

Local
Governance
Review

Democracy Matters

Your Community. Your Ideas. Your Future

Democracy Matters Phase 2

Democracy

[dih-mok-ruh-see]

government by the people; a form of government in which the supreme power is vested in the people and exercised directly by them or by their elected agents under a free electoral system.

Matters

[mat-ers]

a situation, state, affair, or business something of consequence.

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The Journey So Far

Somebody, somewhere is making decisions on your behalf. Democracy Matters conversations have already started to explore whether far more of these decisions could be made by communities themselves. This is a key and connected part of the wider Local Governance Review which is looking across all of Scotland's vital public services to consider how power and resources should be shared between national and local government.

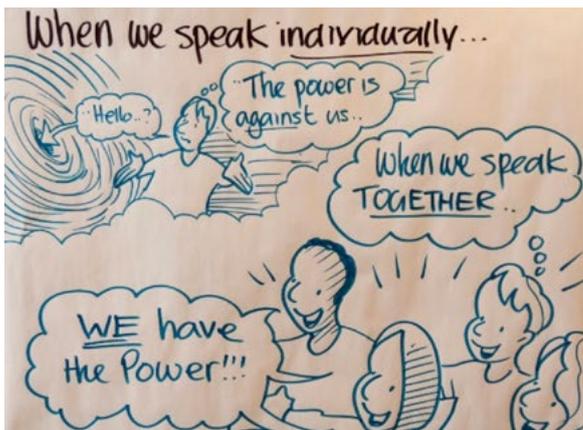
More than 4,000 people took part in the first phase of Democracy Matters conversations in hundreds of locations. People came together in their communities of place and interest to consider a small number of broad questions:

- About their experience of getting involved in local decision-making processes.
- Whether they would like their community to have more control over some decisions, and what these might cover.
- The different types and sizes of communities that would make most sense when taking decisions about their future.
- The structures and processes that would allow for power to be exercised by communities.

What people have told us so far about their desire for much greater control over what happens in the places they know best creates an exciting opportunity to promote what could be the biggest transformation to democracy since devolution.

Scotland's public sector leaders have also been contributing their ideas for changes to the way powers, resources and responsibilities are shared between national and local government, the wider public sector, and with communities. The Scottish Government and local government are committed to the principle of subsidiarity and local self-determination.

When considering how Scotland is governed it is important to understand where different decisions are best taken, and to make sure that community, local, regional and national spheres of governance come together in ways that are mutually supportive.



The following section is for information only: it describes what the process which had to be postponed due to COVID-19 would have looked like.

Helping to imagine a different democratic future

People from a wide range of backgrounds are clear that different places and diverse communities work best when they have local control over, and are involved in, decisions that affect them most. Transformative change to how Scotland is governed is needed if people are to feel a greater sense of agency in shaping the future of the place they know best. If we get this change right, the outcome will be a new and enhanced relationship between people and their public services.

Democracy Matters conversations started to provide an outline of the type of local democratic systems and institutions required to place power and resources in local people's hands. This followed the *Commission on Strengthening Local Democracy*¹ which made the case for a more empowered local government and smaller, more local, units of democracy. It also sits alongside the experience of participatory processes such as Citizens' Assemblies and Participatory Budgeting which are also pointing to the possibility of a different democratic life in Scotland. How to make sure these processes welcome people from all backgrounds and experiences is a vital part of the learning to date.

In developing this paper to support the second phase of conversations, we have drawn on these ideas and experiences to describe a vibrant, equal system of local democracy where people understand their rights and actively participate in civic life. By also building on the many current examples of where community-led activity is working well, we describe how communities in three fictitious places could apply new legal rights and duties to establish new community governance arrangements in order to start taking decisions which can deliver better outcomes for local people.

While it is right that communities themselves decide how local democracy should work, we know it is not easy to imagine a different kind of future. At the end of this paper you will also find real-life examples of community-led action and some of the benefits this brings. You may find it helpful to consider if the new arrangements in the three fictitious places would make this type of activity easier through a transfer of power and resources.

