Local Government Committee
14th Meeting, 2002 (Session 1)

Tuesday 14 May 2002

The Committee will meet at 2.00 pm in Committee Room 3

1. **Subordinate Legislation:** The Committee will consider the following affirmative instrument—

   The Valuation and Rating (Exempted Classes) (Scotland) Order 2002 (draft).

2. **Renewing Local Democracy - the Next Steps:** The Committee will take evidence on the White Paper from—

   Highland Council:
   Councillor David Alston, Chairman, Renewing Democracy and Community Planning Select Committee
   Alan Geddes, Director of Finance

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The following papers are attached for this meeting:

**Agenda item 1**

The Valuation and Rating (Exempted Classes) (Scotland) Order 2002.  
LG/02/14/1

Extract from 23th Report of the Subordinate Legislation Committee  
SL/02/23R

**Agenda item 2**

Submission from Highland Council  
LG/02/14/2
Subordinate Legislation Committee

Remit and Membership

Remit:

The remit of the Committee is to consider and report on—

(a) (i) subordinate legislation which is laid before the Parliament;

(ii) any Scottish Statutory Instrument not laid before the Parliament but classified as general according to its subject matter;

and, in particular, to determine whether the attention of the Parliament should be drawn to any of the matters mentioned in Rule 10.3.1;

(b) proposed powers to make subordinate legislation in particular Bills or other proposed legislation;

(c) general questions relating to powers to make subordinate legislation; and

(d) whether any proposed delegated powers in particular Bills or other legislation should be expressed as a power to make subordinate legislation.

(Standing Orders of the Scottish Parliament Rule 6.11)

Membership:

Bill Butler
Colin Campbell
Brian Fitzpatrick
Murdo Fraser
Gordon Jackson QC
Ian Jenkins (Deputy Convener)
Margo MacDonald (Convener)

Committee Clerks:

Alasdair Rankin
Steve Farrell
Alistair Fleming
Joanne Clinton
Subordinate Legislation Committee

23rd Report 2002

Subordinate Legislation

The Committee reports to the Parliament as follows—

1. The Committee met on 7th May and determined that the attention of the Parliament need not be drawn to the instruments listed in the Annexe to this report.

2. The report is also addressed to the following committees as the lead committees for the instruments specified:

- **Transport and the Environment**
  - The Scotland Act 1998 (Transfer of Functions to the Scottish Ministers etc.) Order 2002, (draft)
  - The Scotland Act 1998 (Modifications of Schedule 5) Order 2002, (draft)
  - SSI 2002/177

- **Local Government**
  - The Valuation and Rating (Exempted Classes) (Scotland) Order 2002, (draft)

- **Rural Development**
  - SSI 2002/193

- **Justice 2**
  - SSI 2002/205
  - SSI 2002/206
  - SSI 2002/207
Draft instruments subject to affirmative approval

The Valuation and Rating (Exempted Classes) (Scotland) Order 2002, (draft)

Background
1. The Committee noted that the Executive Note, other than stating that a consultation exercise has been carried out with “interested parties”, does not provide any details of this consultation. The Committee asked the Scottish Executive for further information on how the consultation was undertaken, particularly as the consultation is, in this case, a statutory requirement in relation to exercises of the enabling power.

Response
2. In its reply, reproduced at Appendix 1, the Finance and Central Services Department apologised as the Executive Note did not contain sufficiently detailed information on the consultation exercise to aid the Committee in its consideration of the draft Order. In its letter, the Department gives details of the consultation exercise including the bodies consulted. It explains that of the consultees, the Scottish Assessors' Association, the Orkney and Shetland Joint Valuation Board and Gerald Eve expressed themselves content with the draft Order. No comments were received from the other parties.

Report
3. The Committee welcomes the further information provided and draws the attention of the lead committee and the Parliament to the instrument on the grounds that further information was required on the details of the consultation supplied by the Department.
Appendix 1

THE VALUATION AND RATING (EXEMPTED CLASSES) (SCOTLAND) ORDER 2002, (draft)

On 30 April the Committee asked the Executive for an explanation of the following matters–

“The Committee notes that the Executive Note, other than stating that a consultation exercise has been carried out with “interested parties”, does not provide any details of this consultation. The Committee would welcome further information on how the consultation was undertaken, particularly as the consultation is, in this case, a statutory requirement in relation to exercises of the enabling power.”

