LOCAL GOVERNMENT AND TRANSPORT COMMITTEE

AGENDA

28th Meeting, 2006 (Session 2)

Tuesday 14 November 2006

The Committee will meet at 2 pm in Committee Room 1.

1. **Decision on taking business in private**: The Committee will take a decision on whether to take item 6 in private.

2. **Petitions PE 875, PE 896 and PE 961**: The Committee will take evidence on the issue of common good, in a video conference from—

   Andy Wightman, co-author of ‘Common Good Land in Scotland: A Review and Critique’

3. **Budget process 2007-08**: The Committee will take evidence on the Draft Budget from—

   George Lyon MSP, Deputy Minister for Finance and Public Service Reform, David Henderson, Head of Local Government Finance, Scottish Executive and Graham Owenson, Team Leader, Local Government Expenditure, Grant Distribution and Accountancy Services, Scottish Executive.

4. **Petitions PE 875, PE 896 and PE 961**: The Committee will take evidence on the issue of common good from—

   Miss Mary E. Mackenzie, Sally Richardson and David I. Harvie.

5. **Subordinate Legislation**: The Committee will consider the following negative instrument—

   the Local Government Pensions Scheme (Scotland) Amendment (No.3) Regulations 206, (SSI 2006/514).

6. **Budget process 2007-08**: The Committee will consider the possible contents of its report to the Finance Committee on the budget process 2007-08.

   Martin Verity
   Clerk to the Committee
   T3.40, Scottish Parliament, Edinburgh, EH99 1SP
   0131 348 5217
   email: martin.verity@scottish.parliament.uk
Agenda Item 2

Paper from the Clerk and SPICe

Submission from Andy Wightman

Agenda Item 3

Paper from the Clerk

Agenda Item 4

Submission from Miss Mary E. Mackenzie

Agenda Item 5

Covering note on the Local Government Pensions Scheme (Scotland) Amendment (No.3) Regulations 206, (SSI 2006/514)

The Local Government Pensions Scheme (Scotland) Amendment (No.3) Regulations 206, (SSI 2006/514)
LOCAL GOVERNMENT AND TRANSPORT COMMITTEE

PETITIONS PE875, PE896 and PE961

Introduction

1. This paper provides background information to aid the Committee’s oral evidence sessions on Petitions PE875, PE896 and PE961 on Common Good assets.

2. The Local Government and Transport Committee agreed at its meeting on 13 June 2006 to take oral evidence on the Petitions. At its meeting on the 14 November 2006 the Committee will take evidence from—

Panel 1

Andy Wightman—co-author of ‘Common Good Land in Scotland: A Review and Critique’ (appearing by video link)

Panel 2 Petitioners

Miss Mary E Mackenzie
Sally Richardson
David Harvie: West Dunbartonshire Heritage Ltd.

The Petitions

3. Petition PE875 by Mary E Mackenzie calls for the Scottish Parliament to urge the Scottish Executive to ensure that all moveable and heritable common good assets throughout Scotland are properly recorded, audited and insured and to introduce legislation to ensure such assets are properly safeguarded.

4. Petition PE896 by Florence Boyle, on behalf of West Dunbartonshire Heritage Ltd., calls for Local Authorities to be required to conduct structured and meaningful public consultation before any disposal of listed buildings, common land or related endowments held in public ownership or trusteeship.

5. Petition PE961 by Sally Richardson calls on the Scottish Parliament to urge the Scottish Executive to introduce legislation to provide greater
protection and increased powers for local communities in respect of the ownership and use of common good land.

6. Further information on the Petitions is available on the Local Government and Transport Committee Current Business Webpage available at the following link: http://www.scottish.parliament.uk/business/committees/lg/currentInquiries.htm

What is a Common Good Fund?

7. The majority of Common Good Funds date back hundreds of years and are held and administered by a local authority for the benefit of the community. Many of the burghs that existed prior to 1975 held land and other property known as the “common good”, in a form of trusteeship, for the benefit of some or all residents to which it was dedicated. Because burghs no longer exist as a legal and administrative entity it is no longer possible to create new common good funds.

8. Any property etc. donated to a local authority since 1975 is held in trust by the authority and not as part of the common good fund - this is separate from a council's general fund (details in Section 93 of the Local Government (Scotland) Act 1973).

9. A common good fund can contain land, buildings and smaller items such as fixtures and fittings, furniture and even chains of office. The vast majority of common good holdings were donated to burgh councils by private benefactors for the benefit of local communities.

10. At the 1975 local government reorganisation the common good funds of the burghs passed to their successor islands and district councils\(^1\). Similar provision was made for the transfer of these funds to the current local authorities following the 1996 local government reorganisation. Authorities (except Aberdeen, Dundee, Edinburgh and Glasgow) must have regard to the interests of the inhabitants of the area to which the common good related prior to 16 May 1975. In the case of Aberdeen, Dundee, Edinburgh and Glasgow councils must have regard to the interests of all the inhabitants of their areas\(^2\).

11. The assets in a common good fund must be held separately from a local authority’s general fund account\(^3\). According to one commentator historically common good funds were of great significance although this “has been almost entirely lost for practical purposes”\(^4\).

---

1 Local Government (Scotland) Act 1973 s222
2 Local Government etc (Scotland) Act 1994 s15(4)
3 Local Government (Scotland) Act 1973 s 93
4 Himsworth, C Local Government Law in Scotland, p27
Use of the Common Good Funds

12. The purpose of the common good fund is to benefit the local community and as outlined above local authorities should have regard to the interests of the inhabitants of the area. With this proviso, local authorities have wide discretion as to how the funds operate.

13. One legal text author gives an indication of just how wide this discretion was:

“since this common good provided a fund quite separate from the statutory funds a burgh also administered, councillors enjoyed a much greater freedom in the manner in which it was spent. Councillors were in a position similar to that of trustees and although clear cases of abuse of their powers could be restrained by the courts, they enjoyed wide discretion in their administration of the fund. In Glasgow Corporation v Flint the payments towards the cost of councillors’ telephone held to be an abuse of statutory spending powers were nevertheless held to be lawful when made from the corporation’s common good fund”⁵.

