

A Brief Introduction to Local Government in Scotland

Local Government landscape

Scottish local government consists of 1,222 elected councillors operating within 32 councils. These local authorities are responsible for managing and delivering a range of services, from education and social work to leisure and recreation. Their geographical coverage ranges from 26 square miles in Dundee to 12,437 square miles in the Highlands, while their population ranges from under 20,000 people in the Orkney Islands Council area to over 600,000 in the Glasgow City Council area.ⁱ (See Annex A for a brief history of local government development in Scotland.)

Local Government and the economy

Local government activity makes a major contribution to the economy of Scotland. In 2005-06, the total gross expenditure of Scottish local authorities (including funding ring-fenced for housing, as well as funding for police and fire services) was £18.4 billion. £16.8 billion of this figure consisted of gross revenue expenditure: namely, the day-to-day costs of running local government, including salaries and utility charges. The other £1.6 billion consisted of gross capital expenditure: spending on the purchase or upgrading of assets such as land and schools.ⁱⁱ

The general fund is the main revenue fund of the council, which excludes revenue from sources such as housing rents. Broadly speaking, 80% of local authorities' general fund finance comes from central government, while the remaining 20% comes from council tax and other sources such as rents and fees.ⁱⁱⁱ In 2005-06, general fund gross service expenditure was £12.8 billion. Net current expenditure – namely, gross revenue expenditure minus income from sales, fees, charges etc. – was £10.5 billion in 2005-06; the main components of this consisted of £4.1 billion expenditure on education, £2.1 billion on social work and £1.3 billion on police, fire and emergency planning.^{iv}

With around 80% of their general fund finances being allocated to them by central government, local councils are in rather dependent position: decisions made by the Scottish Government and Scottish Parliament about the overall level of revenue funding have a very significant impact on the choices councils make locally. This funding ratio results in a phenomenon known as the Gearing Effect, whereby cuts in funding from central government have to be met by substantially higher increases in Council Tax in order to maintain a standstill budget. For example, a 5% cut in total government grant to local authorities would have to be met by a 20% increase in Council Tax, in order for councils to maintain the same level of income.

Local Government as an employer

Local government is also a major employer: [Glasgow City Council](#), for example, is one of the biggest employers in Scotland, with over 37,000 employees. At the national level, around 13% of jobs in Scotland - and over 50% of all public sector jobs - are in local government.^v In 2006, total full-time equivalent employment in Scottish local government (excluding police, fire and related services) was 230,300: this figure consists of 57,700 teachers; 35,900 other education staff; 44,600 social work staff and 92,000 other staff.^{vi}

Local Government Organisations

Scottish local government is represented by the [Convention of Scottish Local Authorities](#) (COSLA), formed in 1975 to act as an interface between local authorities and central government (now the Scottish Government and Scottish Parliament). Falkirk Council, which had left COSLA in 2001, rejoined following the May 2007 elections, and as a result

the organisation now represents all 32 Scottish local authorities. It also acts as the employers' association for all Scottish local authorities, negotiating on conditions of services with trade unions, on behalf of local authority employees.

There is also a range of organisations representing the interests of particular professional groupings within Scottish local government. [SOLACE \(Scotland\)](#), for example, is a membership organisation that represents Chief Executives and senior managers in Scottish local authorities. Other professional organisations representing the interests of professional sectors in local government include the [Association of Directors of Education in Scotland \(ADES\)](#), the [Association of Directors of Social Work \(ADSW\)](#) and the [Scottish Society of Directors of Planning](#).

Local Government roles and functions

Local government in Scotland performs a range of functions. It is perhaps best known as a service provider, delivering services such as education, leisure and recreation, social services, housing, street cleaning, refuse collection and crematoria. However, local authorities also play a regulatory role, issuing licenses to - for example - taxis and pubs, and providing regulatory services such as trading standards and environmental health. In addition, the local authority performs an advocacy role, promoting the interests of its local communities, as well as fulfilling its statutory requirement to initiate and facilitate community planning.

Before 1999, all legislation affecting local government in Scotland emanated from the Westminster Parliament. The Scottish Office played a role in shaping that legislation, but had no legislative power in its own right. This changed with the Scotland Act 1998 and the subsequent establishment of the Scottish Parliament on 1 July 1999. The Scottish Parliament has the power to enact primary and secondary legislation relevant to local government and local authorities in Scotland may only act within the powers bestowed upon them by the Scottish Parliament. In practice, however, most of the legislation relating to structures and functions of local authorities was established by Westminster.