What we are asking people to do

We are now asking people across Scotland to have conversations in their communities based on the new Democracy Matters material. We want you to reflect on the ideas that we set out in the scenario below, and tell us whether these are the kinds of governance arrangements that could meet the needs and aspirations of your communities.

1 https://www.cosla.gov.uk/_data/assets/pdf_file/0016/18052/thecommissiononstrengtheninglocaldemocracyfinalreportaugust2014.pdf

This next phase of Democracy Matters conversations provides another opportunity for as many voices as possible to be heard and help to shape future arrangements. Whether your community is defined by geography, by a shared interest, or by both, we would love for you to join the conversation.

How we will act on what you tell us

What people tell us will involve considering if some decisions about a wide range of Scotland's vital public services that are currently the responsibility of either national or local government should be taken closer to the people they most affect. This will guide the work which Scottish Government, local government, public sector partners, and the community sector will need to do together to design in detail how the new arrangements could be made to work in practice in diverse community settings.

An ambitious approach to changing how powers and resources are shared will be

complex. People told us we should continue to work with them, and take the necessary time to get it right. First, we must be sure future arrangements respond to people's desire for all communities to have the right to take real power into their own hands, but to be able to do this their own way and at their own pace. Second, we must be sure these arrangements are set up in a way that will benefit everyone, particularly those who experience negative outcomes under current decision-making arrangements.

To provide that reassurance, a further stage of deliberation will follow the Democracy Matters conversations. This will involve people being invited to come together in different places to consider future arrangements set out in detail. This could take the form of Citizen's Juries, comprising randomly selected people who are representative of an area. Juries would be supported to explore detailed proposals in-depth and make recommendations for final improvements.

A Different Democratic Future

Using what people told us during the first phase of Democracy Matters conversations as a guide, we have described how power and resources could be shared with communities. We have used three fictional communities to explain how this could work in very different places.

We hope that you can see some of where you live in at least one of these fictional communities. Please consider the possible future scenario below, and explore whether and how this type of democratic future would make a difference in your own community.

Christietown is a small town in the west of Scotland. It was once prosperous but has suffered from industrial decline. Locals describe a vibrant past with many skilled workers but worry about how to respond to current economic and social challenges. A new state-of-the-art sports centre has recently opened, and council initiatives such as apprenticeship schemes and digital skills are building people's confidence. However, people report wanting a different approach to tackling inequalities in the town and to be more involved in helping it to thrive once again. This process has already been kick-started by the local community-based housing association and a new development trust which has taken over control of the local community centre.

Fernshill is a neighbourhood in a city. It has a strong identity and it was once a separate village. With its own main shopping street it used to have a cinema and theatre. It still has a library and schools which serve an increasingly diverse population. Recently

there has been a surge in community groups being set up, partly due to a successful Participatory Budgeting process taking place. There is a group which is looking to improve the local park and groups supporting young people, older people, refugees and disabled people. A major multinational firm is currently renovating an old factory in the neighbourhood to establish a service centre, bringing the promise of welcome, well-paid jobs which will benefit the whole city.

The Haven is an area in rural Scotland. Nobody knows where the name came from, but everybody knows the area by that name. It is a mix of agricultural land and high moorland. There is one main village in the Haven and several smaller villages and hamlets. Fewer people work on the local farms, shops and hotels now and there is pressure on housing for young people. But there has been a growth in self-employment start-ups and outdoor-related tourism. The population in the Haven is ageing as it is a struggle to keep young people in the area after college and university. The area receives community benefit money from a nearby wind farm and the local Community Council sometimes is unsure how to give the money out to the community in a way that they feel will make the most positive difference.

Recently, people took part in democratic exercises in Christietown, Fernshill and The Haven which resulted in the biggest power shift in a generation or more. New decision-making bodies now meet regularly in each place to discuss progress on improving where they live for everybody. What follows describes how each place is choosing to use their new rights.

Powers

In the first phase of Democracy Matters, people told us they wanted to see a real shift in power in favour of communities. This should provide autonomy to make improvements and reimagine how a range of public services work in their area.