14. Particular funds may have their own restrictions and local authorities may have different decision making processes/criteria governing the use of the funds.

15. There are no statutory provisions relating to public consultation on the use of common good land or funds. However, in practice some local authorities may consult with community councils, or other bodies, on proposals.

Disposal of Common Good Land

16. There are statutory provisions relating to the disposal of common good land. Section 75 of the Local Government Scotland Act 1973 requires the local authority to apply to the Court of Session or the sheriff to authorise a disposal of common good land where there is any question as to its right to do so. The Court or Sheriff may apply conditions as they see fit and may require the authority to provide replacement land. The exact wording of the legislation is as follows:

s 75 (2) Where a local authority desire to dispose of land forming part of the common good with respect to which land a question arises as to the right of the authority to alienate, they may apply to the Court of Session or the sheriff to authorise them to dispose of the land, and the Court or sheriff may, if they think fit, authorise the authority to dispose of the land subject to such conditions, if any, as they may impose, and the authority shall be entitled to dispose of the land accordingly.

S 75(3) The Court of Session or sheriff acting under subsection 2 above may impose a condition requiring the local authority shall provide in substitution for the land proposed to be disposed of other land to be used for the same purpose for which the former land was used.

Key Issues Raised by Petitioners

17. Petition PE875 by Mary E Mackenzie: The petitioner argues that local authorities have failed to maintain accurate records of all the property, whether land, buildings or moveable goods, held in common good funds. She argues that this has led to a loss of land and property to private owners which was bequeathed to burgh councils for the public good, possible loss of moveable goods and a loss of income to common good funds due to local authorities using properties in their funds rent free.

18. The petitioner calls for the introduction of legislation requiring local authorities to maintain full records of common good land which are open to the public and that sufficient Scottish Executive funding is provided to allow local authorities to fulfil this new duty.

19. PE 896 by Florence Boyle: The petitioner asks that local authorities be placed under a duty to consult with the public and interested organisations when considering the disposal historic buildings or land held in a common good fund. In addition local authorities should be required to keep such land and buildings in active public use and a good state of repair where possible.

20. PE 961 by Sally Richardson: The petitioner argues that current legislation governing the management of common good funds is inadequate, which has led to the sale of land and moveable goods without public consultation. The petitioner argues that local authorities should be placed under a duty to consult prior to disposing of common good land or property and require the approval of the full local authority.

Alan Rehfisch
Senior Research Specialist
SPICe

Rebecca Lamb
Assistant Clerk
Local Government and Transport Committee
Introduction
I am a freelance writer and researcher on land issues in Scotland and internationally. I am one of four Directors of the Caledonia Centre for Social Development and as part of their Commonweal project have taken an interest in common land issues of which the topic of Common Good forms an important part.

This submission provides a very brief overview of the topic of Common Good and reasons why I believe it is right that the Committee has launched this investigation. Committee members are advised to read the report we prepared earlier this year, *Common Good Land in Scotland. A Review and Critique* by Andy Wightman and James Perman. Hard copies were delivered to all MSPs in November 2005 and copies can be obtained at [www.caledonia.org.uk/commonweal](http://www.caledonia.org.uk/commonweal). Members attention is also drawn to reports on Edinburgh’s Common Good Fund available at the same website. In addition, a recent book on Common Good Law may be of interest – *Common Good Law* by Andrew Ferguson, Avizandum Publishing, Edinburgh 2006.

What is Common Good?
Common Good is the name used since the 15th century to describe a bundle of assets held as part of a Common Good Fund. Such assets can be heritable or moveable and in the form of property, land, cash, financial securities, furniture, paintings and any form of legal property. Common Good Funds were held by Town Councils on behalf of the residents of former burghs prior to burgh abolition in 1975 and, since then, have been held by District Councils and now Unitary Authorities.

Common Good assets are thus a distinct legal category of property held by current local authorities on behalf of the residents of former burghs. The characteristics which define what property is and is not Common Good are legal and historical requiring historical research and legal understanding to identify properly. Historically, Common Good was the property of the burghs of Scotland. Prior to the statutes which now define and govern the powers of local government, there was little to guide the proper administration of burghs other than the Burgh Charters. In response to numerous cases of corruption, a number of statutes and case law (dating back to 1491) came to define common good as the property held and administered by the burgh on behalf of its inhabitants. More recently, the 1944 case of Magistrates of Banff vs Ruthin Castle Ltd. (SC36) has emerged as the definitive authority on what constitutes the Common Good although it is clear that most local authorities remain ignorant of the case and its implications. In that case Lord Wark observed that,

“...there was in the end no dispute between the parties that all property of a royal burgh or a burgh of barony not acquired under statutory powers or held under special trusts forms part of the common good.” (my emphasis).
What is the Issue?
The problems identified by the Petitioners and myself James Perman and myself in the course of our research are real, serious, and merit action by Parliament. They include,

- Inadequate record keeping
- Missing assets of over £1 billion.
- Illegal appropriation of common good assets
- Inadequate financial accounting including £ millions missing from accounts.
- Lack of transparency and accountability in the stewardship of common good assets.
- Attempts to conceal and remove assets from the Common Good

Many of these problems are illustrated in our November 2005 report. Many burghs have no reported common good assets and yet such assets exist. However, local authorities deny that they do. What has happened to the money? Some burghs have very valuable common good assets but these have been appropriated and removed with no judicial or statutory authority or are simply missing with no adequate explanation. Examples include,

- Hamilton in South Lanarkshire where £ 50 million is missing from the Common Good Account
- Waverley Market in Edinburgh which should be worth over £ 20m and is instead valued at £ 1
- Aberdeenshire Council which reports no Common Good assets in its 2003/04 accounts.

