The Council Chamber, Fife House, North Street, Glenrothes Thursday, 28th June, 2018 - 10.00 a.m.

AGENDA

1. APOLOGIES FOR ABSENCE.

2. DECLARATIONS OF INTEREST.

3. CIVIC BUSINESS.

4. MINUTE OF FIFE COUNCIL

   Fife Council of 3rd May, 2018 is submitted for approval as a correct record, as contained in the printed volume. 1 - 31

5. MINUTES OF COMMITTEES AND SUB-COMMITTEES - Minutes of the April/May/June 2018 meetings of the Council's Committees and associated Sub-Committees, as contained in the printed volume of minutes, are submitted for accuracy. 32 - 162

6. CO-LEADERS’ REPORT. 163 - 165

7. QUESTION TIME - In terms of Standing Orders, copies of these questions will be emailed to members, and tabled at the meeting.

8. APPOINTMENT OF CONVENER OF FIFE PLANNING REVIEW BODY – To note the resignation of Councillor Ian Ferguson as Convener of the Fife Planning Review Body and to appoint a replacement. 166 - 172

9. BEST VALUE ASSURANCE – Report by the Chief Executive. 173 - 184

10. STANDARDS COMMISSION FOR SCOTLAND DECISION – Report by the Head of Legal Services. 173 - 184

11./
11. **EDINBURGH AND SOUTH EAST SCOTLAND CITY REGION DEAL** – Report by the Chief Executive.

12. **INAPPROPRIATE BEHAVIOUR WORKING GROUP UPDATE** – Report by the Chief Executive.

13. **NOTICE OF MOTIONS** – In terms of Standing Order No. 8.1, the following notice of motions have been submitted:

**Motion 1**

Council expresses its deep concern at the workforce shortages facing many farms in Fife due to Brexit and the drop in the value of the £. The shortage of pickers from the EU may result in fruit and vegetables left to rot in the fields with a significant economic impact. Council asks the Chief Executive to write to the appropriate UK Ministers to express concern about this and also to urge Ministers to urgently agree a new version of the Seasonal Agricultural Workers Scheme (SAWS) which was discontinued in 2013.

Proposed by Councillor Tim Brett  
Seconded by Councillor Bill Porteous

**Motion 2**

Fife Council notes that:

The United Nations Framework Convention on Climate Change (UNFCCC) was created in 1992 as the main forum for international action on climate change¹. The UNFCCC’s work led to the Kyoto Protocol in 1997 and in turn to the Paris Agreement in 2015. The Paris Agreement set the objective of holding the increase in global average temperatures to 2°C above pre-industrial levels and to aim for a target of 1.5°C. The Agreement relies on voluntary pledges to reduce emissions. At the time of writing 160 parties have made voluntary pledges to reduce emissions up to 2030.

The exact amount of warming caused by any given build-up of CO2 is unknown and the science on this issue continues to evolve. The impact of a given degree of warming is also uncertain. However, there is a broad international consensus within the scientific community that there continues to be a gap between the pledges felt to be necessary to achieve the objective and those that have been made.

There are scientific, moral and financial cases to divest from fossil fuel investments:

1./

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¹ [https://www.theccc.org.uk/tackling-climate-change/the-legal-landscape/global-action-on-climate-change/]
1. The combustion of fossil fuels is the main source of CO2.
2. The international climate change agreements impel us to move away from fossil fuel.
3. In future fossil fuel reserves will in effect be un-burnable and hence worthless.

About £87bn a year pours into Britain’s pension schemes and in many of these a portion is automatically invested in fossil fuels. Concerns on this are now increasingly widespread. Organisations from across the world have committed to some form of fossil fuel divestment. Over $6 trn of divestment commitments have been publicly announced worldwide.²

The fiduciary duty of pension and other investment funds requires that consideration is given to the long-term risks associated with companies' long-term sustainability. The current actions of fossil fuel companies do not suggest a sustainable future. Fossil fuel companies, by their actions, have little concern for future generations. Companies continue to invest huge sums of money into finding and developing fossil fuel reserves. Recent announcements have made it clear that pension funds can consider members’ non-financial or ethical concerns when making investment decisions.³

Fife Council itself is not responsible for taking investment decisions. However, it is the major stakeholder in and contributor to the Fife Local Government Pension Scheme and it is responsible for managing common good funds and trust funds and it is important that those who are responsible for taking investment decisions are aware of their duty to current and future pensioners and beneficiaries, and are content therefore that the instructions they make are based on advice that has given detailed consideration to these concerns.

A list of fossil fuel divestment commitments made elsewhere includes a number of councils although not all of these will be administering authorities.⁴ Not all have committed to full divestment from fossil fuels today but all have made a start towards divestment in recognition of the climate change challenge that we face and the scientific consensus set out above. Councils that have taken steps toward divestment include:

Brighton & Hove Council
Cambridge City Council
Derby City Council
Haringey Pension Fund
Hastings Borough Council
Kirkelees/

² https://gofossilfree.org/divestment/commitments/#
³ https://www.lawcom.gov.uk/project/pension-funds-and-social-investment/
⁴ https://gofossilfree.org/divestment/commitments/
The Scottish Government and Fife Council are committed to decarbonise the Scottish economy and to place Scotland at the forefront of the global fight against climate change.

Whilst Fife Council cannot and should not instruct its investment managers on the investment decisions that they take, it is right and proper that where there are both ethical and financial concerns held by the Council, these should be expressed to the Superannuation Fund and Pensions Sub-Committee who are charged with ‘supervision of the management and administration of the investments of the Superannuation Fund, common good fund and all trust funds’.

Council recognises that the Sub-Committee are the trustees of the Pension Fund and, as such, are under a fiduciary duty to the employers and employees who are members of the Fund to maximise investment returns.

Based on the information available to it, Fife Council supports the following statements:

1. Continuing investment in fossil fuel companies is ethically wrong and financially risky.
2. The physics of climate change given current knowledge means that fossil fuel investments are not sustainable, and that existing fossil fuel reserves must stay in the ground.
3. A responsible investment strategy should ensure that these risks are properly considered, assessed and mitigated by actions likely to include partial or total divestment from fossil fuel companies.

