



Local Government Manifesto 2012

Localising Government
#csppmanifesto

power
intrapreneurial
localism
towns elected
demand scotland change mergers
vision regeneration cities
cuts decentralisation autonomy
climate broken **local** reform
government democracy cspp indyref
graduates quality place
town radical provosts
centres
devolution adoptanintern
communities

Blurb

The Centre for Scottish Public Policy (CSPP/Centre) is still Scotland's only cross-party, independent, membership-based think tank. That, however, is about the only thing that hasn't changed since last year.

Scottish politics was transformed by the historic election victory achieved by the SNP who now, for the first time since our Parliament was reconvened, have a majority Government. And they have wasted no time in getting down to business. In under a year they have laid down the course of their road to the [referendum](#) with several clear signposts to the future¹. Scotland's family of cities also received a new member with Perth regaining its city status.

Of equal significance and importance - well, to us anyway - were the changes the CSPP undertook internally with a major overhaul of our policy programmes and online presence. Our programmes and activities now focus on the following issues:

- [Cities and City Regions](#)
- [Reshaping Public Services](#)
- [Towns & Town Centres](#)

Our [holistic policy picture](#) is completed with the following cross-cutting themes:

- Environmental sustainability
- International best practise
- Democratic renewal

This manifesto is a product of countless meetings, events and debates with the great, the good and the ugly of Scottish political life. By no means is it exhaustive. It attempts to capture the core elements of policy suggestions and critiques from our members, policy groups and practitioners from across the public, private and third sectors.

These ideas are only that - ideas. We do not seek electoral victory/failure for CSPP or for any particular party, nor do we have any view on the election campaign itself. We are neutral as to which party/parties claim to be in control of our councils.

Our manifesto is about much more than what happens at the ballot box in May 2012 - if only our Parliament could work better together - as we articulate our vision of how Local Government *could* look. It is set against a political culture where too much time is wasted, energy expended, with inter-party bickering driven by personality clashes or tribal loyalties.

The lens through which you read this manifesto, then, is one that views Councils as neither truly local nor madly creative as a deeply autonomous form of Government. Scottish local government is under threat from the forces of centralisation and local democracy is being fundamentally fractured. The scale of the challenge facing local government is tremendous as it seeks to deliver high quality public services (amidst continually increasing public expectations) with fewer resources and less autonomy.

We don't deny that. What we can't condone is any unwillingness to engage in a real radical programme of reform, fundamentally changing the nature of our public service provision. Scotland's

¹ In no particular order: [Refreshed Economic Strategy](#); [Infrastructure Investment Plan](#); [Regeneration Strategy](#); [Cities Strategy](#); and [Draft Youth Employment Strategy](#); and [Review of Further Education Governance in Scotland](#).

local authorities must change the way they design, develop and deliver public services and play their part in growing our economy, whilst repairing our ailing local democracy and tackling climate change. No pressure then!

The scale of this challenge varies across the country. In places where change has already been made, service improvement has more often than not been the driver, with financial efficiency a valuable, resource providing side effect. However, there are too many places across the country where difficult decisions have been delayed, where tough choices have not been taken and where the opportunity to make change happen as part of a positive, service improvement narrative have been lost.

Where tough choices have been avoided, a poisoned chalice awaits whoever is elected on May 3rd. Significant reform is unavoidable. It is just a matter of time. Scotland needs a fundamental reconfiguration of the role and function of local government and a paradigmatic shift in the way people are engaged in shaping the public services they rely upon. This needs to happen now, not wait until sometime after 2014, or 2015, or even 2016!

Manifesto in 12 points

For those of you with little time on your hands or those who simply can't be bothered reading a long policy document, we thought we'd condense our manifesto into a bite-sized, social media friendly format. Sure it's more than 140 characters, but this is the future shape and direction of Scotland's councils we're discussing, and anyway it cuts to the chase.

1. Scottish local government must undertake radical reform to repair a broken local democracy and successfully address the revenue, carbon and demand challenges.
2. More money isn't the answer; root and branch reform is. But local government needs the power and autonomy to chart its own path.
3. The constitutional debate must make room for a discussion on the type of local government and democracy Scots want to see.
4. Scotland's cities finally have a stronger policy focus but it lacks imagination and excessively focuses on economic growth and the use of GDP to measure success.
5. If our cities are to be successful and internationally competitive they must "harmonise the goals of prosperity and quality of life". It can't just be about economics. Place matters.
6. Our Cities need elected Mayors/Provosts and an infrastructure investment fund to usher in a genuine transfer of power from central to local government.
7. Many of our towns and town centres are dying, teetering on the brink with no purpose or strategic vision for the future. Politics have failed them.
8. To regenerate Scotland's towns we need to: consider the role and function of each town; fundamentally rethink how we put people and place together; create robust evidence base; and use place-based budgets to tackle *all* problems in our towns.
9. Underpinning all regeneration efforts must be a "framework for mess" where councils let go and allow communities to take responsibility for their own spaces, guarding against elite-driven localism.
10. Councils have to drive down cost with a long term vision of how public services should be shaped in their area. This has to be buttressed by a belief that the public sector is not the only way to deliver efficient and accountable services.
11. Council mergers should be introduced alongside measures to devolve further powers to these new authorities (e.g. council tax and business rates). Reciprocal devolution will be completed with efforts to revitalise and empower our ailing grassroots democracy.
12. Structural reform has to be combined with a strong emphasis on the role intrapreneurial people can play in transforming public services. We need to open up councils through our [Adopt an Intern Programme](#), a Local Government Graduate Programme and reward intrapreneurs within council staff who think of and develop new ideas.