Local authorities in Scotland have a range of mandatory and permissive powers. Mandatory powers include: the provision of schooling for all 5- to 16-year olds; provision of fire cover; promotion of social welfare (for example, social work services); provision of housing for the homeless; making arrangements to secure Best Value; and, initiating and facilitating Community Planning. In addition, local authorities have a range of permissive powers, which they are legally allowed to exercise, but are not required to do so. These include: giving permission for civil marriages to take place in venues other than local registrars' offices; promoting economic development; promoting arts and tourism; producing local bye-law in areas specified by ministers; and, cutting service provision, as long as it does not interfere with statutory obligations.^{vii}

Local Government Structures

Each local authority in Scotland is governed by a council, which consists of councillors who are elected very four years. These elected members are headed by the Leader of the Council, typically the leader of the largest single political grouping in the council. In addition, each local authority elects a civic leader, the Provost or Convenor, who chairs council meetings and acts as a ceremonial figurehead for the area. In the cities of Glasgow, Edinburgh, Aberdeen and Dundee, the Provost is known as the Lord Provost.

The full council meeting is the sovereign body of the Council, where all councillors meet to debate and take the key decisions of the authority. These include electing the convenor and deputy convenor, appointing councillors to all committees and panels,

deciding on strategic objectives and corporate policies and setting the annual budget and council tax.

Local authorities in Scotland must take corporate decisions: there is no legal provision for policies being made by individual councillors. Provisions in the [Local Government \(Scotland\) Act 1973](#) allow local authorities to devolve most decision-making to a committee, sub-committee or officer of the council. Traditionally, authorities have tended to operate through a structure of committees and sub-committees.

The committee system has a number of identifiable merits:

- It is inclusive; all political parties and independents of the council are represented on committees
- It prevents council decisions being taken by people from one party alone – although the balance of representation on committees tends to reflect the balance of representation in the council as a whole
- It prevents individual elected members becoming all powerful and detached from other members
- It operates through collective decision-making, so a convenor of a committee has to persuade the rest of the committee to go along with decisions
- Because committees to a large extent meet in public, their deliberations are also seen to bring transparency to decision-making

Despite these many advantages, the committee system is also commonly associated with a number of drawbacks:

- Decision-making by committee is slow
- Because committees have to bring together a significant number of elected members, their meeting cycles tend to be between four weeks to two months: this can be problematic for issues that arise in the interim that need rapid decisions
- If a proposal is presented to a committee and is deferred at an initial meeting, it is then six or eight weeks before it will come up for further decisions to be taken
- Committees can result in lower common denominator decision-making because they are inclusive and transparent
- They fulfil both the decision-making and the scrutiny function within the council, but arguably it is impossible to do both well^{viii}

In recent years, reviews of local democracy sponsored by the Scottish Government have prompted a number of local authorities to alter their decision-making structures, in attempts to achieve more efficient, accountable and transparent arrangements. Some councils, for example, have streamlined their committee structures, by reducing the number of service-specific committees, and instead concentrating on broader, more cross-cutting thematic areas. Others have dispensed with committee structures in favour of executive structures, in which responsibility for most strategic decisions is delegated to an executive of between 5 and 13 councillors. In this kind of structure, it is the role of non-executive elected members to scrutinise the executive's activities. There is no requirement for councils to adopt a particular political decision-making and scrutiny structure: it is a matter for each council to decide what is the most appropriate structure for its particular circumstances and context.

Recent Policy Developments Impacting on Local Government

Local Government in Scotland Act (2003)

[The Local Government in Scotland Act \(2003\)](#) is the key piece of legislation that the Scottish Parliament has passed to modernise local government. It provides a framework to enable the delivery of better, more responsive public services and has a number of provisions:

1. Best Value

The Act places a statutory duty upon local authorities to secure Best Value. Best Value was introduced as a local government policy across the UK in 1997, after the election of a New Labour administration. It was intended to reconfigure service delivery, with local authorities assuming the role of enablers rather than service providers.

Best Value is intended to guarantee that local councils will aim to deliver continuous improvement in all their services; it requires councils to examine how their services are delivered and ensure that the most effective and efficient means of delivery is being used.

2. Community Planning

The Act places duties on local authorities to initiate and facilitate Community Planning, and on core partners (Health Boards, the Enterprise Networks, Police, Fire and Regional Transport Partnerships) to participate in the process. In addition, it places a duty on Scottish Ministers to encourage Community Planning. Local authorities are also expected to involve other public, private and voluntary sector partners to become involved in the process. As a result, Community Planning partnerships are now operating in all 32 local authority areas, although the arrangements adopted in practice do vary to some extent between council areas.

3. The Power to Advance Well-Being

The Act gives the local authority the power to do anything that it considers is likely to promote or improve the well-being of the area and/or people within that area, as long as it is not prohibited by existing legislation. Local authorities have considerable discretion in how they exercise this power. Scottish Executive guidance on the Act suggests a number of ways in which the power of well-being may be used, including: to promote sustainable development; to tackle climate change; to improve mental, social and physical health; to tackle poverty and deprivation; to promote financial inclusion in disadvantaged communities; to reduce inequalities and promote equalities; to promote local culture and heritage; to protect, enhance and promote biodiversity; and, to improve community safety.