Fife Council therefore instructs the Chief Executive to write to the Convener of the Superannuation Fund and Pensions Sub-Committee to ask that it instructs the investment advisers of the Fife Pension Fund to prepare a detailed briefing on this issue so that members can have confidence that the issues raised by this motion have been properly considered. Furthermore, this briefing should provide sufficient detail to enable members of the Sub-Committee to have a clear understanding of the rationale behind any decision to continue to invest in, or disinvest from, fossil-fuels.

Proposed by Councillor Jonny Tepp
Seconded by Councillor Tim Brett

Motion 3/
Motion 3

Council condemns the actions of the Trump Administration in the United States in separating migrant children from their families and holding them in caged camps.

Council believes this violates basic human rights and that it will have consequential impacts across the world.

Council should add its voice to those protesting against these actions and resolves to inform the UK and Scottish Governments that, in light of these actions, President Trump should not be invited to visit the UK.

Proposed by Councillor David Ross
Seconded by Councillor Judy Hamilton

Motion 4

Trade Justice

Council notes that:

- The Transatlantic Trade and Investment Partnership (TTIP), the trade deal between the EU and US, stalled at the beginning of 2017, due to widespread public and political concern on both sides of the Atlantic.
- The Comprehensive Economic and Trade Agreement (CETA), between the EU and Canada, despite similar concerns, was passed by the European Parliament in February 2017 and is now awaiting ratification by member states.
- CETA will allow corporations to use a new Investor Court System (ICS) which affords transnational companies rights over elected governments.
- The effects of trade deals like TTIP and CETA go well beyond traditional goals of trade agreements, encompassing a wide spectrum of public policies. These include the harmonisations of regulatory stands; opening markets in the service sector; and the opening up of public procurement markets.
- The current UK government has indicated that it plans to use TTIP and CETA as the basis for any new trade agreements that it negotiates after Brexit.
- Fife Council has passed motions opposing TTIP and CETA, along with 9 other Scottish local authorities, demonstrating widespread concern amongst local authorities about the negative impacts of these kinds of trade deals.

Council/
Council believes that:

- This new generation of trade deals represents a real threat to local democracy, affecting the freedom local authorities have in decision making, when these decisions affect the profits of multi-national companies.
- These trade deals could also negatively impact on local services, employment and suppliers, as power is transferred from local and national governments to international corporations.
- A different system of trade is needed, which honours obligations to human rights, workers’ rights and climate change commitments.
- Trade deals should be used to help build a fairer society and protect the planet.

Council therefore agrees:

- To endorse the Trade Justice Scotland Coalition’s ten principles for just trade, as an alternative to trade deals like TTIP and CETA.
- That the Co-Leaders of this Council should write to the Secretary of State for Communities, Social Security and Equalities; the Cabinet Secretary for Finance and Constitution, and local MPs and MSPs to warn of the impact that a new generation of trade deals might have on Council decision-making after Brexit, and to call for them to endorse the Trade Justice Scotland Coalition’s principles for just trade.
- That the Co-Leaders of the Council will write to COSLA to express concern about the impact that future trade deals, negotiated by the UK government after we leave the EU and modelled on TTIP and CETA, might have on local council decision-making, and ask them to raise these with the UK government and Scottish government on this Council’s behalf.

The Trade Justice Scotland Coalition’s ten principles for just trade are as follows:-

1. Trade policy and trade negotiations should begin with, and continue to create, opportunities for meaningful consultation with the public, with the UK parliament, and with the devolved administrations.
2. Trade rules should comply with human rights, labour standards, environmental standards and climate commitments.
3. Trade agreements should focus on trading in goods. Public services, patents, local and national government procurement, domestic regulation, migration, investment and data privacy lie outside the scope of trade agreements. A policy of “positive listing” would reinforce this principle.
4. Domestic courts rather than ‘corporate courts’ (which give foreign companies special legal rights outside of the national legal system) should deal with trade disputes raised by corporations. The Investor State Dispute Settlement mechanism, the Investor Court System and the proposed Multilateral Investment Court are heavily weighted against governments.

5. Trade agreements should include mechanisms for individuals, groups and communities to bring grievance proceedings for harm caused by the trade agreements. The requirement for a periodic review of the social, environmental and human rights impact of a trade agreement should be written into the text, with a provision for parliament to withdraw from a trade agreement if it is too damaging.

6. A compensation package and alternative decent work for those who lose out as a result of a trade deal should be a pre-requisite of any trade negotiation. When agreements are between developed and developing countries, the developed countries should provide finance for this.

7. Trade agreements must ensure tariffs and trade preferences take social and environmental considerations into account, so that goods with less environmental impact and higher social welfare, for example Fair Trade goods, receive greater preference.

8. Trade agreements should commit countries to raising standards to the highest, not lowest level, including meeting international and national human rights, labour, environmental and climate obligations.

9. A just trade system should be based on solidarity not competition. Within this system trade deals could facilitate the sharing of knowledge and technology, for example low carbon energy and generic medicines, particularly with countries in the global south.

10. Foreign aid should be kept as a separate issue from trade, so that it cannot be used to persuade a country to open up its domestic markets.

Proposed by Councillor Judy Hamilton
Seconded by Councillor Mary Lockhart

Motion 5/
Motion 5

Council notes:

- the recent critical report on Universal Credit published by the National Audit Office;
- the rising level of Council rent arrears linked to the roll out of Universal Credit in Fife;
- the concerns raised in the recent briefing note on Universal Credit in Fife produced by Finance and Corporate Services and circulated to all councillors;
- the significant increase in demand on Fife’s foodbanks attributable to the roll out of Universal Credit.

In light of these concerns, Council once again reaffirms its opposition to Universal Credit in its current form and resolves to write again to the UK Government asking for the roll out of Universal Credit to be suspended.