Context

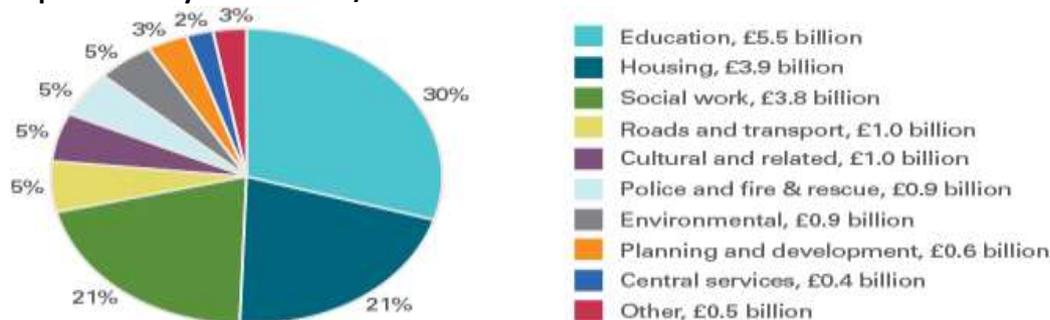
Scotland stands on a constitutional, social, economic and ecological precipice. The challenges facing our small place we call home are immense. The economy continues its fragile and weak recovery with high levels of unemployment (8.7%) and low growth (0.9%).² Scottish GDP remains -3.3% below the pre-recession peak almost four years ago and forecasts predict GDP growth for 2012 to be just 0.4%.³

The downgrading of growth forecasts from the [Office for Budget Responsibility](#) (OBR) has prompted the UK Government to embark on “unprecedented” spending cuts. The Coalition’s commitment to austerity is unwavering: between 2010 and 2016 the UK will experience “seven years of real cuts year on year” and “only £1 in every £10 of planned cuts has yet occurred. 90 per cent of the cuts are still to happen”.⁴

As a result, public spending in Scotland will not return to 2009/10 levels until 2025/26 with a “cumulative real terms loss in the Scottish budget over the period 2009/10 to 2027/28 estimated to be £51 billion”.⁵ If you factor in our commitment to cut carbon emissions by 42% by 2020 and mix it with the rising cost of social care (set to double)⁶, uncertainty surrounding Scotland’s constitutional future, the rise in obesity and consequent pressure on the NHS⁷, and the increasing cost of welfare (£87bn in 2010)⁸, you have a perfect storm.

All of this has grave consequences for local government whose funding reduces by 3% between 2011/13 and cumulatively by 6.3% in 2014/15⁹. How can councils who spend around £21bn per year and employ 240,000 full-time staff meet these challenges with fewer resources?

Expenditure by service 2010/11 - Exhibit 14¹⁰



These challenges cannot fall squarely on the shoulders of local government or indeed any government. In this at least, we are together. Nonetheless, councils are a key delivery body and will play a critically important role. The big question, then, is this: does local government have the people and policies to create attractive and sustainable places in our towns and cities and reform our public services?

² See: “[State of the Economy](#)”, 5 March 2012, Scottish Government.

³ See: “[Fraser of Allander Institute Economic Commentary](#)”, February 2012, Fraser of Allander Institute.

⁴ See: “[Finance Committee Meeting on the UK Budget](#)”, 29 February 2012, Scottish Parliament

⁵ See: “State of the Economy”, p27-28.

⁶ According to the Accounts Commission, Scotland will see a 23% increase in the number of people over 75 in the next ten years and an overall 82% increase in the next 25 years. [Read more](#) (see p9).

⁷ Obesity in the UK will grow by 11 million which will see a rise in lifestyle related diseases like diabetes. All of this will cost the NHS an additional £2bn a year. See <http://bit.ly/AlrUAY>

⁸ See: “[Breakdown of Welfare Spending: What to Cut?](#)”, June 2010, The Guardian,

⁹ See: “[An overview of local government in Scotland - Challenges and change in 2012](#)”, March 2012, Accounts Commission.

¹⁰ *Ibid*

The Road to Reform

The simple answer is no, or at least not yet. As things stand the majority of our councils are struggling to reconcile increasing demand and expectations with fewer resources. Many are simply trying to get by and deliver high quality services let alone usher in a shift to preventative spend. Every delayed decision moves a council closer to crisis. And yet, money alone does not guarantee quality or success. Scotland's short history of devolution illustrates that perfectly. Public spending doubled in ten years and achieved limited success and impact - on any measure our performance was distinctly average.¹¹ The uncomfortable truth, as the Christie Commission outlined, is that current (reactive) policy has failed to address the deep-seated social and economic problems facing Scotland.¹²

This should come as no surprise. Over thirty years ago, E.F. Schumacher pointed out that "if the policy is wrong, money will not make it right".¹³ Within councils it is not simply that policies are flawed or ineffective; the problem runs much deeper than that. The problem is the nature and role of local government itself. Scotland's curious interpretation of local government is powered by an unshakeable belief in centralism, uniformity and top-down, template driven policymaking - starkly illustrated by the fact that about 80% of local government budgets are centrally determined¹⁴. All the arguments in favour of fiscal autonomy for the Scottish Parliament, supported by all parties to a greater or lesser extent, are equally applicable to the relationship between local government and Holyrood.

Local government, in other words, is utterly reliant on its centrally determined block grant and following the recent budget is locked into spending positions dictated by the Scottish Government.¹⁵ Of course, central government should be able to achieve its policy priorities but these discussions have to take place between equal partners and not through the perspective of local government simply being the delivery arm of the central state.

This cannot go on nor can we continue to fund a system of government based on the illusion of it being autonomous. We either have strong local government or we don't. Our vision for local government is driven by a belief in subsidiarity - that is, decisions should be taken as close to those affected as possible -¹⁶ combined with directly elected Mayors (or Provosts, if one prefers) to create a stronger connection between people and place. In sum, councils must be able to navigate their own path, one that is responsive to diverse local needs.

Scottish local government is something of an outlier when compared with its international counterparts. Many lessons could be learnt from our Nordic neighbours.¹⁷ Eight regions and 79 municipalities serve Iceland's population of around 300,000; the average Norwegian municipality has 12,500 people while Scottish councils serve 162,500; and Finnish local government raises half its revenue via local taxation and a quarter through fees and charges. Analysing international comparisons does not merely illustrate how disengaged our councils have become; it clearly demonstrates the relationship between fiscal independence and voter turnout. Scottish councils

¹¹ See: "[The Devolution Distraction](#)", July 2010, Tom Miers, Policy Exchange, p6.