When deciding to establish new community decision-making bodies, each of the three communities also had to decide what these should do. A new legal framework had created a number of powers which these new bodies had the right to take on, including:

- A general power which allows the community to act – this is designed to support creative responses to local issues which other parts of government might find difficult to do. Funding is key and can be raised locally or secured through agreement with public sector partners.
- Specific powers to take over decision-making responsibility for a range of functions where equality duties can also be met. Examples of this might include, but are not restricted to, taking control over, recycling, management of green spaces, the design of employability programmes, and out of hours health services.
- Power to direct associated budgets. Fernhill has protected funding for a number of local community organisations. Christietown recently redirected part of the mental health budget to better target children and adolescents.

- Power to employ staff to undertake administrative and specialist roles, such as community development. The Haven shares a community clerk with a neighbouring area, who manages service contracts and organises annual community events to discuss progress on community plans.
- Power to enter into collaborative arrangements with neighbouring communities to take over services where economies of scale can be achieved. Christietown is already in discussions with Preventionburgh next door about pooling resources to take on additional powers and budgets over areas of public health.

Q1. How could your community use these types of powers to achieve its ambitions, now and into the future?

Q2. What other powers should be added, and are there some which should be retained by existing decision-makers?

Representation

In the first phase of Democracy Matters, people told us they value representative democracy but also want to see a more diverse set of people in decision-making roles.

The new community decision-making bodies are half, directly elected and half, selected by different methods. Those who are directly elected include local councillors. The other selection methods used are very deliberately constructed to ensure diversity of age and gender and include voices that are seldom heard in decision-making processes or for whom public services too often fail to meet their needs.

Q3. When thinking about who might be part of new decision-making bodies, what are the best ways to ensure they truly reflect their communities and enhance equality?

Q4. Thinking about your own community, what groups would you like to see represented through other selection methods, and what should these methods be?

Q5. What would the role of local elected representatives be, and what would incentivise other people to take on/be part of decision-making?



People often told us that they enjoyed the experience of coming together in their communities to discuss how decisions about their future should be taken.

Accountability and Participation

In the first phase of Democracy Matters, people told us that decision-makers must involve the community and be accountable to them for the difference made with the total resource available.

New decision-making bodies are fully accountable to their community. The two come together at annual community events to discuss progress made on local priorities. Community events have a gala day feel to them while also offering everyone the same opportunity to have their voice heard about what the new decision-making bodies should do next. The emphasis is on inclusive respectful dialogue and purposeful deliberation.

Fernshill has been experimenting with a digital platform which is open to the whole community and provides information on progress, along with online voting, to inform future priority setting. Christietown is currently working with the community to agree whether to take on a further set of powers. This has involved asking whether current accountability mechanisms should be strengthened to reflect the proposed increase in responsibility.

Q6. What do you think are the best ways to ensure new decision-making bodies are accountable to their community?

Q7. Are community events a good way to involve local people in scrutinising progress and setting future direction?

Q8. What other mechanisms would help achieve high levels of community participation in local decision-making processes?



Setting Local Boundaries and Priorities

In the first phase of Democracy Matters, people told us that setting boundaries and setting priorities are interrelated and that communities should be helped to decide these for themselves.

Each community identified a “natural” and “publicly recognised” physical boundary through a highly participative process. Once boundaries had been agreed, the communities received public and third sector support to develop a multi-year community action plan. An initial Citizens’ Assembly in the community gave the people of Christietown the time and space to agree together the overall approach to transforming their community. Extensive community engagement in Fernshill and The Haven informed community action plans. The plan for each place included the suite of powers each community wanted in order to help achieve their vision. A process similar to Community Right to Buy² land was then used to test whether people wanted to establish new decision-making bodies in order to implement their plans.

Q9. What else should this process include to provide new community decision-making bodies with a strong locally agreed mandate?

Q10. Are there ways to ensure new bodies are still wanted – for example by making them time-bound and subject to renewal ballots?