What to do?
It might be suggested that such problems represent little local difficulties which should properly be resolved by local people and their elected local authorities. However the problems are too deep rooted and widespread to be addressed this way. I submit that there has been so much inadequate record keeping, misappropriation and mismanagement, that it is now time for Parliament to act to recover the common good of the people of Scotland and to place its future stewardship on a solid statutory footing.

This is not simply a matter of correcting deficiencies - significant as they are. Common Good assets could be powerful catalysts for the regeneration of Scotland’s towns. They represent real wealth that could be used to begin a process of civic renewal, to deliver wealth and prosperity, and to give back to communities some self respect, self belief and power to better the welfare of their residents.

For specific proposals for reform see our recommendations on pages 30-33 of our November 2005 report. In particular, we recommend that statutorily constituted community bodies should be able to take back title to their common good assets at no cost (such assets cost the current title holders nothing in 1975). This would advance a number of public policy agendas including community empowerment, urban regeneration, and land reform.

Andy Wightman, Addis Ababa, Ethiopia.
andywightman@caledonia.org.uk
7 November 2006
LOCAL GOVERNMENT AND TRANSPORT COMMITTEE

BUDGET SCRUTINY 2007-08

Introduction

1. This paper contains information on the Committee’s scrutiny of the Scottish Executive’s 2007-08 Draft Budget. It is intended to inform the evidence-taking session with the Deputy Minister for Finance and Public Service Reform on 14 November 2006.

2. Following this evidence session, the Committee will be asked to prepare a response to the Finance Committee to inform its report on the Draft Budget.

Relevant documents and information

Annexes to this paper

3. The Finance Committee has issued guidance to subject committees on the format of budget scrutiny this year and this is attached at Annexe A.

4. The Committee’s last budget report to the Finance Committee was published in November 2005, and the recommendations and conclusions from this report are reproduced at Annexe B.¹

5. The Scottish Executive has published a document 'The Efficient Government - Efficiency Outturn Report for 2005/06', and relevant extracts are reproduced at Annexe C.²

6. A letter from the Minister for Finance and Public Service Reform to the Convener of the Finance Committee, which may be relevant to this Committee’s budget scrutiny is attached at Annexe D.

Documents circulated separately with committee papers

7. In addition, the following relevant documents are circulated separately in hard copy with this week’s papers:

- Relevant extracts from the Scottish Executive Draft Budget 2007-08³

¹ Full report can be found here: http://www.scottish.parliament.uk/business/committees/finance/reports-05/fir05-05-07.htm#annexej
² Full document: http://www.scotland.gov.uk/Publications/2006/09/efficientgovernment
Relevant extracts from the Scottish Executive’s final progress report on the targets that were set in September 2002, as part of the 2002 Spending Review

SPICe research briefing ‘Draft Budget 2007-08: Finance and Public Service Reform (Local Government)’

Recommendation

8. The Committee is invited to consider the Draft Budget 2007-08 and the accompanying information, and to question the Deputy Minister for Finance and Public Service Reform when he appears before the Committee.

9. Following the evidence session, the Committee will be invited to consider the possible contents of its report to the Finance Committee on the Draft Budget. The Committee will then be invited to consider a draft report on the budget at its meeting on 21 November 2006.

Alastair Macfie
Senior Assistant Clerk
Local Government and Transport Committee
November 2006

---

3 Full document: http://www.scotland.gov.uk/Publications/2006/09/05131713/0
Last year’s draft budget: http://www.scotland.gov.uk/Publications/2005/09/06112356/23573
4 Full document: http://www.scotland.gov.uk/Publications/2006/09/06102312/0
5 SPICe briefings can be found on the Scottish Parliament website: http://www.scottish.parliament.uk/business/research/subject/budget.htm
ANNEXE A:

Budget Process 2007–08 – Budget Guidance to Subject Committees: Paper by the Budget Adviser

1. The budget process this year is again a short one, because of the postponement of the Spending Review until 2007, there has been no Stage One.

2. Members will also be aware from the figures that this is the tightest budgetary context in this Parliament with spending growing by 2.4 % in real terms over 2006-7.

3. Therefore, there is no need for Committees to make recommendations for additional spending, but proposals to reorder priorities within portfolios would be considered.

4. The document also highlights changes in plans since last year, and Committee comments on these would be helpful.

5. This is the last budget in the current Parliament. The Finance Committee has put considerable effort into improving the quality of financial information in the document. Concerns remain over the Executive’s ‘objectives and targets’ approach. It would be helpful if Committees could reflect on the usefulness of the financial and performance information to them, and suggest ways of improving the presentation of the budget in the next Parliament.

6. In addition, Committees may also feel able to reflect on spending priorities within their portfolios and recommend any programmes they feel need to be prioritised for the next Parliament.

7. Last year, Committees were asked for views on the Executive’s Efficient Government Initiative. The Executive has recently published an Outturn Report for 2005-06 and the Finance Committee would be interested in any observations that subject committees may have on Efficient Government within their remit.

8. With these comments in mind, the Finance Committee would welcome responses on the undernoted key topics:

   a) Is the Committee satisfied with the responses from Ministers to its recommendations for the 2006-7 budget?
   b) Does the Committee wish to make any comments on the budgetary changes reported in the “New Resources” section?
   c) Does the Committee wish to recommend any transfers of funding between programmes within its portfolio, with an explanation for the proposal?
d) Does the Committee have any proposals for improving the quality and relevance of financial and performance information in the Draft Budget which could be considered after the 2007 election?

e) Does the Committee wish to make any recommendations in budget proposals to its successors in 2007? Is there any programme with a clear need for additional expenditure, or which members think is overfunded?