¹² Since devolution the following have increased/stayed static: income inequalities, life expectancy, and educational attainment. See: "[Commission on the Future Delivery of Public Services](#)", June 2011.

¹³ See: "Small is Beautiful: a Study of Economics as if People Mattered", 1973, E.F. Schumacher, p162.

¹⁴ See: "[Scottish Spending Review 2011 and Draft Budget 2012-13](#)", September 2011, Scottish Government, p227.

¹⁵ The funding settlement local government receives is conditional on councils delivering certain policies (for example freezing council tax) to accept a "needs-based share of the overall revenue increase". No council has rejected this deal as they would receive 5.2% less in funding. See: "[Local Government Finance debate](#)".

¹⁶ See: "[Is Scottish Local Government Working?](#)", January/February 2012, Scottish Left Review, Issue 68

¹⁷ See: "[Nordic Horizons](#)"

raise under 20% of their budgets and achieve turnout between 30-50% while Switzerland raises 85% per cent of their own revenue locally with turnout at 90%.¹⁸

Rethinking devolution?

The dramatic irony of the current constitutional debate is its sole focus on transferring powers from London to Edinburgh. There has been little debate, if any, on the devolution of power from central to local levels. The entire Scottish political class have become so fixated on this issue that other public policy issues (let alone other forms of devolution) are being neglected. A dialogue on the type of local government and democracy Scots want to see is urgently required. After all, we're paying for it.

In publishing this manifesto we hope to begin this debate. As you read this document you may wish to bear in mind the following questions:

- Is it local?
- Is it fit for purpose?
- Is it autonomous?
- Is there a need for increased local diversity?
- Is it open, transparent and accountable?
- Is it innovative enough?

¹⁸ See: "[Size Matters](#)", Lesley Riddoch and Paddy Bort, January/February 2012, Scottish Left Review, p6-9.

Cities

1 in 2 people across the world now live in cities. By 2050 the global urban population is predicted to rise by 84% to 6.3 billion people.¹⁹ Here in Scotland, over 80% of the population already reside in cities/city regions. Our cities are the most significant source of employment (over 60%), wealth creation (half of Scotland's total Gross Value Added), carbon emissions (Glasgow alone emits around 4million tonnes CO₂ per annum²⁰) and creativity (R & D expenditure is 80.7% of national expenditure). Cities are not just the beating heart of our economy with our future economic prospects almost wholly dependent on the success of our seven cities and city regions. "The battle to create a sustainable low carbon future will be won or lost in our cities".²¹

Last year was a pivotal moment for Scotland's cities as it saw policymakers heed the long standing campaign by the CSPP for greater emphasis on cities and city regions. The *Shared Vision for Success* saw the Six Cities sign up and pledge action on six key themes,²² while the newly elected SNP Government wasted no time in promoting the cities agenda with the publication of the first cities strategy in six years.²³ The *Agenda for Cities* sets the foundation for the Scottish Cities Alliance and the Knowledge Centre to support collaborative work around four key themes with £7m funding available for projects.²⁴ The message from Cities Minister Nicola Sturgeon was clear:

"it is cities themselves, with their partners, that must be in the driving seat. Scottish Government is clearly one of those partners but cities must determine their own future direction and priorities."

The Government's strategy has brought much needed focus to Scotland's cities but it lacks detail and clarity across a number of key areas. Crucially, it fails to provide clear implementable guidance on how the Seven Cities balance the challenges of economic development, climate change, public space, mobility and civic engagement?²⁵ We appreciate the need for the Agenda for Cities to concentrate on "investible opportunities" to plug critical gaps in Scotland's economic infrastructure, but we are concerned that in simply bidding for shovel-ready infrastructure projects our Cities miss the bigger picture. Our solutions are as follows:

The Case for Mayors

The most fundamental omission in the cities strategy remains the lack of strong leadership at the local level with the ability and power to take decisions on the back of a clear democratic mandate, i.e. elected Provosts. The Government has the right intentions - put the cities in the driving seat - but the strategy's delivery mode (the Cities Alliance) appears unnecessarily bureaucratic, public-sector focused and centrally driven.

The *Agenda* does not contain any measures to devolve powers to enable the cities to truly be in "the driving seat". This is not only in direct contrast to the UK Government's cities strategy²⁶, but also against the grain of World opinion which recognises the value and effectiveness of City Mayors. The UK Government's strategy explicitly argues that the success of cities, and therefore the country, necessitates "a fundamental shift in the relationship between national government and cities". The

¹⁹ See: "World Urbanization Prospects: The 2009 Revision", 2010, UN.

²⁰ See: "[Sustainable Glasgow](#)"

²¹ See: "[Hotting Up? An Analysis of Low Carbon Plans and Strategies for UK Cities. Volume 1: Main Findings](#)", April 2012, Tim Dixon, Oxford Institute for Sustainable Development (OISD).

²² See: "[Scotland's Six Cities - A Shared Vision for Scotland's Success](#)", May 2011, SCDI. Note: the document was published when Scotland only had six cities and not the seven it now has after Perth regaining city status.

²³ See: "[Scotland's Cities: Delivering for Scotland](#)", December 2011, Scottish Government.

²⁴ A briefing on the Scottish Government's strategy will be published shortly.

²⁵ See: "[Urbanized](#)", 2011, Gary Hustwit

²⁶ See: "[Unlocking Growth in Cities](#)", December 2011, UK Government.

resulting “city deals” have seen a “genuine transfer of power” with referendums taking place on directly elected mayors and a range of other innovative measures to allow cities shape their own future.²⁷ In Scotland, we run the risk of our cities slipping back into the role of being local delivery agents of national policy. This need not be so.

