not think that anybody failed to notice what I had to bring to Parliament two weeks ago. In the context of the in-year position this year, the idea of trying to backdate something in-year this year would just be impossible, or incredibly difficult. Going back to the optics that you mentioned earlier, I do not think that that would be at all sustainable. The focus for me is what we can do from April 2025 onwards. Fiona, could you address the point about updating?

10:45

Fiona Campbell (Scottish Government): In the regulations that we will lay in January, we are looking to use the 2024 SLARC recommended salaries and use recommendation 11, which proposed the mechanism for an annual uplift. We will apply that uplift mechanism to the 2024 salaries for new 2025 salaries, which will be the ones that will go into the regulations. That is based on ASHE data as well. If the ASHE data shows an increase of, say, 5 per cent, we will uplift the salaries by 5 per cent.

Mark Griffin: Essentially, you will update a 2022 figure for a one-year increase, but you will appreciate that that will be applied in 2025, which is three years later than the 2022 data. What is the rationale on applying just a one-year uplift to figures that are three years out of date?

Fiona Campbell: We are taking the SLARC recommended figure that, if we had been able to lay regulations in 2024, would have been the SLARC salary, and we would then have gone into the annual uplift anyway. We are just doing those two stages in one set of regulations.

The Convener: In the previous evidence session, we discussed with the witnesses the timing of things and the working relationship between SLARC, COSLA and the Scottish Government. They started their work at the beginning of April 2023 and said that it was very positive and very engaged, but quite quickly, towards the end of April, things changed. That timing was around the announcement of the council tax freeze. Could you share with us what happened there? The relationship was good, and then they had a sense that there was less engagement from the Scottish Government.

Shona Robison: That is not something that I am aware of, to be honest. I was under the impression that the work on SLARC was positive and that they were getting on with it. Where the difficulty arises is who pays for it and who funds it. That was the difficulty in 2011, and that is the difficulty now. Are you saying to me that the council tax freeze decision has been a bit of an

issue in a whole load of discussions with COSLA? Yes, it has, because COSLA does not agree with it. The issue has surfaced in many discussions with COSLA, but I do not think that it was an issue that got in the way of SLARC.

The bigger issue is that we all agree on most of the recommendations but it is then about how they are funded. It was understood that there was never any commitment given at all that the Scottish Government was going to fund this. In an attempt to be helpful and to move it beyond where it got to in 2011, there is a route there, but it has to be a cross-party route. You can understand why I am saying that. In the current climate, money is tight and, therefore, there will have to be a cross-party agreement that this is a priority. There is a strong argument for trying to set the ground in advance of 2027 to encourage new people to come in to serve in local government.

As I said in my opening statement, I do not think that remuneration is the only issue, but I do not disagree that it is a barrier. It is one barrier, although politicians around this table will fully understand that there are many other areas that are difficult. If we collectively agree that this is important, we collectively agree that it is important in terms of the budget.

Pam Gosal: Good morning, cabinet secretary, and good morning, Fiona.

It is clear that SLARC was set up as a joint review by COSLA and the Scottish Government. That was echoed earlier by the COSLA chief executive, Jane O'Donnell. Also mentioned in the evidence session was that the relationship between COSLA and the Scottish Government started positively but that, as time went on, especially around April, attendance by Scottish Government officials fell, especially around the time when the council tax freeze came in, with relationships worsening. Therefore, could the cabinet secretary explain why the Scottish Government is now saying that it is up to local government to fund the salary changes for councillors, which account for a total of £4.6 million, when it started with a joint partnership between the Scottish Government and COSLA?

Shona Robison: COSLA asked for SLARC to be set up and the Scottish Government agreed, because we recognise that there is a remuneration issue. I do not recognise the council tax issue having delivered something different in terms of the recommendations. The recommendations are positive and have been largely accepted by the Scottish Government, so I do not see what the council tax issue has changed. I do not think that it would have changed any of the recommendations and the report that popped out at the end of that piece of work. It is as it would have been whether

or not there was a council tax freeze, in my opinion.

As for the funding of the recommendations, at no point has the Scottish Government said, in SLARC or anywhere else, that the Scottish Government would pay for the remuneration of councillors, for the very reason that it never has. It has never been something that Scottish Government has paid for; it has always been paid for by local authorities themselves out of the settlement.