Professor Arthur Midwinter
September 2006
ANNEXE B:

Extract from Local Government and Transport Committee Report to the Finance Committee on the Scottish Executive Budget 2006-07

November 2005

SUMMARY OF RECOMMENDATIONS

1. In relation to the local government budget, the Committee recommends as follows—

2. The Committee recommends that the Deputy Minister provides details of the results of the discussions with COSLA on pay agreements and his assessment on the likely impact of the pay agreements on local authority funding. (Paragraph 29)

3. The Committee requests a copy of the report which it has commissioned on levels of non-payment of council tax and the reasons why people do not pay the tax, when it is available. (Paragraph 34)

4. The Minister told the Committee that he could confirm in writing the scope for improvement in take-up of council tax benefit, and the Committee would welcome a statement from the Executive as to the measures it is taking, in partnership with local authorities, to improve council tax benefit take-up. (Paragraph 36)

5. The Committee recommends that the Finance Committee investigates further the apparent difference of interpretation between the Minister and the adviser to the Finance Committee on the amounts of efficiency savings being made, if necessary seeking the comments of the Executive. (Paragraph 45)

6. The Committee requests a copy of the report which the Executive expects to receive on how every local authority proposes to go about making efficiency savings, when it is made available. (Paragraph 48)

7. The Deputy Minister indicated that he could respond to the Committee on the issue of the impact of business rates, and the Committee requests the Minister’s view on this matter. (Paragraph 52)

8. The Committee therefore recommends that the Executive prioritise the development and implementation of the framework for local authorities for monitoring efficiency savings on an output basis as a matter of urgency and wishes to be informed of developments in this area. (Paragraph 57)

9. In relation to the transport budget, the Committee recommends as follows —
10. The Committee agrees with the Minister’s approach on ministerial accountability in relation to the new Transport Agency and recommends that at future evidence sessions with the Minister on the transport budget, senior officials from Transport Scotland are also present. (Paragraph 60)

11. The Committee recommends that the Executive responds to the recommendations contained in paragraphs 69, 70, 72, 75 and 79 in the Committee’s 2004 report on last year’s budget process. (Paragraph 63)

12. The Committee recommends that the Draft Budget should more explicitly set out how the Executive proposes to meet objective 2 of the Draft Budget in relation to social inclusion. (Paragraph 66)

13. The Committee requests further information on the timescale for publishing the results of its review of capital transport projects, and also requests that a copy is provided to the Committee. (Paragraph 68)

14. The Committee considers that the concept of a preparation pool in relation to capital transport projects is still relevant, and requests a response to the Committee’s recommendations on this subject contained in its 2004 report to the Finance Committee. (Paragraph 71)

15. The Committee requests further information on how much it is anticipated that ticketing gates will improve First ScotRail’s revenue collection, and what proportion of any increased revenue will return to the franchise holder and what proportion will be payable to the Scottish Executive. (Paragraph 75)

16. The Committee notes the importance of investment in the maintenance of non trunk roads and recommends that the Minister consults SCOTS regularly on this issue. (Paragraph 77)

17. The Committee asks that it is informed if the timescale slips for the negotiations on the buy out of the Inverness Airport Terminal Private Finance Initiative contract. (Paragraph 80)

18. The Committee notes the concerns which have been expressed about the technology required to implement the concessionary fares scheme and asks to be informed of any problems which might lead to delays in meeting the April 2006 deadline. (Paragraph 82)
ANNEXE C:

Extract from The Efficient Government - Efficiency Outturn Report for 2005/06'

FINANCE AND CENTRAL SERVICES

Head of Department Statement of Efficiency Savings

As Head of Department, I am aware of the overall need to ensure the delivery of government services as efficiently as possible. In terms of the Efficient Government Plan (Building A Better Scotland: Efficient Government - Securing Efficiency, Effectiveness and Productivity) I acknowledge my responsibility to plan accordingly to achieve £113 million of cash-releasing and no time-releasing savings for the year ending 2005/06.

Subsequent to the minute from Peter Russell (8 November) setting out the target for FCSD for 2005/06 of £109.311 million, it was agreed that the cash releasing savings target of £4 million for the Scottish Police Service would also be included within the FCSD target.

I am satisfied, on the basis of supporting assurance statements from the responsible delivery organisations and/or departmental managers that, in the case of cash-releasing savings, the costs of the activities in question have been reduced by the amounts shown below without material detriment to the quality or quantity of service provided.

I confirm that the actual saving achieved was £156m of cash-releasing savings for the year ended 2005/06. This exceeds our target by £43m. The attached table shows outturn against target and records any changes to the target since the first publication of the relevant Efficiency Technical Notes.

In the course of the year it has become apparent that procurement savings accruing to local government should be monitored as part of all local government savings and not within non-NHS procurement. Consequently the target of £27 million local government procurement savings is now shown against local government rather than non-NHS procurement - this obviously does not affect the overall FCSD target.

I am satisfied that the savings identified fall within the published definition of an efficiency gain.

Andrew Goudie
Head of FCSD
28 June 2006
**Efficient Government: Delivery of Efficient Government Savings**

**PORTFOLIO OUTTURN SUMMARY: FCSD**

<table>
<thead>
<tr>
<th>Project Number and Title</th>
<th>Cash or Time</th>
<th>Published Planned Saving (£m) 05-06</th>
<th>Agreed amended target</th>
<th>Project Outturn Saving (£m) 05-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>O/C1 - Non NHS Procurement (Central Government)</td>
<td>Cash</td>
<td>50.0</td>
<td>23.0 (1)</td>
<td>24.6</td>
</tr>
<tr>
<td>A/C2 - Better Procurement</td>
<td>Cash</td>
<td>0.6</td>
<td>No change</td>
<td>0.6</td>
</tr>
<tr>
<td>A/C5 - Savings from non-staff/better staff deployment</td>
<td>Cash</td>
<td>0.4</td>
<td>No change</td>
<td>0.439</td>
</tr>
<tr>
<td>FPSR - C/C1 Standards Commission</td>
<td>Cash</td>
<td>0.016</td>
<td>No change</td>
<td>0.0</td>
</tr>
<tr>
<td>FPSR - C/C2 Inspectorate of Prosecution</td>
<td>Cash</td>
<td>0.02</td>
<td>No change</td>
<td>0.016</td>
</tr>
<tr>
<td>FPSR - C/C3 Internal efficiency savings in SPPA</td>
<td>Cash</td>
<td>0.4</td>
<td>No change</td>
<td>0.410</td>
</tr>
<tr>
<td>FPSR - LG/C1 Assumed Local Government efficiency savings</td>
<td>Cash</td>
<td>54.1</td>
<td>81.1 (1)</td>
<td>122</td>
</tr>
<tr>
<td>FPSR-LG/C3 Efficiency Savings in the Scottish Police Service</td>
<td>Cash</td>
<td>4.0</td>
<td>No change</td>
<td>4.0</td>
</tr>
<tr>
<td>FPSR - LG/C5 Modernising Government and Efficient Government Fund</td>
<td>Cash</td>
<td>4.0</td>
<td>No change</td>
<td>4.237</td>
</tr>
<tr>
<td><strong>Total cash</strong></td>
<td><strong>113.536</strong></td>
<td></td>
<td></td>
<td><strong>156.302</strong></td>
</tr>
<tr>
<td><strong>Total time</strong></td>
<td>0</td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>113.536</strong></td>
<td></td>
<td></td>
<td><strong>156.302</strong></td>
</tr>
</tbody>
</table>

