The Highland Council	Agenda Item	14(b)
3.9.15	Report No	HC/38/15

Strengthening local democracy: developing proposals
Report by the Head of Policy and Reform

Summary

This paper sets out proposals for strengthening local democracy, affecting current Area Committees in some areas initially and in creating new arrangements for local community planning. These need further discussion with partners; although there are changes that can be made to localise Council decision-making should Members agree. The new arrangements proposed would evolve over time, be experimental and should support the implementation of the new legal duties arising from the Community Empowerment Act.

1.   Background

1.1   The Council and the Community Planning Partnership (CPP) have agreed to review Area Committees and local community planning arrangements at the same time and have committed to several experiments between now and May 2017. The new Community Empowerment Act, reported separately to this meeting of the Council, strengthens the requirement for localised governance arrangements. Having spent time deliberating with Members in each Ward on what they seek to achieve by strengthening local democracy, it is now time to set out proposals for Members and partners to consider.

1.2   The Council's Programme 'Highland First' includes commitments to strengthen local democracy, empower communities and improve local community planning.

2.   Proposals

2.1   Having agreed why the proposals are needed, this report sets out:
1. Where the first local democratic experiments could be;
2. What they aim to achieve and would test – for the Council and partners;
3. What they could involve;
4. How we could resource them;
5. When they could start;
6. How we would know if they are working;
7. Whether the results are transferable.

2.2   Where the first local democratic experiments could be
Based on discussions with Members locally, the areas seeking most change at this time to local democracy and to experiment locally are: Caithness; Sutherland; Nairn; and Badenoch and Strathspey.

2.3   Members in Skye, Ross and Cromarty are not all completely settled on geographic boundaries, although moving to local arrangements for Skye

seems to be preferred by local Members there. If Skye is confirmed as a locality for this work some early discussions to confirm their vision statement and its alignment with our duties under the Community Empowerment Act can be programmed and Skye would be another early experiment area.

2.4   Lochaber has chosen to proceed with evolutionary change to its fairly mature local community planning partnership and to retain its current area committee.

2.5   More time is needed for Members in Inverness to consider options together for the wider Inverness area, having considered potential change within their Wards. Further up-date reports can be brought to the Council as views develop.

2.6   <u>What they aim to achieve and would test – for the Council and partners</u>
Members have deliberated on their vision for local democracy. For the four areas listed in paragraph 2.2, these have been presented to Council and the CPP Board. The vision for each area is attached at Appendix 1. They were developed with the local context in mind and are aligned to recommendations of the Strengthening Local Democracy Commission and the principles approved at the CPP Board.

2.7   If we use the principle of form following function, we need to create local governance around the vision for each of the four areas. This means different partners may be involved in different places and topics for consideration by them will vary. A one size approach will not be suitable.

2.8   While the vision for each area clearly sets out what Members seek to achieve, progressing with this requires collaboration from partners. Ideally local conversations between local Members and the local partners should take place. These would be around the vision statement, how partners can participate and how in practice they could take this forward locally. The result should be:
- agreement of which organisations would be involved locally and who would represent them;
- any amendments to the vision;
- local proposals on how to organise the deliberation and governance around the vision.

2.9   Clearly agreement would be needed from partners to take part, including through each partners' governance arrangements. This will take some more time so further feedback on partner participation can be provided for the Council meeting in October 2015. The CPP has been advised that these areas seem the most ready to make a start from local Members' perspectives.

2.10   It should be noted that to improve community engagement and empowerment, local Members in the four areas have agreed to use some of their Ward Discretionary Fund for Participatory Budgeting (PB) in 2015/16 and 2016/17. Planning for PB is underway.

2.11   What they could involve
        Creating local governance with partners around the vision for each of the
        experimental areas means being clear about what is being decided and by
        whom.

2.12   Members have already identified that:
        • They want more local decision-making, to make local budget decisions,
          be involved earlier in policy development with the local context in mind
          and with local officers supporting them.
        • Area Committee business needs to be brought together with
          partnership discussions to consider the area's needs more
          comprehensively and to focus on improving local outcomes and
          specific issues.
        • They have a variety of roles that means their governing is about:
          decision-making on certain business and accountability for those
          decisions, scrutiny of Council performance and Police and Fire service
          performance, local problem-solving, agreeing local priorities,
          community leadership, representing constituents and communities,
          influencing and persuading other bodies, listening, and empowering.
        How to enact these points are considered below.

