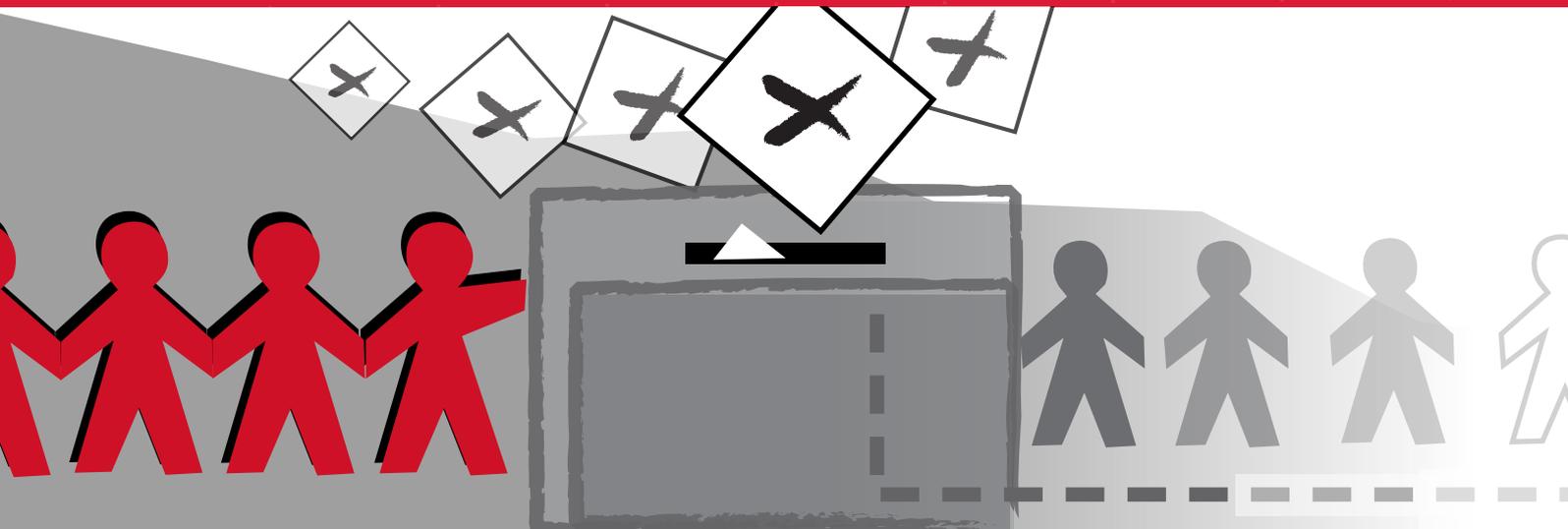




The Jimmy Reid
Foundation

The Silent Crisis

Failure and Revival in Local Democracy in Scotland



Summary Report

Eberhard Bort, Robin McAlpine and Gordon Morgan

April 2012

Introduction

Scotland, with its many diverse communities, is a nation with a rich and diverse local tradition. However, this thriving 'localism' is not matched by a thriving local democracy; in fact, quite the opposite is the case.

It is time we fully recognised the state of democracy in Scotland. Below the national level, Scotland is the least democratic country in the European Union; some have argued that it is the least democratic country in the developed world. We elect fewer people to make our decisions than anyone else and fewer people turn out to vote in those elections than anyone else. We have much bigger local councils than anyone else, representing many more people and vastly more land area than anyone else, even other countries with low density of population. In France one in 125 people is an elected community politician. In Austria, one in 200. In Germany one in 400. In Finland one in 500. In Scotland it is one in 4,270 (even England manages one in 2,860). In Norway one in 81 people stand for election in their community. In Finland one in 140. In Sweden one in 145. In Scotland one in 2,071. In Norway 5.5 people contest each seat. In Sweden 4.4 people. In Finland 3.7 people. In Scotland 2.1. In every single indicator we were able to identify to show the health of local democracy, Scotland performs worst of any comparator we could find.

In most of Europe community politics is 'normal' – people you know, your friends and family or neighbours will routinely contest elections to represent your community. In Scotland we have created a system where community politics is 'strange and distant' – you probably don't know many (if any) people who are involved in local politics. You probably don't vote. You certainly end up with a council which is by far the most distant and unrepresentative of your community of any comparable country. And you wonder why confidence in local democracy is low?

This is an existential crisis for local democracy. If we do nothing to address this very clear problem we will end up with a nation in which politics is the preserve of a tiny cadre of professional politicians who are separate from the rest of society. We will continue to live in a country where professional managers make decisions *for* your community with little reference *to* your community, and they will continue to do it in 'job lots' – not building a school for you but building half a dozen schools for a standardised notion of what a community is. And these blanket policies applied across diverse communities will simply dilute diversity and create homogenous 'clone towns'. Disillusionment and alienation will continue to rise and the gap between politics and the people will continue to widen.