(1) Local Government target procurement savings (£27m) now to be monitored as part of assumed Local Government efficiency savings, rather than non-NHS procurement.
ENTERPRISE TRANSPORT & LIFELONG LEARNING

Head of Department Statement of Efficiency Savings

As Head of Department, I am aware of the overall need to ensure the delivery of government services as efficiently as possible. In terms of the Efficient Government Plan (Building A Better Scotland: Efficient Government - Securing Efficiency, Effectiveness and Productivity) I acknowledge my responsibility to plan accordingly to achieve £15.67m of cash-releasing and £12.3m of time-releasing savings for the year ending 2005/06.

I am satisfied, on the basis of supporting assurance statements from the responsible delivery organisations and/or departmental managers that, in the case of cash-releasing savings, the costs of the activities in question have been reduced by the amounts shown below without material detriment to the quality or quantity of service provided; and that, in the case of time releasing savings, the amounts shown below are a fair estimate of the value of time released from the activities in question for other productive purposes.

I confirm that the actual saving achieved was £24.465m of cash-releasing and £18.0m of time-releasing savings for the year ended 2005/06. The attached table shows outturn against target and records any changes to the target since the first publication of the relevant Efficiency Technical Notes.

I am satisfied that the savings identified fall within the published definition of an efficiency gain.

Philip Rycroft
23 June 2006

Efficient Government: Delivery of Efficient Government Savings

PORTFOLIO OUTTURN SUMMARY: Enterprise, Transport and Lifelong Learning

<table>
<thead>
<tr>
<th>Project Number and Title</th>
<th>Cash or Time</th>
<th>Published Planned Saving (£m) 05-06</th>
<th>Agreed amended target</th>
<th>Project Outturn Saving (£m) 05-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>ELL/C1 - Scottish Enterprise</td>
<td>Cash</td>
<td>2.3</td>
<td>No change</td>
<td>5.0</td>
</tr>
<tr>
<td>ELL/C4 - Scottish Enterprise (Review of Overhead costs)</td>
<td>Cash</td>
<td>0</td>
<td>No Change</td>
<td>0.958</td>
</tr>
<tr>
<td>Project Description</td>
<td>Type</td>
<td>Initial Value</td>
<td>Change</td>
<td>Revised Value</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-------</td>
<td>---------------</td>
<td>----------</td>
<td>---------------</td>
</tr>
<tr>
<td>ELL/C2 - Scottish Science Centres</td>
<td>Cash</td>
<td>0.47</td>
<td>No change</td>
<td>0.62</td>
</tr>
<tr>
<td>ELL/C3 - Scottish FE and HE</td>
<td>Cash</td>
<td>1.0</td>
<td>No change</td>
<td>1.0</td>
</tr>
<tr>
<td>T/C1 - Rail Franchise Procurement*</td>
<td>Cash</td>
<td>10.0</td>
<td>No change</td>
<td>13.3</td>
</tr>
<tr>
<td>T/C3 - Rail Franchise - Ticket machines</td>
<td>Cash</td>
<td>1.2</td>
<td>No change</td>
<td>1.2</td>
</tr>
<tr>
<td>T/C5 - Highlands &amp; Islands Airport Ltd</td>
<td>Cash</td>
<td>0.5</td>
<td>No change</td>
<td>2.187</td>
</tr>
<tr>
<td>T/C6 - Caledonian MacBrayne</td>
<td>Cash</td>
<td>0.2</td>
<td>No Change</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Total cash</strong></td>
<td></td>
<td><strong>15.67</strong></td>
<td></td>
<td><strong>24.465</strong></td>
</tr>
<tr>
<td>ELL/T1 - Scottish FE and HE</td>
<td>Time</td>
<td>5.0</td>
<td>No change</td>
<td>11.0</td>
</tr>
<tr>
<td>ELL/T3 - Scottish Enterprise</td>
<td>Time</td>
<td>7.3</td>
<td>No change</td>
<td>7.0</td>
</tr>
<tr>
<td><strong>Total time</strong></td>
<td></td>
<td><strong>12.3</strong></td>
<td></td>
<td><strong>18.0</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>27.97</strong></td>
<td></td>
<td><strong>42.465</strong></td>
</tr>
</tbody>
</table>

* Subsequent to this year-end, this project's efficiency target savings will be reclassified as time from 06/07 onwards.
Dear Dez

Thank you for your letter of 27 September requesting some further information on the local government settlement.

I note that your advisor, Professor Midwinter has identified in the 2007-08 Draft Budget an apparent year-to-year reduction of £200 million in relation to funding streams which are provided by the Executive across the range of portfolio responsibilities. However, for reasons I will try to explain below, it would be wholly misleading to draw any conclusion from this that there will therefore be a £200 million shortfall in local authority funding in 2007-08 since any such conclusion would be based on incomplete information that misinterprets the nature and purpose of the funding.