Scotland’s cities require at least the same level of autonomy and powers as their English counterparts to grow our economy sustainably. It is time for the growing clamour in favour of elected Provosts to be heard and the ambivalent, outdated attitude to end so our cities can join the world of mayors. Elected Provosts are no panacea but the case is compelling: the most liveable and successful cities in the world have mayors;²⁸ they encourage more interest in local elections and attract more diverse candidates and higher quality elected representatives; and generate greater economic growth²⁹. We call on the Scottish Government to pilot the introduction of elected Provost in our main cities so they have the governance and leadership to deliver the strategy.

It is our belief that an elected Provost must have control of the policy levers that deliver critical items of economic infrastructure (economic development, planning and transportation) and a range of powers to effectively tackle climate change. Scotland’s cities should therefore be given greater power, up to and including the point, where the whole of the public pound currently spent within the city boundary is devolved to the city.

This would include the capital and revenue allocations of the entire public service family being allocated the Office of the Mayor/Provost which would enable Provosts to pursue balanced growth through the consideration of policies which are otherwise too politically challenging to implement (for example, congestion charging). If Scotland is to achieve its potential and become a low carbon economy it needs the governance structures to deliver. It is that simple.

Infrastructure Investment Fund

The creation of a Scotland-wide Infrastructure Investment Fund³⁰, with the ability to borrow and make strategic funding decisions, would bring tangible improvements to Scotland’s infrastructure and embed a more collaborative approach. By bringing Councils together on a cross-party basis and stressing that not every project can benefit from the outset, infrastructure investment would be depoliticised and policy stability would be achieved in the long term over a number of electoral cycles. And by embedding partnership working across and beyond local government structures, our cities would ensure that their real economies, which “do not stop at municipal boundaries”, are more effectively managed.³¹

Clearly, this would not happen overnight. It would be a long and trying process to change the DNA of our competitive cities. Nonetheless, the collective clout of the Seven Cities should not be underestimated nor their willingness to work together under a “Scotland plc” model. The ability to jointly procure, to pool resources and work together on items of infrastructure would have a transformative impact on the Scottish economy.

No Place like Home

The Government insist that our cities will follow a “placemaking approach [and deliver] a more energy efficient, lower cost environment that enhances the quality of life of all who live and work within and around them”. We are concerned that this fine rhetoric will not be followed through

²⁷ See: “[Greater Manchester City Deal](#)”, March 2012.

²⁸ A quick glance at the most liveable cities as ranked by the [Economist](#) and [Mercer](#) validates this point.

²⁹ See: “[What can Elected Mayors do for our Cities?](#)”, March 2012, Institute of Government

³⁰ Australia is an example of how this approach can work. [Read more.](#)

³¹ See: “City-Region Economies in Scotland: Re-Stating the Policy Cases”, June 2011, Professor Duncan Maclennan CBE FRSE, Centre for Housing Research, St Andrews University.

given the overt economic focus of the strategy and the prevailing economic conditions. In other words, we will see the Seven Cities narrowly focus on projects of high economic worth and neglect the vital social and environmental factors that make attractive, liveable places.

This is a mistake. The success of a city relies almost entirely on the relationship between the place and its people: that is, its liveability and workability. There is no use having economically successful cities if no one wants to spend time in them. Our cities have to adopt a more holistic, participative and long-term strategic vision that recognises and values the importance of well-designed and multi-functional urban places.³² After all, the most successful cities in the future will be those who “harmonise the goals of prosperity and quality of life”.³³

In experimenting with new ideas and innovative ways of working to create a unique sense of place, our cities should accompany a strong focus on economic growth with measures to prevent a damaging and counter-productive growth in carbon emissions and congestion.³⁴ This means:

1. Introducing congestion charging for a brief trial period followed by a referendum with all money raised being directly invested into public transport infrastructure projects that the public chooses. After a successful pilot in 2006, which was strongly opposed by the public, Stockholm successfully won a referendum.³⁵
2. Creating continental-standard active travel infrastructure to make our cities more cyclist and pedestrian friendly.³⁶
3. Prioritising imaginative cityscape that future proofs and declutters our urban realms to create a unique sense of place.
4. Supplementing climate change plans with binding carbon reduction targets both in the interim and long-term and introducing carbon budgeting.³⁷
5. Guarding against “spatial blindness”³⁸ by adopting a balanced approach to their city and hinterlands.

Last but not least

Cities are constantly evolving; constantly changing. Increasingly, the most successful cities are those that balance the social, economic and environmental pressures to enable people and infrastructure to support one another.³⁹ Health, education and culture are just as important as economic growth and innovation. Whether Scotland’s cities can implement the strategy in a balanced and collaborative manner and build on their excellent performance to date remains to be seen⁴⁰.

Ultimately, it is a judgement for all us to decide if our cities have become more liveable in the future. In the absence of a defined route map for success we have provided the following questions so you can decide yourself if the projects that are commissioned by the Scottish Cities Alliance have been effective:

- Why is it being commissioned?
- How will it be funded?

³² The recent example of “[Future Glasgow: City Vision](#)” is a good example of how this would look in Scotland. For an international example see: “[The Freiburg Charter for Sustainable Urbanism](#)”, The Academy of Urbanism.

³³ See: “[Manifesto for a Model Mayor](#)”, March 2012, The Guardian. Also, see: “[Cities of Opportunity](#)”, 2011, PWC.

³⁴ See: “[Better Buses](#)”, Patrick Harvie MSP

³⁵ In just six months, Stockholm saw traffic levels reduce by 22% and emissions by 14%. [Read more.](#)

³⁶ An easy way of doing this would be to spend a minimum of 10% of the transport budget on sustainable transport projects.

³⁷ For example, Edinburgh has committed to reducing emissions by 40% by 2020 but these are not binding. See: “[Sustainable Edinburgh](#)”

³⁸ A fantastic phrase from Douglas Scott who is on our towns policy group.

³⁹ See “[Cities of Opportunity](#)”.

⁴⁰ According to new research, three Scottish cities are in the top five most productive cities. [Read more.](#)

- What will it achieve?
- When will it be completed?

