The Committee will meet at 9.15 am in Committee Room 1.

1. **Decisions on taking business in private:** The Committee will consider whether to take items 6 and 7 in private.

2. **Subordinate legislation:** The Committee will consider the following negative instrument—
   
   the Business Improvement Districts (Scotland) Amendment Regulations 2007 (SSI 2007/510).

3. **Budget process 2008-09:** The Committee will take evidence from—
   
   Cllr Pat Watters, President, Rory Mair, Chief Executive and Martin Booth, Head of Finance, COSLA.

4. **Elections 2007:** The Committee will take evidence on the report of the Electoral Commission “Taking forward the Electoral Commission’s independent review of the 2007 Scottish Parliamentary and local government elections” from—
   

*Not before 11.30 am:*

5. **Budget process 2008-09:** The Committee will take evidence from—

   John Swinney MSP, Cabinet Secretary for Finance and Sustainable Growth, David Henderson, Head of Local Government Finance, Ruth Parsons, Director, Public Service Reform and Graham Owenson, Local Government Finance Team Leader, Scottish Government.
6. **Budget process 2008-09**: The Committee will consider evidence heard today and at its previous meeting.

7. **Glasgow Commonwealth Games Bill**: The Committee will consider possible witnesses.

Martin Verity  
Clerk to the Local Government and Communities Committee  
Room no T3.40  
Tel no 0131 348 5217  
Email: martin.verity@scottish.parliament.uk

The following papers are enclosed for the meeting:

- Agenda  
- **Agenda item 2**  
  Covering note on SSI 2007/510
- **Agenda items 3 and 5**  
  COSLA evidence to the Scottish Parliament
- **SPICe briefing on Spending Review 2007**:
  Local Government and Communities
- **Agenda item 4**  
  Cover paper from the Electoral Commission
- **Report from the Electoral Commission**
- **Agenda item 6**  
  Clerk’s note
- **Agenda item 7**  
  Clerk’s note
SSI Cover Note For Committee Meeting

SSI title and number: The Business Improvement Districts (Scotland) Amendment Regulations 2007, (SSI 2007/510)

Type of Instrument: Negative

Meeting: 5 December 2007

Date circulated to members: 19 November 2007

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

Purpose: The purpose of this instrument is to amend the Business Improvement Districts (Scotland) Regulations 2007. Schedule 2 of the 2007 Regulations sets out rules and procedures for holding business improvement district ballots, renewal ballots and alteration ballots.
COSLA Evidence to the Scottish Parliament

Introduction
With the signing of the concordat between Local Government and the Scottish Government, for the first time, there is a firm commitment from both spheres of government to build a relationship of mutual respect and partnership. The Concordat underpins the funding for Local Government over the next three years, and aligns both the Scottish Government and ourselves to a new, and more democratically accountable, means of producing services for the people of Scotland.

The negotiations with the Scottish Government were clearly based on our costed understanding of our spending requirements, but took into account an expectation that the resources available to the public sector in Scotland would make this a very tight Spending Review. In addition, our participation in the negotiations was underpinned by a desire to achieve a satisfactory outcome on a number of non-cash issues. Clearly, while these can never be regarded as a replacement for adequate cash sums, they are nevertheless significant achievements within the context of an overall package. In short, our primary objective was to negotiate a balanced package between securing the maximum resources available alongside the greatest number of non-cash issues.

Key Aspects of the Concordat
The cash sums are tight - £34.7 billion for Local Government over the next three years - and acknowledged as such by the Scottish Government. Within this overall envelope, we have been very clear to negotiate the exact wording of what is expected from Local Government with regard to the Scottish Government’s manifesto commitments. These commitments are specifically worded in the Concordat.

We were very determined to deliver a satisfactory outcome on a number of non-cash issues, many of which have been long held by COSLA as signals of respect, a commitment to local democracy and a more equal relationship.

Those issues were:

- A clear statement from Government about the removal of the possibility of structural reform to Local Government
- A clear statement regarding the position of Local Government in the governance of Scotland and the nature of Local Government’s partnership with the Scottish Government
- Progress on the delivery of a Single Outcome Agreement as the process of joint accountability between the Scottish Government and Local Government
- A fundamental reduction in the level of ring-fencing within any financial settlement.
- An appropriate treatment of efficiency within Local Government which allowed Councils to retain resources released by their own efficiency work.
- A reversal of the trend over recent Spending Reviews which left Local Government with a decreasing share of public expenditure in Scotland.
- A commitment to regular meetings between COSLA’s leadership and Cabinet Secretaries and Cabinet itself.

We will review the Settlement on an on-going basis with the Scottish Government and will jointly address the framing of, and financial impact of, new policy development.

In this way, with both the Scottish Government and Local Government signed up as equal partners, both are equally accountable to the Scottish people.
While Local Government will have greater freedom in terms of how to deliver the services – something we have long fought for – arrangements will be put in place to jointly oversee and monitor the new partnership between ourselves and Government, and to assess the commitments made.

**Accountability**

One of the issues we have seen raised in relation to this new partnership is the issue of how Local Government will be held accountable. This clearly reflects a view that accountability is best delivered by ever tighter controls from Central Government. In contrast, we do not believe that this is appropriate. We welcome the tenor of the Concordat, which points out it is for the Scottish Government to set the direction of policy and then to jointly agree outcomes with Local Government.

The outcomes approach will ensure that together, we deliver what needs to be achieved, but that Local Government has the flexibility to decide how to achieve it in the way that best suits local needs.

Since the outcomes are jointly agreed, accountability is enhanced, not diminished: neither Central nor Local Government can avoid being held accountable by blaming the other sphere of governance in Scotland.
This paper provides an overview of the Scottish Government’s Draft Budget for 2008-09 following the Spending Review. This paper provides an overview of the budget settlement as it impacts upon the remit of the Local Government and Communities Committee.
CONTENTS

KEY POINTS ...........................................................................................................................................................................3

INTRODUCTION ............................................................................................................................................................................4

LOCAL GOVERNMENT BUDGET ......................................................................................................................................................4

LOCAL GOVERNMENT IN THE CONTEXT OF THE BUDGET OVERALL ..........................................................................................6

THE SCOTTISH GOVERNMENT – LOCAL GOVERNMENT CONCORDAT ..........................................................................................8

FUNDING PRESSURES ......................................................................................................................................................................9

COUNCIL TAX FREEZE ..................................................................................................................................................................10

PAY LEVELS ................................................................................................................................................................................10

SINGLE STATUS ............................................................................................................................................................................10

INTERNATIONAL FINANCIAL REPORTING STANDARDS ..............................................................................................................11

LOCAL GOVERNMENT INFORMATION WITHIN THE BUDGET ....................................................................................................11

HOUSING AND REGENERATION ................................................................................................................................................12

THE AFFORDABLE HOUSING INVESTMENT PROGRAMME ...........................................................................................................14

TRANSFERS TO LOCAL GOVERNMENT ......................................................................................................................................17

Supporting People ..........................................................................................................................................................................17

ANNEX ONE – CONCORDAT ‘NATIONAL PERFORMANCE FRAMEWORK’ ......................................................................................20
KEY POINTS

- Local government Departmental Expenditure Limit (DEL) monies are forecast to increase by 13.5% compared to 13.1% of overall Scottish Government expenditure over the Spending Review period. In real terms this represents an increase of 4.9% for local government compared to 4.6% for Scottish Government expenditure overall.

- In terms of Total Managed Expenditure (TME) monies (i.e. the total budget for local government including DEL and Annually Managed Expenditure (AME)) local government expenditure shows a marginal year-on-year increase but will remain relatively static as a proportion of total Scottish Government expenditure at 33.6%. Local government ‘resource’ expenditure will rise at a slightly higher rate than Scottish Government expenditure however local government capital expenditure will increase at a lower rate.

- In terms of the absolute real terms changes by portfolio the local government and health and well-being portfolios have been allocated the largest absolute increases over the period 2008-2011. These two portfolios combined account for approximately two-thirds of the total Scottish Government budget.

- The Scottish Government / Local Government concordat, which was signed by COSLA, details a range of commitments which both parties agreed to work together to deliver.

- A range of possible funding pressures on the local government budget are highlighted including the cost of a council tax freeze, pay levels, single status and the possible impact of international financial reporting standards.

- Certain information which was contained in previous budget documents is not available in the 2007 Scottish Budget and this is also highlighted.
INTRODUCTION

The Scottish Government (2007a) published the budget outcomes from the 2007 Spending Review on 14 November 2007. This paper considers the budget allocations relevant to the remit of the Local Government and Communities Committee of the Scottish Parliament. For an overview of the Spending Review across all portfolios see Burnside and Dewar (2007).

LOCAL GOVERNMENT BUDGET

The Local Government budget, in cash terms, set out in the 2007 Budget is displayed in Table One based on the Departmental Expenditure Limit (DEL) monies which is essentially the discretionary spending available to the Scottish Government. Table One indicates that local government expenditure is forecast to increase at a slightly higher rate than Scottish Government expenditure overall. Between 2007-08 and 2010-11 local government expenditure is forecast to increase by 13.5% compared to 13.1% of overall Scottish Government expenditure.

<table>
<thead>
<tr>
<th>Table One Local Government Budget, 2007-08 to 2010-11, Departmental Expenditure Limit, Cash Terms, £m</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Local Government (LG)</td>
</tr>
<tr>
<td>LG annual % increase</td>
</tr>
<tr>
<td>Total Scottish Government (TSG)</td>
</tr>
<tr>
<td>TSG annual % increase</td>
</tr>
<tr>
<td>LG as a % of TSG</td>
</tr>
</tbody>
</table>

Table Two presents the same data in real terms and indicates that the local government budget will increase by 4.9% over the Spending Review period in real terms compared to a 4.6% increase in Scottish Government expenditure.

<table>
<thead>
<tr>
<th>Table Two Local Government Budget, 2007-08 to 2010-11, Departmental Expenditure Limit, Real Terms, £m</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Local Government (LG)</td>
</tr>
<tr>
<td>LG annual % increase</td>
</tr>
<tr>
<td>Total Scottish Government (TSG)</td>
</tr>
<tr>
<td>TSG annual % increase</td>
</tr>
<tr>
<td>LG as a % of TSG</td>
</tr>
</tbody>
</table>

Table Three details the Local Government Revenue and Capital allocations set out in the Spending Review. These figures represent the Total Managed Expenditure (TME) of the Scottish Government. In other words the local government resource expenditure includes DEL.
monies and Annually Managed Expenditure (AME)\(^1\) monies. Table Three indicates that local government ‘resource’ funding will increase at a faster rate than overall Scottish Government expenditure however the local government capital budget will increase, in cash terms, at a much more modest rate. However it should be noted that in 2007-08 the budget for capital expenditure was £860.4m and therefore there is a 13.3% increase in the local government capital budget between 2007-08 and 2008-09 in cash terms.