The various revenue and capital funding streams provided by the Executive support a range of Ministerial initiatives, some ongoing and some time-limited for specific purposes, and are outwith and in addition to the resources the Executive provides through the core local government finance settlement. The figures in the Draft Budget document (as the title of Table 7.03 suggests ‘Other confirmed Spending Plans for Local Government Outwith AEF’) represents only a snapshot in time. There are several reasons why the 2007-08 figures appear lower than in 2006-07: some funding streams are demand-led, some resources have been transferred from specific grants into the core settlement and some funding for 2007-08 had not been confirmed at the time the figures in that report were compiled.

To give some specific examples:

   **Capital Grants**

   The approved programmes for the Transfer for the Management of Development Funding (TMDF) has not yet been confirmed by the Minister for Communities. The provision for
2006-07 was £86 million but there is no amount included yet for 2007-08, although the expectation is that the funding will continue at similar levels.

Similarly, funding for the Community Ownership Programme Early Action Fund, which stood at £33.6 million in 2006-07 has yet to be announced for 2007-08, but again the expectation is that it will continue at similar levels.

Another significant reduction in capital grants is as a result of the wind-up of the Public Transport Fund (£30.5 million in 2006-07). Future investment in local transport infrastructure projects will now be the responsibility of the Regional Transport Partnerships.

**Revenue Grants**

There are a number of grants for which the 2007-08 figures were not finalised at the time of going to print.

£20 million of the apparent reduction is as a result of money transferring from the Changing Children's Services Grant into the core local government finance settlement - so this is not a reduction in total local authority funding.

Almost £18 million is in respect of the Strategic Waste Fund where the confirmed funding for projects stands at almost £70 million for 2006-07 but final figures for 2007-08 are not yet available. The figure provided, £52 million, was the best available information that could be confirmed at the time. Although there is no update on the amounts confirmed and announced for 2007-08, the budget for 2007-08 funding is £132.6 million, the bulk of which is likely to go to local government.

£5.3 million is in respect of the Closing the Opportunity Gap (CTOG) Financial Inclusion Funding which will also continue at the same level in 2007-08.

The Hostels Grant and the Housing Support Grant now estimate that at least £7 million worth of funding will be paid out in 2007-08, this could not be confirmed at the time that these figures were compiled.

The individual funding streams that make up the totals of the planned figures reported in the Draft Budget document are published in a Scottish Executive Local Government Finance Circular and the current Circular can be found at the following location:

http://www.scotland.gov.uk/Topics/Government/local-government/17999/11203

The information contained in the Circular is updated at regular intervals as agreed with COSLA and the next update will be in December when more information will be available about funding levels for 2007-08.

I understand that Professor Midwinter in his evidence to the Committee on 12 September indicated that he would undertake some further work to clarify the position on the funding streams with Scottish Executive officials and submit a further report to the Committee. I welcome this, but I am bound to say that it would have been better if he (Professor Midwinter) had sought clarification before publication. My officials will be in contact with him to provide the assistance he requires.

With regard to extra resources for local government in 2007-08, I stand by my commitment to re-examine funding for that year and consideration of this is currently ongoing.
You also requested any information I have on progress towards implementing the Single Status Pay Agreement by local authorities and the current financial projections of the likely costs.

As I made clear in my response to the Finance Committee's earlier report on this, I am not minded to intervene directly nor lay down any preconditions for a Single Status settlement. It follows that it would not be for me to provide an update on the Single Status progress being made by the local authorities across Scotland. While I remain receptive to direct representations on this subject matter, it is for the various parties within local government to take forward the implementation of Single Status. I am aware that there have been exchanges between the Finance Executive Group, which includes various local authority representatives, and COLSA, and it is my understanding that they have discussed Single Status and Equal Pay issues. It would therefore be more appropriate for the Finance Committee to consider seeking a direct update from COSLA on local authority progress toward implementation of the Agreement and the expected costs likely to be incurred by each local authority as a result of implementing their agreement.

I trust this information is helpful.

I am copying this letter to Bristow Muldoon in his capacity as Convener of the Local Government and Transport Committee who will also have an interest in the issues you have raised with me.

TOM McCabe
SUBMISSION FROM MARY E MACKENZIE – COMMON GOOD PETITION

Précis

Common Good assets throughout Scotland may date from circa 13\textsuperscript{th} century, and have accrued to every Royal Burgh through gifts, wills, from Scottish Monarchs to local benefactors; they include HERITABLE assets (eg land, parks, golf courses, fishing rights, revenues, property, privileges) and MOVEABLE assets (eg precious artefacts, regalia, gifts of commemoration, furnishings, furniture, libraries, museums and contents, paintings).

The guardians of this vast heritage were usually the provost, baillies, treasurer, councillors and their successors in office (District Councillors, Regional Councillors). Many benefactions were to be “for the benefit of the community” with instructions, often “for all time coming”. By Scots law there are “Common Good Funds”, with each current Regional Councillor or a trustee. The movement of assets and revenues should be properly recorded, minuted, and available for annual audit, by Audit Scotland, and open to public scrutiny.

The current value of the assets is over £1 bn per annum. Each major large town should have recorded assets in £millions.

It has become clear, through research by Andy Wightman and AC Ferguson that current Councils are ignorant of much of this heritage due to a variety of causes: loss of documents; careless maintenance of archives; very poor record keeping; deals with developers and others; failure to credit finances annually to Common Good Funds; pilfering of moveable assets; using Common Good revenue to top up other Council funds (eg finance, legal, estate management, development, planning, policy and resources, environmental) agreeing to hand over Common Good heritables for long lease (eg 99 years or more) with minimal documentary evidence and legal protection, and lack of information to the community concerned (eg via the press/website etc).