In Scotland we have been kidding ourselves on that a few successful audits of local authority bureaucracy have shown there is no problem. But worse than that, the letters pages of many newspapers suggest that we aren't even widely aware of our status as the least locally democratic nation in the developed world. This cannot be allowed to continue indefinitely.

So there are three core conclusions from this report:

- Local democracy is important in principle and in practice
- There is a clear democratic deficit in Scotland at the local level
- To resolve this the Scottish Government should set up a Commission to devise a layer of democracy which can be established below the level of the existing local authorities

In considering how that might be done the report recommends:

- There is no justification for any major restructuring of the administrative bureaucracy of existing local authorities; what is needed is not an extra layer of bureaucracy but an extra layer of democratic decision-making to guide and instruct that bureaucracy
- There are some core principles that must be adhered to in devising that layer of democracy, central among which is that democracy must be universal and not 'voluntarist'
- The proposals should be bold in following the principle of subsidiarity – we should trust communities to make as many as possible of the decisions which impact on them themselves, which means making sure they have the maximum possible power
- However, it is important to also make clear that national government does have an important role in establishing national policy frameworks and in ensuring national minimum standards.

It also seeks to set the debate in context:

- Cost should not be seen as a deterrent: as there is no proposal for restructuring the administrative function of existing local authorities the cost of introducing democratic councils should be no more than a few tens of millions of pounds at most
- Fear of 'competence' must not inhibit the debate: the tendency of some professional politicians and administrators to assume communities are not capable of managing their own affairs is clearly contradicted by the experience from across Europe
- This is not a low-priority issue: the current structure which sees politics and decision-making take place distant from and with little reference to the people the decisions affect lies at the very heart of many of the major problems of disillusionment with democracy that are regularly identified in Scotland and the UK as a whole

We believe that this is a matter that should command strong cross-party support and urge politicians of all parties to support these calls for reform.

Is there a problem?

Local government is a combination of two elements:

- Effective representation of the hopes, views and needs of the population served in the development of actions and strategies
- Efficient and transparent achievement of those actions and strategies

If the latter is not in place you risk corrupt and inefficient government which fails to secure the confidence of the population and fails to deliver. If the former is not in place you risk a managerialist administration which fails to reflect the interests and views of the population, also leading to a lack of confidence in government. This report will refer to these as the *democratic element* and the *administrative element*.

We accept the conclusions of the Audit Scotland reports on local government in Scotland that the administrative element of Scottish local authorities is broadly efficient and transparent and

functioning pretty well (with the caveat that while this is true of many services there are failings in some areas, such as the management of PFI contracts). We do not believe there is any justification for any major restructuring of the administrative element of local government in Scotland.

But all the evidence suggests that the democratic element is failing badly. To set the context, attempt the following 'thought experiment':

Think of your community, however you define it. Think of something your community might want to achieve. Imagine that every single person in your community agreed. Now try to think of any way in which you could use even a unanimous democratic vote to achieve that universally shared goal.

It is almost impossible to resolve this thought experiment because decision-making takes place so far from any identifiable communities that the voice of a single councillor elected by that community is largely ineffectual. In a democracy, people can demand action; in Scottish local democracy at best you can plead for it.

If local democracy is indeed failing you would expect to see three main indications:

- A weak culture of debate and discussion of community issues and low levels of expectation of what local government will achieve
- A low level of public interest in local politics
- A poor rate of people standing for local elected politics

To test this, we examined seven indicators to assess this picture: population size of local authority area; geographical size of local authority area; turnout (as a proxy for the interest in local democracy from local people); numbers of local and regional tiers of governance; number of electors per local elected official; number of candidates as a proportion of the population (indicating public interest in getting involved in politics); number of candidates contesting each seat (as a measure of how plural 'competitive' local democracy is). As can be seen, Scotland comes bottom of every measure*.

| | Average Population Size | Average Geographical Size (sq km) | Turnout at Local Election | Number of sub-national governments | | | Ratio of Councillors to Citizens |
|-------------------|-------------------------|-----------------------------------|---------------------------|------------------------------------|--------|----------|----------------------------------|
| | | | | Local | County | Regional | |
| Austria | 3,560 | 36 | 73% | 2,357 | 99 | 9 | 1 : 200 |
| Denmark | 56,590 | 440 | 69% | 98 | 5 | - | 1 : 2,000 |
| Finland | 15,960 | 1,006 | 61% | 336 | 2 | - | 1 : 500 |
| France | 1,770 | 17 | 64% | 36,697 | 101 | 27 | 1 : 125 |
| Germany | 7,080 | 31 | 60% | 11,553 | 301 | 16 | 1 : 400 |
| Italy | 7,470 | 37 | 75% | 8,094 | 110 | 20 | 1 : 600 |
| Spain | 5,680 | 62 | 73% | 8,116 | 52 | 17 | 1 : 700 |
| UK | 152,680 | 601 | 39% | 406 | 28 | 3 | 1 : 2,860 |
| Scotland | 163,200 | 2,461 | 54%* | 32 | - | - | 1 : 4,270 |
| EU Average | 5,630 | 49 | - | - | - | - | - |