<table>
<thead>
<tr>
<th>Table Three - Local Government Resource and Capital Expenditure 2007-08 to 2010-11, Cash Terms, £m</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Government DEL Resource and AME (LGR)</td>
<td>10,162.3</td>
<td>10,607.4</td>
<td>10,998.6</td>
</tr>
<tr>
<td>LGR annual % increase</td>
<td>4.4</td>
<td>3.7</td>
<td></td>
</tr>
<tr>
<td>Local Government Capital (LGC)</td>
<td>975.0</td>
<td>993.0</td>
<td>994.0</td>
</tr>
<tr>
<td>LGC annual % increase</td>
<td>1.8</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Total Local Government (LG)</td>
<td>11,137.3</td>
<td>11,600.4</td>
<td>11,992.6</td>
</tr>
<tr>
<td>LG annual % increase</td>
<td>4.2</td>
<td>3.4</td>
<td></td>
</tr>
<tr>
<td>Total Scottish Government TME (TSG)</td>
<td>33,181.2</td>
<td>34,537.7</td>
<td>35,666.5</td>
</tr>
<tr>
<td>TSG annual % increase</td>
<td>4.1</td>
<td>3.3</td>
<td></td>
</tr>
<tr>
<td>LG as a % of TSG</td>
<td>33.6</td>
<td>33.6</td>
<td>33.6</td>
</tr>
</tbody>
</table>

Table Four details the same figures in real terms and again indicates that whilst local government resource expenditure keeps pace with Total Scottish Government expenditure it is forecast that capital expenditure will decline in real terms.

\(^1\) Annually Managed Expenditure (AME) is spending included in Total Managed Expenditure (TME) that does not fall within Departmental Expenditure Limits (DELs). Expenditure in AME is generally less predictable and controllable than expenditure in DEL and therefore needs to be “annually managed” rather than determined on a longer term basis. The main AME items in the Scottish budget are student loans, housing support grant and NHS and teachers’ pensions, plus local authority self-financed expenditure and non-domestic rates. It accounted for approximately 16% of TME in 2007-08.
Table Four - Local Government Resource and Capital Expenditure 2007-08 to 2010-11, Real Terms, £m

<table>
<thead>
<tr>
<th></th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Government DEL Resource and AME (LGR)</td>
<td>9895.1</td>
<td>10063.9</td>
<td>10174.5</td>
</tr>
<tr>
<td>LGR annual % increase</td>
<td></td>
<td>1.7</td>
<td>1.1</td>
</tr>
<tr>
<td>Local Government Capital (LGC)</td>
<td>949.4</td>
<td>942.1</td>
<td>919.5</td>
</tr>
<tr>
<td>LGC annual % increase</td>
<td></td>
<td>-0.8</td>
<td>-2.4</td>
</tr>
<tr>
<td>Total Local Government (LG)</td>
<td>10844.5</td>
<td>11006.1</td>
<td>11093.9</td>
</tr>
<tr>
<td>LG annual % increase</td>
<td></td>
<td>1.5</td>
<td>0.8</td>
</tr>
<tr>
<td>Total Scottish Government TME (TSG)</td>
<td>32308.9</td>
<td>32768.2</td>
<td>32994.0</td>
</tr>
<tr>
<td>TSG annual % increase</td>
<td></td>
<td>1.4</td>
<td>0.7</td>
</tr>
<tr>
<td>LG as a % of TSG</td>
<td>33.6</td>
<td>33.6</td>
<td>33.6</td>
</tr>
</tbody>
</table>

In terms of Non-domestic rate income (NDRI) the budget details the income to local authorities over the period as detailed in Table Five. NDRI receipts are forecast to increase by 8.2% in cash terms and 0.3% in real terms over the Spending Review period.

Table Five – Non Domestic Rate Income, Cash and Real Terms, 2007-08 to 2010-11, £m

<table>
<thead>
<tr>
<th></th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Terms</td>
<td>1859.2</td>
<td>1962.8</td>
<td>2019.1</td>
<td>2014.0</td>
</tr>
<tr>
<td>% Annual Increase (Cash Terms)</td>
<td>-</td>
<td>5.6</td>
<td>2.9</td>
<td>-0.3</td>
</tr>
<tr>
<td>Real Terms</td>
<td>1859.2</td>
<td>1911.0</td>
<td>1915.2</td>
<td>1862.5</td>
</tr>
<tr>
<td>% Annual Increase (Real Terms)</td>
<td>-</td>
<td>2.8</td>
<td>0.2</td>
<td>-2.8</td>
</tr>
</tbody>
</table>

LOCAL GOVERNMENT IN THE CONTEXT OF THE BUDGET OVERALL

Figure 1 provides a visual depiction of the absolute real terms budgets by portfolio and reveals the relative scale of the two biggest budgets of Health and Wellbeing and Local Government, which together incorporate approximately two-thirds of the Scottish Budget.
Figure 1: Absolute real terms budgets by portfolio (2008-2011)

Figure 2 depicts the absolute real terms changes by portfolio over the spending review period showing how the Government has opted to prioritise its incremental spend. It reveals that local government and health and well-being have been allocated the largest absolute increases over the 2008-2011 period.

Figure 2: Real Terms (£m) changes by portfolio over Spending Review period (2008-2011)
THE SCOTTISH GOVERNMENT – LOCAL GOVERNMENT CONCORDAT

The period preceding the publication of the Spending Review was marked by a period of negotiation between the Scottish Government and COSLA regarding the settlement for local government. This resulted in the publication of a ‘concordat’ between the Scottish Government and local government on the day of the Spending Review announcement. The concordat can be accessed at:

In addition to announcing the funding levels for local government over the period 2008-09 to 2010-11 the concordat also made a range of commitments including:

- That no reorganisation of local government will take place during the current term of Parliament
- That Single Outcome Agreements will be introduced for every local authority based on an agreed set of national outcomes. The concordat sets out seven high level targets, 15 ‘national outcomes’ and 45 indicators which will form the basis of single outcome agreements. The targets, outcomes and indicators which are termed the ‘national performance framework’ are detailed in Annex One.
- That local authorities will be able to retain the efficiency savings they make within their budgets as opposed to these being top-sliced from the local authority settlement. The Spending Review sets efficiency savings of 2% per annum across the public sector including local government. Assuming that local government achieve 2% savings on the TME monies they receive this would total £658.9.6m in savings which local government would be able to allocate to budgets (2008-09: £216.9m; 2009-10: £220.1m; 2010-11: £221.9m).
- That the level of ring-fenced funding is reduced. The concordat states that the level of ring-fencing will reduce from £2.7bn in 2007-08 to £0.5bn in 2008-09 (excluding the Police grant) with the intention that this will reduce to £0.3bn of ring-fenced funds remaining by 2010-11 (again excluding the Police grant). The concordat identifies 43 ring-fenced grants which have been removed and placed into the local government settlement.
- Funding for the Improvement Service will be transferred from the Scottish Government to local government. The concordat states that this has been included in the local government settlement although the funding levels provided are not stated. The Draft Budget for 2007-08 allocated £1.256m in funding for the Improvement Service in 2007-08.

In addition the concordat sets out a range of policy commitments which “the Scottish Government and local government will each do what is required to ensure delivery of key government policy and programmes” (p.4). The Cabinet Secretary for Finance and Sustainable Growth commented when presenting the budget to Parliament that:

“the Government has faced difficult decisions. We are in a tough financial climate and we will not be able to deliver on all our commitments, as we would have liked. We are a minority Government and our budget proposals must be endorsed by Parliament. Therefore, we must consider, in a tight settlement, where policy commitments will also command parliamentary support” (Scottish Parliament Official Report, 14/11/07, Col. 3325).

The commitments are listed below:

- Freezing council tax rates in each local authority at 2007-08 levels.

providing research and information services to the Scottish Parliament
• Making an additional 1,000 police officers available in communities. The concordat states that £54m has been allocated to this and that funding “will be transferred from the local government settlement to the Justice portfolio shortly” (p.4)

• Introduction of the Small Business Bonus Scheme from April 2008 with full implementation in 2010-11. The concordat states that this has been factored into the NDRI settlement outlined above although the cost of introducing the scheme is not made explicit in the concordat and this may be an issue which Members may wish to pursue.

• A range of educational policy outcomes including reducing class sizes in P1 to P3 to a maximum of 18

• Expanding pre-school provision and making substantial progress towards a 50% increase in pre-school entitlement for 3 and 4 year olds

• Extending entitlement to free school meals to all primary and secondary pupils of families in receipt of maximum child tax credit and maximum working tax credit from August 2009

• Make progress towards delivering 10,000 extra respite weeks per annum at home and in care homes

• Providing allowances to kinship carers of ‘looked after children’ to treat them on an equivalent basis to foster carers

• Improving care home quality through care home fees and the quality framework

• Increase current standard free personal care payment levels in line with inflation from April 2008

The President of COSLA made the following remarks in relation to the concordat:

“Whilst today’s budget in terms of cash is not brilliant COSLA believes that it is the best deal that can be delivered at the moment.

Whilst cash is the main element of any budget and is obviously vitally important I think it is imperative that we see today’s announcement in terms of a much greater role and status for local government. We have to see the cash element in the context of greater flexibility and greater responsibility for local government.

This deal signals the start of a new relationship between the two spheres of government in Scotland and local government through COSLA is looking at the long term rather than immediate short term benefit.

The package has been agreed within a tight financial context but the role that local government plays in the governance of Scotland has been substantially enhanced and the decline in local government’s share of total expenditure has been halted” (COSLA, 2007, p.1).

FUNDING PRESSURES

There are a range of funding pressures which may impact on the local government budget in the next Spending Review period. This paper briefly considers the cost of freezing council tax levels, pay levels, single status and the introduction of new international financial reporting standards.
COUNCIL TAX FREEZE

The concordat states that the Scottish Government and local government will do what is required to ensure delivery of “freezing council tax rates in each local authority at 2007-08 levels” (Scottish Government / COSLA, 2007, p.4). Neither the budget nor the concordat provides the cost of this policy or whether the ‘freeze’ applies for one year or for the whole of the Spending Review period. Assuming the Council Tax was to increase at a rate of between 3% and 4% per annum, as it has done in recent years local authorities may expect to raise between £70-90m in the first year rising to £200-300m by year 3. A freeze in council tax increases requires that this revenue is foregone.

<table>
<thead>
<tr>
<th>TABLE 6: EFFECT OF A FREEZE IN COUNCIL TAX RATES COMPARED WITH INCREASES OF 1-5% PER ANNUM: £MILLIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Increase</td>
</tr>
<tr>
<td>1%</td>
</tr>
<tr>
<td>2%</td>
</tr>
<tr>
<td>3%</td>
</tr>
<tr>
<td>4%</td>
</tr>
<tr>
<td>5%</td>
</tr>
</tbody>
</table>

Dewar, J (2007) p.3

Although not stated in the concordat media reports (for example, BBC, 2007) have indicated that a fund of up to £70m will be made available to local authorities by the Scottish Government should they freeze their council tax levels at 2007-08 rates.