The same issue arose in 2011, when the Scottish Government made the position clear that any uplift and change to remuneration would have to be funded by local government. At that point there was no agreement, so nothing changed. At this point there could be agreement, but Pam Gosal, as an Opposition spokesperson, will understand the importance of moving this forward cross-party. If the local government leadership groups and COSLA, which are multiparty, all agree that this is a priority for the local government settlement—when we are negotiating we get into a lot of detail around the local government settlement—that for me is a signal that there is cross-party support for it.

The regulations will require cross-party support in this place. We need to all be on the same page if this is to go forward and money is to be found because, bluntly, I will not fund this in the face of opposition from other parties—I just will not. My challenge is this: if this is a priority, let us take it forward cross-party. I think that it is a good report—regardless of whether the council tax freeze happened or not—and it has a lot of merit, but we need to agree on a cross-party basis.

Pam Gosal: Thank you for your response, cabinet secretary.

I agree that it is a cross-party decision now, but my question clearly referred to the point at which the relationship was between COSLA and the Scottish Government, not cross-party groups. That is why I asked you question that I did, which I got some earlier evidence on. Basically, the relationship broke down. It is very important that we never have that relationship break down; we talked about that previously in a session on the Verity house agreement. However, COSLA's chief executive clearly stated in evidence earlier that the engagement by officials dropped. Were you aware of that?

Shona Robison: We should remember that that was also the pre-election period. There would have been issues around Scottish Government officials' involvement in a number of forums because of the pre-election guidance and so on. That potentially had a disruptive effect.

Let me be absolutely clear: I do not think that the decision on council tax had any bearing on the report that emerged from SLARC. I think that it would have been exactly the same report, with the same recommendations, if the Scottish Government had not frozen council tax. I think that it is a good report. The question, though, for everybody now is how the recommendations are funded going forward. I think that we can get into a positive space about that, but it will need to be done on a cross-party basis.

Pam Gosal: I will go on to my next question. Given that the Scottish Government obviously agrees with the pay uplift recommendations—you have said that it is a good report—how would you see the requirement for £4.6 million being met? Is the Scottish Government suggesting that individual councils would find that money? I know, because I have spoken to 31 of the 32 council chief executives, that it is clear that they are struggling right now to meet essential spend. We also heard in the evidence earlier today that there will be fewer people out there now making decisions in councils. It could mean that, but it could also impact services, because services may have to be cut if local authorities have to find that money.

Last but not least, I would say—especially being a person from a minority ethnic background—that we will not attract key representation from people from disabled backgrounds and people from minority ethnic backgrounds but also, very importantly, women. We have heard today from SLARC and COSLA that there are barriers for women to come into the profession and salary is one of those. Would you like to say a little bit about that? Also, you mentioned that it is not just salary that is a barrier and that there may be other things involved. It would be good to hear from you about that.

Shona Robison: That last point is key. We know that there are barriers to women and people from a minority ethnic background. A number of groups are underrepresented among local government elected members, and that should be a concern to us all and something that we should collectively want to address. Remuneration is part of it, but so is the need for flexibility and—I guess something that we are all very aware of—the fact that abuse in public life is hard and puts people off. It puts people off coming in to serve in any elected forum. We need to address all those things. The special interest group that is being worked on through COSLA is important, because it will help to address some of these issues.

On the point about central spending and who pays, we are all facing these issues. Given what I laid out to Parliament about the in-year position,

the position of the Scottish Government is no different. We are under severe financial constraint.

How do we take this forward? There are various mechanisms within the local government settlement that this could be accommodated within, but I go back to my previous point, which is that it would need to be done cross-party. All the represented groups in COSLA would need to make it clear to me as part of the budget process that this was a collective priority that they wanted to see funded.

There are various mechanisms to do that. We could top slice an element of the local government settlement for it, but you can understand that it would not be universally popular to do this. You can already see some of the media commentary about it. If we are going to take it forward, we need to do so collectively. Given that local government is multiparty and that we have a collective interest in taking it forward, we need to try to do this in a way that takes the politics out of it.

I am very happy to discuss with COSLA and the local government leaders what that looks like. Do I think that we can get there? Yes, I think that we can, but it will require everybody to step forward to say that this is an opportunity for us to lay the ground for 2027 by making being a councillor a more attractive proposition. It cannot just be the Scottish Government's responsibility to do that. I am very keen to have those discussions and I have written to the presidential team offering to take this forward as part of the budget negotiations.