*Note that because Scotland has held its last four local elections on the same day as the national election this is widely accepted to have artificially boosted the turnout for Scottish local elections. Even so, Scotland is still worse than any country other than England.

| | Proportion of the population standing in local elections | Number of candidates contesting each seat |
|-------------------|--|---|
| Finland | 1 in 140 | 3.7 |
| Norway | 1 in 81 | 5.5 |
| Baden-Württemberg | 1 in 141 | 3.6 |
| Sweden | 1 in 145 | 4.4 |
| Scotland | 1 in 2,071 | 2.1 |

While none of these measures on their own conclusively ‘prove’ anything, the cumulative impact is quite clear: there is no indicator this report was able to identify which *did not* suggest that Scotland is Europe’s least democratic nation at the local level. And this appears to demonstrate that the chain of consequences outlined above is indeed demonstrated – there *does* appear to be a weak culture of debate and discussion of community issues, there *does* appear to be a very low level of interest in local politics and the population as a whole *does* appear to be removed from active local politics.

Does local democracy matter?

There has been a tendency to conclude that since no-one seems to be interesting in local democracy this must imply that there is no problem. Much mainstream debate has been captured by the twin ideas that ‘there is no appetite for restructuring’ and ‘the last thing the public wants is more politicians’. Both these concepts are deeply flawed; would ‘no appetite for tackling poverty’ equate to no problem? Does the fact that people don’t like their electricity supplier mean they don’t want electricity? If local administration is working while local democracy is failing, does this collectively amount to a problem that requires action? After all, one of the fashionable viewpoints of recent politics is that ‘what matters is what works’ – if people are getting the services that they want, how those services are specified and delivered doesn’t matter. We would put forward seven important reasons why local democracy very much does matter:

- **Perspective.** Administrators see communities from outside – without the perspective of local democracy it is simply impossible to make any meaningful, rounded judgement on whether local government is working for local people.
- **Effectiveness.** Effectiveness is a combination of doing the right things and doing them well; doing the wrong thing well is not effectiveness. Both public and private sector administration is littered with actions that proved to be pointless because they bore no relation to the interests of the ‘customer’. To tackle this the private sector has business failure; in the public sector there is only democracy.
- **Efficiency.** Likewise, doing something in an efficient manner that produces the wrong result is not efficient. Local democracy is the crucial way of ensuring that the care that is put into financial management is matched by adequate care in specifying projects in a way that means they will function for the community when completed.
- **Localism.** Local democracy (and powers which reside locally) is the only way to ensure there is an inclusive expression of what is genuinely different and unique about a local area. Without it there is only central planning by professional administrators.
- **Pluralism.** Creativity comes from the ‘battle of ideas’. Public sector managers deliver, they do not create big ideas. Local democracy encourages pluralist debates about

what to do and how to do it which generates creative and innovative thought. If we lose the pluralism, we lose the creativity – and the ability of people to express their own views.

- **Political resilience.** Without lively community and local politics the next generation of national politicians will inevitably come from ‘within the system’. This does not offer a resilient structure for refreshing and renewing national politics. If elected politics is distant, disconnected and insular, then we should expect distant, disconnected and insular politicians.
- **Principle and precedent.** Above all, if we are to accept the argument that ‘yes, this is a democratic failure but we’ve learned to live without democracy’, where does the argument end? With a minority of the population expressing a meaningless say in national government which is run by professional classes on the basis of their own priorities? Democracy must be protected for its own sake. The alternative is not attractive.

A democratic structure for Scotland

A brief look at international comparators shows that there is a wide range of options for exactly how a new layer of local democracy might be implemented and many valid arguments one way or the other on each. It is for this reason that this report recommends that a Scottish Government commission should be established to resolve these and develop a complete proposal. However, it is possible to outline the skeleton on which a new structure should be devised, outline some key principles on which it should be based and to identify some of the main questions that must be resolved.

There is no major and consistent failing in the way that existing local authorities operate (other than in failing to reflect the diversity of local democratic opinion). Any reorganisation that resulted in upheaval of infrastructure or employment would be massively costly, time-consuming and demoralising; since there is no evidence of administrative failure, even attempting that sort of wholesale reorganisation is entirely unjustified.