Theoretically Common Good asset disposals should be tested through the Courts to ensure legality of actions. Due to poor records, the public are usually unaware of their heritage and so fail to insist on legal protection, so that Councils’ actions go unchallenged. Some Councils consult a QC prior to “making a decision” – thus preventing ordinary citizens undertaking potentially very costly legal challenges – also through employing a QC. Council Tax payers, thanks to some limited press publicity, have become more aware of the insidious loss of the Community’s assets, but there is a desperate need for clear legal definitions of Common Good Assets and of modern safeguards in law for the continuation of what is, even yet, a marvellous heritage.
Land is still bought by Councils with a view to housing needs; there is a recent problem where Councils off-load former duties eg Council Housing has been "voted" into Housing Associations, where an agreement is made to dispose of "council stock" at knock down prices – this includes houses, garages, sheds and land which may well be Common Good assets – the sale can be as low as £10,000 per house, average value.

Another recent problem is forming a "charity" so that Councils off-load activity centres (eg swimming pools, tennis courts, leisure centres); there is no resolution in these "deals" of the question of the land under the "centres" which was quite probably a Common Good heritable asset. There is no attempt to ensure genuine community participation in the Boards of these charities.

Because I have been involved in enquiring locally into the stewardship of Common Good Assets, and have discovered a catalogue of carelessness, prevarication, disturbing indifference about details of Common Good Funds and lack of full Council Minutes of "decisions" (on aspects of the above) that I petitioned the Scottish Parliament Petitions Committee No. 875 on 28/06/2005. That Committee took advice through consultations, after two hearings, passed the Petition to the Local Government and Transport Committee, which has met twice and decided also to consult.

Mary E MacKenzie
26/10/2006
SUBMISSION FROM MARY E MACKENZIE – COMMON GOOD PETITION

Précis

Common Good assets throughout Scotland may date from circa 13th century, and have accrued to every Royal Burgh through gifts, wills, from Scottish Monarchs to local benefactors; they include HERITABLE assets (eg land, parks, golf courses, fishing rights, revenues, property, privileges) and MOVEABLE assets (eg precious artefacts, regalia, gifts of commemoration, furnishings, furniture, libraries, museums and contents, paintings).

The guardians of this vast heritage were usually the provost, bailies, treasurer, councillors and their successors in office (District Councillors, Regional Councillors). Many benefactions were to be “for the benefit of the community” with instructions, often “for all time coming”. By Scots law there are “Common Good Funds”, with each current Regional Councillor or a trustee. The movement of assets and revenues should be properly recorded, minuted, and available for annual audit, by Audit Scotland, and open to public scrutiny.

The current value of the assets is over £1 bn per annum. Each major large town should have recorded assets in £millions.

It has become clear, through research by Andy Wightman and AC Ferguson that current Councils are ignorant of much of this heritage due to a variety of causes: loss of documents; careless maintenance of archives; very poor record keeping, deals with developers and others; failure to credit finances annually to Common Good Funds; pilfering of moveable assets; using Common Good revenue to top up other Council funds (eg finance, legal, estate management, development, planning, policy and resources, environmental) agreeing to hand over Common Good heritables for long lease (eg 99 years or more) with minimal documentary evidence and legal protection, and lack of information to the community concerned (eg via the press/website etc).

Theoretically Common Good asset disposals should be tested through the Courts to ensure legality of actions. Due to poor records, the public are usually unaware of their heritage and so fail to insist on legal protection, so that Council’s actions go unchallenged. Some Councils consult a QC prior to “making a decision” – thus preventing ordinary citizens undertaking potentially very costly legal challenges – also through employing a QC. Council Tax payers, thanks to some limited press publicity, have become more aware of the insidious loss of the Community’s assets, but there is a desperate need for clear legal definitions of Common Good Assets and of modern safeguards in law for the continuation of what is, even yet, a marvellous heritage.
Land is still bought by Councils with a view to housing needs; there is a recent problem where Councils off-load former duties e.g. Council Housing has been "voted" into Housing Associations, where an agreement is made to dispose of "council stock" at knock down prices – this includes houses, garages, sheds and land which may well be Common Good assets – the sale can be as low as £10,000 per house, average value.

Another recent problem is forming a "charity" so that Councils off-load activity centres (e.g. swimming pools, tennis courts, leisure centres); there is no resolution in these "deals" of the question of the land under the "centres" which was quite probably a Common Good heritable asset. There is no attempt to ensure genuine community participation in the Boards of these charities.

Because I have been involved in enquiring locally into the stewardship of Common Good Assets, and have discovered a catalogue of carelessness, prevarication, disturbing indifference about details of Common Good Funds and lack of full Council Minutes of "decisions" (on aspects of the above) that I petitioned the Scottish Parliament Petitions Committee No. 875 on 28/06/2005. That Committee took advice through consultations, after two hearings, passed the Petition to the Local Government and Transport Committee, which has met twice and decided also to consult.

Mary E MacKenzie
26/10/2006
1. A complete record of Common Good assets, heritable and moveable, to be held by each Council.

2. Assets to include all gifts to communities by Royal Charter, historically as well as recently; by feu charters; by means of wills or lifetime gifts; by acquisitions of heritable or moveable assets including artefacts; other.

3. The record must include a full description of each asset; an address where applicable or place of safe keeping; the date(s) of acquisition and acceptance; an acquisition number applicable solely to each item for identification; a current insurance valuation; a statement of annual rental where applicable (duly updated); the name and address of each/any lessee, together with a time agreement for each lease, and any agreed conditions, including maintenance.

4. The appointment of a qualified archivist and provision of appropriate premises to maintain all records within each Council, together with provision for reasonable public access to check the Records are essential.

5. To protect all HERITABLE assets from inadvertent omission in discussions of planning or/and development proposals there must be recording on G.I.S. (planning maps register) in the following categories 1) land maps 2) property maps; and in the case of MOVEABLES, on written records only, to be updated and audited annually.

6. All proposed disposals, including sales of both heritable and moveable assets must be duly notified/advertised in advance, including in the local press, to allow third party objections. Where six or more on the Voters' Roll register objections, a public hearing must be held, expenses to be met by the Local Authority, not by Common Good Funds.

