

# COSLA

*Promoting Scottish Local Government*

## **ADVICE TO NEW COUNCILS**

### **5. DECENTRALISATION**

## INTRODUCTION

This Advice Note draws to the attention of elected members of the new councils the considerations they may wish to take into account in relation to decentralisation. It does not in any way purport to be prescriptive, rather it focuses on the key aspects and issues which councils at this point in time need to address in determining the overall shape of decentralisation in their areas. Emphasis is given to the importance of decentralisation in having a key bearing on the objectives set by the council, the council's functions and the role of the corporate core.

COSLA believes that decentralisation should figure as an item on the agenda soon after the new councils have been elected. Decentralisation is not something that can be simply "bolted on" to structures already in place. Decisions taken at an early stage in the decentralisation process will have an important bearing on a council's future functioning at strategic and operational levels. Decentralisation may be more costly to implement if left until after other key decisions have been taken.

Councils will be aware of the guidance on decentralisation issued for consultation by the Scottish Office. That guidance was drawn up in consultation with COSLA and in the context of COSLA issuing its own advice on decentralisation issues at different stages in the reorganisation process. In this Advice the focus is on what issues need to be addressed by the new councils once they are elected. Although the themes and issues covered by both documents are similar, in COSLA's Advice special emphasis is given to the need to strike the right balance between corporate and decentralised functions. Attention is also drawn to the various contexts the new councils will wish to take into account in relation to decentralisation. Later on in the year COSLA will be issuing a further advice note giving more detailed consideration to the issues and key tasks involved in the decentralisation process at a practitioner level.

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## **DECENTRALISATION AS A MEANS TO AN END**

Once set up, the new councils will want to define their main objectives in terms of:

- improving local services and bringing them closer to the public
- enabling the public to influence and shape the design of services
- promoting community identity, participation and local leadership
- generally providing more accountable, effective and responsive local government.

Decentralisation has come to be seen as something in which all sections of the community have a stake in and own, particularly people who traditionally have felt excluded from or marginalised in governance.

Decentralisation, as acknowledged in the Scottish Office guidance, may be seen as a route through which these wider objectives can be achieved. It stems from a number of developments which have already been taking place in local government and public service provision in general. Over the past decade or more local councils have become more "citizen" or "consumer" centred in their approach to service provision. This has resulted in councils reviewing the way in which they are managed and perform as organisations, adopting more strategic approaches to service provision, and developing structures and systems which allow for better input from the communities they serve. Decentralisation has come to be seen as something in which all sections of the community have a stake in and own, particularly people who traditionally have felt excluded from or marginalised in governance.

## THE STATUTORY FRAMEWORK

Section 23 of the Local Government etc. (Scotland) Act 1994 requires the new unitary councils to draw up decentralisation schemes, in accordance with prescribed consultative procedures. The Secretary of State has used his powers under the Act to issue his own guidance on decentralisation. Although councils are required to take that guidance into account, the guidance is intended to be non-prescriptive. The Secretary of State has no powers to approve decentralisation schemes, which councils - and they alone - are free to determine.

Councils will want to give careful consideration to how they should consult community councils and other sections of the community in drawing up their decentralisation schemes. Their approach to this task could be critical in determining public acceptance of and support for decentralisation.

COSLA believes that these provisions leave local government with considerable scope for developing approaches to decentralisation which take into careful account the needs and circumstances of the communities they serve. Decentralisation also provides local government with a fresh opportunity to look critically at its own values, ways of working and, most important of all, its relationships with the people it is elected to serve.

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## GETTING THE BALANCE RIGHT

Decentralisation will involve striking the appropriate balance between functions which need to be retained at the core and those which may be decentralised. This will involve councils making careful assessments about what count as core functions and what functions lie outside the core and how the two relate to one another. It is essential that councils get this balance right if decentralisation is not to lead to loss of strategic overview, fragmentation of service delivery, loss of economies of scale and inequities of provision. The balance may vary - perhaps after a period of fine tuning - for different councils, for different services or indeed for particular aspects within a given service.

Key considerations will be the essential role of the core in:

- giving overall strategic direction to the council's corporate work
- determining which service standards are to be mandatory and which allow a degree of localised discretion
- delegating functions to the extent allowed by legislation
- monitoring and reviewing performance
- providing specialist services
- managing authority-wide budgets
- capital programming
- managing cost effectively those services which cannot or should not be decentralised

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At the same time, councils will want to consider to what extent their wider objectives can be achieved through:

- member/officer accountability at a local level
- more localised decision making
- budgetary devolution
- making services more locally accessible
- packaging services to suit local circumstances

As well as achieving the right balance between functions which need to be retained at the core and those which can be decentralised, a balance also has to be struck between the political, managerial and physical aspects of decentralisation. For example, the development of a network of area offices should go hand in hand with the devolution of decision making functions if it is not simply to become another layer of bureaucracy.

## **DECENTRALISATION AS A WAY OF WORKING**

Decentralisation may be regarded as a way of working which permeates all aspects of an organisation's functioning. It is derived from the principle of subsidiarity, whereby all decisions are taken at the lowest appropriate level within an organisation unless there are compelling reasons for doing otherwise. Put more simply, it is about asking the question at every stage in the decision making process, "Who should decide what, how and why?"