Electoral Change: the Single Transferable Vote

May 2007 saw significant change in Scottish local government elections with the introduction of a form of proportional representation, the Single Transferable Vote (STV), which enables voters to rank local council candidates in order of preference. A related development was the creation of multi-member wards consisting of three or four councillors; these electoral wards have increased in size and elected members therefore now represent broader communities. The total number of councillors is unaffected, however, remaining at 1,222

Remuneration for councillors

May 2007 also saw the introduction of salaries for elected members. Previously, councillors did not receive salaries, although they did receive allowances, based upon a system introduced in 1995. The basic allowance depended upon the size of the council, and was payable up to a maximum of £7,321. In addition, individual councils had the discretion to determine Special Responsibility Allowances for councillors with significant additional responsibilities: typically, the leader or deputy leader of a political group within the authority.

A number of factors led to the system being changed in 2007: there was general agreement that the allowance was too low, and that special responsibility allowances were overused by councils; there was also a lack of consistency across the country and a lack of transparency regarding which councillor posts attracted the higher salaries.

Since May, 2007, therefore, the basic remuneration for councillors with no significant additional responsibilities in the Council's policy development or decision-making structures has been set at £15,452: this figure is set nationally and applies to the majority (around 62%) of councillors. A limited number of senior councillors - e.g. opposition spokesmen and committee convenors - receive enhanced salaries. There are four different salary levels for council leaders, which vary according to the size of the authority: £30,905, £36,055, £41,206 and £51,508.^{ix} In addition, councillors are eligible to join the Local Government Pension Scheme, if they so wish, and are entitled to reimbursement of receipted travel and subsistence expenses necessarily incurred during council duties.

ANNEX A

Note on history of local government structure in Scotland

Prior to 1929, local government consisted largely of Royal Burghs, small towns and villages that organised basic services within communities. As the functions of local government increased, so too did the demand for a more structured approach to local government. The first comprehensive reorganisation of Scottish local government occurred in 1929, when a complex structure consisting of five kinds of local government area was established: 4 cities; 33 counties; 21 large burghs; 176 small burghs; and, 196 landward districts. This structure underwent some significant changes, but remained broadly in place until a further reorganisation in 1975.

The 1975 reorganisation was the product of an extensive period of inquiry and consultation, beginning with the appointment of the Wheatley Commission, which reported in 1969. The Commission's proposals were reflected in the [Local Government \(Scotland\) Act 1973](#). Post 1975, Scottish local government became a two-tier system, consisting of 9 Regional Councils, 53 District Councils and 3 all-purpose island councils (Western Isles, Shetland and Orkney) which had the combined powers of both districts and regions. Regional councils were responsible for major functions such as education, transport and strategic planning, while more localised functions, including recreation, housing, libraries, development control and local planning, were the responsibility of District Councils.

Today's Scottish local government structure was the result of the 1996 reorganisation, the legislative basis for which was [The Local Government \(Scotland\) Act 1994](#). According to the Scottish Office, the post-1975 system led to confusion, with the public being unclear about the roles and responsibilities of the two tiers of local government. The Scottish Office claimed that the two-tier system resulted in a loss of accountability, some degree of waste and duplication of effort, and that some regional authorities were regarded as being too remote from their communities.

The 1996 reorganisation resulted in the existing structure of 9 regions and 53 districts being abolished, although the 3 island councils remained unchanged. The district councils and regional councils were replaced with 29 single tier (or unitary) bodies, the rationale being that unitary authorities result in a more economic, cohesive, accountable and effective system. These 32 unitary councils are responsible for all the local government services formerly administered by their predecessors with two main exceptions: water and sewerage, and the reporters to Children's Panels (responsibility for the latter now lies with the Scottish Children's Reporters Administration).

ⁱ McConnell, Allan (2004) *Scottish Local Government*. Edinburgh: Edinburgh University Press, p. 6

ⁱⁱ Scottish Executive (2007) *Scottish Local Government Financial Statistics 2005-06*, <<http://www.scotland.gov.uk/Publications/2007/01/09093510/0>>

ⁱⁱⁱ Scottish Executive (n.d.) *History of Local Government in Scotland*. Fact Sheet 12. <<http://www.scotland.gov.uk/library3/localgov/fs12-01.asp>>

^{iv} Scottish Executive (2007) *Scottish Local Government Financial Statistics 2005-06*, <<http://www.scotland.gov.uk/Publications/2007/01/09093510/0>>

^v Scottish Executive (2006) *Scottish Economic Statistics 2006* <<http://www.scotland.gov.uk/Publications/2006/11/28151648/0>>

^{vi} Scottish Executive (2006) *Joint Staffing Watch Survey* <<http://www.scotland.gov.uk/Topics/Statistics/15648/JSWS>>

^{vii} McConnell (2004) *Scottish Local Government*, p. 15

^{viii} Improvement Service (2007) *2007 Councillor Induction Pack: A reference handbook for new and returning councillors*. <<http://www.improvementservice.org.uk/news/improvement-service/councillor-induction-materials-now-available.html>>

^{ix} Scottish Executive (2007) *Scottish Local Authorities Remuneration* <<http://www.scotland.gov.uk/News/News-Extras/slarcsummary>>