

## The Highland Council

10 March, 2016

Agenda Item	10
Report No	HC/6/16

### Outcomes from Members' Seminar on the Scotland Bill and prospects for further devolution

#### Report by Chief Executive

##### Summary

The purpose of this report is to provide members with an update on the outcomes from the members' Seminar held on held on 21 January, 2016 to consider the Scotland Bill and possible areas for devolution to a local area level.

#### 1. Background

- 1.1 The Council agreed to hold a members' seminar on the Scotland Bill following discussion of a Notice of Motion at its meeting on 29 October 2015. The Notice of Motion stated:

*The Council notes that the provisions in the Scotland Bill, currently being considered by the UK Parliament, will devolve additional responsibilities to the Scottish Parliament.*

*This Council supports the principle of subsidiarity and believes that devolution should not just be from Westminster to Holyrood but should continue down to a local level.*

*In this context, it is proposed that a Seminar be held to explore what areas of responsibility the Council would wish to see devolved to Highland. It is further proposed that any Member with an interest or knowledge that they can bring be invited to attend. The Seminar will develop recommendations for consideration by the Council at its meeting in March 2016.*

- 1.2 The members' Seminar was held on held on 21 January, 2016 and focused on exploring what additional powers and responsibilities The Highland Council would wish to see devolved down to a local authority level. These included powers and responsibilities that were already being exercised by the Scottish Government as well as those powers that were being proposed for devolution as contained in the Scotland Bill.
- 1.3 The seminar provided members with the opportunity to reflect on how they saw the role of local government developing in the years ahead, the financial environment that local government was currently operating in, and how any additional responsibilities being sought by local government could be delivered in a better and more responsive way than was currently the case.

## **2. Outcomes from Members Seminar – General**

- 2.1 Members opened the seminar with a general discussion about the relationship between local government and central government and the need for mutual recognition and respect.
- 2.2 It was felt that there could be merit in developing a protocol or memorandum of understanding which recognised the respective roles and responsibilities of each level of government, similar to the way in which the Sewel Convention sets out the principle that the UK Government would not normally legislate on devolved matters.
- 2.3 It was also suggested that the Council could use Euromontana to help make the case for a special status specifically for Highland as a mountainous region. It was noted that the Islands had done something similar in the context of special circumstances for European islands.

## **3. Outcomes from Members Seminar – Finance**

- 3.1 In relation to financing of local government, members expressed the view that local government should be closely involved in future decisions over reforming local taxation. There was a discussion to be had in relation to the proportion of taxes that were raised and retained locally, what was the right balance and how this should be changed. In addition, members also discussed the possibility of being able to raise new taxes such as a tourism tax or a land based tax. In relation to business rates it was felt this should be subject to further discussion. All of these options need to be seen in the context of COSLA's Strengthening Democracy report; the Commission on Local Tax Reform and the Scottish Government's proposals for local taxation that had yet to be announced.
- 3.2 Members also felt that local authorities should have the freedom to determine charges and fees for planning on a cost recovery basis, particularly in the case of large scale commercial developments.

## **4. Outcomes from Members Seminar – Specifics**

- 4.1 There then followed a discussion on specific areas of responsibility which could be considered for devolution to a local level.
- 4.2 Crown Estate – there was continued support expressed for the Council's formal position that Crown Estate management and revenues should be devolved to local authority level. It was suggested that some Crown Estate revenues could be used for coastal pollution protection, Marine litter, KIMO and potentially part funding of the Emergency Towing Vessel function.
- 4.3 Ship to Ship Transfers - It was felt there should be greater local involvement in the determination of these applications.

- 4.4 Mineral Extraction - It was felt there should be greater local involvement in the determination of these applications.
- 4.5 Forestry Commission - Members felt there should be more local involvement in the priorities and activities of the Forestry Commission. There should be greater engagement over how Forestry revenue was used in order to re-focus on community benefit/community growth and a presumption against developments that impacted negatively on the local economy.
- 4.6 Scottish Environmental Protection Agency - It was felt that there should be a discussion around the current range of responsibilities exercised by the Scottish Environmental Protection Agency to consider whether they were undertaken at the right level.
- 4.7 Employability & Skills Development – It was felt that an improved service could be provided to the local community, if there was improved co-ordination between the various agencies and that there was local authority input and influence over the decision-making on the various employability and skills development programmes.
- 4.8 Highlands and Islands Enterprise – It was felt that it would be helpful to have a discussion with Highlands and Islands Enterprise to enhance joint working and deepen accountability across local communities.
- 4.9 Fuel Poverty Support Schemes – It was felt that these schemes should be devolved to a local level to ensure a fairer split of funding for fuel poverty.
- 4.10 Grid Network – Members felt there was a need to engage with both the UK & Scottish Governments to secure greater influence on grid related issues. It was noted that this was not an issue that was covered in the Scotland Bill.
- 4.11 Disposal of public land – While the Community Empowerment Act contained provisions in relation to this, it was felt that public bodies should be required to advise local authorities if they were disposing of land to enable the Council to register an interest, if appropriate.
- 4.12 Betting – It was felt that local authorities were best placed to make local decisions about payday loan shops and gaming machines, as well as having discretion over the level of fines and fixed penalties.
- 4.13 Planning – Members wished to see a review of planning, including a review of the automatic right of appeal, more local decision making and local responsibility for determining charges and fees.
- 4.14 Trunk Road Network – It was felt that local authorities should have greater engagement in the trunk roads network.
- 4.15 Commissioners for Northern Lighthouses – It was suggested that the income from fees/charges could be allocated to local authorities.