Towns & Town Centres

Nowhere is the rhetoric-reality gap bigger than in Scotland's towns and town centres. There is unanimous consensus amongst all our political parties that our towns play a central role in Scottish life; are significant sources of employment; in need of significant regeneration; and at the heart of the local economy. The list is endless as politicians fall over each other to champion Scotland's towns. Why is it, then, that most of our town centres are either in a state of arrested decay or suffering accelerating decline? Is it because of a lack of funds or is the problem more fundamental?

Across Scotland our towns are struggling badly. Being at the heart of local economies, they have borne the brunt of the recession with significant job losses and business closures. Some have weathered the storm better than others, but more often than not our towns represent the human face of market failure and misguided policies. So, what has gone wrong?

Put simply, our town centres have struggled to find their place in a post-industrial, globalised economy and many now find themselves unfit for purpose, wedded to a failing, retail centric operating model. The recession merely exacerbated existing consumer trends (popularity of internet shopping) and cultural attitudes (preference for city centre or out of town shopping). Today, the decline of our high streets has become systemic and the efforts to regenerate them largely ineffective. The challenge facing Scotland's towns is vast: how do we rethink the role and function of towns while meeting the mounting economic and social challenges?

If we can't throw money at it what can we do?

The demise of town centres is a significant problem for local government across Scotland. At the turn of the year, retail sales suffered their worst slump for more than a decade⁴¹, consumer confidence continued to fall⁴², 1 in 7 shops were vacant in the UK and 50% of all leases were up for renewal before 2015.⁴³ Unsurprisingly, how you regenerate towns with less money is a question many are asking themselves. The problem in Scotland is that there are few places that provide any solutions following the closure of the "Town Centres and High Streets Learning Network".

The story across the UK differs markedly, albeit the policy prescriptions have hardly been revolutionary. Wales have published an inquiry into town centre regeneration⁴⁴ while the UK Government commissioned the Portas Review into High Streets⁴⁵. In Scotland, the Government's concern has been elsewhere with a national review promised for 2012 in its Regeneration Strategy.⁴⁶ The Scottish Government has not simply been focusing efforts in other areas but is becoming more and more "spatially blind" by embedding a policy bias against towns⁴⁷. Why have towns dropped so dramatically from the political agenda?

A Future beyond Retail

The introduction of the Town Centre Regeneration Fund (TCRF) in 2009 marked a high point for The Scottish Government's concern for town centres.⁴⁸ The £60m fund demonstrated that our

⁴¹ See: "[Scottish retail sales suffer worst slump since 1999](#)", 15 February 2012, BBC News.

⁴² See: "[Scottish economic summary](#)", December 2011, Ipsos MORI Scotland.

⁴³ See: "[1 in 7](#)", February 2012, Professor Leigh Sparks.

⁴⁴ See: "[Inquiry into the Regeneration of Town Centres](#)", January 2012, Welsh Assembly.

⁴⁵ See: "[The Portas Review](#)", December 2011, Mary Portas. Also, see the UK Government's response: "[Portas-Plus](#)", March 2012.

⁴⁶ See: "[Achieving a Sustainable Future for All](#)", December 2011, Scottish Government. Our point is not to claim that the Government have been lazy; far from it. See footnote 1 for an illustration of their work.

⁴⁷ See: (Forthcoming Publication) "Scotland's Towns and Town Centres: Time for Action", April 2012, CSPP Scottish Towns Policy Group.

⁴⁸ See: "[Town Centre Regeneration Fund](#)", Scottish Government.

Government and parliamentarians were finally listening and no longer ignoring the deep problems affecting our towns. The clarion call for change crossed political party divides as did the urgency for action. Across Scotland, town centres invested this money to regenerate their ailing physical infrastructure.⁴⁹ And then it was over. TCRF was a one-hit wonder, a temporary reprieve, as the mounting problems facing our town centres were put back in their box. Political discourse shifted into election mode in 2011 then referendum mode and has stayed there ever since.

Urban policy, meanwhile, has become excessively focused on the development of our cities. Towns continue to get lost between an emphasis on cities on the one hand and remote rural settlements on the other.⁵⁰ Amidst this uncertainty and silence, we have been focusing our attention and efforts on getting towns back on the political agenda. Our Policy Group continues to push the policy envelope by asking tough questions on the future role and function of town centres⁵¹, whilst playing a leading role in the formation of the [Scotland's Towns Partnership](#).

If town centres are to have a future at all they must begin to address the deep-seated economic, environmental and social challenges that face them. The time for talking has gone. It is time for action. This is what local government needs to do to re-imagine our high streets and deliver a future beyond retail.

We don't know what we know

There is a real absence of good, reliable, consistent data on Scotland's town centres. All towns and town centres need firstly to understand themselves through a systematic, replicative, efficient and affordable data collection and benchmarking exercise.⁵² How else are we meant to know what is going on and what works and what does not? In an era of "evidence based policymaking" this is unacceptable. Indeed, it begs the question what local authorities and central government are basing their decisions on? Good data that is routinely and systematically analysed is a critical first step for local government that should be centrally funded by the Scottish Government.

Vision

Without a clear, long-term strategic vision and action plan town centre regeneration will ultimately fail. The research and case studies into TCRF showed that many local authorities had limited project planning, a real dearth of vision and poor monitoring and evaluation protocols.⁵³ Essentially, the regeneration efforts were primarily based on physical infrastructure that failed to address the interconnected and multi-dimensional problems facing town centres. If councils are to "get at" the problems and avoid the "hanging basket" phenomenon, all regeneration efforts must emanate from a holistic whole town strategy that is developed by and for the area it serves.⁵⁴

Whole town strategies provide the necessary building blocks for towns and town centres, yet if all they do is prop up failing, retail centric models councils are wasting their time. Local authorities must take a step back and dispassionately look at the bigger picture by asking what role and function town centres should have in a low carbon future.

⁴⁹ It has to be said that the review of TCRF discovered major problems in how the money was distributed and spent. See: "[TCRF Case Studies Report](#)". TCRF is largely a lesson in how not to spend public money.