2 This term is explained in the glossary

Standards, Resources and Relationships

In the first phase of Democracy Matters, people told us that new arrangements must be resourced, integrated with existing democratic decision-making structures, and take account of everyone's needs.

Arrangements for new decision-making bodies are decided by the community so vary from place to place. The streamlined process to set them up provides enough flexibility to ensure they can work well in any geography, from remote rural communities through to innercities. Those communities which decide to go down this route determine their own level of ambition. However, all are required to adhere to a clear set of standards. These are set out in a new legal framework, and place an emphasis on democratic legitimacy, accessibility, human rights, creativity, and impact.

The creation of new decision-making bodies cannot be an end in itself. New decision-making decision-making bodies must be resourced and able to work constructively with the local community, the communities of interest that are found within every place, and local public services. A Community Charter – also set out in legislation – provides clarity on these relationships and covers the following issues:

- Funding arrangements which might include any money raised through taxation being matched by national or local government. Incentives might be created for the most deprived areas by offering more generous terms.

- A framework for calculating budgets when new decision-making bodies take on responsibility for functions.
- Support for new decision-making bodies to involve the community. This will involve a focus on strengthening human rights through an equal opportunity to participate, and will recognise the structural barriers to participation faced by some groups such as disabled people.
- An approach to community participation which also involves the use of innovative techniques such as digital platforms to extend reach, or Citizens' Juries to deliberate where there is disagreement.
- What specialist advice public sector partners will provide to the community bodies on matters such as HR, procurement, legal or financial matters.
- Light-touch regulation, including arrangements for regulatory intervention if corruption or conflict arises.

Q11. How do you think community decision-making bodies should be resourced?

Q.12. Are these the right set of standards to provide reassurance that new community decision-making bodies will be effective and treat everyone with dignity and respect?

Q13. How could a charter be designed to best ensure a positive relationship between community decision-makers and their partners in national and local government and the wider public sector?

Nurturing Community Capacities

In the first phase of Democracy Matters, people told us that communities should be able to move at their own pace, and that they will need tailored support.

The three communities have worked closely with local staff from public sector organisations to agree how to deliver the priorities identified in their action plans. The budgets at their disposal bring with them staff time, skills, knowledge and networks. Increasingly, job profiles within local public sector organisations are changing to more fully reflect community aspirations.

The capabilities and culture of local public sector institutions have been key to new arrangements delivering community expectations. Local public sector workers were supported through a programme of capacity building. This included discussions between councillors and local media to help create space for community experimentation and risk taking. It is acknowledged that some new approaches won't work as intended but a focus on learning rather than blame drives continuous improvement.

The creation of new decision-making bodies has introduced a new system of democratic local government at community level in places like Christietown, Fernshill, and The Haven. Targeted peer learning and support for new community decision-makers and their staff, based on Scotland's Community Learning Exchange³, has been popular and

highly effective. Existing councils are also helping to nurture new arrangements in their area and taking on more of a strategic leadership role. This involves connecting community plans into a wider strategic framework and advising communities on where economies of scale might be achieved.

In parallel, existing councils are taking on new powers which have increased the range of decisions for which they are responsible. A key consideration, when agreeing alternative approaches to how power and resources are shared between national and local government, is how any changes will better enable councils to support ambitious approaches to community governance.

Q14. What types of support might communities need to build capacity, and how could this change the role of councils and public sector organisations?

Q15. Are there specific additional powers and resources which would help public sector organisations to work effectively in partnership with new community decision-making bodies?

Q16. Thank you for considering these questions. When sending us your views, please also tell us about anything else you think is important for us to know at this stage.

3 This term is explained in the glossary

Current Examples of Community Decision-Making

Mull & Iona Community Trust

For 22 years Mull & Iona Community Trust has been delivering successful community development projects and addressing problems of geographic isolation and economic and social exclusion in remote and rural communities which are the home of over 3,000 people.