Proposed by Councillor David Ross
Seconded by Councillor Judy Hamilton

Motion 6

Council notes that

- despite being subject to cuts, Fife’s remaining instrumental teachers have gone the extra mile not only in maintaining outstanding commitments to the teaching they are contracted to do but also to associated activities such as group playing, rehearsals and performances
- the annual proposal of cuts to the instrumental service singles out instrumental teachers and subjects them, most recently just before last Christmas, to extreme stress by proposing a decimation of the service and a compulsory choice between retraining and redundancy
- instrumental instruction is not available to all school children in Fife, but is rationed through selection and cost (£220 pa unless the pupil is on free school meals or in S4-6 and studying towards SQA music exam)
- the administration and all 4 parties were united in rejecting further cuts as proposed by the Education Service in the 2018/19 budget
- EIS has launched a campaign Change the Tune to protect instrumental music in schools, and is supporting a petition lodged at the Scottish Parliament, calling for free instrumental tuition to be available to all children attending state schools in Scotland
- this campaign has attracted all-party support including the SNP government at Holyrood which has committed to “working in collaboration with partners to find solutions that help ensure instrumental music remains accessible to all.”

That/
That Council will

- instruct the Education Service not to explore, propose or consult on further savings to the instrumental instruction budget
- or, if this is impossible, give an assurance that any such proposals which single out instrumental teachers for cuts will not be taken forward
- seek to become one of the partners Scottish Ministers are working with to ensure instrumental instruction remains, or in Fife’s case, becomes, accessible to all.

Proposed by Councillor Linda Holt
Seconded by Councillor Alan Craig

14. BUSINESS BROUGHT FORWARD BY THE PROVOST AS A MATTER OF URGENCY.

Linda Bissett,
Head of Democratic Services,
Finance & Corporate Services.
Fife House,
North Street,
Glenrothes,
Fife. KY7 5LT

21st June 2018.

If telephoning, please ask for:-
Emma Whyte, Committee Administrator, Fife House, Glenrothes

Telephone: 03451 555555 Ext. 442303 or e-mail: emma.whyte@fife.gov.uk
Agendas and papers for all Committee meetings can be accessed on www.fifedirect.org.uk/committees
1. Lumphinnans Care Village

The official opening of the new Lindsay House care home and associated care village in Lumphinnans took place on 11th June. This 60 bed home and 30 retirement homes is the third and final care village in the first phase of the programme to replace our existing care homes. Work is now underway to develop the second phase. We were able to thank staff, residents and all those involved in the development of this new facility.

2. Fife Cycle Park

The new Fife Cycle Park was opened on 23rd May by internationally renowned cyclist Mark Beaumont and the Provost. This 1.6km closed loop circuit is the first of its kind in Scotland and as well as attracting club cyclists from across Scotland it offers a programme of community sessions for all ages and abilities.

3. Spokes Kingdom Junior Classic Cycle Race

This 2 day stage cycle event, supported by the Council, took place on 9th/10th June starting in St Andrews and ending in Kennoway. This was the 4th year the event has been run and is one of only 5 of the highest level junior cycle events in the UK and the only one in Scotland, attracting teams not only from Scotland but from across the UK, Ireland and the Isle of Man. It is estimated that it brings around £150k into the Fife local economy.

4. Making Food Fair Event

Councillor David Ross attended a very constructive event on Making Food Fair along with participants from statutory, voluntary and community organisations involved in a wide range of initiatives aimed at addressing food insecurity, poverty and inequality. This followed the publication of a study commissioned by the Fife Health and Wellbeing Alliance last year, and a recent report on food insecurity to the Community and Housing Services Committee. Further work on this important issue is underway.

5. Tay Cities Deal

The Tay Cities Deal submission is with the UK and Scottish Governments. It is hoped that the heads of terms for this deal will be signed over the summer period.

6. Scottish Power - Longannet

We arranged a conference call with senior officials from Scottish Power prior to the Longannet Task Force meeting, to discuss their immediate and long term plans for the Longannet site and the site of the former Kincardine power station. We also reaffirmed our request for a local community legacy fund to be established and
Scottish Power were able to give us a better understanding as to why local applications to the charitable foundation run by their parent company had been rejected.

7. Longannet Task Force

The final formal meeting of the Longannet Task Force, established in response to the closure of the Longannet Power station, was held at the end of May. This had assisted in finding positive destinations for almost all those requesting assistance with finding alternative employment or training. The meeting also heard reports on the other investment brought forward through the Task Force, including the purchase and development of the old bank building in Kincardine as an enterprise centre and a base for the Coalfields Regeneration Trust, which is due to open this month.

Scottish Government and the Council will continue to monitor progress with the regeneration of the Longannet site and the local authority partners will continue to work together on the long term economic development of the wider upper Forth area.

8. RBS Meeting

We met with senior managers from the Royal Bank of Scotland at the start of June and expressed our concerns about the branch closures that have taken place in Fife over a number of years and the recent changes in mobile branch routes.

RBS explained their position to us and indicated a willingness to consider suggestions for changes to the mobile route, within the current time available. They also gave an undertaking not to remove, or to replace in a nearby location, branch ATMs if there is no other ATM within 1km of the closing facility.

We also discussed the provision of basic bank accounts and the RBS MoneySense financial education programme, and the scale of the RBS operation in Fife. RBS will be presenting a fraud seminar to staff from St Andrews University on Tuesday, 3rd July, and have indicated, in liaison with the University, that they would be happy for a small number of Councillors or staff to attend to experience this.

9. Bifab

We met with representatives of the Trade Unions representing workers at Bifab and heard their concerns about the job situation at the yards following the buy out by Canadian company DF Barnes. Council officers have been in contact with DF Barnes and we have now written to them to arrange a formal meeting to discuss their future plans for the yards and the business.