⁵⁰ See: "[Scotland's Towns and Town Centres: Creating Confidence – Changing Futures](#)", January 2011, CSPP Scottish Towns Policy Group.

⁵¹ We have lent heavily on the discussions and outputs of our policy group for the towns section of the manifesto. See footnote 47 for the recent paper.

⁵² See footnote 50.

⁵³ See: "[Town Centre Regeneration: How Does it Work & What can be Achieved?](#)" September 2011, Douglas Wheeler Associates Ltd with Slims Consulting, Ryden & Avril Blamey & Associates.

⁵⁴ See: "[How to Prepare a Strategy for Your Town: A Practitioners Guide](#)", March 2011, Town Centres and Local High Streets Learning Network.

Crucially, this process cannot be driven by an “outdated version of a past that arguably never existed and does not match our modern twenty-first century society”.⁵⁵ It must accept reality⁵⁶ by shrinking the retail offering and embracing residentialisation to map out a coherent and deliverable post-retail future where our towns become multi-functional social places. Rolling out free public WIFI would be a simple way of kick-starting this process.

Delivery

Our towns and town centres require urgent investment. Simply put, they need an annual Town Centre Regeneration Fund. However, the Government has made it very clear that this will not happen given the budgetary pressures they face. Local authorities have no choice but to navigate their own path. This does not necessitate a reversion to top-down policies that seek to homogenise our towns and town centres, however. If our towns are to reimagine their role they need alternative delivery arrangements to integrate the different interests that focus on place and embed a whole community approach to deliver local solutions for towns.

Firstly, and perhaps most importantly, this does not require more money. Councils need to start using place-based budgets⁵⁷ and no longer plan and spend by theme. The public pound should be looked at in its totality if local authorities are serious about creating a unique sense of place in their towns and on the high street. This would not only see a more efficient use of public expenditure but re-energise local accountability and engagement.

Secondly, we need a “framework for mess”.⁵⁸ Generally, local government has not been an effective mechanism for locally based, holistic interventions. By their nature, councils are risk averse, afraid of change and many do not have a structure that allows community planning to be successful or allow meaningful collaboration with the private and third sectors.⁵⁹ What local authorities need to do is “let go” and allow different assets and spaces to be nurtured with “light-touch” management - that is, allow communities to take responsibility for their own places and spaces.

This would require a substantive change in the way local government thinks and operates. Rather than focusing on central control and delivery, councils would have to decentralise power and responsibility to create space for things to happen.⁶⁰ In removing town centres from the current systems, councils could pilot the reallocation of budgets to a designated team under new and autonomous governance structures - town teams, Super BIDs, community development trusts, and so on.⁶¹ In some instances this will be easy to achieve. BIDs, for instance, are established mechanisms in regenerating town centres as are development trusts.

Thirdly, and very much linked to the previous point, local authorities and central government have to invest in building capacity at a local level to ensure those already engaged in the system (vested interests) do not create elite-driven localism. Often the areas that suffer from market failure are those with the highest levels of multiple deprivation, disengagement and apathy. These

⁵⁵ See [“A Provocation on Town Centres and High Streets”](#), 21 February 2012, Professor Leigh Sparks, Institute for Retail Studies, University of Stirling and Chair of the CSPP Scottish Towns Policy Group.

⁵⁶ 50% of our retail floor space is now out of town and in a few years we will see a “retreat of the major brands from the marginal centres to the prime centres in the big cities and out of town shopping centres”. See: “20 things to do on the high street without shopping”, 21 February 2012, Julian Dobson, Urban Pollinators.

⁵⁷ See: [“Community Budgets Prospectus”](#), October 2011, UK Government.

⁵⁸ See: [“Local platforms for distinctiveness and innovation”](#), 21 February 2012, Diarmaid Lawlor, AD+S (first video, 19:45 minutes in)

⁵⁹ See: [“The role of community planning partnerships in economic development”](#), November 2011, Audit Scotland.

⁶⁰ See: [“Wanted? Town Centre Truth and Reconciliation Committees”](#), 22 February 2012, Professor Leigh Sparks, Stirling Retail.

⁶¹ The Portas Review touches on several of these notions. See footnote 45.

communities will have no idea how to engage in something as alien as participative decision-making. It will take time and significant resources to unearth community assets not to mention strong leadership. After all, “successful places require good leadership”.⁶² Local and central government purport to be supportive of community-based regeneration. It is time they walked the walk.

Final Thoughts

The last year has seen towns and town centres become marginalised as a policy issue. The problems haven’t gone away. The opposite is true in fact. Many of our town centres are dying, teetering on the brink with no purpose or strategic vision for the future. That has to change. Home to over 50% of the Scottish population and 60% of jobs, our towns and town centres are “vital components of the social and economic fabric of the country”.⁶³ The importance of our towns extends beyond mere metrics, however. Irrespective of their decline, they still retain a deeply important sense of place and provide the social and economic glue that enable many of us to call towns our home. “Quality of place matters”.⁶⁴

If we continue to sit back or pursue policies that have failed in the past the ship will sink and dull uniformity in the guise of “clone towns” will reign. Town centres have a future but it differs from the nostalgic, romanticised version of the past. It requires nothing less than a fundamental rethink of how we put people and place together. Manifesto for mess anyone?

⁶² See: [“Places Need Leaders”](#), Trevor Davies and David Adams, Architecture and Design Scotland.

⁶³ See: Footnote 50.

⁶⁴ See: Footnote 62.

Public Service Innovation

Far far away, in a place called “England”, a raft of policies is being implemented by the UK Government to radically reshape the public sector. The direction of travel may be contested - the *Big Society*, directly elected mayors, open data, “city deals”, elected police commissioners or the changes to the health service - but you cannot dispute the Coalition are leading a debate about alternative developments in public services. Public service reform is a tainted concept in Scotland and not without reason. It is the language of previous and present UK Government’s whose lexicon (doublespeak) is populated by generalities and incomprehensible phrases like “efficiency savings” and “rationalisation”.