The Convener: Thanks. I think that I need to clear up a little bit of our timescale. We have some different Aprils going on.

11:00

Shona Robison: Okay.

The Convener: Just to be clear, SLARC began meeting in April 2023. The council tax freeze, which impacted relationships, happened in October 2023. Then SLARC reported in February, which was five months before the UK elections. I just wanted to get clear on that, because I think that we were starting to talk about different Aprils there.

Willie Coffey will continue our questions on SLARC's recommendations.

Willie Coffey: Good morning, cabinet secretary. I will stick with the issue of who pays, which is certainly confusing me this morning.

I have always understood that pay for our local councillors is part of the overall settlement for local government, and you have said that. There seems to be a developing suggestion that somehow the

Government should separate that out. I am certainly getting that sense; I do not know whether our colleagues have got that, this morning. However, when we asked our witnesses earlier whether that is what they are asking for, I think that they did not agree with that. Where does the question, “Who pays?” come from. You said yourself a wee moment ago that the difficulty is who pays. Could you explain to us again who pays the salaries of local councillors?

Shona Robison: Local authorities pay councillors. There has never been the precedent of the Scottish Government funding salaries or salary uplifts for councillors and there was certainly never any indication during the SLARC discussions from us that that would be the case. What has emerged since SLARC’s work is a call from COSLA and council leaders that funding is needed beyond what local authorities have in their budgets. That would be a new way of doing things and it is, for the same reasons, an issue that got in the way of progress being made back in 2011.

The difficulty is that it would not be a universally popular move. Therefore, if it is the right thing to do, it needs very much to be done on a cross-party basis. That is the point that I was making, because such a change would step outwith the norm of how payment of councillors is done at what is a difficult time—a time when finances are tight in local government and the Scottish Government—and the suggestion has already garnered negative media portrayals. It is something that needs to be handled carefully.

However, I absolutely recognise what SLARC is saying and what members around the table have said about the barriers. Looking towards 2027, remuneration is clearly one barrier. It is not the only one, but it is a barrier. If we were collectively to decide that the recommendation is a priority, I would imagine that it would be seen by all concerned as a priority part of the budget process.

Willie Coffey: If the Government agrees and sets regulations for salary levels, will it be the case that they must apply across the board in Scotland? Is the Government saying that councils “can” apply salary uplifts, or “must” apply them?

Shona Robison: The regulations would give authority to apply them. Technically, I guess that if it was down to local authorities to fund uplifts, authorities could decide not to do so.

Fiona Campbell: The regulations would set the new salary levels.

Shona Robison: It would be difficult for any local authority. Essentially, Parliament could agree to regulations only if we have the money in place, so I guess that what comes first is agreement around funding. There would have to be

agreement around that before the regulations. Would the regulations come in the new year?

Fiona Campbell: Yes.

Shona Robison: One would have to follow the other.

Willie Coffey: I am just trying to remember what Jane O’Donnell from COSLA said a while ago. We can check the *Official Report*, but she said something like, if the Scottish Government does not agree to pay, COSLA might not be able to implement the pay changes. On the one hand, you are agreeing that regulations can set the new pay levels for the councillors. On the other hand, you are saying that they might—

Shona Robison: Well, what councils are saying is that they want us to pay for it; they are saying that they cannot afford it and they want us to pay for it.

Willie Coffey: Would that be ring fenced? Would that be ring fencing coming back, if you did—

Shona Robison: I think that councils are instinctively against ring fencing.

Willie Coffey: I know.

Shona Robison: It would then be a question of what mechanism to use as part of the local government settlement. Would the money be top sliced? Such things are all details that would need to be discussed, but there are ways of doing it, if political agreement can be reached.

Willie Coffey: Was there no broad discussion about that issue during the whole course of SLARC’s consideration.

Shona Robison: The Scottish Government has never said or given any intimation that there would be a change in the assumption of how that is paid for, given that that suggestion has never been the case. Nothing was said that in any way changed the situation to give that impression.

Willie Coffey: Okay. Finally, in your response to the SLARC report you say that you recognise that it is now a year after the committee’s suggested date for implementation and so on. You say:

“We will account for this delay when setting the salaries to be paid from 1 April 2025.”

Could you explain what you mean by that exactly?