10. Mossmorran

Councillors and officers have been participating in a series of meetings to address long standing concerns about flaring at the Mossmorran plant. Council officers are working with SEPA and the Health and Safety Executive to address concerns that have been expressed about the plant and the companies have given assurances that they will seek to improve communications with the local communities.
11. Tripartite Meeting with NHS and IJB

We held the latest of our regular meetings with the Chairs and executive officers of NHS Fife and the Integrated Joint Board earlier this month, discussing the IJB’s planned consultation on Primary Care Emergency Services, the financial position of the IJB and governance issues.

12. Budget Outturn

The budget outturn position for 2017/18 was reported to the Policy and Co-ordination Committee and there was sufficient surplus to allow additional funding of £1m to be transferred to the Health and Social Care Partnership and £1m to be allocated to address economic development in Mid Fife as agreed at the Council’s budget meeting in February.

13. Conservation Area Regeneration Scheme

Round 8, of the above scheme was launched from Cupar Burgh Chambers on Friday, 15th June. The Cabinet Secretary and Head of Historic Environment Scotland were present to commence the bidding process for the Scotland-wide £10 million fund. Fife Council has attracted £15 million of direct grant since 2004 with an additional £18 million coming from the Council and partners.

14. Discounted Rates for Ex-forces Personnel

An agreement has been reached with Fife Sports and Leisure Trust to offer 30% discount on all charges at its facilities for all ex-forces personnel resident in Fife from 1st June 2018.

Councillor David Alexander
Councillor David Ross
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Fife Council Best Value Assurance Report 2018

Report by: Steve Grimmond, Chief Executive

Wards Affected: All

Purpose

The purpose of this report is to allow Fife Council to consider and respond to the findings and recommendations of the 2018 Best Value Assurance Report for Fife Council produced by Audit Scotland on behalf of the Accounts Commission. This is the single, biggest review of the Council’s overall performance since 2009 and provides a positive independent endorsement of Fife’s progress and current position.

Recommendation(s)

Fife Council is asked to:

i. Note the Best Value Assurance Report (BVAR) for Fife Council (May 2018);

ii. Consider the findings and recommendations of the Accounts Commission report; and,

iii. Remit monitoring of progress in relation to the recommendations of the Fife BVAR and related Best Value issues to Standards & Audit Committee.

Resource Implications

The resource implications of issues highlighted by the 2018 Best Value Assurance Report are addressed within appropriate work programmes.

Legal & Risk Implications

Fife Council, along with its community planning partners, have a statutory duty of Best Value and Community Planning under the Local Government in Scotland Act 2003. Refreshed expectations regarding community planning are defined by the Community Empowerment Act 2015.

Impact Assessment

The implications of the 2018 Best Value Assurance Report will help to inform organisational improvement priorities, service delivery & governance arrangements.

Consultation

Preparations for the 2018 Best Value Audit involved Council Executive Team (CET), Council Leadership Team (CLT), all council directorates, key lead officers, Cross-Party Leaders Group, Standards & Audit Committee and Scrutiny Committee.
1.0 Background

1.1 The Local Government in Scotland Act 2003 established Best Value and Community Planning as statutory duties for Scottish local authorities. Under the duty of Best Value, local authorities are required to make appropriate arrangements to:

- Secure continuous improvement in performance, while maintaining an appropriate balance between quality and cost;
- Demonstrate regard for economy, efficiency, effectiveness, equal opportunities and the achievement of sustainable development;
- Achieve break-even in trading accounts subject to mandatory disclosure;
- Observe proper accounting practices;
- Report to the public on the outcome of the performance of functions.

1.2 Following the introduction of the LGIS Act 2003, the Accounts Commission introduced new arrangements by which to review progress in relation to the statutory duties of Best Value and Community Planning in each local authority.

1.3 Fife’s first Audit of Best Value & Community Planning took place during 2008-09, with work undertaken by a team led by Audit Scotland and including representatives from Fife’s local auditors at that time, Scott Moncrieff. The final published report from the Accounts Commission was considered by Fife Council on 2nd April 2009.

1.4 This is the first Best Value Assurance Report (BVAR) for Fife Council since 2009, and the first under revised audit arrangements introduced by Audit Scotland in 2017. It aims to provide the Accounts Commission with assurance on the council’s duty to deliver Best Value, with a focus on the Commission’s strategic audit priorities covering:

- The clarity of council priorities and quality of long-term planning to achieve these;
- How effectively the council evaluates and implements options for change;
- How effectively the council ensures that councillors and officers have the right knowledge, skills and time to lead and manage on the delivery of priorities;
- How effectively the council involves residents in decisions about services; and,
- The quality of the council’s public performance reporting.

1.5 Audit Scotland key areas of interest and strategic audit priorities were agreed with CET in advance of fieldwork at a Scoping Meeting held on 10th Oct 2018.

1.6 The findings of the report are based on work undertaken locally by Audit Scotland between October 2017 and April 2018. This work included the interviews with councillors and senior officers; attendance at council, committee and board meetings; the review of documentary evidence and performance data; and a number of focus group meetings with councillors and officers.

1.7 The Audit Scotland Best Value Assurance Report on Fife Council was considered by the Accounts Commission at their meeting of 10th May 2018, with the approved report officially published on 24th May 2018. A copy of the final report has subsequently been circulated to all elected members.
2.0 Summary of Key Audit Findings

2.1 The overall findings of the report assess Fife Council as having maintained good progress since its last Best Value report in 2009, with a well-developed approach to continuous improvement. Key findings are summarised in the following paragraphs.

**Strategic Direction and Leadership**

‘The council and its partners share a clear, ambitious strategic vision. There are signs that the council’s joint administration is working well, and the corporate management team provides effective leadership.’

2.2 The council and its community planning partners have extensively researched the needs of Fife’s communities to inform the partnership’s priorities and share a clear strategic direction through their joint commitment to the new Plan for Fife.

2.3 Members and officers demonstrate effective leadership and there are signs that the new joint SNP-Labour administration is working well, with an acceptance of the wider case for change.

**Performance**

‘The performance of council services continues to improve and broadly tracks national trends.’

2.4 Performance of council services continues to improve and broadly tracks national trends. Over half (33) of the Council’s own 60 performance targets described within its annual public performance report for 2016-17 were delivered, with 10 found to be ‘significantly off target’.