Decentralisation is a major dimension which local councils will wish to take into full account in determining their political and public profile, the way in which they are managed at corporate and service levels, and in the overall shaping of their organisational structure. Commitment and leadership from elected members and chief officers will therefore be crucial to the development of decentralisation as an organisational culture.

## **DECENTRALISATION AS A STARTING POINT**

As acknowledged in the Scottish Office Guidance, Decentralisation is a developmental process, in which a council's "decentralisation scheme" is not an end-point but a starting point. It is part of a framework for handling change as organisations respond to issues and problems. Decentralisation is a vehicle through which councils can develop policies, launch initiatives and monitor and evaluate performance. It is a way of responding to a changing environment rather than simply putting into place organisational structures, which, if seen as ends in themselves, might well outlive their usefulness.

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## **DECENTRALISATION AS A LEARNING PROCESS**

Decentralisation should also be seen as a learning process in which councils do not necessarily get everything "right" first time. It involves - perhaps over a period of time and readjustment - the acquisition of new perspectives, skills and attitudes, the cultivation of flexible, inter-disciplinary team working, and even an element of conflict, tension and risk taking. It puts emphasis on close communication and consultation, partnership and co-operation.

Decentralisation carries major training implications - at both elected member and officer levels - relating to the devolution of responsibility, integrated working, communication and consultation. Councils will also want to consider to what extent training provision should extend to community representatives in order that they may play a meaningful role in the decentralisation process.

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## CONTEXTS

Councils will want to take relate decentralisation to the following contexts:

- the political context, at national, regional, and local levels which shape or constrain local authority action and patterns of local governance as a whole;
- the costs and benefits of decentralisation, in relation to the financial constraints on local government;
- the legal framework in which local councils have to operate, having close regard to the principle of *ultra vires* and to the authority's statutory obligations, including duties to secure the provision of certain services;
- the socio-economic, geographical and other circumstances in which the new councils are placed, including the cultural and political legacies they may have inherited from the councils they have replaced;
- the requirements of CCT, with reference to such issues as the client-contractor split, drawing up of specifications, and contract size and packaging;
- partnerships between local councils and other agencies - in the public, voluntary and private sectors - in policy development and service delivery.

## THE WAY FORWARD

COSLA believes that decentralisation should play a very major role in the future pattern of local governance. Decentralisation should be expected to transform, in a very positive sense, the way in which local councils work as organisations and relate to the communities they are elected to serve. Decentralisation should also enhance the strategic role of local councils by focusing attention on functions which need to be kept at the core as well as those which can be devolved.

The guidance in this paper sets out general considerations the new councils, in developing schemes of decentralisation, will wish to address at the earliest possible opportunity. COSLA will be issuing, later on in the year, Practitioner Advice, giving more detailed consideration to the issues and key tasks involved in the decentralisation process. A list of the themes and issues which could figure in this Practitioner Advice is presented opposite.

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## PRACTITIONER ADVICE: POSSIBLE THEMES AND ISSUES

THEME	ISSUES
<b>Aims and objectives of the new council</b>	<ul style="list-style-type: none"> <li>▪ Determination of council's values, aims and objectives</li> <li>▪ Establishing a clear understanding of what decentralisation is expected to achieve in relation to these</li> <li>▪ Setting targets to measure achievement.</li> </ul>
<b>Context of decentralisation</b>	<ul style="list-style-type: none"> <li>▪ Political, financial, legal, geographical and socio-economic factors</li> <li>▪ Contract culture</li> <li>▪ Partnerships &amp; joint working</li> </ul>
<b>Politics of decentralisation</b>	<ul style="list-style-type: none"> <li>▪ Issues of political control and balance</li> <li>▪ Evolution of power</li> <li>▪ Ensuring equity is maintained across the authority</li> <li>▪ Role of elected members</li> <li>▪ Role of community councils, other community representatives and external agencies</li> </ul>
<b>Management of decentralisation</b>	<ul style="list-style-type: none"> <li>▪ Management culture &amp; management of change</li> <li>▪ Member/officer relationships</li> <li>▪ Strategic and decentralised functions: getting the balance right</li> <li>▪ Determination of management structures - role of front line and support staff, generic &amp; specialised staff, etc</li> <li>▪ Support staff</li> <li>▪ Accountability</li> <li>▪ Resource management</li> <li>▪ Communications and IT strategies</li> </ul>
<b>Development and Training</b>	<ul style="list-style-type: none"> <li>▪ Decentralisation as a learning process</li> <li>▪ Culture of decentralisation and development of ways of working, both internally and externally</li> <li>▪ Identification of training needs: elected members, local authority staff, community representatives</li> </ul>

- Structure of decentralisation**
- Consideration of full range of options: from improving access to services to participatory structures
  - Departmental and corporate approaches
  - Diversity of choice
  - The geography of decentralisation
  - Physical infrastructure
  - Equal opportunities
  - Approaches to community involvement and empowerment
  - Involvement of external agencies
- Implementation**
- Timetabling
  - Decentralisation as evolutionary process
  - Approaches to consultation
  - Mechanisms of consultation
  - Monitoring and review

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