PAY LEVELS

In terms of the pay negotiations which COSLA\(^2\) is responsible for the positions is as follows:

- Negotiations are currently ongoing with the Scottish Joint Council (which represents the majority of local authority employees) who are currently seeking a 5% pay rise
- Negotiations are also ongoing with the Scottish Negotiating Committee for Teachers and a formal pay claim is expected to be presented later this month
- Craft operatives (plumbers, electricians, building trade etc) have been offered at 2.4% one year pay deal which has been rejected. Discussions continue.
- Police staff have settled for a 2.45% settlement for one year which began on 1 September 2007.
- Fire staff settled for a 2.4% UK wide settlement which began on 1 July 2007 for one year.

Accordingly pay levels can be expected to increase on average by at least 2.4%.

SINGLE STATUS

During the previous session of Parliament the Finance Committee (2007) undertook an Inquiry on the ‘financial implications of the local authority single status agreement’\(^3\). During the Inquiry COSLA\(^4\) estimated that the total cost of equal pay retrospection could range between £310m

\(^2\) Information in this section is based on personal correspondence with COSLA, 20/11/07


\(^4\) [http://www.scottish.parliament.uk/business/committees/finance/reports-06/fir06-04-02.htm#COSLA](http://www.scottish.parliament.uk/business/committees/finance/reports-06/fir06-04-02.htm)
and £560m. More recent discussions on this issue have indicated that the upper end of the COSLA estimate represents the more likely cost of implementing single status.

**INTERNATIONAL FINANCIAL REPORTING STANDARDS**

The Budget (p.78) makes the following comments in relation to the issue of international financial reporting standards:

“It was announced as part of the 2007 budget that from 2008-09 the annual accounts for all UK Government departments (including Devolved Administrations) and other public sector bodies would be prepared using International Financial Reporting Standards (IFRS), adapted as necessary for the public sector. UK Treasury is developing an IFRS-based Government Financial Reporting Manual for the UK public sector and considering how best to manage the transition. There are some areas where accounting and budgeting guidance has not been available prior to developing the Scottish Government's spending plans for the next three years and, therefore, subsequent revision may be necessary”.

The effect of the reporting standards could potentially be to place PFI/PPP contracts ‘on balance sheets’. Such a development could potentially have a significant impact on the ability of local authorities to fund capital projects and indeed on local authority finances more generally. The outcome of HM Treasury deliberations and guidance on this issue could therefore impact on local authority budgets during the Spending Review period.

**LOCAL GOVERNMENT INFORMATION WITHIN THE BUDGET**

In comparison with the Scottish Executive’s ‘Draft Budget 2007-08’ the ‘Scottish Budget 2007’ does not provide some information which was available previously and this may be an issue which Members may wish to pursue. In particular:

- The previous budget allocated GAE settlements by portfolio and these are not within the current document
- Details of the specific grants which have been allocated are not detailed
- For specific grants which have been ‘rolled into’ the local government settlement the funding levels which have been ‘rolled into’ the settlement are not specified
HOUSING AND REGENERATION

The Housing and Regeneration budget as set out in the 2007 Budget, in cash terms, is displayed in Table 7. There is no Annual Managed Expenditure in the housing and regeneration portfolio. The figures presented below are those in the Departmental Expenditure Limit which is the same as the Total Managed Expenditure.

As Table 7 shows over the three years of the Spending Review period total expenditure is forecast to be £1,615.9m. Between 2007-08 and 2010-11 housing and regeneration spending is forecast to increase by 19.1%, higher than the 13.1% rise in overall Scottish Government expenditure. Planned housing and regeneration expenditure rises particularly sharply from 2008-09 to 2009-10.

Table 7 - Housing and Regeneration Budget, 2007-08 to 2010-11, Cash Terms, £m

<table>
<thead>
<tr>
<th></th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing and</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regeneration</td>
<td>480.6</td>
<td>475.5</td>
<td>568.1</td>
<td>572.5</td>
</tr>
<tr>
<td>(H&amp;R)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>annual % increase</td>
<td>1.1%</td>
<td>19.5%</td>
<td>0.8%</td>
<td></td>
</tr>
<tr>
<td>Total Scottish</td>
<td>26717.4</td>
<td>27891.7</td>
<td>29142.5</td>
<td>30222.8</td>
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<tr>
<td>Government (TSG)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TSG annual %</td>
<td>4.4%</td>
<td>4.5%</td>
<td>3.7%</td>
<td></td>
</tr>
<tr>
<td>increase</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H&amp;R as a % of</td>
<td>1.8</td>
<td>1.7</td>
<td>1.9</td>
<td>1.9</td>
</tr>
<tr>
<td>TSG</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 8 presents the same data in real terms and indicates that the housing and regeneration budget will increase by 10.2% over the Spending Review period in real terms compared to a 4.6% increase in total Scottish Government expenditure.

Table 8: Housing and Regeneration Budget, 2007-08 to 2010-11, Real Terms, £m

<table>
<thead>
<tr>
<th></th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing and</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regeneration</td>
<td>480.6</td>
<td>462.80</td>
<td>539.0</td>
<td>529.60</td>
</tr>
<tr>
<td>(H&amp;R)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H&amp;R annual %</td>
<td>-3.7</td>
<td>16.4</td>
<td>-1.74</td>
<td></td>
</tr>
<tr>
<td>increase</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Scottish</td>
<td>26717.4</td>
<td>27158.4</td>
<td>27649.4</td>
<td>27958.2</td>
</tr>
<tr>
<td>Government (TSG)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TSG annual %</td>
<td>1.7</td>
<td>1.8</td>
<td>1.1</td>
<td></td>
</tr>
<tr>
<td>increase</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H&amp;R as a % of</td>
<td>1.7</td>
<td>1.7</td>
<td>1.9</td>
<td>1.9</td>
</tr>
<tr>
<td>TSG</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 9 displays the housing and regeneration detailed spending plans in cash terms while Table 10 (over) provides the figures in real terms. As the Tables show the largest element of expenditure in the portfolio over the three year period, at around 80%, is accounted for by the affordable Housing Investment Programme. This is followed by Running Costs, at 8%, then the Central Heating Initiative/Warm Deal programmes and Regeneration Programmes both accounting for 5% of the total expenditure.
Table 9: Housing and Regeneration Budget, 2007-08 to 2010-11, Cash Terms, £M

<table>
<thead>
<tr>
<th></th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable Housing Investment Programme</td>
<td>387.2</td>
<td>373.9</td>
<td>446.7</td>
<td>472.1</td>
</tr>
<tr>
<td>Modernising Private Sector housing</td>
<td>10.2</td>
<td>10.2</td>
<td>15.2</td>
<td>15.2</td>
</tr>
<tr>
<td>Housing Markets and Supply Policy/Research and Analytical Services</td>
<td>2.8</td>
<td>2.8</td>
<td>2.8</td>
<td>2.8</td>
</tr>
<tr>
<td>Running Costs (Communities Scotland and Post Abolition Arrangements) 2</td>
<td>25.1</td>
<td>25.1</td>
<td>25.1</td>
<td>25.1</td>
</tr>
<tr>
<td>Tackling and Preventing Homelessness</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Central Heating Initiative/Warm Deal</td>
<td>45.9</td>
<td>45.9</td>
<td>45.9</td>
<td>45.9</td>
</tr>
<tr>
<td>Housing Voluntary Sector Grant Scheme</td>
<td>2.4</td>
<td>2.4</td>
<td>2.4</td>
<td>2.4</td>
</tr>
<tr>
<td>Wider Role</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Community Engagement</td>
<td>3.4</td>
<td>3.4</td>
<td>3.4</td>
<td>3.4</td>
</tr>
<tr>
<td>Regeneration Programmes</td>
<td>18.0</td>
<td>26.0</td>
<td>41.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Capital Charges</td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Less Income</td>
<td>-30.0</td>
<td>-30.0</td>
<td>-30.0</td>
<td>-30.0</td>
</tr>
<tr>
<td>Total</td>
<td>480.6</td>
<td>475.3</td>
<td>568.1</td>
<td>572.5</td>
</tr>
</tbody>
</table>

Notes:
1. The 2007-08 budget is in addition to funding transferred to local government.
2. Ministers announced on 31 October 2007 the abolition of Communities Scotland. Decisions on the allocation of these resources between funding for ongoing regulatory support and the Scottish Government's running costs will be made in due course.
Table 10: Housing and Regeneration Spending Plans 2007-08 to 2010–2011 Real Terms

<table>
<thead>
<tr>
<th></th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable Housing Investment Programme ¹</td>
<td>387.2</td>
<td>364.07</td>
<td>423.8</td>
<td>436.7</td>
</tr>
<tr>
<td>Modernising Private Sector Housing</td>
<td>10.2</td>
<td>9.93</td>
<td>14.4</td>
<td>14.06</td>
</tr>
<tr>
<td>Housing Markets and Supply Policy/Research and Analytical Services</td>
<td>2.8</td>
<td>2.73</td>
<td>2.7</td>
<td>2.59</td>
</tr>
<tr>
<td>Running Costs (Communities Scotland and Post Abolition Arrangements) ²</td>
<td>25.1</td>
<td>24.44</td>
<td>23.8</td>
<td>23.22</td>
</tr>
<tr>
<td>Tackling and Preventing Homelessness</td>
<td>0.6</td>
<td>0.58</td>
<td>0.6</td>
<td>0.56</td>
</tr>
<tr>
<td>Central Heating Initiative/Warm Deal</td>
<td>45.9</td>
<td>44.69</td>
<td>43.5</td>
<td>42.46</td>
</tr>
<tr>
<td>Housing Voluntary Sector Grant Scheme</td>
<td>2.4</td>
<td>2.34</td>
<td>2.3</td>
<td>2.22</td>
</tr>
<tr>
<td>Wider Role</td>
<td>12</td>
<td>11.68</td>
<td>11.4</td>
<td>11.10</td>
</tr>
<tr>
<td>Community Engagement</td>
<td>3.4</td>
<td>3.31</td>
<td>3.2</td>
<td>3.15</td>
</tr>
<tr>
<td>Regeneration Programmes</td>
<td>18</td>
<td>25.32</td>
<td>38.9</td>
<td>18.50</td>
</tr>
<tr>
<td>Capital Charges</td>
<td>3</td>
<td>2.92</td>
<td>2.8</td>
<td>2.78</td>
</tr>
<tr>
<td>Less Income</td>
<td>-30</td>
<td>-29.21</td>
<td>-28.5</td>
<td>-27.75</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>480.6</strong></td>
<td><strong>462.80</strong></td>
<td><strong>539.0</strong></td>
<td><strong>529.60</strong></td>
</tr>
</tbody>
</table>

Notes:
1. The 2007-08 budget is in addition to funding transferred to local government.
2. Ministers announced on 31 October 2007 the abolition of Communities Scotland. Decisions on the allocation of these resources between funding for ongoing regulatory support and the Scottish Government's running costs will be made in due course.