2.5 The Local Government Benchmarking Framework (LGBF) allows a council to compare itself against the performance of all 32 Scottish local authorities.

The Accounts Commission’s report, Local Government in Scotland: Performance and Challenges 2018, selected eight LGBF indicators that give an indication of a council’s performance in services likely to matter to the public. Since 2011/12, Fife Council’s performance has improved on all eight of these indicators.

Furthermore, the council’s performance for 2016-17 was found to be above the Scottish average on 34 (48%) of 71 comparable LGBF indicators – just short of its stated objective to perform above average on more than 50% of LGBF indicators.

Areas of relatively weaker performance overall include aspects of education and social work and these are reflected in council priorities and strategies for improving performance. This includes investment in its Children & Families Strategy and a focus on closing the poverty-related attainment gap, where Fife has improved at a faster rate than the Scottish Average over the past five years.

2.6 The LGBF includes eight measures of customer satisfaction with council services. Fife generally performs in line with the Scottish average on all eight of these measures, with six indicators showing satisfaction of 75% or above.
2.7 Recent external inspection reports of services for children and young people (2015); early learning and childcare (2016-17); primary and secondary schools (2016-17); and community learning and development (2018) have all been positive.

2.8 Since 2009, the council has improved its approach to providing performance information to elected members and the public. As part of its public performance reporting for 2016-17, the council produced an accessible, graphics-rich summary of selected performance highlights alongside a comprehensive and detailed performance analysis report.

2.9 The council focuses on improving areas of weaker performance, including aspects of education and social care, which are aligned to ambitions for a Fairer Fife. For example, outcomes for pupils from the most deprived areas have improved more than the national average, and the council has invested in a new Children’s & Families strategy aimed at delivering both improved outcomes and future savings.

*Effective Use of Resources*

‘The council has reviewed and implemented improvements in how it uses key resources including finance, staffing and assets.’

*Financial Management & Planning*

2.10 Financial planning includes the development of a long term-financial strategy based on a relatively sophisticated model of demand and cost pressures.

2.11 The council has a comparatively low, but adequate, level of reserves that is based on an analysis of the financial risks it faces and has balanced its 2018-19 budget without the use of reserves.

2.12 Fife operates a rolling 10-year Capital Investment Plan and has made significant investment in affordable housing, schools, leisure centres and roads in recent years. Despite having the second highest increase in borrowing over the period since 2011-12, this investment remains affordable and Fife has a lower cost of servicing its debt than most other Scottish local authorities.

*Assets & Facilities*

2.13 Working in partnership with the Fife Housing Alliance, Fife Council successfully delivered on a commitment to build 2,700 new affordable homes over the period 2012-2017 – one of the biggest programmes of its kind in the UK.

2.14 In 2009 Fife Council identified that 71 properties were surplus to requirements, with a backlog of maintenance repairs estimated at £200 million. The Asset Management Plan 2009-2012 committed to decrease the size of the council’s property portfolio through both office and depot rationalisation. Office rationalisation saw a £15m modernisation of retained facilities and the closure of 72 former office buildings. In addition, the Central Fife depot rationalisation project saw eight depots closed, with six services merged into one refurbished ‘super depot’ at Bankhead, Glenrothes, where around 10% of the council’s workforce is now based.
ICT & Digital Technology

2.15 The council has centralised its Business Technology Solutions function, so that all ICT staff are grouped together rather than spread across different departments. The Digital Strategy 2016-2019 aims to sustain and simplify digital and ICT activity across the council.

Workforce Planning

2.16 The council has an effective workforce strategy in place and is taking steps to lower sickness absence levels. Since 2015, Fife has been also been using the Unwritten Ground Rules© (UGRs) philosophy to support improvements in organisational culture. This is relatively new work and early indications, from staff survey results, suggest that there have been modest improvements in relation to the 10 aspirational UGRs identified.

Partnership Working

'The Fife Community Planning Partnership is working well, however the Fife Health and Social Care Partnership faces significant challenges.'

2.17 The council and its community planning partners have a strong history of partnership working, which is helped by some organisations having the same geographical boundaries as the council.

2.18 The council has worked closely with its partner NHS Fife to support the establishment of the Fife Health and Social Care Partnership (FHSCP) and ongoing relationships are strong. The FHSCP faces significant challenges in its medium-term financial sustainability, however, and the pace of change of service redesign will need to increase.

2.19 The council shows a commitment to community engagement and uses a varied range of tools to involve communities in decision-making, including plans to expand participatory budgeting.

2.20 Fife has a number of arms-length external organisations (ALEOs) in place to deliver services on behalf of the council. These arrangements have enabled a more focused approach to service delivery and increased commercial opportunities. There are appropriate governance arrangements in place, with regular financial and performance reporting to council committees.

2.21 Fife Council actively participates in two City Deal partnerships (the Edinburgh & South-East Scotland City Deal and the Tay Cities Deal) and views these as an opportunity to generate additional funding for Fife’s economic development, having already budgeted £30 million in capital funding across the two deals. Both partnerships are established, but have not yet reached the business case stage.

Change & Improvement

'Since 2009, the council has improved steadily and achieved significant change. It has a good basis to deliver further continuous improvement that includes clear vision, strong leadership, an improvement programme focused on culture, and good financial planning.'
2.22 The council has a good basis to deliver further continuous improvement and recognises the need for change. Since the last Best Value report in 2009 the council has been through two transformation programmes and is developing a third.

2.23 There are good examples of the council implementing service change that has delivered financial and operational benefits. This includes the rationalisation of offices and depots, introduction of mobile and flexible working, replacement of IT legacy systems, and a drive towards more online services.

2.24 Improving digital services is a key focus of the new transformation programme. The use of new technology, such as the Care at Home scheduling software, is helping to standardise solutions, make services more efficient, and deliver financial savings.

2.25 The council recognises there is still scope to further enhance procurement practices and, with assistance from Scotland Excel (Centre of Procurement Expertise for Scotland's local government sector), has included this area as a theme within the current improvement programme.

