



OFFICIAL REPORT
AITHISG OIFIGEIL

Local Government, Housing and Planning Committee

Tuesday 26 September 2023

Session 6



The Scottish Parliament
Pàrlamaid na h-Alba

© Parliamentary copyright. Scottish Parliamentary Corporate Body

Information on the Scottish Parliament's copyright policy can be found on the website - www.parliament.scot or by contacting Public Information on 0131 348 5000

Tuesday 26 September 2023

CONTENTS

	Col.
DECISION ON TAKING BUSINESS IN PRIVATE	1
PRE-BUDGET SCRUTINY 2024-25	2
SUBORDINATE LEGISLATION.....	37
Valuation (Proposals Procedure) (Scotland) Amendment Regulations 2023 (SSI 2023/207).....	37

LOCAL GOVERNMENT, HOUSING AND PLANNING COMMITTEE
22nd Meeting 2023, 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)

*Ivan McKee (Glasgow Provan) (SNP)

Marie McNair (Clydebank and Milngavie) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Simon Cameron (Convention of Scottish Local Authorities)

Joe FitzPatrick (Minister for Local Government Empowerment and Planning)

Councillor Katie Hagmann (Convention of Scottish Local Authorities)

Hannah Keates (Scottish Government)

Ian Storrie (Scottish Government)

CLERK TO THE COMMITTEE

Euan Donald

LOCATION

The David Livingstone Room (CR6)

Scottish Parliament

Local Government, Housing and Planning Committee

Tuesday 26 September 2023

[The Convener opened the meeting at 10:00]

Decision on Taking Business in Private

The Convener (Ariane Burgess): Good morning, and welcome to the 22nd meeting in 2023 of the Local Government, Housing and Planning Committee. I remind all members and witnesses to ensure that their devices are on silent and all other notifications are turned off.

The first item on our agenda is to decide whether to take item 4 in private. Do members agree to do so?

Members indicated agreement.

Pre-budget Scrutiny 2024-25

10:00

The Convener: The next item on our agenda is to take evidence as part of our pre-budget scrutiny. Before we do so, I invite Marie McNair to make a declaration of interests.

Marie McNair (Clydebank and Milngavie) (SNP): I bring members' attention to my entry in the register of members' interests. I was a West Dunbartonshire Council councillor until May 2022.

The Convener: Thank you very much.

For this morning's session, we are joined by the Minister for Local Government Empowerment and Planning in the Scottish Government, Joe FitzPatrick, and Scottish Government officials. Hannah Keates is unit head of the local government policy and relationships unit, and Ian Storrie is head of local government finance. We are also joined by Councillor Katie Hagmann, who is the resources spokesperson for the Convention of Scottish Local Authorities, and Simon Cameron, who is chief officer in workforce and corporate policy at COSLA. I welcome our witnesses to the meeting.

I invite Mr FitzPatrick and Councillor Hagmann to make short opening statements.

Joe FitzPatrick (Minister for Local Government Empowerment and Planning): Thank you, convener. I thank the committee for the invitation to participate in this pre-budget scrutiny session. I am particularly grateful that the committee, having invited both Councillor Hagmann and me, recognises the importance of involving both local and national Government in the pre-budget discussions, in line with our Verity house agreement commitment.

The Scottish Government recognises that local government workforce planning is a matter for each individual local authority. Although some issues are experienced Scotland-wide, each council faces a unique set of challenges that require tailored solutions rather than homogeneous approaches alone. That said, we are aware of the significant impact that workforce shortages in particular areas, such as environmental health and planning services, continues to have across Scotland. Those shortages undoubtedly impact upon our ability to achieve our three shared priorities. The Scottish Government is therefore fully committed to working in partnership with local government to ensure that the new deal with local government affords the greatest level of flexibility to councils to tackle workforce challenges in ways that work for them.

Councillor Katie Hagmann (Convention of Scottish Local Authorities): Thank you for inviting us along to this pre-budget scrutiny session. It is really important that we speak to you today, and I certainly welcome the opportunity to do so.

I echo the minister's words. We have an opportunity through the Verity house agreement and our shared priorities, which specifically are to tackle poverty, to deliver net zero, which is important, and to deliver sustainable services, which is absolutely crucial.

It is clear that there are challenges throughout local government and the Scottish Government, but there is a clear focus on working towards those outcomes. Obviously, we want to make sure that we provide for all communities throughout Scotland, while recognising that we have 32 local authorities that will, by default, do things separately and differently to meet the needs of their communities as they see fit.

I thank the committee for the opportunity today.

The Convener: I thank both of you very much for those opening statements.

I will open with a general question. What is the main challenge that the local government workforce faces? I address that question initially to Councillor Hagmann.

Councillor Hagmann: Do I need to press the button?

The Convener: You do not need to do that. I am sorry—I should have told you that. We will do it all for you. There is no need to worry about technical stuff.

Councillor Hagmann: That is fine.

It is clear that one of the main topics is our budgets. We absolutely need to plan for the future. Issues relating to multiyear settlements have been raised. We absolutely have an aspiration to see multiyear settlements. That has been a longstanding COSLA position. That is not to say that our local authorities are not already planning—it is clear that we have to. We have key responsibilities, and we are making planning assumptions into the future, but the certainty of multiyear settlements would make the journey a lot easier.

We have issues relating to recruitment, which are well recognised. One of the most pertinent relates to planners. According to the data, it is expected that we will need around 700 new planners coming into the system over the next 10 years. Only one university in the whole of Scotland offers an undergraduate degree in planning. I believe that it was previously possible to do a master's at Heriot-Watt University, but that course

is no longer in place. There is nowhere in Scotland that offers planners the deep dive and expertise of a master's degree, and that is a clear concern for local government. That is one aspect.

There are also issues around social work. We value all of our workforce, and it is really important to stress that there is no one aspect of our workforce that stands alone. By its very nature, local government encompasses the whole raft of professionals.

I hope that that gives members a flavour of where we are.

The Convener: Thank you very much. We appreciate your highlighting the issue with planners, because we are certainly aware of that.

Joe FitzPatrick: Councillor Hagmann has covered some of the main areas. A couple of the areas that she has flagged are ones in which we would hope to make progress.

Multiyear funding is absolutely an aspiration. It continues to be an aspiration, but there is the challenge regarding the settlement that the Scottish Government gets from the United Kingdom Government. That said, the medium-term financial strategy includes an increase in local government funding in cash terms of £1.5 billion from this year to 2027-28. There is a degree of certainty about where the Scottish Government wants to go to help local government planning, but, obviously, we have the challenge of the Scottish Government and the Scottish Parliament receiving their settlement on an annual basis, and that has to interface in the real world when we face the difficult challenge of setting the budget for Scotland.

The Convener: Obviously, the new deal with local government is reflected in the fact that you are both here today. I think that you said that in your opening statement, minister. What are the key ways in which the new deal can support local authorities in addressing the workforce challenges? Again, I will start with Councillor Hagmann.

Councillor Hagmann: It is vital that we concentrate on the outcomes that we are looking to achieve. I have already seen evidence that, due to the Verity house agreement, there is collaboration.

I have been in my post for just over a year. When I came in, there was obviously a steep learning curve for me but, in the past six months of work, I have been really heartened. A huge amount of work has gone into having all 32 local authority leaders sign up to the agreement.

Going forward, it is absolutely vital that we have eyes on the new fiscal framework. That will be vital. I appreciate that we will want to look at our

workforce, but much of this comes down to finances and the challenges that we face. The fiscal framework is an aspiration. There is ongoing work with that. I think that there is wide acceptance that it is not going to be a quick fix through which we can find solutions to every issue.

With the commitment that we have to ensure that we find a better way of working, which is signed up to across parties, there are real opportunities. I have seen that already with the cross-working between my officials in local government and officials in the Scottish Government. There are real opportunities, but we need to not lose focus on the outcomes.

Finally, there was a clear point in the programme for government about poverty being an issue. That is one of the strands of the Verity house agreement. I was heartened to be invited to round-table dialogue with the Deputy First Minister and a separate round-table dialogue with the Cabinet Secretary for Education and Skills. That is putting into practice what we signed up to. We can sign all the pieces of paper that we want to sign, but unless we follow through and have clear and open dialogue between the Scottish Government and local government, things will not go forward. There is a real desire to make the agreement work and to deliver for all our communities.

The Convener: It is heartening to hear about the work that is already being taken forward, and it is good to hear your underscoring of the new fiscal framework.

Minister, I would be interested to hear your reflections on the experience so far and on what will happen going forward.