7. It is possible that local museums, galleries or other properties (such as hospitals?, Schools?) may be housing what should be recorded as Common Good moveable property or artefacts.

8. It is obvious that the total value, throughout Scotland, of existing (but possibly unrecognised) Common Good assets amounts of many millions of £s, which is part of the nation’s valuable inheritance, and which must be legally protected.

9. Adequate central funding will have to be available to ensure all Councils will comply with new regulations in addition to their present duties, including under The Local Government (Scotland) Act 1973, 1884, 2003.
Important aspect of Scottish life, affects entire nation, largely unknown.

By virtue of election, Scottish Councillors also Trustees of Common Good Funds, potential conflict of interest?

Council Records (charters, documents, acquisitions, bequests, disposals, legacies, donations, minuted decisions) indifferently maintained / archived, not publicly accessible.

Frequently conflicting expensive "counsel opinion" on disposals.


Audit Scotland November 2004 recommendations (see exhibit Investigation into Stewardship of C.G. Fund by Scottish Borders Council) to record on O.S. maps by G.I.S. (Geographical Information System) heritable assets; publicly accessible; essential in Planning.

Above put forward to Scottish Executive "Modernising the Planning System" by M.E. Mackenzie

C.G. assets are publicly unknown because not clearly defined, collated, protected so slip away unchallenged.

Serious attention required to safeguard Moveable Assets (see exhibit extract Glasgow Art Galleries and Museums’ System) as valuable to each C.G. Fund (usually derived from gifts, benefactions eg. Burrell Collection); include regalia, silverware, paintings, furnishings, local museums.

Unattributed land / property (perhaps listed) without clear title, may cause problems for streetscape development / maintenance / safety; if placed under C.G. heritable assets in C.G. Fund, should prevent concerns about "benefiting" by individuals or companies.

Land Reform (Scotland) Act 2003, community buy-ins could be considered in relation to C.G. Fund.

Useful evidence by Andy Wightman and Andrew C. Ferguson both show inadequacies of current legislation. Major historic failure continues with inadequate recording of current Trustees' decisions on C.G. assets (esp. 99 year leases or rents) in council minutes.

New legislation will have to be enacted to supersede all responsibilities and duties enshrined in present legislation (local Government [Scotland] Acts 1973, 1974, 2003).

Mary E. Mackenzie
PE 875
Did you know that Glasgow Museums has over 1.4 million objects?

Most people have trouble finding things in their own house – so how does Glasgow Museums keep track of its huge collection, kept in 13 venues plus many storage sites? The answer is that it’s thanks to the mostly unseen work of the Collections Management team. The team are responsible for all documentation relating to Glasgow Museums’ collections, for the loans of objects to and from other museums, and for the library and archives. Documentation Assistant Niamh Johnston explains to Kim Teo, Academic Editor.

How do you know where every museum object is?

Every time Glasgow Museums is given or buys something, we make a record. And from then on, every time that object is moved – even if it’s only from one side of a room to another – we have to be informed, and we update the locations.

But how do you know that you’re always updating the right file? I hear that Glasgow Museums has 15,000 birds – if you get a report saying one has been moved, how do you know which one of the 15,000 files to go to?

Well, in addition to keeping a detailed description of each item and its history, we also assign each museum object what is called an accession number. This is a unique identification marked on the object – a quick way of checking you’ve got the right one. You can see these numbers on museum and galleries object labels – they’re the small type at the bottom that most people don’t read.

It sounds like your department has an enormous amount of information to handle. Do you use a computer database?

We have for over ten years – the one we’re using now is MimsyXG, a specialized database for museums. It has made it much easier to update and find information, and has much improved the service we can provide. We can link digital images with the object files, and even video and audio recordings, say of someone playing one of our musical instruments.

Before, records were kept in registers – we have some going back to 1870 – and we do still refer to these.

Has the restoration of Kelvingrove generated a lot of work for your department?

Yes! Recording the movements of all the 200,000 objects that came out of the gallery and storage areas was quite a job. We’ve also been providing information for all the tasks associated with the development of the new displays for Kelvingrove, including selecting, finding and tracking objects. And now that the building has been restored, we’re keeping an eye on the objects that are being reinstalled. It’s an exciting time for us.
Conclusion

1. There is a lack of control relating to the registration, monitoring and general stewardship of moveable assets held by the common good fund. While the more material elements of the common good fund are controlled as part of the fixed asset register system, there are no systems in place to ensure moveable assets are subject to similar control.

Given that there is no list of moveable common good assets available to review, there is a risk that the council is failing to adequately perform its duties in respect of stewardship of the common good fund assets and is failing to ensure that the public do not suffer a loss of usage, income or title to common good property.

We would recommend that a complete review of assets held under the common good fund be undertaken to identify any and all assets that are the property of the common good funds.

This should be carried out in all the common good funds administered by the Council and not restricted to Peebles Common Good.

2. It should be noted that the mapping of common good lands has only been completed in relation to Peebles Common Good, and has not been fully completed in any of the other localities.

It is recommended that an exercise identifying and plotting all common good owned lands with the Geographical Information System (GIS) is completed to ensure accurate maps of the land can be made available to the public.

Additionally, we would recommend an integration of the information held by Estates with the planning system to enable planning officers to highlight incidents where permission is being sought to develop land that is registered with Estates as Council or Common Good Property.

This would mitigate the risk of the council providing planning permission to a private developer who is unwittingly encroaching on council owned property, and allow the council to safeguard its own assets.
SSI Cover Note For Committee Meeting

SSI title and number: The Local Government Pension Scheme (Scotland) Amendment (No. 3) Regulations 2006, (SSI 2006/514)

Type of Instrument: Negative

Meeting: 14 November 2006

Date circulated to members: 30 October 2006

SSI drawn to Parliament’s attention by Sub Leg Committee: No

Purpose: The purpose of this instrument is to remove the Rule of 85 from the Local Government Pension Scheme (Scotland) Regulations 1998 which allows members who meet the requirements of the Rule to receive an unreduced pension before their normal pension age.