Shona Robison: That refers to what Fiona Campbell said earlier about the uplift mechanism and making sure that there is no detriment from the uplift being a year later. There would, going forward, be a mechanism to make sure that remuneration would keep pace with inflation and so on, and it would take into account that the change was being implemented a year later.

Willie Coffey: That takes into account a possible backdate to—

Shona Robison: It would not be backdated to 2024: it would start from 1 April 2025. I am very clear about that. I think that this will be difficult enough to get agreement on, and its presentation to the public is quite an ask. I do not think that the public in particular have politicians' salaries at the top of their list of priorities. However, I will from the outset not agree to the idea of backdating for two years from 1 April 2025. That is not happening. We will discuss whether we can find agreement to implement the change from 1 April 2025.

Willie Coffey: That is clear enough. Thanks very much for your responses to those questions.

Miles Briggs: Good morning, cabinet secretary, and your official. I wanted to go back to the Verity house agreement because it has been raised. Angela Leitch said of the Scottish Government's decision not to fund the recommendations that it does not seem to be in the spirit of the Verity house agreement. I wonder how you would respond to that, specifically.

Shona Robison: I do not agree at all, because the Verity house agreement is about partnership and respect for each sphere of government, which is something that is very important for COSLA, and about where responsibility lies for respective roles and functions. For example, it is not about central Government funding all local government costs. We do not fund all teachers' pay or all local government pay, per se. We make a contribution but we do not fund it all. That is the responsibility of local authorities.

It is about where the balance lies, and on something as contentious—if I can use that word—as this, the responsibility has to lie on a cross-local-government and cross-party basis, because otherwise I just do not think that this will fly. The spirit of the Verity house agreement is about partnership and trying to find solutions. I have said that I am willing to have the discussion around the budget to see whether a solution can be found, but that will require compromise and give. I am certainly willing to have those discussions.

Miles Briggs: Thank you for that. You have mentioned that there is no precedent for the Government paying, but I wonder about the Local Governance (Scotland) Act 2004—under which ministers made regulations to provide for local authorities to make severance payments to councillors who are not seeking re-election, when we moved to the single transferable vote to elect councillors. Is that the precedent for taking this forward?

Shona Robison: That is a bit of a stretch, is it not? That was a very specific thing 20 years ago.

The assumption has always been that local government funds the remuneration of its elected members. You can see why, because it is quite a contentious area. It is something that you could flip to say that, in the normal course of events, councils probably would not welcome Scottish Government interference in remuneration of councillors. However, we are talking about a significant change to remuneration, so I recognise the challenge. I think that it needs to be a shared responsibility.

It is not something that would come along very often. It is a reset that would need to stand the test of time, and it would need to be part of a wider package and presentation to try to encourage—on the points that Pam Gosal was making—more people to come into local government. There is an opportunity, with a line of sight to three years away to 2027, to do a number of things that could encourage more people. Remuneration is part of that, but it is not the only thing.

Miles Briggs: Finally, has the Government looked at ways of reforming beyond what the recommendations outline? Westminster has said that we should look at what is happening there. We have our Scottish Parliament Corporate Body. I take your point that no one will see politicians' pay as a priority, but it is quite clear that councillors' pay has not kept up and is now a barrier. We know from all political parties that representatives are looking towards leaving councils in the future because they cannot make things stack up for themselves and their families. So that we do not end up back in this circumstance in the future, is there a reform that we should look to?

Shona Robison: There might be, but I do not think that that was particularly looked at as part of developing the SLARC recommendations. It might be an issue that is more for the special interest group. I think that the mechanism of uprating will help to avoid councillor pay falling behind again and our being back here in 10 years.

Are wider reforms needed in local government? Well—how long have you got? We could sit here all day and discuss what they might be. SLARC was set up for a very specific reason and its remit was, understandably, quite tight, so it probably did not venture into some of the wider reform issues about the number of councillors and their roles and responsibilities. That is a whole other discussion. Is it one that might have merit in the future? Maybe, but we have in front of us, here and now, the situation that we need to focus on resolving.

Fulton MacGregor: Good morning. I will pick up on that point about the public perception of politicians' salaries. Cabinet secretary, do you think that there is any more that we can do as a

Parliament—across the parties, as you mentioned—to educate the public a wee bit more? I think that MSPs and MPs are very well paid, but—let us be frank—councillors are not. I am not sure that the public always understand that. I have seen many criticisms about councillors' massive salaries, both on social media and from people who come into my office. When they are told what the salary is, it often comes as a surprise. I am sure that everybody in this room has experienced that.