Joe FitzPatrick: I was fortunate to come in when that work was quite well progressed. A lot of work had already taken place on resetting the relationship, which is what the new deal is about.

One of the biggest issues—Councillor Hagmann talked about this—was building trust between COSLA and the Scottish Government. That has to be a two-way thing. Both of our democratic electoral mandates have to be respected. Sometimes in the past, we forgot that the other side had a mandate, too. Sometimes local government maybe does not recognise the mandate that the Scottish Parliament has in some areas, and sometimes we forget that our councillors were democratically elected by their electorate in their elections. One really important thing is respecting our two mandates and that both spheres of government have a mandate. Sometimes that is in shared areas; it is clear that there are areas in which the Scottish Government and local government both have a mandate. We need to build trust in order to do what we all want

to do, which is to deliver on the three shared priorities for all our citizens.

A pretty significant advance was that all six political groups in COSLA—Scottish Labour, the Scottish Conservatives, the Scottish Liberal Democrats, the independent group, the Scottish National Party and the Scottish Green Party—were able to sign up to agreeing that the three priorities of tackling poverty, particularly child poverty, transforming the economy through a just transition to net zero, and delivering sustainable public services were things that they would all prioritise, putting party politics aside and recognising that those were areas on which we could work together across the parties and the two spheres of government in Scotland.

That is our starting point, and we are developing that. We are improving trust. That is a big change compared with how we worked in the past. In passing legislation, whether that was a Government bill or a member's bill, the Scottish Parliament would ask COSLA, "What is this going to cost to deliver, because you're going to be delivering it? You get no say on it." That was the extent of the consultation with local government.

I hope that there will now be much earlier discussion between the Scottish Government and our local government partners in COSLA. One thing that the Parliament needs to work out is how, with members' bills or members' amendments, across the Parliament, we all respect local government's democratic mandate and how—this will be more difficult—back-bench members' amendments or members' bills can involve the same level of collaboration with local government while the different democratic places that we come from are respected.

The Convener: That was really on my mind. You have made a critical point about members' bills and amendments to Scottish Government bills that come in at stage 3. Has there been enough consultation with local government on that? It will be interesting to see what protocol needs to be put in place to make sure that that happens appropriately.

I am going to move on. Last week, we heard that the creation of a general power of competence for local authorities, as there is in England and Wales, would provide greater opportunities and powers to address challenges. Is that being considered? I ask the minister to start.

10:15

Joe FitzPatrick: A huge amount of work is ongoing to develop the fiscal framework. We are looking at where we can relax previous ring

fencing and what further powers can be extended to local government.

Ian Storrie might want to say a little bit about the work that is going on in the background. That is really important. The fiscal framework is critical. The Verity house agreement is a really important part of the new deal. It is a really good success, and it is already changing the way in which we work. Getting the fiscal framework right is crucial to making it work for the long term. We are working really hard and taking the time to get that right. We have to get it right first time.

Ian Storrie (Scottish Government): The key thing that Councillor Hagmann said was that there is no quick fix in the fiscal framework. We have made quite a lot of progress in a number of areas, and we are still making progress in others.

We have made a lot of progress on earlier budget engagement, as part of which Councillor Hagmann has met the Deputy First Minister a couple of times. We have also made quite good progress on the processes and approaches that would need to be taken forward by a council or councils with proposals for revenue-raising powers. During those discussions, we identified that a general power of competence is probably not within the gift of the Scottish Government, and perhaps not within the gift of the Scottish Parliament under the current devolution settlement. We are not currently working on a general power of competence, but we are establishing processes and the questions that would need to be asked if a council or councils wanted to come forward with revenue-raising opportunities to make sure that they are taken forward in partnership.

I think that everybody acknowledges—again, this goes back to Councillor Hagmann’s point about there being no quick fix—that we are dealing with £12 billion of local government money. We need to get it absolutely right, and we need to avoid unintended consequences. That is one of the things that we are looking at in terms of new revenue-raising powers. We need to make sure that they are consistent with national policies and that there are no unintended consequences or overspill effects on other councils or services. We are taking forward those discussions in partnership.

The Convener: Can I clarify something? On the idea of councils coming forward with ideas for new revenue-raising powers, I think that you said that an individual council could come forward with ideas, so there is a nuanced approach. If Orkney Islands Council, for instance, had a proposal that was unique and nuanced to Orkney, could it come forward with that?

Ian Storrie: We are having those discussions at the moment. We do not think that everything needs to come via COSLA. If an individual council has a proposal that works for it and does not work for any other council, we do not really see why there should be any barriers to its exploring that. The processes that we are putting in place are very much best practice in policy making. Why are we doing that? What are the options for achieving it? What are the consequences of it? It is very much motherhood and apple pie, but we are seeking to establish that that approach can be deployed, should Orkney, for example, wish to do something that is unique to it.

Simon Cameron (Convention of Scottish Local Authorities): To build on what Ian Storrie said, this conversation also lies very much in the local governance review, which remains a key commitment of the Verity house agreement. Throughout, COSLA’s position has been an asymmetric approach. It is exactly about the point that Ian Storrie has talked about: it is about the approaches that councils will take and those that we will take with our public service partners. It should be remembered that this goes beyond councils; it is about looking at how we work across the public sector and how we can empower all public bodies at the local level to deliver, shape and use public moneys at the local level in a way that best suits and meets needs.

The Verity house agreement rightly set out three key priorities. Those priorities cut across everything that we, as public service providers, do in our communities. They are lenses through which we should look at how we best operate.

The key question that we need to ask ourselves is not about what we do, but about how we do it. That is what is fundamentally at the heart of the Verity house agreement, and that strays into what the impact is for our workforces across Scotland. We have many different policies and strategies in place across many different parts of the public sector, and we have the opportunity to draw the threads together to provide clarity to colleagues on the ground, and to enable people to be empowered in the tasks that they do to deliver outcomes nationally and, fundamentally and critically, at the local level.

The Convener: Thank you very much. That is very helpful.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): Good morning, minister, Councillor Hagmann and colleagues. Will you say a little bit more about how the fiscal framework will provide the kind of flexibility that everyone is seeking and talking about? We were told by colleagues at last week’s meeting that it is still felt that there is a lack of flexibility in how local authorities apportion their funding to various duties. Does that mean that the

dreaded ring fencing is at an end and is being replaced with the flexible arrangement that, collectively, we will somehow agree to?

Joe FitzPatrick: We are committed to reviewing all the ring-fenced funds over time, but, going forward, there should be ring fencing only with agreement. Part of the process is to develop an assurance framework, which is a different way of doing stuff. We need to work together on that to get it right. Right now, about 7 per cent of investment is formally ring fenced, but, on top of that, local authorities spend a significant amount of money on statutory services, which removes flexibilities, but, within that, there is flexibility as to how that money is spent.

The first stage of the work that we are doing is to review all existing funds that are transferred to local government, outside of the general revenue and general capital grants. We are looking at how much of that can be baselined for the 2024-25 budget. The outcome of that work, which is ongoing at the moment as part of the work that we are doing in developing the fiscal framework, will be seen in the budget when that is published. A lot of work has already been done, and a lot of work continues.

This is not backward looking; moving forward, there should not be ring fencing unless it is agreed. There will be times when the Scottish Government and COSLA agree that, for a particular reason, there should be a ring-fenced fund for one thing in particular, probably for a short time. Going forward, the expectation is that funding will not be ring fenced in the long term. The point is that that should happen with agreement.

Willie Coffey: After so many years in the Parliament listening to that argument, usually at this committee, year on year, about ring fencing, it is great to hear that that flexibility is there.

Councillor Hagmann, what is your view on that, particularly in the workforce planning area? Is the flexibility there to help local authorities with the workforce planning issues that we face?

Councillor Hagmann: What the minister has just outlined is absolutely correct. The Verity house agreement was signed on 30 June. It became a moment in time. We have to acknowledge that 7 per cent has been formally legally ring fenced, but there is still about 63 per cent of our budget that is directed spend. However, that is where we were last year. Moving forward, it is vital that we open the lines of dialogue.

On planning, a really good example, which was raised previously, is around free school meals entitlement. Clearly, funding was allocated and put aside for free school meals. However, from a local

authority point of view, we need to acknowledge that, when it comes to the funding that is required to deliver school meals, it is not just a case of providing for X children at a cost of £Y, because there are clear implications for our infrastructure and for managing those expectations. Across the workforce, we need to absolutely ensure that we have enough staff, including catering staff and janitorial staff. That issue is very pertinent today. There are all those nuances feeding in, and they are all different across 32 local authorities.