THE AFFORDABLE HOUSING INVESTMENT PROGRAMME

As Table 8 illustrates the total real terms affordable housing investment programme amounts to £1.2bn over the three years of the spending review period. While there is a 6% decrease in the affordable housing investment programme from 2007-08 to 2008-09 over the period 2007-08 to 2010-2011 there is a total 12.8% rise in expenditure.

The 2007-08 figure of £387.2m differs from that given in the previous budget documents. It has been readjusted to provide a comparable baseline and reflects transfers to the local government.
settlement (which includes the furniture grant and management of development funding). This amounts to £124.3m.\(^5\)

There is relatively little information in the budget document about how the housing investment programme will be spent. The stated objective is to “increase the supply of good quality, sustainable housing”, but there is no further information on the number of housing units that this will deliver or the tenure of any new build provision.

Reference is made to the current housing consultation paper *Firm Foundations* (Scottish Government 2007b):

> “We have launched a wide-ranging consultation on the future of housing in Scotland to ensure that it supports economic growth by increasing housing supply; meets the current and future needs of Scotland’s population; creates sustainable, mixed communities; and provides a fair deal for first-time buyers, tenants and taxpayers. The consultation includes a challenge to Scotland’s local authorities, developers and builders to increase the rate of new housing supply in Scotland to at least 35,000 homes a year by the middle of the next decade.”

It is expected that further detail on what the budget aims to achieve and the position on other manifesto commitments, such as the introduction of first time buyers’ grants, will be available after the consultation process ends in January 2008 and Ministers have made further decisions.

The *Firm Foundations* consultation document refers to the aim of increasing the rate of new housing supply to at least 35,000 homes a year by the middle of the next decade. Over the last three years the total new house completions in Scotland has averaged 24,700 (Scottish Government 2007). The majority of these, 20,390, have been built by the private sector with the remaining 1,310 built by the social rented sector (only 6 by local authorities). Therefore there will need to be at least an increase of around 10,000 units each year to reach to the 35,000 figure referred to. There is no indication in the consultation document as to the desired tenure split of the new homes. The consultation document also refers to the need to improve the value for money out of the subsidy (HAG—housing association grant) given to housing associations to build new houses.

A group of housing organisations\(^6\) have been calling for investment to secure an additional 30,000 homes for social rent over the Spending Review period. Their initial reaction to the budgetary proposals expressed disappointment at the proposed levels of spending:

> “In a joint statement, the group said: ‘Two weeks ago the Scottish Government set out its ambition, in its housing discussion paper, to deliver increased value for money in the building of new affordable homes.

> ‘The amount announced in the CSR will go no way to meeting the 30,000 target. So today’s announcement is a severe disappointment and is certainly a setback for Scotland’s ambitious plans to lead the world in tackling homelessness and in housing the thousands of families currently on waiting lists or in temporary accommodation up and down the country.’

> *The group has led the call for 30,000 affordable homes for rent over the next three years since January [2], arguing that more affordable housing is needed to help house Scotland’s people. Currently over 200,000 people are on house waiting lists and there were over 9,000 households*  

\(^5\) Figure obtained from personal correspondence with Scottish Government Officials  
\(^6\) Shelter, the Chartered Institute of Housing, the Scottish Federation of Housing Associations, the Scottish Council for Single Homeless, Association of Local Authority Chief Officers, Scottish Churches Housing Action

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*providing research and information services to the Scottish Parliament*
Regeneration Programmes

Table 21.03 of the Spending Review provides the following figures for regeneration programmes (additional detail on Urban Regeneration Companies (URCs) follows clarification from Scottish Government):

<table>
<thead>
<tr>
<th>Table 11: Regeneration, 2007-08 to 2010-11, Cash Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08 Budget £m</td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>Regeneration Programmes</td>
</tr>
<tr>
<td>…of which URCs</td>
</tr>
<tr>
<td>…remainder (other area based initiatives)</td>
</tr>
</tbody>
</table>

‘Regeneration Programmes’ includes funding for the Urban Regeneration Companies (URCs) along with other area based initiatives. As can be seen the majority of the funding is related to the URCs. The Spending Review states that the pathfinder Urban Regeneration Companies will be funded each year to the tune of £19.0m/£34.0m/£13.0m. The allocations to individual URCs have still to be approved by the Minister, but it is understood that funding for the Clyde Gateway, which includes preparatory infrastructure work for the Commonwealth Games accounts for a significant element of the peak in spending in 09/10.

Community Regeneration Fund

Over the past three years the funding for the ‘Community Regeneration Fund’, administered by Communities Scotland, has been as follows:

<table>
<thead>
<tr>
<th>Table 12: Community Regeneration Fund, 2002-03 to 2007-08, Cash Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>-------</td>
</tr>
<tr>
<td>Community Regeneration Fund</td>
</tr>
</tbody>
</table>

The Spending Review 2007 indicates that this is to be incorporated in the local authority settlement (see below). It is now to be rolled up into a new fund to be “deployed by community planning partnerships” along with the Community Voices Programme and Working for Families. This is to be ring fenced for 2008-09.

The Spending Review (Scottish Government, 2007a) states:
“Once local authorities accept the package on offer, it will be possible to provide a detailed list of the amounts of those specific grants that remain. All other grants currently paid out separately from the local government settlement would at that stage be incorporated into the settlement total. A list of those specific grant schemes that are expected to continue in 2008-09, with the prospect that the list may reduce further by 2010-11, and those that will be incorporated into the settlement total is provided in table 17.02 below.”

The Working for Families Fund budget in the 2007-08 draft budget was £15m per annum in 2006-07 and 2007-08. The Community Voices Programme budget stands at approximately £3m per annum.

**TRANSFERS TO LOCAL GOVERNMENT**

Within the portfolio a number of funding streams have been incorporated into the local government settlement as indicated in Table 9. Once local authorities accept the package on offer further detail of the amounts of the specific grants that remain will be made available. At this stage it is therefore not possible to determine any changes in the levels of planned expenditure for each of these grants.

**Supporting People**

The biggest element of expenditure that has been rolled up into the local government settlement is the Supporting People Grant. As highlighted earlier detailed information on the amount of specific grants which have been ‘rolled into’ the local government settlement are not specified. From the previous Scottish Executive budget documents the planned expenditure in 2007-08 was £401m. Following a review of funding the Supporting People budget has decreased in real terms over the last few years (by 12% since 2004-05). The previous Scottish Executive stressed the need to improve efficiencies in the administration and management of services. Despite this a number of local authorities and service providers have expressed concern that some services are being adversely affected by cuts in funding and that costs have arisen that were not fully budgeted for, such as training costs to meet the Care Commission registration requirements for housing support staff. SPICe briefing Supporting People (Updated) (Berry 2007) provides more information on the programme.

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**Funding Incorporated into Local Government Settlement**

<table>
<thead>
<tr>
<th>Remaining Ring Fenced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Regeneration Fund (1)</td>
</tr>
<tr>
<td>Community Voices Programme (on behalf of Community Planning Partnerships) (1)</td>
</tr>
<tr>
<td>Working for Families (1)</td>
</tr>
<tr>
<td>Housing Support Grant</td>
</tr>
<tr>
<td>Hostels Grant</td>
</tr>
<tr>
<td>Vacant and Derelict Land Fund</td>
</tr>
</tbody>
</table>

**providing research and information services to the Scottish Parliament**
- Private Sector Housing Grant
- Transfer of the Management of Development Funding
- Assistance to Owners affected by Glasgow Stock Transfer

**Rolled up into the Settlement**
- Homelessness Task Force (2)
- Furniture Grant Resource (2)
- Glasgow Hostels Decommissioning (2)
- Private Landlord Registration
- Supporting People Grant
- Violence Against Women Fund

Note: Those marked (1) are to be rolled up in a new Fund deployed by Community Planning Partnerships. Those marked (2) have been amalgamated from 2007-08 into the Tackling and Preventing Homelessness Fund)
SOURCES


 ANNEX ONE – CONCORDAT ‘NATIONAL PERFORMANCE FRAMEWORK’

NATIONAL PERFORMANCE FRAMEWORK

Scottish Government’s Purpose: to focus the Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.

High Level Targets

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP Growth</td>
<td>To raise the growth rate to the UK level by 2011</td>
</tr>
<tr>
<td></td>
<td>To match the growth rate of small independent EU countries by 2017</td>
</tr>
<tr>
<td>Productivity</td>
<td>To rank in the top quartile for productivity amongst our key trading partners of the OECD by 2017</td>
</tr>
<tr>
<td>Population Growth</td>
<td>To match average European (EU15) population growth over the period from 2007 to 2017, supported by increased healthy life expectancy in Scotland over this period</td>
</tr>
<tr>
<td>Solidarity</td>
<td>To increase overall income and the proportion of income earned by the three lowest three income deciles as a group by 2017</td>
</tr>
<tr>
<td>Cohesion</td>
<td>To narrow the gap in participation between Scotland’s best and worst performing regions by 2017</td>
</tr>
<tr>
<td>Participation</td>
<td>To maintain our position on labour market participation as the top performing country in the UK and to close the gap with the top 5 OECD economies by 2017</td>
</tr>
<tr>
<td>Sustainability</td>
<td>To reduce emissions over the period to 2011.</td>
</tr>
<tr>
<td></td>
<td>To reduce emissions by 80% by 2050.</td>
</tr>
</tbody>
</table>

National Outcomes

1. We live in a Scotland that is the most attractive place for doing business in Europe.
2. We realise our full economic potential with more and better employment opportunities for our people.
3. We are better educated, more skilled and more successful, renowned for our research and innovation.
4. Our young people are successful learners, confident individuals, effective contributors and responsible citizens.
5. Our children have the best start in life and are ready to succeed.
6. We live longer, healthier lives.
7. We have tackled the significant inequalities in Scottish society.
8. We have improved the life chances for children, young people and families at risk.
9. We live our lives safe from crime, disorder and danger.
10. We live in well-designed, sustainable places where we are able to access the amenities and services we need.
11. We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.
12. We value and enjoy our built and natural environment and protect it and enhance it for future generations.
13. We take pride in a strong, fair and inclusive national identity.
14. We reduce the local and global environmental impact of our consumption and production.
15. Our public services are high quality, continually improving, efficient and responsive to local people's needs.