Do you think that there is anything more that we can do? I think that you are right that it will not be a popular move—I can already write the headlines for the next stages, although we might all be agreed. Is there anything that can be done so that people know what councillors get paid and that they do not get paid the same as us?

Shona Robison: There is maybe a wider issue. I would focus not on pay in particular, because you are probably on a bit of a hiding to nothing, to be honest, but on the role of councillors, the wide variety of work that they do, their responsibilities, the fact that many of them are trying to juggle other jobs at the same time and so on. There is something in there about us elevating the role of councillors and the work of local government and explaining what councillors do, why it is important and the need to have a wider variety of people stepping forward. That could be part of trying to encourage more people to think about standing for local government in the run-up to 2027. In the old days, becoming a councillor used to be seen almost as a voluntary thing that only those, such as those and retired people would ever enter into. We have moved on from that and more women and younger people are involved, but the numbers are still low compared with other spheres of government.

11:15

There is a perception issue and, potentially, there are practical barriers. When the special interest group reports on those wider barriers, there may be something for us to do collectively—the committee might also have a role to play—to look at ways of putting some of that information out there, to start a bit of awareness raising around the role of councillors and the importance of the work that they do. I would certainly be up for that.

Fulton MacGregor: I would probably disagree with some of the commentary from the previous panel of witnesses. In my opinion, the situation cannot be described as SLARC saying that there was a breakdown in communication with the Scottish Government. One of the earlier witnesses commented that they noticed a tailing-off of attendance at meetings around a specific time.

This is my first day as a member of the committee, and when I picked up this piece of work, I got the impression that it was a good piece of collaborative work with more or less everybody being on the same page. The only contentious issue, which has been the focus of discussion with both panels this morning, is around where the funding will come from. As I say, that is just my opinion.

On that note, do you think that there is any risk of some councils choosing not to pay the increase? COSLA said that that was a possibility, and we obviously do not want a postcode lottery situation. What more can we do to work together to avoid that? Does the main opportunity to do that come through the budget negotiations, as you have already said?

Shona Robison: On your first point, I have to be honest and say that what was said in the earlier session was the first time that I had heard that there was any breakdown of anything. That is just not my understanding at all. I was not at the meetings, to be fair—I have to be clear about that—but I do not get the sense that there was any difference or any changes to the report or the outcomes, which would have happened whether or not folk were attending all the meetings. I think that the report is the report and that it would have been the report no matter what. It is a good report. It is very clear in its recommendations and I think that SLARC has done a good job.

As you have alluded to, we then come to the question: what now? As Fiona Campbell said, the regulations will set the level of salary and, clearly, how that is funded has to be agreed in advance. Otherwise we would be passing regulations when folk have not agreed how that will be funded, and that is just not the order to do things in.

We have to get into sorting the how, and that has to be a compromise that is discussed through the budget process. I have said that I am open to that discussion and we should look at the art of the possible. I will have a requirement from the Government's perspective that this is a collective decision and a collective priority.

Fulton MacGregor: I have one more question. The Government has said that the recommendation on severance payments for councillors who lose their seats needs further consideration. Could you expand on that and say where the Government's thinking is?

Shona Robison: The recommendation requires further consideration. One of the fundamental questions is whether it would apply to existing councillors or only to those elected from 2027. Those who stood previously stood without that being an expectation. I do not want that to be taken the wrong way because it is not about the

principle. However, it is a fundamental question. Would it apply retrospectively or would it be forward looking from 2027?

That is important because the cost is significant and goes beyond what we have talked about in terms of remuneration. It would have to be carefully thought through. In the push to attract a wider group of people coming into local government from 2027 onwards, it might be quite an attractive part of the package. There could be a basket of things. However, the recommendation needs to be discussed further because the cost goes up significantly from the remuneration costs that we have discussed.

The Convener: We will now go online. Emma Roddick has a question.

Emma Roddick: I want to round things up by recognising the concerns that have been expressed by COSLA and SLARC. What does the cabinet secretary see as the next steps in the process?