One councillor told me that, in order to deliver free school meals under the current set-up in one of the council's high schools, staff would need to start at half past 9 in the morning with school lunches, and they might finish by about half past 4. Clearly, that is not acceptable, but that is not the case elsewhere. In some of our small rural schools, we have capacity across our dining halls and staff who are available to come in. It is about having an open dialogue and, when new initiatives come forward, having an agreement to work to deliver them. We are absolutely signed up to those priorities, and we need to have those honest conversations. I will go so far as to say that I was slightly taken aback that some of those conversations had not happened in the past. Let us not look back but look forward to see how we can do it differently. It is genuinely quite an exciting process to be part of.

Willie Coffey: That is encouraging.

The second part of my question is about hard cash on the table. The pre-budget finance circular that was issued shows a real-terms increase of 1.3 per cent and an increase of 4.3 per cent over the past 10 years. In your opening remarks, you mentioned that £1.5 billion extra in cash terms is to be provided between now and 2027-28, but our colleagues—especially those from whom we heard last week—continue to remind us that, in their view, we still need about £1 billion more to deliver the level of service that COSLA would expect local authorities to deliver for us on our behalf. There is quite a gap there, as I am sure you realise. Will you address that issue and give us your view on where we are in that long-running debate about cash on the table?

Joe FitzPatrick: Despite the real-terms increases that were allocated to local government and several other public services this year, it is unquestionably the case that the pressures on our local authorities and other public services are unsurpassed. Such high levels of in-year inflation have not been experienced in my memory—not since I was very young. There was nothing that we could have done to plan for that, so that pressure is there. Our public services have done an amazing job to manage that in a way that protects the most important services, but let us not pretend

that it is all apple pie; it is not. It has been really challenging this year in particular. We face significant in-year increases because of inflation, high energy costs and higher-than-expected pay settlements. Money to address those things has to be allocated from this year's funds, so there is unquestionably a real challenge there.

That is partly why we are looking at further flexibilities for local government, but one of the things that we need to do is look at how we can empower local government to raise more of its own funds. That is a wider discussion. When I have gone around the country speaking to council leaders, I have encouraged them to think about what works for them.

It is absolutely clear that some ideas are coming through Parliament, such as the visitor levy and the proposal around second properties. Those will work for some local authorities but not for others, so we need to be open to the idea of listening. Obviously, there is a working group within COSLA that Councillor Hagmann co-chairs. There are 32 local authorities, and there might be other ideas out there. A local authority might come up with an idea that it thinks is bespoke to it but which another local authority says is useful for it, too. We need to be open to that if we want to have the public services that we all aspire to have.

Willie Coffey: Thank you. Councillor Hagmann, I invite you to offer your perspective on the issue of cash on the table. Is it enough? How much more do we need? How do we get there?

Councillor Hagmann: I will start by saying that it is never enough. To be in local government is an incredible privilege, because we are right at the heart of our communities. I have described before how it sometimes feels as though we are on the front line, holding our communities and trying desperately to provide for people and stop them falling through the cracks. We also want to encourage people to invest and support enterprise and business and all those issues. We work to address a myriad of different points, and not one of those involves working in a silo. We work collectively.

As to whether there is enough cash on the table—no, there is not; there is never enough. Our workforce is on the front line of that. Nobody is denying that the Scottish Government and local government face huge challenges, but we desperately need to invest in our workload there. Our front-line workers are key to delivering for our communities, but they are also key in preventative work. Often, things go wrong. We see high levels of child poverty, and we see the gaps between those who have and those who do not. The position is getting increasingly difficult. We are seeing more strains on our health service, for example. Local government has an opportunity to

dive in at an earlier stage to prevent many of the really hard-hitting issues and chronic situations that are developing across the community.

10:30

We need to invest in our workforce—we need to ensure that it remains physically and mentally healthy and is supported. We want to keep those staff in local government. If people want to come into local government, there are real opportunities for them to develop their career. We want our workforce to feel valued.

There is a huge body of work to be done. I cannot reiterate enough that what works in one local authority does not always work across 32 local authorities. We come back to the issue of local government having a power of competence to deliver. We will argue for that. It is necessary to have an open dialogue at the start. That is where we are at. We can get carried away and say, "This is where we want to get to," or we can look back and see where we have been. We are here right now. That is why it feels exciting. There is an opportunity to do something a bit different and to have those conversations with the Scottish Government. They are not always easy conversations, but we are having them, which is brilliant.

Willie Coffey: Okay. Thank you very much for those responses.

Thank you, convener. I hope to come back in later in the meeting.

The Convener: I have a follow-up question. You have said that there is never enough cash and that there is an opportunity for revenue raising. However, earlier, both of you pointed to the need for certainty. We have one-year budgets. Are you discussing a way in which to create some kind of certainty, even within the annual budget settlement, so that councils can plan? Has that come into the fiscal framework discussions yet?

Councillor Hagmann: Again, it is a case of setting expectations. We are not at the point of saying, "This is how we'll do it," but we need to take such nuances into the fiscal framework discussions. This week, the COSLA convention is happening. We are having our first conference in three years. We are taking a piece on the fiscal framework to the convention. It is great that we are having this discussion here, but we need to have it with all our councils and councillors so that there is real understanding. That has to be part of the dialogue and form part of the framework that we are developing.

The Convener: Thank you. Do you want to add anything, Mr FitzPatrick?

Joe FitzPatrick: As I mentioned, the medium-term financial strategy included increases in local government funding to give an indication, but it is just an indication. The lack of certainty around funding from the UK Government means that the final decision will be taken when the Scottish Government's budget is passed. As Councillor Hagmann said, there has been a lot more earlier collaboration with COSLA. Councillor Hagmann has already had meetings with the Deputy First Minister. That has happened much earlier than it has done in previous years. That engagement is definitely front-loaded this year.

The Convener: That is good to hear.

Pam Gosal (West Scotland) (Con): Good morning. As you probably know, today is the first day of industrial action by non-teaching staff. Last week, we heard that the Verity house agreement has had little impact on Unison's discourse with COSLA. Johanna Baxter, who is the head of local government at Unison, suggested that it might be used as a reason why one side cannot take on the other. For example, COSLA cannot criticise the Scottish Government by asking why it will not provide more money to fund pay deals. Similarly, the Scottish Government refuses to interfere in COSLA's relationship with the trade unions. Where are the lines of accountability drawn here? How can you guarantee that there will be constructive conversations about financial resources? I put that question to Councillor Hagmann, in the first instance.

Councillor Hagmann: Thank you for your question. It needs to be made clear that the current strikes are a result of negotiations within the Scottish joint council, and that lies firmly with local government. Local government is the employer, and it is only local government that can take forward the pay discussions. We have met throughout the process. Obviously, it is not really for the committee to start delving into those negotiation nuances, but I am happy to confirm that I have continued to meet our trade union colleagues. Indeed, I met them yesterday, and I will continue to do so. I have been asked whether I have ever not met them when they have requested it: that has never happened.

To be clear—this is a point that I have made previously—in local government finance, our workforce is absolutely crucial. I have stressed that point already. However, we also have to have sustainability in all our services, and that point has been raised by COSLA leaders. I have a spokesperson role and I get my mandate from the COSLA leaders on this, and they have been very clear that sustainability is key to our services. Pay will absolutely form part of that.

This year, we put forward a very strong offer at the start of the year. Clearly, that offer was not

acceptable. We have worked collaboratively with the Scottish Government to look at how that offer can be increased, and additional funding has been put into the settlement from reprofiled funding, but, ultimately, the current pay offer is worth nearly £0.5 billion. It is a strong offer. It is not appropriate to go into the nuances or the details, but I am happy to answer any questions on that.

There has to be a firm line. It is local government's role to negotiate. The responsibility lies with local government. With all due respect to the minister, it is not for the Scottish Government to dictate, because there has to be a level of respect. If we do not have that level of respect, we will undo the potential for real positivity before we have even got out of the starting blocks. I hope that that helps.

Pam Gosal: Councillor Hagmann, you are absolutely right to show where the accountability lies. However, although there is a pay offer on the table, I heard—I hope that I heard right this morning—that the trade unions want certainty about where the funding for that pay offer is going to come from and confirmation that it is not going to come from more cuts. Local government is really suffering. You are right to say that those workers are the people who are delivering on the ground. If the money is going to come from cuts, it will be a case of robbing Peter to pay Paul. That is why they want to know where the funds are going to come from.