We currently employ 26 people and work with a range of public, private and third sector partners. Crucially we work within our own community and take great pride in this. Some of our achievements are that we:

- Built Tobermory Light Industrial Park, a £2m estate, to support small business sustainability and development in North Mull.
- Built and run An Roth (“the wheel” in Gaelic) Community and Enterprise Centre which offers flexible space for community and business meetings, a wide range of training courses, and conferences.
- Operate three recycling charity shops, beach cleaning stations and various composters, including one at industrial scale, preventing 60 tonnes per annum going to landfill.
- Built and run a £1m hydro scheme which is generating funding for community projects.
- Developed a swimming pool with a local hotel by raising money and project managing the build.



- Bought 200 hectares of forest with wood harvesting and replanting due to begin soon.
- Operated a ferry service that was previously run by the council until the funding ended.

We have good relationships with partners, but decision-making processes can be slow and hard to predict. More decisions taken by the community, including how resources are deployed, could better support and improve important services on Mull and Iona.



Healthy n Happy



Healthy n Happy is the community development trust for Cambuslang and Rutherglen, a diverse urban area with a combined population of 57,000 and affected by significant deprivation and inequality.

Our vision is that Cambuslang and Rutherglen will become the healthiest and happiest places to live in Scotland. We are a community-owned organisation established in 2002, governed by local people, and steered by local priorities. Some of our achievements include:

- Facilitating direct investment into communities. Over the past four years we have been able to lever in £2m direct investment into local communities across Cambuslang and Rutherglen.
- Providing purposeful and engaging opportunities such as volunteering (290 per year), skill building courses, mental health and stress management support, play-based activities for children/young people and families through to healthy living, social and community activities.

- Enabling people to make positive changes in their lives and their community, from building confidence and self-esteem, to boosting skills and relationships, to getting more involved in their local neighbourhood and becoming more responsible for their own health and wellbeing.
- Three successful social enterprise businesses: Camglen radio station, Bike Town cycle shop and recycling project, and our community venue, Number 18.

We want to see more opportunity, power and budget resting directly with communities. This means sustained grassroots investment, at scale, in order to provide far greater influence, control and freedom to act according to local circumstances and perspectives, and employ more community-designed solutions. This requires a major shift in policy and mindset. It would also strengthen the relationship with public sector partners and help them to improve outcomes which they are best placed to deliver.



Neilston Development Trust



Neilston Development Trust aims to make a lasting and sustainable difference to community life and the lives of individuals in a small town of around 5,500 residents, in the uplands to the southwest of Glasgow. Since 2004 we have:

- Bought the former Clydesdale Bank branch using Community Right to Buy legislation to create a community hub in the village centre.
- Re-opened the former bank with weekly programmes of varied community events, community café, garden, room rental, and volunteering opportunities.
- Invested in wind farm. Subsequent sale resulted in the creation of a £2m Legacy Fund which manages investment and distributes funds to village groups.
- Run Grow Eat Travel to help local people

make personal contributions to the fight against climate change through active travel and sustainable food.

- Volunteer-run bike hub getting more people cycling and travelling actively is moving towards becoming a fully sustainable social enterprise.

The Trust acts as an anchor for a wide range of activity in area, and is committed to working with the whole community to understand local priorities. Community organisations which can demonstrate democratic legitimacy should be able to control certain budgets and act as more of an equal partner with public sector organisations. Reforms which allow for this type of arrangement to be put in place could help us to meet real need in a very mixed community.



Glossary

Scotland's Citizens' Assembly

The Citizens' Assembly of Scotland is a group of 100 citizens from across Scotland who are broadly representative of the country and are coming together to address the questions about the kind of country we are seeking to build.

Participatory Budgeting

Participatory budgeting is recognised internationally as a way for local people to have a direct say in how public money is spent. In Scotland, over the last two years, more than 100,000 people have voted on how to spend almost £6 million within their communities.

Community Right to Buy

A pre-emptive right to buy land for communities across Scotland. Communities who successfully register a community interest in land have the first option to buy when the registered land is offered for sale.

Community Learning Exchange

An opportunity for communities to learn through the exchange of ideas and the sharing of common solutions. The most valuable part is often meeting new people with similar interests and gaining new insights and perspectives on shared challenges.



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