**National Indicators and Targets**

| Indicator 1: | At least halve the gap in total research and development spending compared with EU average by 2011 |
| Indicator 2: | Increase the business start-up rate |
| Indicator 3: | Grow exports at a faster average rate than GDP |
| Indicator 4: | Reduce the proportion of driver journeys delayed due to traffic congestion |
| Indicator 5: | Increase the percentage of Scottish domiciled graduates from Scottish Higher Education Institutions in positive destinations |
| Indicator 6: | Improve knowledge transfer from research activity in universities |
| Indicator 7: | Increase the proportion of school leavers (from Scottish publicly funded schools) in positive and sustained destinations (FE, HE, employment or training) |
| Indicator 8: | Increase the proportion of schools receiving positive inspection reports |
| Indicator 9: | Increase the overall proportion of area child protection committees receiving positive inspection reports |
| Indicator 10: | Decrease the proportion of individuals living in poverty |
| Indicator 11: | 60% of school children in primary 1 will have no signs of dental disease by 2010 |
| Indicator 12: | Increase the proportion of pre-school centres receiving positive inspection reports |
| Indicator 13: | Increase the social economy turnover |
| Indicator 14: | Reduce the rate of increase in the proportion of children with their Body Mass Index outwith a healthy range by 2018 |
| Indicator 15: | Increase the average score of adults on the Warwick-Edinburgh Mental Well-being Scale by 2011 |
| Indicator 16: | Increase healthy life expectancy at birth in the most deprived areas |
| Indicator 17: | Reduce the percentage of the adult population who smoke to 22% of by 2010 |
| Indicator 18: | Reduce alcohol related hospital admissions by 2011 |
| Indicator 19: | Achieve annual milestones for reducing inpatient or day case waiting times culminating in the delivery of an 18 week referral to treatment time from December 2011 |
| Indicator 20: | Reduce proportion of people aged 65 and over admitted as emergency inpatients 2 or more times in a single year |
| Indicator 21: | Reduce mortality from coronary heart disease among the under 75s in deprived areas |
| Indicator 22: | All unintentionally homeless households will be entitled to settled accommodation by 2012 |
| Indicator 23: | Reduce overall reconviction rates by 2 percentage points by 2011 |
| Indicator 24: | Reduce overall crime victimisation rates by 2 percentage points by 2011 |
| Indicator 25: | Increase the percentage of criminal cases dealt with within 26 weeks by 3 percentage points by 2011 |
| Indicator 26: | Increase the percentage of people aged 65 and over with high levels of care needs who are cared for at home |
| Indicator 27: | Increase the rate of new house building |
| Indicator 28: | Increase the percentage of adults who rate their neighbourhood as a good place to live |
| Indicator 29: | Decrease the estimated number of problem drug users in Scotland by 2011 |
| Indicator 30: | Reduce number of working age people with severe literacy and numeracy problems |
| Indicator 31: | Increase positive public perception of the general crime rate in local area |
| Indicator 32: | Reduce overall ecological footprint |
| Indicator 33: | Increase to 95% the proportion of protected nature sites in favourable condition |
| Indicator 34: | Improve the state of Scotland’s Historic Buildings, monuments and environment |
| Indicator 35: | Biodiversity: increase the index of abundance of terrestrial breeding birds |
| Indicator 36: | Increase the proportion of journeys to work made by public or active transport |
| Indicator 37: | Increase the proportion of adults making one or more visits to the outdoors per week |
| Indicator 38: | 50% of electricity generated in Scotland to come from renewable sources by 2020 (interim target of 31% by 2011) |
| Indicator 39: | Reduce to 1.32 million tonnes waste sent to landfill by 2010 |
| Indicator 40: | Increase to 70% key commercial fish stocks at full reproductive capacity and harvested sustainably by 2015 |
| Indicator 41: | Improve people’s perceptions, attitudes and awareness of Scotland’s reputation |
| Indicator 42: | Improve public sector efficiency through the generation of 2% cash releasing efficiency savings per annum |
| Indicator 43: | Improve people’s perceptions of the quality of public services delivered |
| Indicator 44: | Improve the quality of healthcare experience |
| Indicator 45: | Reduce the number of Scottish public bodies by 25% by 2011 |
Moving on from the Gould report: Scotland

The Electoral Commission wholeheartedly endorses the Gould report’s call for all those with a role in organising future elections consider the voters’ interests above all other considerations. The Commission will consider its own internal lessons and will strengthen our ‘elector first’ approach not just in Scotland, but in all our work.

The Electoral Commission has been calling for the consolidation of electoral legislation since 2001; we agree with the Gould report that this now needs to move forward with greater priority.

Since 2004 the Commission has consistently expressed concern about the problems caused by the late passage of primary and secondary electoral legislation. We agree that a ‘cut off’ provision should be introduced as the Gould report recommends.

The Gould report has carefully weighed the arguments for and against combination of elections, from the perspective of what it means for the voter. We agree that in the Scottish context, early consideration should be given to the timing of the next Scottish Parliamentary and Scottish local government elections, with a view to ‘decombining’ them.

The Gould report makes recommendations with far reaching consequences for electoral administration. We appreciate that given the importance of these matters, there has been early comment on whether the recommendations could be implemented before the next scheduled Scottish Parliamentary or local elections. Should there be a wish to proceed to swiftly consider or implement the options for the structure of electoral administration in Scotland that the Gould report sets out, the Commission has made suggestions for further thought on some aspects of the proposal.

Beyond this, the Commission’s view is that the current arrangements for electoral administration across the UK are no longer capable of delivering elections in a consistent and equitable fashion, as many of the issues examined by Gould apply not just in Scotland but in the rest of the UK as well. It is now time for a wide ranging examination of electoral administration to be held, and the Commission plans to do so.

It is essential that there should be a formal consultation process for future ballot paper design. The Commission will publish a plan for the development of a set of standards on the accessibility, design and usability of ballot papers and associated stationery by 30 September 2008.
The Commission agrees that at Scottish Parliamentary elections the regional ballot paper should be printed on a separate sheet from the constituency ballot paper.

The Commission has committed to considering the registration of party descriptions further on a UK-wide basis, in consultation with political parties and other interested bodies; we intend to conclude this consultation by the end of January 2008.

The Commission would support a decision by governments to consider the idea of random draws for ballot paper positions in light of the multiplicity of electoral systems now in use across the UK.

The Commission believes that there should be discussions among interested parties before any move to legislate on access to the face of electronic images of the rejected ballot papers.

The Commission shares the report’s concerns that secrecy may not be best maintained when ballot papers cannot be folded.

The Commission has previously recommended extending the timetable for elections and we are currently re-examining the 25 day proposal, to ensure that new procedures and processes introduced since 2003 can be safely accommodated. We will report on this re-examination by 31 March 2008.

We recommend that governments consult on the provision of advance voting facilities at all statutory elections in the UK.

The Commission continues to believe, as we recommended in January 2006, that overnight counting for combined Scottish Parliamentary and local government elections was unwise.

The Commission supports a new approach to integrating electronic counting into electoral legislation. We have continually pointed out that efforts to graft 21st century technology onto 19th century legislation does not work.

We note the report’s conclusion that electronic counting should remain available for STV local elections in Scotland. We have laid out a programme of work that we believe should be completed by the end of 2009.

We agree that no automatic rejection of ballot papers should be allowed in legislative rules for electronic counting. This provides for candidates and agents to fully exercise their rights to inspect and object to the rejection of a ballot paper.

We agree that the number of bodies with a direct interest in the administration of elections should be reduced, and see the merit in such a proposal, given the issues faced in 2007. However, consideration must also be given to the conduct in Scotland of UK and European Parliamentary
elections, electoral registration, and any future referendums, in assessing the full implications of this recommendation.

The Electoral Commission
November 2007
Taking forward the Electoral Commission’s independent review of the 2007 Scottish Parliamentary and local government elections

The events surrounding the Scottish elections of 3 May 2007 cannot be ignored by anyone involved and interested in the administration of elections in the United Kingdom. The report by Ron Gould CM sets out a broad and complex agenda for change; an agenda designed to put the elector firmly at the heart of our elections. The Electoral Commission today accepts his report, and the challenges it poses, for Scotland, for the wider status quo in UK elections and to our own work and priorities.

While the implementation of the Electoral Administration Act 2006 and the Local Elections and Registration Services (Scotland) Act 2006 has gone some way to modernising and securing our electoral processes, the Gould report reminds us that much remains to be done. The confidence of the UK electorate is at stake.

The Gould report sets out a wide range of material for consideration. We are clear that not just the final chapter of recommendation, but the wider analysis must be considered. In examining the range of issues put to him, Ron Gould notes ‘in many cases, there is more than one solution to the problem that has been identified. In these cases, a number of options have been put forward for consideration by the various electoral stakeholders who must determine which, if any, are most appropriate and realistic in relation to the Scottish electoral environment.’

As well as dealing with questions arising from the specific circumstances of Scotland in May 2007, the discussion must be widened. How should these issues and solutions be considered in the wider UK context, and how should resolutions be found that last for more than one electoral cycle?

Background to the Gould report

On 3 May 2007, combined elections were held in Scotland: a general election to the Scottish Parliament, and full elections to all 32 of Scotland’s local councils. The election date was fixed in law and the conduct of the elections was fully combined under electoral law.

During the election itself, and most especially during the overnight counting process on 3–4 May, several issues relating to the administration of the election were of concern to the Commission, political parties and observers. These were covered extensively by Scottish, UK and international media. The Commission announced on 4 May that it would expand its planned statutory
report to include a full, independent review of the elections in Scotland. In particular, we announced an examination of ‘the high number of rejected ballots; the electronic counting process; and the arrangements for postal voting’.

The Commission appointed Ron Gould CM to head the review and to provide a definitive view of the problems experienced and propose remedies for the future.

Elections in the United Kingdom are not run by the Electoral Commission but rather are the responsibility of individual, independent Returning Officers. In Scotland as in the rest of Great Britain, Returning Officers are senior officials of local government. In Northern Ireland, there is a separate independent Chief Electoral Officer.

Electoral policy and law are the responsibility of the relevant Government department. In Scotland this responsibility was split as part of the devolution settlement. Policy and law for the Scottish Parliament remains with the UK Government and is handled by the Scotland Office in cooperation with the Ministry of Justice (formerly the Department for Constitutional Affairs). Policy and law for Scottish local elections are an entirely devolved matter handled by the Scottish Government.

Reaction and response

The Commission has called on all concerned to give proper consideration to the findings and recommendations of the Gould report. This consideration must be informed by the findings of other election reports and evaluations in recent years, both by the Commission and by others.

Today we set out our response to direct recommendations wherever we can, and set out how others should be taken forward with more considered examination and reflection.