Therefore, I think that the Scottish Government is accountable here, because the issue comes down to the funding settlements and where the Scottish Government can help. As you said, the Scottish Government cannot step in directly, but the process starts with the Government, so it can help out. That is why clarity is needed about where the cuts will be, if there are to be cuts. What is your view on that?

Councillor Hagmann: Without going into the nuances or the details, I heard Mr Ferguson making that claim this morning on "Good Morning Scotland". I was also invited on to GMS and spoke just after 8 o'clock, when I confirmed that letters were sent to our trade union colleagues on 22 September and 24 September—on Friday night and on Sunday. The letters were very clear. I gave a direct quote on GMS this morning, and I am happy to give it again. The letter said:

"We are able to provide the reassurance that you have requested that the additional resources have been identified on the basis that there is no detriment to either jobs or services".

We understand and recognise that there is that concern, and we have repeatedly and consistently given that reassurance. I am slightly concerned that Mr Ferguson has said in a public statement that we have not addressed those concerns,

because those letters have gone through. Those were joint letters. It appears that there was information that there were conflicting letters from the Scottish Government and COSLA. For the record, it is really important to say that, actually, there has been a joint approach and that the letters that have gone out have been jointly agreed between the Scottish Government and local government. I am not sure where Mr Ferguson got that information from.

Pam Gosal: Thank you for clarifying that. Does the minister want to say something?

Joe FitzPatrick: Yes, thanks very much for giving me the opportunity. It is important to recognise that local government pay negotiations are, rightly, between COSLA, as the representative of the employers—local government—and the trade unions, which represent the workforce. That said, the suggestion in your original question that the Scottish Government has chosen to stand back—I cannot remember your exact words—is not factually correct. Going right back to the start, the Scottish Government provided a further £155 million in the 2023-24 allocation to support a meaningful pay rise for local government workers. We saw that inflation was rising, and that was additional money after the budgets had been set. In addition to that, we provided reassurance that we will support councils with the £94 million increased recurring costs for future years. That was a real concern for local authorities when they made not the last offer but the one before. They were not necessarily concerned about that money but about what they would do in future years. Unusually, because of the Verity house agreement and the collaboration around that, the Deputy First Minister was content to provide that assurance, and group leaders across local authorities welcomed it.

As I understand it, the decision to make that further offer was unanimous. When it was rejected, COSLA and the Scottish Government made a huge effort to look at how additional funds could be identified without impacting on jobs and services. Scottish Government, COSLA and local government finance officials worked hard to identify and reprofile money in capital-to-revenue opportunities so that we could reprioritise £80 million from existing spend and identify emerging underspends to enable that last offer from COSLA. It was good to hear that two of the unions recognised that it met the unions' demands. We will continue to work to ensure that the third union gets the clarity that it seeks. Councillor Hagmann has identified some joint communications that we hope will make their way to members. Ian, can you give the committee a little more understanding of where the £80 million came from?

Ian Storr: If it is helpful, we can do that. As members are aware, this is the time of year when ministers start to see underspends in budget lines, and that is why we have the autumn and summer budget revision processes. Through the year, spending does not necessarily go as planned, and that involves overspends and underspends. In the current situation, ministers have been able to identify £22 million of capital underspend. Traditionally, capital cannot normally be used for pay but, as local governments have more flexibility on resource-to-capital switching, and some councils will be using resource funding to fund capital investments, that will allow them to switch that funding back out so that they can use capital for the capital investment, and there will be no detriment to local services.

Scottish Government officials and local government directors of finance identified a further £21 million from underspends on employability programmes. A further £30 million has been reprofiled on the pupil equity fund, which is now called the local government attainment grant. That funding goes straight to headteachers and is provided to them on a financial-year basis, although headteachers spend it on an academic-year basis, and, therefore, sufficient councils have accrued £30 million that they will hold back to 2024-25 to make sure that schools get that funding.

The knock-on consequence of moving from financial year to academic year funding means that, in 2026-27, there will be a £30 million liability that would not otherwise have existed. That has been reprofiled forward from 2026-27, and a further £7 million has been reprofiled from councils to the redress scheme for survivors of historic child abuse. Again, that is simply a reprofiling. Councils are committed to giving £100 million to contribute to that redress scheme. They will now pay that £7 million over the same period but on a different pay scale. Again, that has just reprofiled £7 million forward from later years into this year. There is no detriment to the scheme, and Scottish ministers will pick up any shortfall in the middle. So, in combination with those four factors, that has facilitated the £80 million, which has obviously been provided as a one-off because the £94 million was guaranteed for next year. I hope that I have shown that none of that will have any detrimental impact on existing services.

Pam Gosal: Thank you

The Convener: I appreciate that detail. That uncertainty was a big piece of the puzzle, and there was a desire for clarity. It is good to be able to understand that the funding came from underspends and reprofiling.

10:45

Miles Briggs (Lothian) (Con): I have a couple of questions about what the workforce in local government looks like. Our predecessor committee looked at workforce planning in 2018 and noted that local authority workforces tend not to reflect the communities that they serve. What progress has been made towards making our workforce more representative, specifically at senior local government levels? What work has COSLA or the Scottish Government done on that? I will bring in Councillor Hagmann to start.

Councillor Hagmann: Local authorities have various legal duties to report on what our workforce looks like. As an elected member who sits on my council's scrutiny committee, I receive the reports annually, and members will certainly scrutinise them because we want to make sure that our workforce is reflective of our community. One avenue that local authorities will use is apprenticeships. We have some fantastic local employability partnerships that work in conjunction with local authorities to ensure that we can provide certainty of employment for local communities.

A huge amount of work is done on data gathering and benchmarking. It absolutely is an on-going issue. I noted from my council's most recent equalities report that we hit the minimum targets, but my response to council officers was, "It's great that we're hitting the minimum, but let's be more aspirational than just hitting the bare minimum, because we want to be a leading employer". Across Scotland, the local authority workforce is going forward. Simon Cameron might have an awful lot more detail than I have.

Simon Cameron: Thank you very much, Councillor Hagmann. I want to reflect the fact that there is a broad range of local and national activity targeting diversity across all parts of our workforce, not just the teaching and education workforce. One of the key challenges that there has long been with diversity and understanding the make-up of our workforce is that, when it comes to our public sector equality duties, the responsibility on employers is only to ask the question; there is no legal duty on any one of us to disclose the information.

There has long been a challenge that local authorities have tried to overcome through a range of groups such as the Scottish Councils' Equality Network and the Society of Personnel and Development equalities working groups. It is about how we show people the importance and value of sharing their diversity information with an organisation, so that we can use it as effectively as possible in our workforce planning and understand where there is underrepresentation and where we need to better reflect the communities that we serve. There is a challenge

to assure—not convince—people that the data will be used appropriately and accordingly, that it will look different across Scotland and that, when we have that data, it will positively impact on their work experience with us as employers.

Miles Briggs: Does anyone want to add to what has been said?

Joe FitzPatrick: We need to show how desirable it is to work in local government and how it is, in a number of fields, a rewarding career path to take. We have lost that a bit, but COSLA and a range of partners are making a huge effort to highlight where there are real opportunities, particularly for young people, to progress to those careers and to have a sense of pride in what they are delivering for wider society.

Miles Briggs: Thank you for that. Last week, the Withers report was mentioned, and we heard about what still seems to be a lack of connection between workforce planning in our college sector and local authorities, and a missed opportunity to look at different pathways into different jobs. That leads me to my next question on reports that often highlight the fact that most local authority staff are women, and the inequalities around pay and progression in councils. What actions have been taken around that issue and the gender pay gap? Is that improving? Which councils are not managing to make progress on that?

Councillor Hagmann: A range of work is being done, some of which Simon Cameron has outlined. I will bring him in in a second. The Improvement Service does a huge amount of work, and local authorities are collaborating on best practice. That is benchmarking data, and it is important that we have it. Reflecting back on my round-table conversations on child poverty, the point that you raise about women, inequality and low wages is one that we hear loud and clear. To reflect back on the previous question, that is one of the reasons why the current pay offer is heavily weighted towards those who are at the lower end of the scale, at the request of our trade union partners. I will bring in Simon Cameron on the specifics.

Simon Cameron: Councils are working continuously to close the gender pay gap, and as Councillor Hagmann said, it is a key part of our thinking when we negotiate with trade unions on annual pay settlements. Offering a broad range of flexible working opportunities is a key part of what we can do for our communities and of attracting people to careers in Scottish local government.