2.26 In developing the new ‘Changing to Deliver’ programme and service change planning process, the Corporate Executive Team now needs to ensure effective and transparent alignment between the aims of the Plan for Fife and service change plans.

### 3.0 Audit Report Recommendations

3.1 Fife’s Best Value Assurance Report 2018 highlights eight recommendations:

1. The council should identify the neighbourhood plans for priority areas that it intends to complete and a timetable for this work (BVAR para 16).

2. The council should extend its improvement methodology on raising educational attainment in deciles 1-3 to a broader range of young people (BVAR para 30).

3. The framework for managing performance against the Plan for Fife should be finalised as early as possible (BVAR para 41).

4. The council should develop a range of delivery plans to support the identified actions and wider ambitions outlined in the Plan for Fife. These actions should be measurable with clear deadlines (BVAR para 42).

5. The council should continue its new approach to managing sickness absence rates (BVAR para 67).

6. The council should work with Fife Health and Social Care Partnership (FHSCP) and NHS Fife to accelerate the redesign of adult health and social care services and mitigate medium-term financial pressures (BVAR para 71).

7. As a partner in the FHSCP, the council should seek early agreement over roles and responsibilities, so that FHSCP management and governance arrangements support the significant service redesign challenges it faces (BVAR para 73).

8. The Council’s new programme board should ensure alignment between the aims of the Plan for Fife and service change plans. It should develop a focus on outcomes rather than being led by budget changes (BVAR para 95).
4.0 Conclusions

4.1 The latest Best Value audit has come at a useful time for the Council:
Following on from the May 2017 local elections, the new joint Administration and revised committee arrangements have had a year to settle in to their roles;
The Council and its community planning partners have agreed the new Plan for Fife 2017-27, setting out 12 ambitions for a Fairer Fife; and,
The Council has a medium-term financial strategy in place, underpinned by a new service change planning process, and is developing the detail of its third corporate change programme, Changing to Deliver.

4.2 The 2018 Best Value Assurance Report highlights just how far the Council has come on its improvement journey since its last Best Value audit in 2009 and is testament to the hard work and commitment of members and officers.

4.3 The BVAR also acknowledges that Fife Council clearly understand the needs of its residents and communities and the challenges that still lie ahead for the organisation, and is working hard to find new ways of working to meet these challenges.

4.4 In this respect, the findings and recommendations of the report provide an extremely positive and helpful overview of where the Council is at present, and will now be used to inform future actions and continuous improvement.

4.5 Grateful thanks are extended to the team from Audit Scotland for their work on producing this report and, in particular, to all of the officers and elected members who have directly or indirectly contributed to this review.

List of Appendices
Appendix 1 Fife Council Best Value Assurance Report May 2018

Background Papers
The following papers were relied on in the preparation of this report:
• Local Government in Scotland Act 2003 (Scottish Government)
• Scottish Government Best Value Guidance 2004
• Community Empowerment Act 2015 (Scottish Government)
• Fife Council Best Value Audit Report 2009 (Accounts Commission)
• Fife Council Best Value Overview Report Oct 2017 (Fife Council)

Report Contact
Peter Corbett, Team Manager (Corporate Development)
Fife House, North Street, Glenrothes KY7 5LT
Telephone: 03451 55 55 55 440997 Email: Peter.Corbett@fife.gov.uk
Standards Commission for Scotland Decision

Report by: Executive Director, Finance & Corporate Services

Wards Affected: All

Purpose

The purpose of the report is to fulfil the Council’s obligation to consider the findings of the Standards Commission for Scotland in relation to complaints against Councillor David MacDiarmid.

Recommendation(s)

It is recommended that the Council consider the findings of the Standards Commission in relation to the complaint in terms of the Ethical Standards in Public Life etc. (Scotland) Act, 2000.

Resource Implications

There are no resource implications arising from this report. Any training requirements will be met from within existing resources.

Legal & Risk Implications

The Council is required, in terms of the Ethical Standards in Public Life etc. (Scotland) Act, 2000, to consider the findings of the Standards Commission in such cases within three months of receiving them. The Act makes clear that this requirement cannot be fulfilled solely by a committee or sub-committee, but must be considered by full Council.

Impact Assessment

An EqIA is not required as this report does not propose a change or revision to existing policies and practices.

Consultation

None.
1.0 Background

1.1 A complaint was received by the Commissioner for Ethical Standards in Public Life in Scotland (the CESPLS) concerning alleged contraventions of the Councillors’ Code of Conduct by Councillor David MacDiarmid. In line with the usual procedures, the complaint was fully investigated by the CESPLS, who then referred the matter to the Standards Commission for Scotland.

1.2 The substance of the complaint is set out in the attached Appendix. Again in line with the usual procedures, a hearing was convened for 25th April 2018.

2.0 Hearing

2.1 The hearing, which was held in Fife House, took place before a Hearing Panel of three members of the Commission. Following agreement on much of the evidence by way of a Joint Statement of Facts, Councillor MacDiarmid was the only witness called. Having heard all the evidence, the Panel determined that Councillor MacDiarmid had breached paragraphs 3.1, 3.2, 7.3 and 7.4 of the Code.

2.2 The Commission gave its oral decision on 25th April 2018, and issued their written decision to the Chief Executive on 2nd May 2018. This is attached as Appendix 1, and Members will note the reasons for the decision given by the Commission.

2.3 Members will also note that the sanction applied by the Commission was to suspend Councillor MacDiarmid from meetings of the Regulatory and Licensing Committee for a period of two months, with effect from 1st May 2018.

2.4 It had been intended to hold a session of refresher training on the Code of Conduct for Members prior to the summer recess and this will address the issues arising from the terms of the decision.

3.0 Conclusions

3.1 The legislation requires the Council to consider the terms of Standards Commission decision which relate to one of its Members.