We are pleased that both the Secretary of State for Scotland and the First Minister of Scotland have welcomed the report and accepted many of its conclusions. We look forward to detailed responses from both Governments and from other stakeholders including Returning Officers and Electoral Registration Officers, as important contributions to the way ahead, as well as any wider reflections on the analysis and options put forward.
Learning the lessons

The most important response to the Gould report must be a marked and swift change in attitude and approach from all electoral stakeholders – governments, political parties, Returning Officers and Electoral Registration Officers, and the Electoral Commission itself.

“…the voter was treated as an afterthought…”

The most important change of attitude will be to truly put the elector at the heart of electoral policy and decision making.

“…consider initiatives to restore confidence…”

Elections are based on confidence – once lost it can prove elusive to restore. Gaining and maintaining electors’ confidence must be a tangible outcome of the experience of Scottish electors in 2007 and the Gould report.

“…much of what has been described in this report is not new…”

This criticism, while it has been little noted, is fundamental. The report found decisions taken on information known to be faulty or incomplete; decisions that had proven disadvantageous previously or elsewhere taken again; and processes known to be already under strain dangerously overloaded.

All those involved with elections must learn from this insight, and be prepared to act now to ensure it can never be repeated again. For **governments and policy makers**, this will mean:

- addressing the question of how to remove the problems that will arise for electors if policy making remains fragmented and piecemeal
- ensuring true public consultation on electoral matters
- producing better and earlier electoral legislation, to support the delivery of elector-focused elections and electoral registration and to safeguard electors’ rights
- seeking out and being demonstrably open to expert advice and views, whether offered during the design or the evaluation of the electoral process, and including advice and views from political and administrative stakeholders
- providing for thorough and independent testing and modelling of proposed electoral processes, plans and technology for usability and accessibility
- ensuring that voting procedures are easy and convenient, and that they can be explained to electors in plain and accessible language
- not introducing change for the sake of change, but only when a clearly demonstrated need arises
- not considering any electoral reform or innovation unless it is intended and proven to enhance, not detract from, the secrecy of the ballot and security and confidence in elections
For **Electoral Registration Officers** and **Returning Officers**, this will mean:

- considering how electors will be affected first and foremost in the design of information and processes
- always valuing the secrecy and security of the ballot above all else in their work, and designing procedures to ensure this
- ensuring that every elector, wherever they are and whichever voting channel they chose, understands how to cast a valid vote and can be confident that their valid vote will be counted
- undertaking more and better planning, including contingency planning
- reclaiming their statutory responsibilities from suppliers to ensure decisions are taken with the elector as the only consideration
- exercising their statutory responsibilities free from political pressure
- committing to more training and development, both for themselves and for their staff, whether permanent or temporary, to ensure electoral services are delivered consistently and professionally; to continuous review of practices and procedures, and more sharing of practice with colleagues to harness innovation and learn from good practice

For the **Electoral Commission**, this will mean:

- being clear on the basic standards required for democratic elections; providing clear, accessible information to electors, electoral officers, police and prosecutors, political parties and candidates to enable them all to effectively meet these standards; and speaking up when any of them fail to deliver
- strengthening our processes for advice on policy and practice, and ensuring all our work is managed in order to reinforce at all stages the needs and concerns of electors
- improving the training and guidance we deliver, making it more practically focused
- producing election reports focused on improvement in processes that will help electors
- advocating change only when there is evidence that change is required, and thoroughly assessing its probable impact
- continuing to press for individual voter registration, to ensure end-to-end security for our voting processes

For **political parties and candidates**, this will mean:

- providing checks on the exercise of powers by Electoral Registration Officers and Returning Officers
- ensuring their campaigns do not confuse or mislead electors in the exercise of their rights
- participating fully in consultations and discussions designed to improve the provision of electoral services
- demanding that election counts are run to be accurate, not fast
- accepting that change and innovation can take time
Much more to be done

We have set out above changes to attitudes and approach that are needed to ensure that future Scottish elections, and elections throughout the UK, are delivered consistently, professionally and with the elector as the primary focus.

There remains, however, a deeper and more fundamental issue. The Commission and various other stakeholders have discussed the structure of electoral administration over the years, but the Gould report has raised serious questions about whether the current arrangements for electoral administration in the UK are capable of delivering an equitable and consistent service to electors and other participants. In some areas, service is excellent and elections enjoy the confidence of electors and other participants. In others, service is patchy or inadequate. There is an urgent need to ensure that electors in Scotland and across the UK are better served in future.
Detailed response

The Gould report, published on 23 October 2007, makes a number of recommendations and suggestions about the future of electoral administration and legislation in Scotland. In our response to the report, we place on record our views on the recommendations and outline our plans to address those where we have an interest. Many important issues have been examined and discussed in the context of the Scottish elections, and we hope that this momentum will also be carried through into the wider UK context. For our part, we will engage with the UK and Scottish Governments, Returning Officers, Electoral Registration Officers, electoral administrators and political parties in learning the lessons from the elections and from the Gould report.

The Gould report, and the circumstances that required it, have identified and examined a wide range of important issues in the context of the Scottish elections. Many of these issues need to be addressed not only in Scotland but in the wider UK context as well.

In the pages that follow, the boxed text sets out the recommendations of the Gould report. There then follows in each case a statement of the Commission’s views on how the recommendations should be taken forward.

We recommend that all those with a role in organising future elections consider the voters’ interests above all other considerations.

The Commission wholeheartedly endorses this approach; we view this report as key in identifying lessons to be learnt so that the elector can be placed first at elections that are better run in the future. While we have sought to consider the interests of electors in our work, some of the key conclusions in the report suggest we can be more thorough and consistent in future. The Commission will consider its own internal lessons and will strengthen our ‘elector first’ approach not just in Scotland, but in all our work.

Electoral legislation

Our review of the present legislation, as it affects both the Scottish parliamentary and the local government elections, has led us to conclude that it is so fragmented and antiquated that it fundamentally interferes with the ability of electoral stakeholders to make timely decisions and to carry out all activities related to planning, organising and implementing an election effectively. The obvious conclusion, and our recommendation, is that a major initiative should be undertaken to rationalise and consolidate the existing legislation as it relates to these elections, ensuring that the respective electoral provisions of the laws are as compatible as possible and that they focus on electoral policy rather than micro-management of the elections.

1. The Electoral Commission has been calling for the consolidation of electoral legislation since 2001. We are aware that the Ministry of Justice is engaged in some work on consolidation of the Representation of the People
Acts. But as the Gould report says, a major initiative now needs to be undertaken with greater priority. A further clear lesson from Scotland is that a more thorough process of consulting practitioners and modelling processes must be part of any legislative effort – whether consolidation or reform.

2. We are also firmly of the view that consolidation is only a beginning, and that rationalisation and possible simplification must also be considered.

Throughout this report, we have pointed to problems that have arisen because the passing of electoral legislation has been unduly delayed. To avoid these problems, we would recommend a practice found in the electoral laws in other countries. These laws provide that electoral legislation cannot be applied to any election held within six months of the new provision coming into force. If, as proposed, a Chief Returning Officer (CRO) is appointed for Scotland, a clause might be added to the provision permitting the time period to be waived by the CRO following an assessment of the legislation’s operational impact.

3. Since 2004 the Commission has consistently expressed concern about the problems caused by the late passage of primary and secondary electoral legislation. We agree that a ‘cut off’ provision should be introduced as the Gould report recommends.

4. We also agree that this ‘cut-off’ should be subject to provisions allowing for an agreed process whereby late legislation with little administrative impact can be implemented within the six month period, where absolutely necessary and in the interests of the voter.

5. Any expert input into the legislation, as well as the operational assessment, must be given in a transparent manner.

Holding different elections on the same day

We are convinced that combined elections are not only a disservice to the local councils and candidates but also to the electorate as well. Therefore, we recommend separating the Scottish parliamentary and local government elections, preferably by a period of about two years.

6. The Gould report has carefully weighed the arguments for and against combination, from the perspective of what it means for the voter. On balance, Gould recommends against holding elections on the same day – a finding particularly directed at the situation in Scotland, with elections using two different electoral systems, and different ballot paper marking requirements.

7. We agree that in the Scottish context, early consideration should be given to the timing of the next Scottish Parliamentary and Scottish local government elections, with a view to ‘decombining’ them.

8. Meanwhile, we urge governments across the UK to begin any consideration of combining elections (or referendums with elections) by
considering the interests of the electorate – this is the approach the Commission will certainly take. At present, there is not enough evidence to say with certainty that combination is always in the best interests of electors, nor is it possible to say it is never in their best interests. At the same time, there is some evidence that combination can lead not only to confusion among electors as to how to mark their ballot paper correctly, but also to confusion as to which institutions electors are voting for. This suggests that combination may pose difficulties not only for electors, but also for parties, candidates or the institutions being elected.

9. Although combination is increasingly a part of the UK electoral landscape, there is no thorough understanding of the effect of combination on the electorate – either in regard to marking their ballot papers or in regard to their appreciation and understanding of the role of different elected institutions.

10. We therefore propose that a comprehensive research study should be undertaken into these matters, research that includes consideration of the different types of combination that can occur anywhere in the UK – we estimate that almost 100 different types of combination could occur. The Government should undertake this research as a matter of urgency.

11. It is also the case that elections can be held on the same day without all processes being combined, as was the case with the 1999 Scottish Parliamentary and local government elections. However, the concerns raised above about combined elections would also arise with simultaneous elections, so the research programme must consider ‘simultaneous’ elections as well.

12. We would also like to see a commitment from governments across the UK to review the legislative rules for combination, so that where combined elections are pursued the rules are both clear and flexible, again allowing for voters’ interests to take precedence. In particular, principles and processes for the combination of postal voting and the taking of the poll merit careful scrutiny.
Establish a Chief Returning Officer (CRO) for Scotland: The CRO would be responsible for issuing directions, coordinating and overseeing all aspects of the electoral processes for the Scottish parliamentary and local government elections where consistency or centralisation of Returning Officer responsibilities arise, such as in the areas of electronic counting, criteria for ballot paper rejection and other areas which have been discussed throughout the report.

Professionalise Returning Officer positions in each [constituency]: Returning Officer positions would be ‘permanent’ from the day the election is called to a defined period following the election. Their selection (and the selection of their Deputies) would be in accordance with standards and criteria established by the CRO in consultation with existing Returning Officers. We would also recommend combining the present positions of Regional, Constituency and local Returning Officers with the new Returning Officer position, as applicable, and consider what other election-related responsibilities could fit within the Returning Officer’s portfolio, such as that of voter registration.

Rationalise the role of the Electoral Commission and other stakeholders in relation to the proposed Chief Returning Officer for Scotland: We recommend that a process be put in place to assess the relationship of the CRO with the Ministers’ offices in the UK and Scottish parliaments. As indicated earlier, the goals should not be to remove the input of political parties into the electoral process, but to distance the potential for political party interests to unduly influence how elections are implemented. We believe that the Electoral Commission, in supporting and enhancing understanding and bringing consistency of administration to the 32 Returning Officers, other stakeholders and the electoral process as a whole, played a role which could be assumed in future by the proposed Chief Returning Officer.