Something that we all need to do about that challenge is related to the value of all the types of roles that we offer, the diversity of the types of contracts that you can have in local government and the opportunity that that provides individuals

with. We need to do more to demonstrate that all our colleagues who work behind the scenes bring value, including those who carry out the catering, cleaning and janitorial roles in schools and the many other facilities that help our children, young people and our communities every day. That is a key part of ensuring that we do not continue to focus only on certain professions in the workforce. One thing that is, perhaps, to the detriment of us all is the fact that we tend to put the spotlight on key professions and do not understand that all the roles are interrelated and interconnected; they can only deliver the services that they do by working together.

Miles Briggs: Thank you for that. On future budgeting, do you know what equal pay claims settlement issues are outstanding across local government? Some councils have moved to do it, but what financial level are we are talking about for authorities that have not done it to date?

Councillor Hagmann: I do not have that specific information today, but we can follow up with it after the committee meeting.

The Convener: Yes, that would be welcome.

Mark Griffin (Central Scotland) (Lab): Last year's spending review suggested that public sector workforces, including local authority workforces, would have to shrink if they were to remain sustainable. Minister, is that still the Government's view?

Joe FitzPatrick: It remains the Government's view that we need to continue to make sure that we apply our limited resources across public services in such a way as to achieve the best possible results for our citizens, and that we need to continue to look at ways of doing things more efficiently and effectively. Flexibilities in local government to make sure that they can do things differently, if appropriate, are part of that. I guess that is where that sits. Nonetheless, we have managed to provide additional funds to local government in recent years.

Mark Griffin: Councillor Hagmann, with the Government's suggestion that the workforce will have to adjust to remain sustainable, is it possible for local government to reduce workforce levels while still providing the level of service that it is providing or is expected to provide?

Councillor Hagmann: Key services across local government are transforming. We are having to adapt and look at different ways of doing things. I might have my resources hat on, but I also sit with a digital hat on, and so some services might be provided in a different way in the future.

In order to be that proactive, however, downstream funding is so important. Our workforce will have to adapt, but there might be

areas in which we are looking to expand our workforce, and that has to be done on a local authority basis. That is where I repeatedly come back to the Verity house agreement, and where it is so crucial to have those honest dialogues.

There are areas in Scotland where there is depopulation, so services have to be delivered in a different manner. Other areas are seeing a rise in population, and, therefore, the demands on those services are really stretched. We have to be adaptable and fleet of foot. Where there is opportunity with shared services, we are actively taking part in that. With my digital hat on, I am working with government and going through the shared platforms and delivery in those discussions.

We need to do things differently in different areas, but, ultimately, ensuring that our workforce is protected is a key element. We acknowledge that we have an ageing workforce and that we also have real issues with recruitment. I cannot say a definitive, "Yes, this will be okay", or "No, that would not be okay", because the issue is so nuanced across the plain. What I would say is that local government is standing ready to adapt, and, where possible, we will do so, while ensuring that we are still delivering that real baseline for our communities.

Mark Griffin: As service delivery changes, how are COSLA and local authorities assessing the impact on the workforce, particularly on women and minority groups, to make sure that the changes are not impacting on them more negatively than on other groups? Similarly, what assessment is carried out of the impact on women and minority groups in communities that rely on the services that are going to be delivered in a different way?

Councillor Hagmann: We have legal duties that we need to respond to, as outlined by Simon Cameron, and we will continue to do that.

We are working within our communities. As a local councillor, you hear directly from them. However, we also need to have the data, and that is where we need to work in partnership with colleagues right across public services. The point was raised earlier that we need consistency across not just local government but all public services. In my role as resources spokesperson, I have reached out to the women's budgeting panel in looking at a wide range of issues.

I will turn to Simon to see whether I have missed any points in my summary.

Simon Cameron: Councillor Hagmann made the key point about us having legal duties, so decisions that councils are making are informed by equality and human rights impact assessments, which they do at a local level. Those are about

understanding what mitigating actions they need to take or how they eliminate any impact on our communities and on our workforce.

The key element of that is that we need to look at the impact not only on our communities but on our workforce when we make the decisions at budget time and throughout policy development at a local level. That is a critical part of what we do.

Pam Gosal: Talking about skills shortages in local authorities, the Accounts Commission noted that there were challenges in recruiting “at operational and leadership levels”. At last week’s meeting, one panel member said that higher levels of economic inactivity play into the recruitment challenges and that councils are coming up with different innovative ways of engaging with their potential workforce. Of course, education, skills and employment are also the responsibility of the Scottish Government, so how is the Scottish Government supporting that drive?

11:00

Joe FitzPatrick: Ultimately, how they employ and shape their workforce is a matter for local authorities, but there will be Scotland-wide issues, particularly around skills gaps and the specific areas that, I guess, the committee will come to shortly: environmental health, planning and building standards. They are the challenges that you will have heard of, and it is absolutely appropriate that we work on them in collaboration with our colleagues in local government, further and higher education and the specific professions.

The area that I am most aware of is planning. The Government and COSLA are working with Heads of Planning Scotland and the Royal Town Planning Institute to make sure that we are taking that forward. A lot of work is being done where particular skills gaps have been identified. The first thing that we need to do is to recognise that there are challenges, and then work together to meet those challenges, and we are doing that in collaboration with our local government partners and others.

Pam Gosal: Earlier, minister, you spoke about the future and said that it is important to have early consultation with local government on new Scottish Government legislation and members’ bills. We have talked about that today and we know that 700 planners will be needed in the next five years. Councillor Katie Hagmann spoke about the challenges around that, with only one university offering a course. We have new legislation coming out nearly every week, such as that on short-term lets, and the committee has spoken about that many times. Minister, discussions about the future are happening now, but what about current legislation? We know what

the shortages are, and we know that there is a huge demand on planning and building standards. How are you looking to tackle the demands that are coming up now?

Joe FitzPatrick: You are conflating two very different points. The Verity house agreement drew a line in the sand for how we operate and collaborate going forward. If you want to talk about what we are doing on planning, I will say that it is a real issue that has been identified by local government, the Scottish Government, Heads of Planning Scotland and the RTPI, all of whom have recognised its challenges. The challenges are not straightforward. It is not just that folk are leaving planning; it is more than that. There are challenges with recruitment and in having a new planning regime that is transformational for Scotland, and we want to make sure that we get the most from that so that it creates all these opportunities. That is why we have, for some time, been working with our partners to look at how we can address that.

I am not sure that I recognise the number that you gave for planners that will be needed. That is a higher number than I had heard, but, for sure, a substantial number of new planners will be required over the next 10 to 15 years. We need to plan for that, and we are doing that.

One of the important pieces of work that we have done is the “Future Planners Report”. The Scottish Government provided funding for Heads of Planning Scotland and the RTPI to look at how we can tackle some of the challenges that we face, and their report is useful. It was published in 2022, and I am sure that the committee is well aware of it. We are taking forward the actions in that report. Nothing in that report is unachievable. There are a number of short-term actions, medium-term actions and long-term actions, and we are making real progress, particularly, right here and now, on the short-term actions. We will continue to work with our partners to do more, because some real challenges could be coming up.

Pam Gosal mentioned undergraduate courses. In my home city of Dundee, the Duncan of Jordanstone college of art and design at Dundee University offers an undergraduate course, but other undergraduate courses have stopped operating. That is partly because people who end up becoming planners often do not have that career as their initial aim. They start off doing something else, such as architecture, and then do a masters, and a number of masters courses are available across the country.

To support that shift, we have funded 10 RTPI bursaries for students who will undertake Scottish postgraduate planning degrees this year. We will see how that goes and whether we can expand

the number of bursaries to encourage more folk to make the shift. We need to make sure that folk who are looking at their career choices at school realise just how exciting planning is. Folk often do another course and then realise that they want to be a planner, and they then have to take a further course. I have been engaging with young planners, who are a enthusiastic group of folk. They are keen to make sure that the wider potential employment pool understands exactly what planning does and how exciting it is, particularly in the context of national planning framework 4 and the transition to net zero. If we can get that message across, more colleges and universities will consider providing planning as an undergraduate course. I am aware of at least one other university—I cannot name it just now—that is considering starting an undergraduate course in planning. It would be good if that were to happen.

We need to do more to encourage people. We are keen to look at whether there might be an opportunity for work-based training so that young folk can do their undergraduate course while working for, say, a local authority. A number of local authorities are keen to help with that process, but we need to make sure that it will work for the universities, young people and local authorities. One of the challenges is that NPF4 provides a huge number of opportunities, which means that there will also be an increased draw from the private sector. We need to make sure that we increase the size of the pool, but we are working on that with local government and other partners.