However, wholesale reorganisation is not what is required to address the issue. What is needed is a more democratic means of informing the operation of local government. It is therefore entirely possible to maintain the existing structures of administrative delivery but to increase the democratic means through which that function is specified and monitored. What is required is a layer of democracy below the current local authority level. It would require little additional bureaucracy; rather, the existing bureaucracy would simply be governed by different elected bodies according to the allocation of powers and functions.

There are many options for organising a new layer of government and that layer will itself be diverse – the right ‘local council’ for a collection of rural villages will be different to that for a large regional hub town (and the council structure in the big four cities currently look not unlike their European counterparts). But there are some basic principles that should apply to the development of a new system:

- Above all it is imperative that local democracy should be **universal** and not reliant on a community ‘opting’ for democracy. A ‘voluntarist’ approach favours communities where people have time, self-confidence and experience – often this means affluent communities.

- There must be a clear recognition that **elected politicians are central to democracy**; while modern technologies may offer new ways to gauge public opinion they do not offer a means of holding democratic institutions to account.
- Ultimate **responsibility must lie with the democratic body** and not with paid officials. The instinct of professionals to prevent elected officials ‘making mistakes’ must be curtailed; communities must be free to make their own decisions and live with the consequences.
- We should accept that **consistency is not the primary goal** and that different kinds of democratic bodies suited to different areas and communities is fine.
- Similarly, **diversity of outcome is an inevitable and desirable result of democracy** and ‘managing out’ difference should be avoided wherever possible
- The assumption that homogeneity and size are synonymous with efficiency must be rejected. **Outcome must come first**; the role of efficiency must be in delivering democratic outcomes as well as is possible.
- **The principle of subsidiarity should be adhered to**; powers should lie as close to the affected communities as is possible.
- However, it must also be recognised that there will also be a right to expect some national standards of quality and that the **nationally elected government has a clear locus to set national priorities and policy frameworks**
- **Local units of democracy should not undermine the principle of collective social cohesion** and must not become a means of promoting greater inequality between poorer and richer communities. As in long-established precedent, a mechanism for redistribution according to social need must be a central part of the system.

The main report then contains detail of the sorts of issues a Commission would need to resolve, such as the structure of new democratic councils, the numbers of community politicians, should there be ‘elected provosts’ and how can minimum standards of service be ensured.

The question of how financial arrangements might be structured is considered. The conclusion is that the current system of local government finance in Scotland is widely considered to be seriously flawed and in need of reform. It is outside the scope of this report to address the issue of overall local government finance, but it concludes that funding a new layer of democracy from within the current arrangements is perfectly possible, so long as effective means of transfer according to social need is devised.

The question of how powers would be allocated is also considered. Two starting-points are proposed. First, there should be a power of General Competence – all elected bodies should be able to do anything they want within the law other than where they are expressly forbidden. And second, a policy of subsidiarity should be accepted (as highlighted in the principles above).

Cost

Finally, as there are many options for how a new layer of democracy might be organised there is a range of possible running costs. However, at this point it is important to stress once again that this report does not propose restructuring of existing local authority administration; no jobs will

be changed or moved. The cost is simply the cost of establishing and maintaining democratic forums at the local level which would then instruct the existing administrative organisation. The main report models what it might cost to run a Scottish version of the system which operates in the Baden-Württemberg Länder of Germany (which has one of the most comprehensive and extensive local democratic structures among the comparator examined). It concludes that even such a 'top end' solution might cost in the order of £19m to run annually. And while there might be some knock-on administrative costs, it is reasonable to argue that these would be off-set by better government and a greater responsibility of communities to raise money or reprioritise budgets to pursue their own priorities.

Conclusion

The question of Scotland's failing local democracy is sharply highlighted by the lacklustre campaign for the 2012 elections. Barely one in three people is expected to vote and more or less one in two candidates will be elected from a tiny pool of talent. This is not good enough for a country like Scotland, and the lack of awareness of this very real problem among both the political classes and the general public is a further sign of a striking democratic deficit.

Put simply, Scotland must drag itself off the bottom of the league table of locally democratic developed countries. Strengthening community councils or imposing elected provosts may offer a stop-gap solution or form part of a bigger solution, but they are certainly not a solution in themselves. A problem of this magnitude can only be resolved via a major national commission. Scotland should not have to go into another local election on the basis of such a hollow and ineffective local democratic structure.



Web: www.reidfoundation.org

Phone: 0845 557 6844

Email: contact@reidfoundation.org

The Reid Foundation
PO Box 8781
Biggar
ML12 9AG