Finance Secretary John Swinney was correct to call for a vision of public service reform that “goes with the grain of Scottish society”, but he was wrong to characterise the UK’s reform agenda as merely privatisation, fragmentation and unhelpful competition.⁶⁵ The stark truth is that Scotland has no other choice but to embark on a bold programme of public service reform (PSR) if our public agencies are to deliver high quality public services in the future - and it would be a mistake to ignore the lessons from the UK Government’s experience. Scottish policymakers can no longer hide their heads in the universalist, crowd pleasing sand.

The root and branch review of public services we called for in our Scottish Parliamentary manifesto last year remains a forlorn hope. We are yet to see a serious dialogue on what and how the public pound is spent despite deteriorating public finances and the excellent work produced by the Independent Budget Review⁶⁶ and the Christie Commission⁶⁷. The Scottish Government’s current reform agenda responds only partly to the challenge outlined by these publications. The shift to preventative spend is welcome as is the integration of health and social care but these policies alone do not amount to a “bold and imaginative programme of reform”.⁶⁸ If the Government are serious about reform they have to allow for local diversity, flexibility and innovation. Only by empowering and supporting councils will coproduced and preventative public services become a reality.

Our argument for reform is threefold:

1. Intense budgetary pressures necessitate significant reform with public expenditure in Scotland not returning to 2010 levels in real terms for 16 years.⁶⁹
2. Top-down, identikit interventions have created a fundamental disconnect between citizens and the structures that govern them.
3. Rapidly changing demographics require an additional £27bn to cope with increased demands and the legacy of failed, reactive policy.⁷⁰

Vision

The Scottish Government have made it clear they will not use the tax varying powers at their disposal to prevent further public spending cuts. Likewise, they have limited local government’s ability to raise revenue by freezing council tax throughout the current Parliament. Undoubtedly, the Government are backed into a corner after receiving the “most dramatic reduction in public spending” in the history of devolution⁷¹. However, they have actively made choices which now make

⁶⁵ See: “[Delivering the Future](#)”, 16 February 2012, Cabinet Secretary, Finance, Employment and Sustainable Growth, John Swinney MSP, COSLA Annual Conference.

⁶⁶ See: “[Independent Budget Review](#)”, July 2010, Scotland’s Independent Budget Review Panel.

⁶⁷ See: “[Commission on the Future Delivery of Public Services](#)”, June 2011.

⁶⁸ See: “[Renewing Scotland’s Public Services](#)”, September 2011, Scottish Government.

⁶⁹ See: “[State of the Economy](#)”, November 2010, Dr Andrew Gouldie, Chief Economic Adviser, Scottish Government.

⁷⁰ See: “[Radical Scotland](#)”, October 2010, NESTA.

⁷¹ See: “[Scotland’s Spending Plans & Draft Budget 2011-12](#)”, November 2010, Scottish Government.

public spending cuts in councils unavoidable. The challenge for councils now is to direct the cuts with a long term vision of what public services should look like in the future.

Local Government cannot rely on efficiency savings to alleviate budgetary pressures despite the Scottish Government's budget assuming 3% savings per year. After seven years of efficiency targets, further savings will be more difficult to achieve "without making fundamental changes to the way public services are organised and delivered".⁷² The only possible route open is to travel down the road to reform and discard the outdated notion that the public sector is the only way to deliver efficient and accountable public services. In doing so local authorities will become more creative and dynamic and be more able to control demand, target spend and embed public engagement in the design and delivery of services.

To achieve this vision, which in effect is the settled will of the Christie and Beveridge reports, public services have to radically change. The first critical step is to acknowledge that for a small country Scotland has too many formal public bodies: 32 local authorities, 23 NHS bodies, 20 universities and over 100 other public bodies.⁷³ The Scottish Government are pursuing the correct policy in regionalising further education governance structures. The next logical step is to merge councils in natural communities like Ayrshire, Dunbartonshire, Lanarkshire and Renfrewshire and create single public authorities for our island areas.⁷⁴

These new entities, as well as existing local authorities, should be given the power and freedom to raise/lower taxes to meet the needs of their areas with council tax and business rates all being set at the local level. At the same time, the Scottish Government should follow the Welsh example and perform a council tax revaluation scheme. Current rates of council tax in Scotland are based on property values that were assessed in 1991. The revaluation in Wales saw 40% of the country changing property bands and a 4% increase in local government revenue.⁷⁵

Yet, this is not simply an economic argument; it is an ethical imperative too. The Scottish Government argue that freezing council tax makes life that bit easier for those struggling in tough economic times. The sentiment is right, but the policy is nonsensical. Those in the lowest income levels usually get council tax support anyway. Something more imaginative than a uniform freeze is required. If the Government wants to help the neediest it should revalue rates and introduce a new band for properties over £424,000⁷⁶ while encouraging⁷⁷ councils to target support for those on the lowest rates. Ultimately, this would be a decision for local authorities themselves. Some may want to pursue progressive local taxation, others may not.

Thirdly, council mergers have to be introduced alongside measures to revitalise our ailing grassroots democracy if we wish to create reciprocal devolution. As things stand, however, the majority of community councils are not fit for purpose and many face an uncertain future following a funding cut from the Scottish Government. Research by the BBC found that about 90% of elections are uncontested and one fifth are suspended due to lack of interest.⁷⁸

The desire to decentralise power to the grassroots has to be matched by the capacity and capability of those bodies to act in an efficient and representative manner. For many this will mean nothing

⁷² See: "[Scotland's Public Finances: Addressing the Challenges](#)", August 2011, Audit Scotland,

⁷³ *Ibid.*

⁷⁴ See: "[Single Public Authorities for the Islands](#)", February 2011, CSPP.

⁷⁵ See: "[Lessons learned from Welsh council tax revaluation](#)", 2005, The Guardian.

⁷⁶ This figure is for illustrative purposes only and mirrors the Welsh rate. A full revaluation would be required to establish what houses in band I should pay.