Pam Gosal: Thank you, minister. It is great to hear that some great work will be done in the future, and I look forward to seeing it. What are we going to do about current recruitment challenges? We have so much legislation, including members' bills, going through Parliament. How are we going to help local government with its current challenges? What talks are you having in that regard? How can we help?

Joe FitzPatrick: Are we talking about planning or wider local government?

Pam Gosal: Planning, because—.

Joe FitzPatrick: If we are talking about planning, we are making those changes right now. The bursaries are in place. We are also working with heads of planning to look at what more we can all do to make the planning system more efficient. You will be aware that one of the things that is coming through is permitted development rights. If we get those right, they could take pressure off our local government planners. We need to get them right, because we do not want just to say that everything is okay while it becomes a free-for-all. There needs to be appropriate planning support, and that is why we are consulting and will be introducing further

legislation. I am absolutely open to suggestions on what further work we can do.

Although we are not doing it right now, we will also be working on the digitisation of some of that work, which will potentially offer huge advantages in the future. A number of local authorities are already digitising some of the work that they are doing. They are moving more online and using less paper, and it is much more efficient. It is important to remember that that does not all rest with local authority planners. A huge amount of weight and sometimes a fair amount of unfair criticism is placed on local authority planners, particularly when things do not go the way in which some applicants would like. Applicants have a responsibility to make sure that an application is submitted with the required information so that the planning authority can make its decision as speedily as possible.

Sometimes, folk will not like the decisions that come out of a planning process. That is why there are appeals. From speaking to developers, however, I know that one of the issues that they are keen to see resolved is the time that applications take. If applicants are going to be told no, they want to know sooner. It is partly on the applicants to make sure that their applications are as correct as possible. We are working with local authority partners and heads of planning to try to understand what more we can do to help with that process.

Pam Gosal: I have a follow-up question on carers, but I will wait for you to say whether I have any more time, convener.

The Convener: We need to move on.

Ivan McKee (Glasgow Provan) (SNP): Good morning. I want to circle back to the general power of competence that Ian Storr mentioned. The UK Government has the power to do that and has done that for local authorities in England, but we are in the strange position in which the Scottish Government does not, based on your reading of the devolution settlement, have the authority to give that power to local authorities in Scotland. Is that where we are? That is a strange position to be in.

Do you see value in having the general power of competence? Does it give English local authorities the ability to make progress that Scottish local authorities cannot make? Is there value in having that power in Scotland? If so, should there be conversations with the UK Government about that? That is a question for the minister, too.

Councillor Hagmann: From a local government point of view, there absolutely is value in having that power. Obviously, the conversation on the legislation between the Scottish Government and the UK Government is one on which I will sit to

one side, but there is absolutely a desire from local government for that to be pursued. That is the simple response from me.

Joe FitzPatrick: Whatever the constitutional situation is, we should step back and ask what we are trying to achieve. If we can achieve what we are trying to achieve without going down what would almost certainly be a challenging constitutional battle line, we should try to do that, because local authorities want those additional powers as soon as possible. My message to leaders across Scotland is that, if they have ideas, let us test them out. If the challenge is that the situation cannot be resolved without having that power, we will need to look at that. I do not think that I have seen anything where that has been the case—I do not know whether Ian Storrie is aware of anything—but, if there are issues, we need to look at them.

If we are looking at whether there is one magic power that makes everything okay, looking down south does not appear to be the answer. Twenty-six councils in some of England's most deprived areas are at risk of effective bankruptcy, including those in Birmingham, Slough, Croydon and Woking. Clearly, there is something not right there. If there are lessons to be learned, that is great, but I am not sure that any one sweeping power will allow us to resolve some of the challenges.

The secret for us is to make sure that we work in collaboration and with respect. That gives us the opportunity to make a difference on the ground in a shorter time than would be the case with what could be a constitutional battle.

Ivan McKee: I get all of that. We do not want the best to be the enemy of the better. If there are specific things that we can do, we should, of course, do them. There could be a range of reasons for the problems with local authorities in England; they might not necessarily be due to that power. The question stands: in principle, everything else being equal, does the Scottish Government think that there is value in having that power? From what Councillor Hagmann said, it seems that local government would be very happy to have that power alongside everything else that it is looking for.

Councillor Hagmann: Local government is absolutely looking for that. However, as was referenced, COSLA and I were keen that, in the interim, we would co-chair the working group. Initially, there was a bit of discussion about whether there would be a co-chair model, but we agreed that it would be a working group of equals. Things can be brought forward in that forum, and ministers—Tom Arthur, Patrick Harvie and Joe FitzPatrick—sit on that group. There is a real opportunity right now, and, if there is a desire to

explore innovative ways of raising revenue in local government, we have a vehicle to do so.

11:15

Ivan McKee: Okay. I have a question about staff numbers. You will have heard the evidence that we have taken. There was a bit of to-ing and fro-ing on what the numbers are. The published Scottish Government numbers indicate that there have been reasonable increases in local authority staffing levels. The retort to that is that the extra workload requires extra staff and that there have been some reclassifications in relation to arm's-length external organisations and so on. Taking all that into account, is there an agreed set of numbers, or a desire to work together to publish an agreed set of numbers, that will allow everybody to look at the situation on a level playing field? At the moment, as you can understand, it is confusing when people tell us that there have been staffing cuts but the numbers show the opposite.

Councillor Hagmann: There is no agreed number, as such. It would be an almost impossible task to get a number that reflected the nuances and differences across local authorities. In some areas, we have plenty of staff and are delivering, but there are staff shortages. We have touched on planning, but we also have shortages of social workers, quantity surveyors, environmental health officers and specific teaching staff.

We have to be clever, but we also have to acknowledge that we are working against a backdrop of years of austerity. There has been the impact of Brexit, and there has also been the real impact of the pandemic, which has changed working patterns. We want to support our workforce as best as possible, and we have to have that degree of flexibility. From a local government point of view, those are all parts of the mosaic that we are pulling together for that bigger picture.

Ivan McKee: Well, yes and no. Brexit impacts on recruitment, but it does not impact on what the actual numbers are. There are shortages, but that is a separate issue—an important but separate issue—to whether the numbers are increasing or decreasing as we speak. The pandemic has been and gone. Yes, there might be some spillover from it, but we can isolate that. Those are all issues but, frankly, I do not think that they are relevant to whether we can agree on whether the numbers are going up or down.

Councillor Hagmann: I appreciate that. In relation to digital transformation—again, this goes back to planning—work is being done on e-portals and so on, and we are looking at how we can deliver in a different manner that meets the needs

of our community. We have to have difficult conversations sometimes. In my local authority, our third sector partners are delivering in some areas where the council would have delivered previously. It is about having honest conversations. Equally, enterprise agencies and other parts of the sector deliver in some areas, so we need to have a real understanding of where the responsibilities lie, with a focus on outcomes and what we are trying to achieve.

Ivan McKee: In effect, we will have to agree that we are not in a position to say what the number is or whether it is going up or down, and we will not be able to get to that position at any point in the future. Is that where we are?

Joe FitzPatrick: No. The statistics have been published. The latest statistics, which were published on 12 September, show that there has been a very slight increase in staff numbers for local government over the past year. That might be due, in part, to some of the additional things that local government is doing—early learning provision, for example—so you would expect to see an increase.

Ivan McKee: What we are hearing is that ALEOs and extra responsibilities come in and out of that. On a like-for-like basis, we are not in a position to be able to say whether the number is going up, going down or staying the same.

Joe FitzPatrick: The statistics across public services have been published, and it might be useful to share those with the committee.

Ivan McKee: I have seen those numbers.

Joe FitzPatrick: They were published on 12 September. They cover the NHS, for example, where there has been a significant increase, as we would expect. In the devolved civil service, there has been a slight decrease. There has been a very slight increase in the figure for local government, but it is pretty flat.

Ivan McKee: The Government's position is therefore that the local authority number is increasing, so, when people say that there have been cuts and that there are fewer people working in local authorities, that is not correct.

Joe FitzPatrick: Both things can be true, because, as Councillor Hagmann indicated, individuals' experiences in an area where there have been difficulties with recruitment due to Brexit or shifts in ways of working can make it feel as though there has been a cut, because there has been a reduction in staff in a particular area.

The figures that are published are overall figures, as is appropriate, but the experience on the ground for someone in an area where there has been a shift of people away might suggest that there has been a reduction. I do not think that

anybody is coming to you with untruths; they are just expressing what they are seeing on the ground, which, as Councillor Hagmann said, might vary.

Ivan McKee: Feelings are one thing, but the numbers are either going up, going down or staying the same.