2.13   Local decision-making and local budgets
        In feedback from Members in the discussions locally there is an appetite for
        more devolved control over Community Services budgets, including roads,
        waste and housing. In discussion with the Council's Director of Finance and
        Director of Community Services proposals for devolving Community Services
        budgets are made below.
        1. The current budget is apportioned to the localities in scope;
        2. The timescale for localising decisions would be 1.4.16 as by then
           the budget savings decisions should have been made so the
           budgets devolved would reflect that;
        3. We use the principle of subsidiarity (as recommended by the
           Commission) and assume that the budget for Community Services
           can be decided locally unless there is a strong case for aspects not
           being decided locally;
        4. Discussions take place to agree what is in and out of scope for local
           decisions (as described above and with knowledge of the
           implications of the options). These would involve local Members and
           the Strategic Committee Chair and the Chair of Resources
           Committee;
        5. We ensure appropriate accounting practice for local decisions;
           (controls, management and monitoring)
        6. We amend the Scheme of Delegation for the business affected at
           Area and Strategic Committee level;
        7. We seek new ways of engaging communities in deciding on local
           spending priorities – to trial in at least one area by 2017 (PB or
           Citizens' Juries).

2.14   It is proposed that this approach is in place for 1.4.16:
        • in the areas most ready to proceed with experiments i.e. Caithness,

Sutherland, Nairn and Badenoch and Strathspey;
- Skye, if that area is confirmed;
- Lochaber where evolutionary change is preferred.

2.15　　When Members in the remaining areas of the SRC Committee and in the City of Inverness Area Committee have confirmed their preferences the arrangements for devolving this budget can be made for these localities too.

2.16　　It is also proposed that there is different management of current Area Committee agendas, not just for the areas to proceed with experiments but for remaining Area Committees. This means finding different ways to provide information to Members for noting (e.g. Ward Business Meetings or Member bulletins) and giving Members earlier opportunity to be involved with potential future items, e.g. using the Ward Business Meetings. This should make reports for Members on Council business more about decision-making.

2.17　　Proposals for bringing Area and Partnership business together, acknowledging the different roles for Members, are set out below.
   1. It is proposed that the two current Area Committees covering the Caithness and Sutherland and Nairn and Badenoch and Strathspey areas are disbanded.
   2. It is proposed that we create separate local forums for local governance in each of the four areas. The title can be decided and if preferred consulted on locally. Nairn Members previously proposed a 'Nairn Community Partnership' for example. Using 'Area Committee' may deter partners and communities from participating.
   3. If partners agree, we need to enable Council and partnership business to be considered in the local forum on the same day;
   4. We would need to arrange the agenda so that:
      a. Items requiring Council decision-making are grouped together, conducted in a formal governance setting as currently provided for Area Committees, involves a local Member as Chair, are held in public and are web cast.
      b. Items for scrutiny of Council services and Police and Fire Services are conducted in the same style as above and clearly marked on the agenda that the purpose is scrutiny. We would seek continuation of current performance reports and local staff to attend (internally and externally). We should identify what further Council performance reports and local performance data can be provided. Other partners could be invited to attend if interested.
      c. If partners agree, partnership business is treated in a less formal setting to enable honest discussion and problem solving. This could be organised thematically for each meeting (e.g. some topics might need to be considered annually) and held in another venue. It would be chaired by a relevant partner. It is recommended this is not taken in public but attendance and involvement of relevant groups is ensured (e.g. Community Councils, local community groups and community bodies), or some sessions could be designed as listening to evidence from

people/groups on specific topics. The output from the partnership discussion should be made public, e.g. through news releases, presentation at the next public part of the 'Forum' and through partner Boards and Council committees for information.

d. If business is managed well there should also be time on the day for public engagement, possibly using a Ward Forum format and based on the theme of the Partnership meeting.

2.18 In developing the proposals above we need to consider:

1. How to support the District Partnership business properly and the views of the NHSH Board are needed. It may be that this is a standing partnership item in each of the four localities, but it would mean amending the current District Partnership geographies.