## 5. Scotland Bill

- 5.1 The Scotland Bill is currently proceeding through the Report Stage in the House of Lords and is anticipated to receive Royal Assent in March, 2016. Many of the specific suggestions put forward that are not yet devolved will be devolved to the Scottish Parliament upon the Scotland Bill becoming an Act of Parliament and therefore engagement on these issues would need to be with the Scottish Government and the Council's Community Planning Partners.

## 7. Recommendations

- 7.1 Members are asked to consider Appendix 1 which lists each of the areas for potential further action and with whom these should be pursued. It is recommended that the Council Leader engages with the relevant body at the appropriate level as follows:
- the Council Leader writes to the President of COSLA;
  - the Council Leader writes to the First Minister;
  - the Council Leader writes to the Secretary of State for Scotland; and
  - the Council Leader seeks the views of community planning partners.

An officer briefing has been requested on the opportunities and implications of seeking special status as a mountainous region in the EU and further recommendations may come forward as a consequence of this.

## 8. Implications

- 8.1 Resource – the current recommendations can be delivered within existing resources. Whilst a number of the proposals could result in more income/funding coming to the Council or to Highland communities, it will be important to ensure that any additional responsibilities secured are accompanied by sufficient resource to deliver them.
- 8.2 Legal, Equality, Climate Change/Carbon Clever, Rural, Gaelic – There could be positive rural implications if the Council is successful in achieving greater local responsibility and accountability for a wider range of functions. However, at this stage it is difficult to confirm precisely what they would be.

### **Recommendations**

Members are asked to note the outcomes from the members' seminar and agree that the Council Leader should engage at a local and national level as set out in paragraph 7.1.

Designation: Chief Executive

Date: 29 February 2016

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## Appendix 1

Nos	Responsibility	Possible Action	Status
<b>General</b>			
1.	Protocol or memorandum of understanding between local and central government	Engage with COSLA to explore how this could be developed	Already Devolved
2.	Special status for Highland as a Mountain Region.	Engage with both the UK and Scottish Governments.	Reserved
<b>Finance</b>			
3.	Reform of local taxation	Engage with COSLA. Political parties may set out their plans in election manifestos	Already Devolved
4.	Freedom to determine charges and fees for planning matters	Engage with COSLA and the Scottish Government.	Already Devolved
5.	Set levels for fines and fixed penalties in relation to betting	Engage with COSLA and the Scottish Government.	Executive Devolution
6.	Raise new taxes such as tourism tax or land based tax.	Engage with COSLA and the Scottish Government.	Already Devolved subject to agreement of the UKG
7.	Business Rates	Council to consider further and then engage with COSLA and the Scottish Government.	Already Devolved
<b>Specific Policy Areas</b>			
8.	Crown Estate	Engage in the Crown Estate Stakeholders Group and directly with the Scottish Government.	To be devolved
9.	Mineral Extraction	Engage with the Scottish Government.	To be devolved
10.	Employability & Skills	The Council has already sought local input and influence as an "Ask" as part of the City/Region Deal. Further to this, engage with Community Planning Partners and the Scottish Government.	To be devolved

11.	Fuel Poverty Schemes	Engage with COSLA and the Scottish Government.	To be devolved
12.	Betting	Engage with the Scottish Government.	To be devolved (in part)
13.	Forestry Commission	Engage with Forestry Commission and the Scottish Government.	Already Devolved
14.	Scottish Environmental Protection Agency.	Engage with Scottish Environmental Protection Agency and the Scottish Government.	Already Devolved
15.	Highlands and Islands Enterprise	Engage with Highlands and Islands Enterprise and the Scottish Government.	Already Devolved
16.	Disposal of Public Land	Engage with the Scottish Government.	Already Devolved
17.	Planning	Engage with the Scottish Government and COSLA.	Already Devolved
18.	Trunk Road Network	Engage with the Scottish Government.	Already Devolved
20.	Commissioners for the Northern Lighthouses.	Engage with the UK Government	Reserved
21.	Ship to Ship Transfers	Lobby the UK Government; however the Scottish Government has recently sought to have this responsibility devolved, but has not been successful.	Reserved
22.	Grid Network	Engage with the UK & Scottish Governments.	Reserved