Joe FitzPatrick: The numbers are slightly up.

Ivan McKee: Okay, so, when people say that there are fewer people, that is not correct.

Simon Cameron: From a COSLA perspective, if you track the figures, you will see that there was a reduction of 32,000 full-time equivalents from 2009 to 2016. Although there has been a slight increase, our figures remain at 2011 levels, when they fell dramatically.

Ivan McKee: This is 2023, not 2009.

Simon Cameron: I know. I just wanted to provide that clarity—

Ivan McKee: I know what the numbers are. The statistics say that the numbers are going up, but nobody can agree on whether that means that the numbers are actually going up. That is the problem. You will understand that it is really difficult to make any sense out of this when people keep talking about things that happened 10 or 15 years ago, which, frankly, is quite unhelpful in the context of where we are today.

I will move on. I want to explore the on-going work in looking for opportunities to do things more efficiently. Councillor Hagmann talked about digital and the automation of processes. As has been referenced, different local authorities are collaborating on shared services, and the third sector is perhaps more capable than local government of picking up specific activities in certain areas.

I want to draw out some specific examples. Can you share examples of good practice and quantify how much has been saved compared with the counterfactual? What work is on-going to drive more improvements in that regard? What impact can you see that having in helping to tackle recruitment challenges?

Councillor Hagmann: I am happy to come in with specific examples. Really positive work is being done across the education collaboratives. There will be savings in so far as when, for example, a higher or advanced higher course is delivered online across two or three different local authorities, there will be a saving of a teacher. Where we have not been able to recruit, we are ensuring that there are opportunities for our young people. That is the case right down to my ward level—there are young people in my town who are able to do advanced higher subjects. Without

collaboration through the education collaboratives that have been set up, they simply would not have that opportunity.

In relation to putting a direct cost on that, we can certainly see whether we can provide you with some level of detail, but it is not just about finite cost. Obviously, we have to be really mindful of all our budgets, but we have to be able to provide for our young people and our communities through wider shared services. The education collaboratives are one way to do that. In local authorities, we have shared services across planning and building control. That is another example that is already in situ. In addition, as was referenced at one of the round-table discussions, social workers work in schools to ensure that we look at outcomes. There might be savings if the same facilities are being used and services are being shared across departments and across local authorities, but we must take into account the wider context. We can certainly take a note and try to come back with specific details on the finite costs of that.

Ivan McKee: Thanks. The number 1 challenge that you face when it comes to resources—you have said that there can never be too much money—is being able to do things more efficiently. We all recognise that there is plenty of scope for that, because the technology is evolving, and there is scope for co-operation, as you have identified, between local authorities and the wider public sector and others. We have not even talked about estates or any of the scope that exists in that regard. I am slightly concerned that you are not able to quantify any of that, given that it is the biggest challenge that you have.

Councillor Hagmann: As I say, we can come back with that level of detail. I do not know whether Simon Cameron wants to add anything.

Simon Cameron: We can come back to you.

Ivan McKee: Right, so there is nobody keeping a running track of how much has been saved this year through the good work that has been done to make processes more efficient.

Councillor Hagmann: I do not have that information with me today, but we will have it.

Ivan McKee: Does the Government work with local authorities on that? Do you have a perspective on that, minister?

Joe FitzPatrick: Ultimately, the Government will work with COSLA on any of these areas. Collaboration is key, and we have a shared desire to make progress. In the wider public service, we need to look at using technology better and doing things differently. The on-going work on wider public service reform is led by others, but it is key that we work collaboratively.

Ivan McKee: Thank you.

The Convener: We would welcome that detail being provided at another time.

Mark Griffin: Minister or Councillor Hagmann, is there a more detailed breakdown by department of the headcount at local authority level? That might help us to understand the issue with workforce numbers in local government and the movements between departments.

Councillor Hagmann: I will defer to Simon Cameron.

Simon Cameron: Every council regularly produces figures for their own workforce. They publish monthly or quarterly workforce monitoring figures on their websites. Work is on-going with colleagues in the Improvement Service on a data dashboard. We used a data dashboard during the Covid pandemic. That will, I hope, get us to a position in which councils can use that platform and we can have more real-time data. I understand, as has been pointed out, that the data that we have gives you only a picture of a moment in time. Across local government, we are actively working on collecting live data that will give us a clear picture of what is happening on the ground.

The Convener: That sounds like constructive work that you are undertaking with the Improvement Service.

Willie Coffey: I will ask a couple of questions: one on absence rates, which is probably for Katie Hagmann, and one on the ageing workforce issue that was covered last week.

Councillor Hagmann, we heard last week that absence rates, particularly among non-teaching staff—we talked about that area earlier—have significantly increased in the recent dataset. Is COSLA doing any work to understand what is going on there and the reasons for that? Is it due to long Covid, general health issues or stress? How do you gather and collate that information, and, more importantly, what are you able to do about it? If you cannot help us with the details now, the committee would appreciate any follow-up information that you have to help us understand it.

Councillor Hagmann: Thank you for that. It is really pertinent. At the local level, people will be looking at that data and doing significant work. We are collating the data nationally. I will bring in Simon Cameron on the nuances of that, because it is important information.

As I said earlier, ensuring that our workforce have good mental health and feel supported in their roles is absolutely vital. As a local authority and as employers, we have a duty to look after all our staff across all our communities across Scotland. For the specific detail, I turn to Simon.

Simon Cameron: During the Covid pandemic, with our health colleagues, we did work across all parts of the public sector to put a clear focus on mental health and wellbeing. That work continues across a range of advisory groups and networks and all public sector partners. That activity makes sure that there is access to the appropriate supports that can assist individuals. Collectively, across the public sector, we need to make sure that those supports are available on platforms consistently and in all parts of the country. In a remote or rural area, there will be staffing pressures. The pressures will be different in different places. The work on a data dashboard will help us understand in real time where those pressures are coming from. That will be a critically important part of how we respond.

Fundamentally, though, it comes back to one of the key opportunities of the Verity house agreement as well as public service reform and the local governance review, which is to find out what the pressures on staff are across the piece because of the many different policies and strategies that exist. How can we better streamline, co-ordinate and connect those so that individuals are better able to focus on doing the roles that they are employed to do, as opposed to monitoring or reporting on the work that they are supposed to do?

11:30

Willie Coffey: Is the picture of absence changing significantly in any way as a result of the past three years, with Covid? If so, can you pin down a particular reason for that?

Simon Cameron: It would be wrong to say that the picture has not changed. The Covid experience; the fact that, as a general point, people are more aware of their health and wellbeing; and the concerns about the continued global pandemic and any kind of transfer of the virus continue to be a part of it. That is why we have to look at how we can adapt and change the types of contracts and ways in which people work to better enable them to do their job and give them the opportunity to have a better work-life balance, which is essential.

Willie Coffey: Thanks. I have a question on the ageing workforce, which is probably more for Katie Hagmann, but I would appreciate any comments from Joe FitzPatrick as well. We heard last week that there is an ageing workforce in local government, and we are seeing people retiring earlier. I asked how we can have both things at the same time, and colleagues gave a perfectly good explanation of why that happens. Do we accept and understand that? What are we trying to do to address it?

I looked at the Withers recommendations on skills. Is the skills delivery landscape an area where we can deploy some of the report's recommendations to help us? If the ageing profile in local government continues to drift upwards, we will probably need to start thinking about what we do about that at the sharper end—the earlier end, the apprentice end—with new starts and the type of recruitment and skills development that Withers talked about. Can you say a few words about that?

Councillor Hagmann: Clearly, across local government, there is an ageing workforce. We acknowledge that some staff across a host of departments may be looking to retire or to take early retirement. We need to reprofile some of our workforce. We are aware of what that looks like and how it can best deliver. We are also very aware that, where there is an opportunity for redeployment, we need to support our workforce through that. Redeployment may not be an option that everybody wants to go for, however. There may be a real desire to say, "Actually, I would like to retire", and there should always be that opportunity. There is a real emphasis on the need to ensure that staff at all levels are supported.

Others touched on, and I mentioned previously, the local employability partnerships and our work with the Department for Work and Pensions, colleges and the third sector. We want to ensure that we bring through a new cohort and support them throughout their career in local government. It is a career option that is available to them, and it is important that we keep a watching eye on that. Again, coming back to monitoring and benchmarking across Scotland, from a local authority level, it is crucial that we follow the data to see how we can best support our communities.

Willie Coffey: Thanks. Minister, do you have a view on that?