2. How to ensure the new arrangements will support new duties on public bodies arising from the Community Empowerment Act.

2.19 How we could resource them
In terms of organising and supporting the new 'Local Forums' we would continue to need the Council's Democratic Services support, but with shorter agendas for decision-making and scrutiny the additional burden from holding more local meetings should be minimised. Understanding the impact on staff time and costs would be part of the evaluation of the experiments.

2.20 Re-focusing the activities of the Ward Management Team has already begun. They will be a key resource in the local experiments. However given the new shared responsibilities in the Community Empowerment Act, we need to agree in the CPP how to resource the partnership element of the 'Local Forum' across the Council, Police Scotland, Fire and Rescue Services, HIE and NHSH.

2.21 When they could start
We should seek to start the new 'Local Forums' as soon as local Members and partners can agree and ideally during 2015. It may require the Council to begin the formal part of the 'Local Forums' in advance of the partnership agenda if partners engagement takes longer to arrange. New devolved Council budgets would take effect from 1.4.16.

2.22 How we would know if they are working
In creating an evaluation framework we should:

1. Make this a collaborative process for the CPP.
2. Begin with the vision statements and working with local members and partners on refining these to see what is measurable and how best to do that. This may well lead to new activities for the Local Forums. We should not overly focus on quantitative methods.
3. Accept that some things will evolve as we go, for example Members may be interested in other budgets out with Community Services being devolved. This suggests more of an action research approach to be used.
4. Use qualitative methods to capture how those involved feel the

experiments are working and what difference they are making.

5. Consider how to understand the partnership impact and impact on partners' governance arrangements and CPP business.
6. Consider how to understand the impact on the Council – governance and operations.

2.23   Whether the results are transferable
        This has still to be developed, but:

- We need to consider the learning from the more evolutionary approach being taken forward in Lochaber. Members have agreed their vision and priorities for Lochaber and discussions locally are needed to agree how to support and understand progress.
- It may be that before 2017 members will approve further experiments in the wider Skye, Ross and Cromarty (SRC) and/or Inverness areas.

3.   Next steps

3.1   Members are asked to confirm if the proposals at this stage are acceptable, while noting that partners also need to feedback their views as they are affected too. The Highland CPP Board will be able to consider the proposals at its meeting on 11th September and the Board's views along with any other partner's Board views can be confirmed to the Council at the meeting on 29th October, 2015.

3.2   Work can begin on adapting the Council business to be considered at the local forums in terms of local decision-making on Community Services and budgets, focusing on items seeking decisions and amending the Scheme of Delegation.

4.   Implications

4.1   Resource implications: resourcing the new experiments is included in the report and where new partnership arrangements are to be tried discussions with partners on sharing resources are required and supported by the Community Empowerment Act.

4.2   Legal implications: the new local arrangements need to support the implementation of the Community Empowerment Act and this will be designed into partnership agendas with the agreement of partners and into the Scheme of Delegation where Council business is affected.

4.3   Equalities implications: the new arrangements should involve representative equalities groups in localities and support the new CPP legal duty to reduce inequalities.

4.4   Climate Change implications: the new arrangements should minimise any extra travel required to participate in meetings. Video conferencing can support this. New local forums can provide a place for carbon reduction and community resilience to extreme weather events to be deliberated with partners and community bodies.

4.5   Risk implications: There are risks in making the changes proposed but by taking an experimental approach we will learn as we go, adapting where

necessary. There is a risk that partners will not engage so we need to listen to any concerns they have and agree a way forward. A workshop with CPP members would help with this. There is a risk of devolving control and budgets to localities so we need proper accountability and budget monitoring and reporting in place. There is a risk of duplicating decisions with strategic committees so the Scheme of Delegation needs to be clear. There is a risk that the new arrangements do not support our new duties under the Community Empowerment Act so we need to build that into their purpose.

4.6   Gaelic implications: none identified at this time.

4.7   Rural implications: rural areas are likely to be the areas of the early experiments to strengthen local democracy.

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5. Recommendations

5.1 Members are asked to note that some areas are ready to begin their experiments in local democracy:

1. Caithness, Sutherland, Nairn and Badenoch and Strathspey seek most change at this time and are more ready to experiment with new arrangements;
2. Skye may also be included with some final discussions to confirm the geography to use and local Members' vision (ensuring alignment with the requirements of the Community Empowerment Act);
3. Lochaber is further on with its local community planning arrangements and seeks to develop those separately from its area committee, choosing a more evolutionary model of change;
4. The other areas within the SRC Area Committee and in the City Area Committee require some more work and discussion with local members to develop proposals.