List of Appendices

1. Standards Commission decision dated 2nd May 2018

Background Papers
The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act, 1973:

Ethical Standards in Public Life etc. (Scotland) Act 2000
Councillors’ Code of Conduct

Report Contact: Morag Ferguson, Head of Legal Services and Monitoring Officer
Telephone: 03451 555555 Ext. No. 442180 Email- morag.ferguson@fife.gov.uk
Decision of the Hearing Panel of the Standards Commission for Scotland following the Hearing held at Fife House, Glenrothes, KY7 5LT, on 25 April 2018.

Panel Members:  
Mr Michael McCormick, Chair of the Hearing Panel  
Mr Kevin Dunion, OBE  
Mrs Lindsey Gallanders

The Hearing arose in respect of a Report by Mr Bill Thomson, the Commissioner for Ethical Standards in Public Life in Scotland (the CESPLS) further to complaint reference LA/Fi/2050 (the complaint) concerning an alleged contravention of the Councillors’ Code of Conduct (the Code) by Councillor David MacDiarmid (the Respondent).

The CESPLS was represented by Mrs Claire Gilmore, Senior Investigating Officer. Councillor MacDiarmid was represented by Mr Hugh Olson, Advocate.

COMPLAINT

A complaint was received by the CESPLS about the alleged conduct of the Respondent. Following an investigation, the CESPLS referred the complaint to the Standards Commission for Scotland on 6 March 2018, in accordance with section 14(2) of the Ethical Standards in Public Life etc. (Scotland) Act 2000, as amended.

The substance of the referral was that the Respondent had failed to comply with the provisions of the Councillors’ Code of Conduct and in particular, that he had contravened paragraphs 3.1, 3.2, 7.3 and 7.4.

The relevant provisions are:

**General Conduct**

3.1 The rules of good conduct in this section must be observed in all situations where you act as a councillor, including representing the Council on official business.

3.2 You must respect the chair, your colleagues, Council employees and any members of the public present during meetings of the Council, its Committees or Sub-Committees or of any Public Bodies where you have been appointed by, and represent the Council. You must comply with rulings from the chair in the conduct of the business of these meetings.

**Taking Decisions on Quasi-Judicial or Regulator Applications: Fairness and Impartiality**

7.3 In such cases, it is your duty to ensure that decisions are properly taken and that parties involved in the process are dealt with fairly. Where you have a responsibility for making a formal decision, you must not only act fairly but also be seen as acting fairly. Furthermore, you must not prejudice, or demonstrate bias in respect of, or be seen to be prejudging or demonstrating bias in respect of, any such decision before the appropriate Council meeting. In making any decision, you should only take into account relevant and material considerations and you should discount any irrelevant or immaterial considerations.
7.4 To reduce the risk of your, or your Council’s, decisions being legally challenged, you must not only avoid impropriety, but must at all times avoid any occasion for suspicion and any appearance of improper conduct.

Evidence Presented at the Hearing

Joint Statement of Facts

The Hearing Panel noted that a Joint Statement of Facts had been agreed between the parties. In this, the parties confirmed that the Respondent was a member of Fife Council’s Regulation and Licensing Committee (the Committee) that considered an application from the complainer for renewal of his taxi driver’s licence at a meeting on 15 December 2015. The Committee had before it a letter of representation from Police Scotland dated 4 November 2015, and also a letter from the complainer’s solicitor of 10 December 2015 responding to the allegations it contained. In the Joint Statement, the parties agreed that, in contemporaneous handwritten notes, the Committee Administrator recorded that the Respondent used the words “just a bully to women + children can’t understand why women would stay with him not marry him”, in relation to the complainer at the meeting. The parties agreed that, in typed up notes of the meeting, the Committee Administrator recorded the Respondent as having used the words “just a bully to women + children can’t understand why women would stay with him never mind marry him”, in respect of the complainer. The parties further agreed that the Council’s Managing Solicitor had recorded, in contemporaneous handwritten notes, the Respondent as having said “report says basically you are a bully to women + children. Why do women live with y.”

In the Joint Statement, the parties advised that while the Respondent did not specifically recall whether or not he used the words attributed to him, he had no reason to doubt that the two officers were doing their best to record the Committee’s proceedings and that, if they both had noted that certain words had been said, then the Respondent accepted this had been the case. The parties agreed, however, that the Respondent did not know if, or accept that, the notes were a complete record of what had been said at the meeting.

Witness Evidence

The Respondent’s representative led the Respondent as a witness.

The Respondent advised that he had first been elected in 2007 and had subsequently been re-elected on two occasions. Over the past 11 years, he had served on a number of Committees that were responsible for making decisions of a quasi-judicial or regulatory nature, including being a member of the Regulation and Licensing Committee for over ten years.

The Respondent indicated that he had no specific recollection of the Regulation and Licensing Committee meeting on 15 December 2015. He advised that since then, the Committee had met some 31 times and had considered over 400 applications.

The Respondent advised that while he had been told an appeal had been lodged in respect of the Committee’s decision, he did not recollect being told the grounds for it and would have had only very limited input (if any) to the Council’s response. The Respondent accepted that he had been asked to apologise when the appeal was ongoing, but advised it had been his understanding that
he was being asked whether he would apologise for causing offence, as opposed to apologising for using certain words.

The Respondent indicated it was not his practice to make gratuitous, insulting or personal remarks about anyone during Committee meetings and instead, he always tried to conduct himself in a respectful manner. The Respondent noted that his primary aim was always to ensure the safety of the people of Fife. The Respondent confirmed that although the Committee often had before it police reports that contained serious allegations, he would never pre-judge an application. The Respondent advised that it was always his practice, in determining whether an applicant was a fit and proper person, to take into consideration how the individual conducted him or herself when appearing before the Committee and any information or answers they provided.

The Respondent stated that while he had no recollection of making the comments attributed to him and did not recognise them as representative of his normal behaviour, he had no reason to doubt that the officers’ notes of the meeting reflected what had been said. The Respondent advised, therefore, that he could only assume that if he had made the remarks in question it was the result of him having become frustrated when the complainer provided non-committal answers to queries from Committee members and to his refusal to engage fully in the process. The Respondent asked the Hearing Panel to note that there was no record of anyone present at the meeting having intervened when he was making his remarks. The Respondent indicated that he would have expected either the officers or the Chair to have done so had his conduct been deemed to be improper. The Respondent accepted, however, that his words could have been chosen more carefully.