Joe FitzPatrick: Councillor Hagmann covered most of the points eloquently. We cannot overemphasise the need to ensure that we have a workforce with the correct skills, and apprenticeships are part of that. The Withers report is really helpful in helping us to navigate that going forward across not just local authorities but the whole public service. Councillor Hagmann covered the other points.

Willie Coffey: Okay. Many thanks for that.

Marie McNair: Good morning. Most of the comments that I was going to make on workforce planning have been covered. The pandemic has just been touched on. It brought significant changes for the workforce, including a shift to remote and hybrid working, and significantly increased demands on local government services. How has that impacted on staff wellbeing? Are

there any groups that may have been impacted disproportionately?

Councillor Hagmann: Clearly, that is a huge issue for local authorities. We will get our reports back at a local authority level. We have to be mindful that there is an impact on our staff, absolutely, and we have to be able to support where there are options for remote and hybrid working. We also have to be realistic and recognise that remote working is not always possible, and challenging conversations then have to be had.

Obviously, we will work with our entire workforce. We have to be mindful that the environment is tough for some, but we need to have robust processes in place. There is work going on nationally. I think that Simon Cameron referred to the fact that we need that consistency throughout the country, because there is not always the ability to get the support right where we would want it. Of course, we need to think about what mitigation we can provide, where that is not available.

There is a huge onus on our heads of human resources and senior leadership teams to support all levels of their teams. Ultimately, we need to have an environment where everybody feels valued. As I said, our workforce is on the front line of our communities in many places, and we have to make sure that we look after our staff. Without our staff, local government would be nothing. We need them.

The Convener: I want to pick up on that. You talk about creating

“an environment where everyone feels valued.”

We have also been using the word “efficiency”. There is something there: there is a bit of a tension around needing to move to efficiencies and creating a service that works in a more efficient way. When I talk to members of the local government workforce, I pick up from them that, sometimes, efficiency runs counter to their feeling that they can do the job in the way that they need to do it. The idea of people-centred services is important in this regard. When we move to too much efficiency in a people-centred service, the two do not quite match up. Have you any thoughts about that?

Councillor Hagmann: It is important to have strategic leadership in our local authorities. It comes back to some of the recruitment issues and to why we need to acknowledge all aspects of our workforce. Often, our managers and senior leadership have to have really challenging conversations when developing the workforce to ensure that it goes forward with that need for efficiency, while still ensuring that the wellbeing of our workforce is not impacted.

It is a challenging question, and it is one that elected members sit with, because, clearly, we are responsible to our communities as well. Having those clear lines of communication with our staff is crucial. We work collectively through COSLA, but we also work individually with our trade union colleagues, and there are regular updates across the workforce to ensure that there is that dialogue. That is good practice, and I know that it is happening across local authorities.

I will turn to Simon to confirm some of those local arrangements and talk about where we are having that dialogue with our workforce to ensure that everybody feels not only heard but listened to—there is a difference between hearing something and actually listening to it.

Simon Cameron: Colleagues on the ground are continually engaging with staff to understand how they feel, what support they could be provided with and more. One key point that again reflects back to the Verity house agreement and the opportunity that is in front of us is that, if nothing else, the pandemic demonstrated that, when change is needed, we can change. One of the things that we have long struggled with—we have long spoken about this through the Christie commission and in previous reports, even back to the McIntosh report and the establishment of the Parliament—is the issue of relationships and the way in which we work. We need to articulate to those whom we want to come into local government and into the public sector in general and to those who are already in local government that, whilst change will happen and is required, they will still have work. It is not what they do that will change but how they do it. We can see how the roles that we all have are innately vital to our communities. We need to be able to work together across Government, local government and the wider public sector to better articulate what it means to be in public service, what those roles and jobs will look like and what career opportunities there will be.

We no longer live in a world in which a career is just one thing. A career is now made up of many different opportunities. We need to articulate to children and young people that there are many ways into careers and many opportunities in front of them once they get into organisations. Following on from the Verity house agreement and from the discussions that we are having with our professional advisers through local governance, public service reform and taking a person-centred approach, that is the key challenge for us to articulate to people across Scotland.

The Convener: I want to pick up on another thing that is, in a way, related to workforce planning. I think that it was Simon Cameron who said earlier that it is not what we do but how we do it. One thing that I have become really aware of on

this committee is the number of plans that a council has to come forward with because of—to go back to what we were talking about earlier in our conversation—the number of bills, including members' bills, and associated amendments that are introduced. A bill often contains a requirement for there to be a plan, and it has come up in committee before that there is a level of onerousness in those plans. I am also beginning to wonder whether there is coherence in the plans across various bits of legislation. It is early days, but is that being discussed under the agreement, in particular in your agreed shared programme of activity? Are you looking at creating that coherence?

Councillor Hagmann: Absolutely. It certainly is being discussed. A lot of emphasis has been placed on data gathering, which is sometimes described as burdensome for local authorities, which get so focused on collecting the data that they lose sight of what it is that they are trying to achieve. There is a need to streamline that and work with the Scottish Government to focus on the outcomes.

A lot of that comes down to trust. As Joe FitzPatrick noted in his opening remarks, it is about recognising that local government has a key responsibility. I am sitting here with my democratic mandate that is equal to anybody else's democratic mandate—there are not levels of democratic mandate; we are all equal. There is a real opportunity to recognise that and work in collaboration in order to have that level of respect, both ways, between local government and the Scottish Government.

Joe FitzPatrick: Yes. It is a really good question. When we speak to local government finance colleagues, they will often highlight the fact that, where there is ring fencing, other bureaucracy is involved that is challenging and requires resource. As Councillor Hagmann said, we need to make sure that that reporting is supporting us in reaching outcomes. It is therefore really helpful that, in the Verity house agreement, we have some agreed outcomes and are shifting to that approach.

Simon Cameron mentioned the Christie commission. How many years ago was that? It was a long time ago. Mark Griffin and I sat on the Finance Committee at the time of the commission. It was going to help us shift to an outcomes-based preventative approach. That is really difficult to do. Hopefully, the Verity house agreement helps us do that, by focusing rigidly on the outcomes that we are trying to achieve and by making sure that everything that we do supports us in achieving those outcomes.

It is not unusual for legislation that comes through this Parliament to be amended at stage 3

in a way that creates another reporting responsibility. Very often, that reporting ultimately lands with local government staff, because they are the folk delivering the service on the ground. That is why we all need to think about how we do such things a little bit differently. I absolutely understand why members of Parliament want to see how money is being spent and the outputs, but surely our focus has to be on outcomes. In education, how are we giving young folk better opportunities for the future? How are we driving poverty down, particularly for young people? Those are objectives that are agreed as priorities across the political and public service spectrum, so we need to work harder to focus on those outcomes. We have been trying to do that for a number of years, and hopefully the Verity house agreement will help us on that path.

11:45

The Convener: That is good to hear. We would welcome hearing where you get to in that conversation. At some point, the Parliament needs to be involved in that. If there are amendments from members, there needs to be greater understanding, as you said, of their impacts. Maybe, at some point, there will be a moment when Parliament needs to get involved, so there will have to be education on and understanding of the impacts of amendments.

Councillor Hagmann: COSLA leaders meet regularly. Where there are amendments and opportunities to feed in, leaders will take them. We also have the opportunity to have early dialogue with the Scottish Government. We have dialogue and discussions through our thematic boards at COSLA. They will not necessarily make decisions because that will be for the 32 local authority leaders to decide on, but there is an opportunity through the Verity house agreement for local government to have that early and continued dialogue.

The Convener: It is good to know that those mechanisms and communication forums are in place.

That brings us to the end of our session this morning. I really appreciate your coming today. It has been very useful. I have been sitting here feeling great delight to have both the Scottish Government and COSLA represented in the conversation. That is the fruition of the new deal with local government. It is good to hear that it has been positive and constructive so far. Thank you so much for joining us.

Subordinate Legislation

Valuation (Proposals Procedure) (Scotland) Amendment Regulations 2023 (SSI 2023/207)

The Convener: There is no requirement for the committee to make any recommendations on negative instruments. Do members have any comments on the instrument?

As members have no comments to make, 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 at the start of the meeting to take agenda item 4 in private, so I close the public part of the meeting.

11:47

Meeting continued in private until 12:10.

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

All documents are available on
the Scottish Parliament website at:

www.parliament.scot

Information on non-endorsed print suppliers
is available here:

www.parliament.scot/documents

For information on the Scottish Parliament contact
Public Information on:

Telephone: 0131 348 5000

Textphone: 0800 092 7100

Email: sp.info@parliament.scot



The Scottish Parliament
Pàrlamaid na h-Alba