5.2 Members are asked to note that for new local community planning arrangements to be tested, while we have Member's views on what that should achieve for their locality, we need partner agreement to participate. This is to be considered by the CPP Board in September 2015 and through partner's governance arrangements with feedback to the Council in October 2015. The evaluation of new local arrangements should be agreed with partners and involve a range of methods as set out in paragraph 2.22

5.3 Members are asked to agree that to localise decision-making that:

1. We disband the two Area Committees covering Caithness and Sutherland and Nairn and Badenoch and Strathspey as soon as practicable and establish new forums for local community planning that serve each of the four areas separately as set out in paragraph 2.17. These would engage with relevant local partners (pending their agreement) and offer better ways of engaging local community bodies and individuals and help implement the Community Empowerment Act. Council business (decision-making and scrutiny) would be considered separately in these forums. The Scheme of Delegation is amended accordingly.

2. We adjust the SRC Area Committee to enable Skye to have similar arrangements as those above if that is the decision of Members in Ward 11.
3. We support the local Members in Lochaber to take forward their evolutionary approach.
4. Work begins on using the principle of subsidiarity for Community Services budgets and decisions as set out in paragraphs 2.13 to 2.15 and to be effective from 1.4.16.
5. Council business in new local community planning forums or in continuing area committees is focused on decision-making with alternative arrangements found for briefing Members.
6. The action to mitigate the risks as set out in paragraph 4.5.

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24.8.15

Local Members' Vision for their Areas

Caithness

Members felt that for Caithness to be a shining example of local democracy, they needed to make sure that:

- Partners agree and work towards growing the population and confidence in the local economy, benefitting from Caithness' natural assets, new opportunities and maximising benefit from public spending.
- More of the wealth generated in Caithness stays here, creating a sustainable employment base, skills development for young people and targets support to help people into employment.
- They build on the success of the Caithness and North Sutherland Regeneration Partnership by engaging more partners to all work together on, and be accountable for, improving outcomes in Caithness. This includes Council business and decision-making.
- More Council decisions are made locally especially on planning, licensing and community services.
- Community Councils are more sustainable and more people want to be involved.
- Our voluntary groups and sector are more appreciated and respected.

Sutherland

Members felt that for Sutherland to be a shining example of local democracy, they needed to make sure that:

- Sutherland is strong and self-sufficient, with services and assets that people need in place.
- The focus is on Sutherland, with the right partnership arrangements in place for strategy and for delivery, enabling different people and organisations to lead on, and to be accountable to the public for, their duties and actions.
- Key partnership activity will focus on economic regeneration, population growth and reducing inequalities. It will involve the public, private and third sectors.
- We learn from other European countries with sparse populations.
- We recognise and grow Sutherland's assets so that community groups are freed and supported to be feisty, able and dedicated.
- Community Councils are really empowered and with funding to do more for their communities.

Nairn

Members felt that for Nairn to be a shining example of local democracy, they needed to make sure that:
- They get positive relationships with the community;
- Public agencies work together with the community;
- They lead on projects and push on ideas and strategies – linked to priorities;
- They scrutinise the process for all public services;
- They make decisions for things they are elected for;
- They facilitate the community to deliver for the town;
- They address inequalities and include the harder to reach communities; and
- They build trust with community groups.

Badenoch and Strathspey

Members felt that for Badenoch and Strathspey to be a shining example of local democracy, they needed to make sure that:

- All the public bodies in the Badenoch and Strathspey area come together to focus on solutions and share resources for Badenoch and Strathspey communities. This includes national and regional public bodies. The decisions they make locally are adhered to.
- We have full engagement of the third sector and communities building on the community work done through Voluntary Action Badenoch and Strathspey (VABS) and we engage fully with commercial organisations.
- Many more people want to stand for election, e.g. for Community Councils and local government.
- People have a voice and can influence decisions affecting them.
- Resources target inequalities – including rural inequalities and improving transport.