Shona Robison: I think that the next steps are for some genuine negotiation around the budget. For me, a step that I will require is some reassurance about cross-party support for this move. I think that that needs to set the tone for the local government settlement. If this is seen as a priority, it needs to be everybody's priority. COSLA and local government are made up of all parties represented in Parliament as well as independents. I think that, despite the heat, which there will be, everybody has to step forward to say "We are all agreed that this is a priority, and we want to make sure that, in our discussions with Scottish Government as part of the local government settlement, it is seen as a clear priority by everybody." I do not think that it is unreasonable for me to ask for that.

The Convener: I was going to say that that concludes our questions, but Miles Briggs wants to say something.

Miles Briggs: This is a question that I put to the previous panel. The total cost that is being outlined is £4.6 million, with that for ordinary councillors being the £2 million that has been brought forward. Cabinet secretary, if you are splitting what is a £2.6 million additional cost for senior leaders, what is your priority? I do not think that we like the use of the word "ordinary", but what is your thinking on that for any future sharing of costs or negotiations?

Shona Robison: This is the territory that we get into in the budget negotiations as part of the local government settlement. It is a good question. For me, the position of ordinary councillors is a priority because that would be the main thing that anyone thinking about going into local government would look at. It would be a number of years before they

would become a senior councillor, unless there were exceptional circumstances. In most cases people come in and serve as an ordinary councillor—or a back-bench councillor or however you want to describe it. That is a priority.

I guess that what you are alluding to is whether there is a split around who funds what. Is there some compromise? These are all the things that I would quite welcome getting into with local government in order to find a pragmatic way forward. I hope that we can find that way forward because everybody accepts that there is a genuine issue. It is about whether we are willing to collectively grasp the moment and agree that we need to do something about it collectively.

The Convener: Thanks for asking that, Miles.

The imbalance in representation came up with the previous panel—I think that Angela Leitch talked about it. Regardless of whether someone is a senior councillor or a councillor, we are in a time when we do not have that proper representation and when very difficult decisions need to be made. It is very important to have that representation at all levels in the council so that the decisions about how the budget spend falls support the people who we have been talking about—those who face barriers to local elected office—and we have in that space people of colour, people with disabilities, women, single parents and so on. We have to change the make-up. I think that we all agree with that.

Shona Robison: Yes. A pertinent phrase is "You can't be what you can't see." We need to see local government represent and look like Scotland, and in some parts of the country it does not. We fully understand all the reasons for that, and it is not unique to local government. We still have work to do in the Parliament and there is work to be done at Westminster. For example, the level of women's representation is much lower than in other spheres of government. That is an issue, without a doubt, and I think that there is an opportunity to do something about it.

It is important to emphasise that this is not just about remuneration. It is about so many other things that go through someone's head when they are deciding whether this is for them. Partly it will be about work-life balance, other commitments, caring responsibilities and so on. However, some of it is about the toxicity, to be frank, of our political discourse, social media and the media's portrayal of politicians. We all know what that can be like—for women, in particular—and it puts folk off. I have spent a lot of time trying to persuade women I know to stand in local government and in other spheres, and it is hard. It does not take long to find abuse directed at female politicians—female councillors included—and that abuse has a particular flavour. There is something about our

body politic more generally that we need to try to sort out. It is not easy and I do not have a list of answers here. It is hard and it puts women off—it puts other people off too, but particularly women.

The Convener: Yes. As you said in response to Fulton MacGregor's questions, that is something that the review group could potentially take forward in terms of shifting public perceptions.

Shona Robison: Yes, and I look forward to seeing what it recommends.

The Convener: At the end of the day, however, remuneration is quite an important part of people's considerations. Thank you for giving evidence this morning, cabinet secretary.

Shona Robison: My pleasure.

The Convener: I briefly suspend the meeting to allow the cabinet secretary to leave the room before we move on to our final public agenda item.

11:28

Meeting suspended.

11:28

On resuming—

Subordinate Legislation

Valuation (Proposals Procedure) (Scotland) Amendment Regulations 2024 (SSI 2024/186)

The Convener: The next item on our agenda is consideration of a negative instrument. There is no requirement for the committee to make any recommendations on negative instruments. If there are no comments on the instrument, is the committee agreed that we do not wish to make any recommendations in relation to the instrument?

Members *indicated agreement.*

The Convener: We agreed to take the next agenda item in private so I now close the public part of the meeting.

11:29

Meeting continued in private until 11:55.

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Official Report
Room T2.20
Scottish Parliament
Edinburgh
EH99 1SP

Email: official.report@parliament.scot
Telephone: 0131 348 5447
Fax: 0131 348 5423

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