If the recommendation to create the position of Chief Returning Officer for Scotland is accepted, it would be our recommendation that all operational roles, including those mentioned above, become the responsibility of the CRO, with the Electoral Commission continuing to carry out its advisory role – offering the CRO guidance on accepted policies, practices and standards – while conducting rigorous post-election audits on specific elections, identifying problems and offering options by which stakeholders can improve electoral processes in Scotland in the future.

It is recommended that the proposed Chief Returning Officer develop standard selection criteria and training programmes for [information officers].

Having assessed the manner by which public information was disseminated for the 2007 Scottish parliamentary and local government
13. These recommendations have far reaching implications for electoral administration both in Scotland and across the UK. The key issues raised in the Gould report – independence, accountability and voter focus – have not all been examined in the context of other UK elections. They arise beyond as well as in Scotland, and should not remain unaddressed.

14. Given the importance of these matters, there has been early comment on whether the recommendations could be implemented before the next scheduled Scottish Parliamentary or local elections. Should there be a wish to proceed to swiftly consider or implement the options for the structure of electoral administration in Scotland that the Gould report sets out, further thought should be given before doing so to:

- the effect of any changes on the conduct of UK and European Parliamentary elections in Scotland
- the need for any change to the current arrangements for electoral registration in Scotland, given that the report does not raise concerns about these arrangements
- the need to combine the Scottish Parliamentary and Local Government Returning Officer roles, if a decision is taken to move away from combined elections as recommended in the report
- the workability of the proposed changes to the status of individual Returning Officers
- any difficulties that would be faced for UK and European Parliamentary elections in Scotland if the Commission’s role as party registrar did not cover all elections, and any implications for the political finance system which the Commission oversees
- the cost effectiveness of a Chief Returning Officer conducting public information for some but not all elections in Scotland while the Commission continues its role in relation to UK and European Parliamentary elections and with respect to electoral registration
- what needs the Chief Returning Officer will have as regards staff, budget and other resources, and a more detailed consideration of how such an officer would improve the level of professionalism among Returning Officers
- how the Chief Returning Officer would operate, and most importantly be accountable, in the context of whatever decisions may be taken about the report’s recommendations on jurisdiction
- the fact that the Commission’s role in respect of Scottish local government elections is different from its role in respect of all other elections in Scotland

15. The Commission’s view is that the current arrangements for electoral administration across the UK are no longer capable of delivering elections in a
consistent and equitable fashion, as many of the issues examined by Gould apply not just in Scotland but in the rest of the UK as well. The diversity of electoral administration structures, and the disparity in their resources and accountability must be addressed. Although recent procedural change illustrates the dangers of the current fragmented arrangements, the situation has existed for some time. What is now notable is both the degree of inconsistency inherent in the system and the growing calls – from parties, candidates, and electoral officers themselves – for more reliability across the UK.

16. It is now time for a wide ranging examination of electoral administration to be held encompassing the recommendations of the Gould report, the applicability of these recommendations to other parts of the UK, and the views of the Committee in Standards in Public Life relating to regional electoral officers for Great Britain and the Government’s recent response to these proposals.¹

17. The Commission intends to undertake an examination of electoral administration structures across the UK, rather than considering Scotland in isolation, or considering some Scottish elections but not all as needing changed arrangements. It is our view that this matter is urgent, and must proceed immediately.

18. The examination will consider the arrangements already in place across the UK, as well as those suggested in the Gould report. There are also a range of international models for co-ordinating and delivering electoral services. These models range from single office holders with national responsibility for elections and electoral registration, through multi-member commissions with similar roles, to the Western European model of limited central input into electoral administration.

19. The examination should, however, focus on the principles of electoral administration, rather than existing bodies or organisations. This could mean starting with a discussion of applicable international norms and reports, if helpful. As an example, in 1996,² an international discussion on good electoral administration practice found that electoral administration should demonstrate respect for the law; be non-partisan and neutral; be transparent; be accurate and be designed to serve the voters. The examination will look at what this would mean in the UK context, and how this could be delivered, equally and consistently, across the UK.

20. The Commission will contribute our expertise, and our views, but we will rely heavily on informed and enthusiastic participation from governments across the UK, political parties, candidates and agents, Returning Officers and Electoral Registration Officers and their staff, and groups across civil society, including those who are able to represent electors. We will aim to focus on both a set of principles that enjoy wide stakeholder support and an

assessment of how various models of administration will succeed against these principles, and to report the initial conclusions of the examination by the middle of 2008.

Coordination and planning

To ensure effective and comprehensive election planning in the future, we would recommend that a future Elections Steering Group be strengthened and tasked with the function of providing integrated election plans and timetables.

The Elections Steering Group would be formed and function not only when an election was called but at any time new approaches or systems are proposed. Its mandate would be to develop and integrate timelines and milestones relating to all activities and ensure that adequate testing is conducted before any change is applied to an electoral process. Once an election was called, the Steering Group would be charged with putting together an electoral calendar which would incorporate legislation deadlines with operational ones. …. Inseparable from this initiative is the development of contingency plans related to every major milestone in the planning process. We recommend that the Steering Group be charged with the development of contingency plans directly related to the timelines in the electoral calendar.

21. The Gould report is right to reflect on the need for structured, expert consultation on the review and reform of electoral processes. This is managed differently across the UK at present, with the steering group model only one of several options. How best to achieve this across the UK will be a key discussion in our examination of electoral administration structures. What is obvious is that successful elections are those where a range of stakeholders are able to give meaningful input into plans and processes at a suitable stage.

Public information

22. The Gould report recommends that public information responsibilities could perhaps be transferred to the proposed Chief Returning Officer. The proper body for the conduct of public information work will be a subject for the examination described above – public information is a vital part of the administration of modern elections, and should not be considered an afterthought or adjunct. It is clear however, that electors would be ill served by fragmentation of public awareness activities, which would also lose the benefits of scale and result in cost increases.

23. The Gould findings, in fact, point clearly to the responsibility for public information needing to rest with the body responsible for the conduct of the elections, and accordingly this will be considered as part of the examination described above. Key examples – the need to communicate late changes in ballot paper design; the necessity of a coordinated message, from television advertising right through to staff in polling stations, and the reliance on mandatory information notices – all point to closer integration between public
information and electoral management functions. This is achieved not just by having both functions performed by one body, but by integrated planning and delivery of an entire election (or referendum).

24. The points made throughout the Gould report about the large number of bodies involved also apply to the public information campaign. Any consideration of jurisdiction over Scottish elections must consider where public information functions can be most appropriately and efficiently undertaken; this is important even if the two elections are not combined.

25. The Gould report also raises important issues around the reliance on formal documents to provide important messages to electors. It is of course important that materials such as poll cards and polling station notices are consistent across an election. However, as the analysis in the report shows, much can be done to make these materials more user-friendly and accessible. Documents contained in legislation do not need to rely on legislative language.

26. The Commission fully accepts that the timing of the tracking research meant it did not yield the expected analysis. We have already reframed our plans for 2008 to reflect this learning.

27. The Commission also notes the concerns raised with regard to whether the public information campaign reached all potential electors. We continue to conduct research to identify whether the barriers to participation are motivational or structural and will consider the points raised when designing our next research.

28. The Commission agrees with the Gould report that more information is required when elections with different ballot paper marking systems are combined or held at the same time. As noted above, combination should only be considered if there are positive benefits for the elector; when ballot papers are marked differently this could be especially difficult to establish.

**Ballot paper issues**

We would recommend that the strengthened Elections Steering Group, working closely with Returning Officers, examine a number of options (to be put forward by the Chief Returning Officer) related to the ballot papers used for the Scottish parliamentary and local government elections. These could include, but not be limited to: the design of ballot papers; the need for comprehensive testing to be conducted; establishment of contingency plans; evaluation of the ballot paper production; the integration of postal ballot packs; ways to enhance ballot secrecy; and other related matters.

29. It is essential that there should be a formal consultation process along these lines in future, and that intensive work should be carried out to inform future ballot paper design, whatever the structural arrangements in future, and wherever in the UK the election is to take place. This work should also
consider related electoral materials such as postal voting statements and postal ballot pack components, both for design integrity and in order to ensure a consistent fit and feel of the materials.

30. Without prejudice to the outcome of the wider examination of future arrangements for electoral management across the UK, the Commission will publish a plan for the development of a set of UK-wide standards on the accessibility, design and usability of ballot papers and associated stationery by 30 September 2008. It would be expected that in demonstrating how such standards are achieved, user testing and research would be required. The Commission would then test any draft legislation presented to it against these standards.

31. These standards would also provide a more certain framework for Returning Officers in selecting and managing their suppliers, as the parameters within which ballot paper designs must fall will be available to all. These standards should also produce more consistency in ballot paper production, removing the need for any local deviations from what is actually a closely prescribed form.

We recommend that the interests of voters would be best served by printing the regional ballot paper on a separate sheet from the constituency ballot paper, regardless of whether future elections are separate from or combined with local government elections.

32. The Commission agrees with this recommendation, and would support this approach unless and until the research described above indicates otherwise. We would of course examine this issue in setting any standards for ballot paper design, along with evidence from other Additional Member System elections in the UK and internationally. Until evidence suggested otherwise, we do not support the use of combined ballot sheets at any UK election. If a future move to combined ballot sheets was required, further design standards would need to be developed, and could include the issue of party order on both columns of the sheet.

It is our recommendation that legislation is amended to require that registered names of political parties (rather than their descriptions) appear first on all regional ballot papers for the Scottish parliamentary elections.

33. The Commission has committed to considering the registration of party descriptions further on a UK-wide basis, in consultation with political parties and other interested bodies; we intend to conclude this consultation by the end of January 2008. We will include this point in that work, as it must be absolutely clear that voters are in no doubt as to which party they are voting for.

34. The Gould report also reflects on the allocation of descriptions between UK-wide political parties and those that only contest elections in one part of the UK, and we are considering this issue as well.
35. Legislative changes are likely to be required before any changes that the Commission recommends can be put into effect.

To provide equitable opportunity to all political parties and candidates to access favourable positions on the ballot paper, we also recommend that a public lottery be held to determine ballot paper positioning.

36. The Commission would support a decision by government to consider this idea further in light of the multiplicity of electoral systems now in use across the UK.

We would recommend that the legislation permit access to the face of electronic images of the rejected ballot papers as authorised by the Electoral Commission, the Chief Returning Officer or other appropriate body. The face of the electronic images of the rejected ballot papers does not violate the secrecy of the vote. As access to the physical ballot papers does have the potential to violate the secrecy of the vote, the present legislative restrictions should continue to apply.

37. The Commission believes that there should be discussions among interested parties before any move to legislate on this issue.