The Scottish Executive responds as follows:

The Executive apologises for the Executive Note not containing sufficiently detailed information on the consultation exercise to aid the Committee in its consideration of the draft order. Copies of the draft order were sent for comment by 5 April to the Scottish Assessors' Association, the Institute of Revenues, Rating and Valuation, COSLA, Orkney and Shetland Joint Valuation Board, Shetland Island Council, Gerald Eve (agents for BP Exploration and Production Limited), the Valuation Office Agency (England and Wales) and the Lands Agency (Northern Ireland). The covering letter, which issued on 21 March, set out the background to the Magnus Enhanced Oil Recovery Project and explained why the draft order was required. The Scottish Assessors' Association, the Orkney and Shetland Joint Valuation Board and Gerald Eve expressed themselves content with the draft order. No comments were received from the other parties.

The Scottish Executive Finance and Central Services Department

2 May 2002
Renewing Local Democracy

Remuneration

Highland Council welcomes the recognition by the Scottish Executive that an appropriate system of remuneration for Councillors requires to be developed. It also identifies with the factors set out in the Next Steps paper and accepts that these should shape the conclusions reached.

These are:-

- Encouraging the widest possible range of people to serve as councillors
- Recognising that people will have diverse personal circumstances
- Removing any inappropriate barriers to serving as a councillor
- Ensuring councillors are representative of the communities they serve and
- Allow for progression to enable councillors to assume more responsibilities over time

In accepting these principles the Council agrees that the current system of allowances and expenses should be reviewed.

The Council agrees that the level of remuneration should be seen to be fair and consistent. It is considered that the most transparent manner to do this is for the decisions to be taken at arms length from any Council.

In accepting this, the Council is in favour of the levels of remuneration being set independently of the Council. It is suggested that this should be dealt with on a national basis but that the remit of any committee established to undertake this work should be expected to take account of local circumstances.

Whilst the Council recognises the need for the level of remuneration to be set independently of the Council it does however have concerns at any proposal for the numbers to whom this would apply. It is suggested this should not be based on some form of arbitrary “quota” linked to certain additional responsibilities. It is important to reflect the different arrangement that this Council’s decentralised and independent political structure require.

One issue highlighted in the report is whether there is still a need for so many or all councillors to be operating on a full time basis as has happened in the past. The argument is based on the streamlining of decision making now adopted by Councils.

The Highland Council would wish to stress that the distances in the Highlands make it difficult for most members to carry out their duties on anything less than a full time basis and levels of remuneration should recognise this.

The Council agrees that a salary system should be introduced for councillors which would comprise two main elements, namely a basic salary for all councillors with additional elements for councillors with significant
responsibilities and a further additional element for those with particularly heavy responsibilities, such as Council Leaders.

On the question of remuneration levels, the Council would argue that the degree of responsibility carried by some senior councillors is at least as great as those of an MSP and considers that remuneration levels should take account of this position.

If the aim of the changes being proposed is to encourage as wide and varied a section of the community to stand for election then it is vital there should be access to some form of pension provision. Also in keeping with the proposal to adopt a salary form of remuneration access to pension provision will be appropriate. This is a highly complex issue and advice will vary depending on the personal circumstances of individuals but it is suggested that access to the LGPS is likely to be the best solution. The LGPS is currently being reviewed in England and Wales as to whether it is still appropriate for the workforce it covers. A similar review is expected to also take place in Scotland eventually. The results of that review will dictate the nature of the scheme in the future and is likely to move to a benefit structure more suitable for employees in part-time or short-term employment.

Given that individual circumstances can vary so significantly it is further suggested any membership should be optional and councillors are given the right to opt out if they wish.

On the issue of severance, the Council is of the view that a scheme should be introduced to recognise the contributions which long serving councillors have already made to their communities. The matter is one of career choice particularly for long serving councillors.

The Council considers the introduction of a severance scheme is entirely consistent with the principles set out by the Executive and is an inherent aspect of any salaried employment with a job description.

If this is accepted there would presumably be an entitlement based on the normal legislation covering such severance.