⁷⁷ Central Government may need to legislate for councils to vary rates by band.

⁷⁸ See: "[Scotland's Community Council Network Dying](#)", 14 November 2011, BBC Scotland.

short of wholesale reform and the adoption of new, innovative methods to reach out to a younger generation. For example, creating formal links with schools they serve, co-opting members from the Scottish Youth Parliament and using Skype to virtualise meetings. If Iceland can crowd source a new constitution⁷⁹, surely we can use social media to reform community councils.

Fourthly, until the monopolisation in the delivery of public services is broken the public sector will continue to operate under a “template mentality”. Scotland desperately needs greater diversity in the provision and running of public services and local government can play a key role in creating a level playing field in procurement for SMEs and the third sector. Councils can build on the already good work underway and roll out community benefit clauses, thereby allowing the third sector to demonstrate the added value (social outcomes) their projects bring to the table. They should also look to pilot the introduction of social impact bonds⁸⁰ to implement the preventative agenda at the heart of the Christie report. These measures would contribute greatly to strengthen the role of the third sector in delivering localised, coproduced public services.

Scotland’s councils also have to go well beyond statutory performance indicators when reporting public performance.⁸¹ If benchmarking is to serve any public purpose, it has to be made legible for service users to easily compare performance of their council. In essence, local government has to embrace open data and make all non-personal data it holds available to the public for free. Opening up data would, as it is currently doing in England, have a transformative impact on public services and put people firmly in control through a range of Apps and services that would create a novel source of information for both the council and citizen.⁸²

Exhibit 12
Public performance reporting – areas for improvement

Comparison with previous years shows a wider range of performance information and a variety of ways in which information is published, but more action is required, particularly in the following areas:

- Some councils continue to rely heavily on the SPIs as the main source of reporting performance information to the public.
- Benchmarking is underdeveloped and only a small number of councils compare their performance with other councils.
- Around half of councils do not assess performance against targets.
- Around half of councils do not provide information which shows the council listens and responds to its stakeholders.
- Reporting cost information continues to be underdeveloped.

Source: Audit Scotland

Nevertheless, it is more than just open data. It is about integrating and individualising public services at a local level. Individuals have a key role to play in making these services self-directed and person-centred, but we must arm them with personal data stores so they can use personal data services and truly interact with all their stakeholders. To ensure individuals are able to create the public services that suit their own needs, local government has to ensure that the role of the individual is enabled by personal data stores over the next five years. By working with citizens and other stakeholders, outdated, organisation-centric structures can be replaced by digital self-directed, person-centred services.

⁷⁹ See: [“The Icelandic Constitution Explained”](#), 29 March, Nordic Horizons.

⁸⁰ See: [“Social Finance”](#).

⁸¹ See: Footnote 8.

⁸² See: [“A Right to Data: Fulfilling the promise of open public data in the UK”](#), March 2012, Policy Exchange.

Although structural reform has an important role in creating a vibrant public service, it is not the answer to all our problems. The importance of agency and intrapreneurship⁸³ cannot be understated because ultimately it's people who develop and implement the policy. It is people who either agitate or block change; who lead the charge or sit on the side-lines. For too long local government have recruited from a small pool and provided limited access for Scotland's talented graduates.

Our [Adopt an Intern programme](#) has unequivocally demonstrated the value of using skilled and enthusiastic graduates across local government. However, internships are not enough. They provide an important first step in the job market but they do not provide long-term employment opportunities. By creating a Scottish Local Government Graduate Programme, councils could not only provide long-term opportunities for unemployed/underemployed graduates but provide the next generation of council leaders.

The Quiet Revolution in Public Services

Local Government can only deliver this vision if it has the freedom and the confidence to act. It has to become more assertive as *the* body that represents local concerns. This will be no easy task. Only 7% of Scots believe their local council has the most influence over the way Scotland is run and only 6% believe they should have the most influence in their life.⁸⁴ Quite simply the majority of people do not think local authorities are responsive to their concerns, particularly in the most deprived areas of Scotland. The only way councils will get people back on their side is to repair local democracy by opening up decision-making. They must begin to perceive public engagement not as a means to an end but an end in itself. Formal, dry consultations have to make way for crowd-sourcing policymaking.

Nevertheless, not all is doom and gloom in Scottish local government. Lurking behind the veil of uniformity and mediocrity are pockets of innovation that show the way forward for our public services. Out of public sight and away from political fighting, a quiet revolution⁸⁵ is beginning to rumble. Across the country, councils and their community planning partners are reshaping Scotland's public service family.

Clackmannanshire and Stirling have integrated education and social services proving that partnership is not only possible but also desirable, democratically accountable and can lead to service improvement.⁸⁶ Elsewhere, the Island councils are pushing ahead with the concept of the Single Public Authorities, looking to maximise local democratic control of the whole public pound.⁸⁷ Aberdeen City and Shire are pressing ahead with a range of services where it simply makes sense to work together, as are others.

These councils show that with strong leadership and political buy in public service reform can happen and "provide improved efficiencies and services for the tax-payer, as well as economic and financial benefits for the community".⁸⁸ Yet, the appetite and desire has to be there. It may be politically astute to prioritise short-term gains like freezing council tax but it merely puts off the inevitable, and like climate change the longer it is delayed the more difficult (and painful) the transition will be.

⁸³ See: "[Cognitive Business Therapy](#)".

⁸⁴ See: "[Scottish Social Attitudes Survey 2010: Core Module - Attitudes to Government, the Economy and Public Services in Scotland - Research Findings](#)", 2011, Scottish Government Social Research.

⁸⁵ See: "[Single-minded approach to public service reform](#)", June 2011, The Herald, Ross Martin.

⁸⁶ See: "[The Big Event 2011: Scotland's emerging Public Service Jigsaw](#)", June 2011, CSPP.

⁸⁷ See: Footnote 74.

⁸⁸ See: "[Council Convener welcomes findings of Christie Commission](#)", 29 June 2011, Orkney Islands Council.