38. The Commission was grateful to both the Secretary of State and the First Minister for making the required legislation in 2007 to allow the Scottish Elections Review team access to ballot images. However, our comments on the Order drafted to permit access to the Scottish Parliamentary ballot papers made clear our concern at the open ended nature of the Order and highlighted the need for this issue to be considered openly, and in respect of all elections in the UK.

39. We would be happy to support such a debate, and would hope that it could include consideration of the provisions of the Representation of the People Act 1983 that permit the House of Commons to grant access to ballot papers used in House of Commons elections.

40. In all discussions, the need to maintain the secrecy of the vote should be balanced against the benefits of any such scrutiny, and the necessary controls should be carefully designed. The advent of electronic records and the related ease of making copies of ballot paper images could conflict with current law on access to sensitive electoral documents and this should be given the utmost consideration.

We recommend consideration of options such as returning to folded ballot papers as in the past (or providing folders to voters if folding them is not an option) as well as the active involvement of political parties and candidates along with electoral officials in the sealing of ballot boxes and recording of seal numbers for later checking.

41. The Commission shares the report’s concerns that secrecy may not be best maintained when ballot papers cannot be folded, and will include
consideration of the options in the Gould report in developing standards for ballot paper design.

42. We also agree that parties and candidates may need to be reminded of their rights in regard to the sealing of ballot boxes and provisions for noting serial numbers and/or adding their own seals to ballot boxes.

Postal voting

[There should be] a review by the proposed Elections Steering Committee of postal voting issues, keeping in mind the need to involve Returning Officers.

43. The postal voting process is Scotland is about to change with the introduction of personal identifiers for absent voting. We are working with the Scotland Office and the Scottish Government to ensure that this process is well supported, and that learning from England and Wales is shared with Scottish colleagues. To this end we will reiterate for Scottish colleagues the key learning of our three 2007 England and Wales reports as they apply to postal voting and, if necessary, revise our already comprehensive guidance on the procurement and management of contractors. We will also ensure that lessons from the Gould report are included in guidance and training on this issue.

44. It is clear from the Gould report and our own activities in Scotland that more work needs to be done to embed key learning on managing postal voting activities. We have consistently provided information and advice on these issues, and will actively review our approach to ensuring that Returning Officers and Electoral Registration Officers are:

- informed of their statutory duties and the often exacting requirements of electoral legislation
- encouraged to develop better relationships with electoral suppliers, including proper and documented procurement processes, more quality assurance tests and key decision making agreements
- helped to support the postal voting process through proactive public information campaigns at the local level

The present provisions concerning the postal vote do not provide sufficient time for printing the ballot papers following close of nominations for voters to be assured they will receive their ballot papers early enough to be able to return them or, in some cases, before they have to leave the constituency. We would recommend amending the existing legislation to provide for the close of nominations on the 23rd day (instead of the 16th day) before polling day. In addition, for reasons similar to those described above, the legislation might be amended to set the final day for postal voting applications to an earlier day, as the present deadline can mislead voters into assuming they will receive their postal ballot packs in time to return them before the deadline, which has not always been the case.
45. The Commission has previously recommended a standard 25-day timetable for elections. We note that the proposed timetable for the Greater London elections is 30 days. The Commission is currently re-examining the 25 day proposal, to ensure that new procedures and processes introduced since 2003 can be safely accommodated, and we will report on this re-examination by 31 March 2008. The Ministry of Justice agreed to consult on the issue of the election timetable in the response to the Commission’s report on the Blaenau Gwent dual by-elections in 2006, and we are happy to contribute further to this important work.

We recommend that consideration be given to other advance voting strategies similar to those found in other countries, such as Canada and Sweden, to supplement a postal voting approach. Such strategies include voting in the Office of the Returning Officer from the time ballot papers are printed up until a day or two before the election and/or holding one or more advance polls in a number of convenient locations in each constituency on one or more days prior to polling day.

With the aim of reducing stress on the system for electoral administration, we would recommend that careful consideration be given to readying returned postal ballot papers in advance; advance voting at the Office of the Returning Officer and via advance polls (and potentially even counting) before polling day to the greatest extent possible.

46. The Commission has evaluated 28 pilots of ‘early voting’ in English local authorities since 2002, and 15 were held in 2000; and in 2007 concluded advance voting was well implemented but actual take-up by the electorate was low. With this in mind, and the fact that there were few new lessons learnt, the Commission recommended that the Government come to a decision on whether advance voting should be introduced.

47. We recommend that the Government consult on the provision of advance voting facilities at all statutory elections in the UK, with a view to early legislation. Such advance voting should be by normal polling, and not require additional declarations or processes. It should be made available at the office of the Returning Officer and at any other appropriate venue in the electoral area between 1 and 7 days before the close of the poll.

48. While we remain very supportive of Returning Officers completing as many of the possible pre-count processes for postal votes as possible, we do not support any counting of votes (including the scanning of ballot papers into e-counting systems) before the close of the poll. Such a move would be against the UK’s strong tradition of all votes remaining sealed until the close of the poll, which has been effective in ensuring that all electors’ choices are kept secret and that elections are not unfairly influenced by early voting trends; such a move should not be made lightly or for administrative convenience.
Counting procedures

We recommend that if the polls continue to close at 10:00pm, there should be no overnight count of the ballot papers.

49. The Commission continues to believe, as we recommended in January 2006, that overnight counting for combined Scottish Parliamentary and local government elections was unwise. In Scotland the commencement of the count is at the discretion of Returning Officers under current legislation and we believe it should remain so. However, we remain clear that the goal for election counts is an accurate and acceptable result, rather than a fast one. We also see merit in some reconsideration of counting procedures – the Gould report’s suggestion that postal and polling station ballot papers need no longer be mixed is sensible – now that postal voting accounts for around 12% of votes and so secrecy is not jeopardised if mixing is removed.

We recommend that the proposed review of existing legislation must ensure that electronic counting technology is properly integrated into the electoral process. On an operational level we recommend that the Chief Returning Officer examine how best to achieve this, especially as it relates to postal ballot pack design and contingency planning.

50. The Commission supports this recommendation, and stands ready to support such a review, which should be undertaken by government. We have continually pointed out that efforts to graft 21st century technology onto 19th century legislation does not work. The nature of the challenge that the introduction of technology poses to the UK’s electoral norms and practices has been underestimated in the past and can not be ignored any longer.

We recommend that electronic counting continue for future combined parliamentary and local government elections or local government elections alone when the STV system is being used.

51. In August 2007 the Commission made recommendations to the UK Government following our evaluation of e-counting pilots in May 2007 and commented on the draft rules for the Greater London Authority. We were clear that any further e-counting plans needed to take full account of substantial testing and consider whether sufficient time had been allowed for the full development of the project, including time for expert subject matter input from electoral professionals. However, this is no longer sufficient.

52. Noting that rules will be laid imminently that require the use of e-counting for the London elections on 1 May 2008, we accept that it is now too late to revert to planning and executing a manual count for those elections. We recommend, however, that e-counting should not be made available at any further UK statutory elections – even as a pilot – until:

- the Government undertakes and publishes a cost-benefit analysis for the use of electronic counting, and consults widely on the findings
• the Government consults on and finalises an implementation strategy for electronic counting, setting clear milestones for establishing procedures for testing, security, and stakeholder assurance

• the Government produces an analysis of the modifications required to electoral law to allow for electronic counting to be undertaken with all the transparency and safeguards currently in place for manual counting, including those for adjudicating and rejecting ballot papers and consults widely on the necessary amendments to legislation; the Commission can no longer support the ‘patchwork’ approach to e-counting legislative development

• the Commission is able to produce comprehensive best practice guidance on the management of electronic counting processes, including risk assessment, contingency planning, preparation of manual backups and a design for elector and stakeholder consultation

• the Government makes the necessary amendments to section 6A-6F of the Political Parties, Elections and Referendums Act 2000, to guarantee full access to all relevant parts of any e-counting system or process

53. We do not underestimate the timescale involved in this work. The Government should move swiftly to ensure it is completed by the end of 2009.

54. We would also expect to see evidence of a standard testing profile that covers the scenarios set out in the Gould report’s analysis as well as the basic requirements set out in Commission reports since 2003.

55. As the London elections will proceed with e-counting, we will write to the Greater London Returning Officer to make clear the Commission’s areas of concern; and we will pay particular attention to these issues in our evaluation of the London elections.

We recommend that at the next election to use electronic counting, all doubtful ballot papers should be adjudicated by Returning Officers’ staff, with no auto adjudication. All ballot papers should be assessed using a guidance booklet developed by the Chief Returning Officer similar to the one used for the 3rd May 2007 elections. We would also recommend that each example of a rejected ballot paper would have its own special code. The applicable code would be entered on each ballot that was rejected.

56. This recommendation means that all ballot papers that may be rejected should be subject to human adjudication (many rejected ballot papers are not ‘doubtful’ in that they are clearly blank). We agree that no automatic rejection should be allowed in legislative rules for electronic counting, and will urge the Greater London Returning Officer to include human adjudication of all potentially rejected ballot papers in the process for 2008. This provides for candidates and agents to fully exercise their rights to inspect and object to the rejection of a ballot paper.
57. As part of the work taking forward our recommendations in paragraph 52, the Government should also consider whether e-counting rules should mandate that ballot papers themselves should be made available for adjudication when e-counting, in addition to the ballot paper images.

58. We agree that common guidance products increase consistency of adjudication; we are working with the Greater London Returning Officer to produce such a product for London 2008; the Greater London Returning Officer is empowered to direct that its contents be followed and we will urge him to do so. We can see the merit in the use of a code and will discuss this with the Greater London Returning Officer; its longer term use should be considered in the e-counting strategy recommended above.

We strongly recommend against introducing electronic voting for the 2011 elections, until the electronic counting problems that were evidenced during the 2007 elections are resolved.

59. The Commission supports this recommendation, which is fully in keeping with our findings following the 2007 pilot schemes.

Jurisdictional issues

As long as the responsibilities for the decisions which have an impact on the Scottish parliamentary and local government elections are divided between the Scotland Office and the Scottish Government, it cannot be guaranteed that these electoral processes will be conducted effectively, due to the fragmentation of the legislation and decision-making in this context. As a result, we would recommend that exploratory discussions take place with a view toward assigning responsibility for both elections to one jurisdictional entity. In our view, the Scottish Government would be the logical institution.

60. We agree that the number of bodies with a direct interest in the administration of elections should be reduced, and see the merit in such a proposal, given the issues faced in 2007. However, consideration must also be given to the conduct in Scotland of UK and European Parliamentary elections, electoral registration, and any future referendums, in assessing the full implications of this recommendation. These structural questions could usefully be considered in the context of the examination that the Commission proposes to lead on the arrangements for running elections.

The Electoral Commission
29 November 2007