**Submissions made by the CESPLS’s Representative**

The CESPLS’s representative advised that it was not in dispute that the complainer appealed against the unanimous decision of the Committee not to renew his licence and that, in a judgement of 12 June 2017, the Sheriff reversed it and determined that the complainer was a fit and proper person to hold a taxi licence. The Sheriff noted that the Council admitted, on the Record, that the Respondent had stated at the meeting “I don’t understand why two women would live with you never mind get married to you” and that “I think this man is a bully and I don’t want bullies driving people round in taxis in Fife”. The Sheriff had made a finding in fact that these words, or ones to that effect, had been used. The Sheriff had further found that such remarks were ‘completely out of place’, ‘tainted with prejudice and bias’ and should have had ‘no place in the decision-making process’. The CESPLS’s representative further advised that it was not in dispute that, in January 2017, the Respondent had indicated he was prepared to offer an apology to the complainer as part of a potential settlement discussed by the Council and the complainer’s agents in respect of the Sheriff Court appeal.

The CESPLS’s representative noted that it was perfectly acceptable for members of the Committee to question applicants, even in robust terms, to ensure public safety. She argued, however, that notwithstanding this, they attended meetings as members of the public and, as such, were entitled to be treated with courtesy and respect.

The CESPLS’s representative argued that, regardless of whether the remarks made by the Respondent to the effect that the complainer was a bully and in respect of his marital attractiveness were in the form of questions or comments, they were nevertheless a derogatory
characterisation. The CESPLS’s representative accepted that the Respondent would have been entitled to question the complainer in fairly robust terms on the allegations made in the letter from Police Scotland. She contended, however, that the remarks did not simply amount to robust questioning but instead were personal in nature. The CESPLS’s representative further contended that the comments were gratuitous as they were not relevant to the question of whether the complainer was a fit and proper person to drive a taxi. The CESPLS argued, therefore, that they were disrespectful to the complainer as a member of the public attending a Committee meeting.

The CESPLS’s representative noted that while Article 10 of the European Convention on Human Rights (ECHR) provides protection to politicians in terms of their right to freedom of expression, it was not unqualified. The CESPLS’s representative argued that, in this case, the comments made by the Respondent were of a personal and offensive nature. The CESPLS’s representative contended that, in making the remarks, the Respondent was indulging in gratuitous personal abuse and, in the circumstances, would not attract the enhanced protection afforded by Article 10 to politicians when commenting on matters of public concern. The CESPLS’s representative argued, therefore, that the Respondent had been disrespectful, had failed to comply with the rules concerning good conduct and, as such, had contravened paragraphs 3.1 and 3.2 of the Code.

The CESPLS’s representative further argued that by making a personal judgement and emotive comments about the complainer, the Respondent failed to avoid the appearance of being unfair. The CESPLS’s representative asked the Hearing Panel to note that the Respondent’s comments were one of the reasons for the appeal against the Committee’s decision and was a ground for the Sheriff’s decision to overturn it. As such, the CESPLS’s representative contended that the Respondent had breached paragraphs 7.3 and 7.4 of the Code.

**Submissions made by the Respondent’s Representative**

The Respondent’s representative advised that the Respondent’s was undertaking a legitimate role at the Regulation and Licensing Committee in questioning the complainer on the contents of the letter from Police Scotland in order to determine whether he was a fit and proper person to hold a taxi licence. The Respondent’s representative argued that, in light of the contents of the letter, it would have been legitimate and reasonable for anyone reading it to have reached the conclusion that the complainer was a bully and, as such, it was appropriate for the Respondent to have made reference to this when questioning him in order to determine whether he was a fit and proper individual.

The Respondent’s representative argued that it was impossible to determine exactly what had been said by the Respondent given that there were discrepancies between the handwritten notes recorded by the two officers and also between the Committee Administrator’s handwritten and typed notes. The Respondent’s representative argued, in any event, that the context in which the comments were made required to be considered. The Respondent’s representative contended that, while they may have been somewhat clumsy in nature, the comments represented a genuine attempt by the Respondent to elicit answers from the complainer on the contents of the police letter and to prompt him into addressing the concerns raised as a result of it. The Respondent’s representative argued that this in itself was evidence that the Respondent had not pre-judged the matter.
The Respondent’s representative asked the Hearing Panel to note that it was apparent from the officers’ notes that the Respondent’s remark to the effect that the complainer had come across as a bully had been made in his motion to refuse the application. As such, it was evident that it was an attempt to sum up the reasons why the Respondent, having considered all the material and representations made in writing and verbally at the meeting, was of the view that the complainer was not a fit and proper person to hold a taxi licence.

The Respondent’s representative further argued that the Sheriff’s decision was of no assistance to the Hearing Panel in determining whether there had been a breach of the Code. This was because the Sheriff had not had before him all of the relevant evidence, including the Respondent’s position and the officers’ handwritten notes of the meeting. In addition, the Respondent’s representative argued that the Sheriff had failed to properly take account of the fact that there was an onus on an applicant to provide such a Committee with information and evidence in response to any adverse representations before it, as outlined by the Inner House of the Court of Session in Glasgow City Council v Bimende, 2016 CSIH 41.

The Respondent’s representative indicated that, in any event, it would be disproportionate and unfair for a finding of breach to be made, and a sanction imposed, given the length of time that had elapsed between the Committee meeting in question and the submission of the complaint to the CESPLS, and also given that the matter had been disposed of by way of a successful appeal to the Sheriff Court. The Respondent’s representative noted that the complainer had been granted a taxi licence as a result of the appeal. He further argued that there was no reason why the complainer could not have lodged his complaint at the same time as his appeal, as opposed to waiting until August 2017 to do so. The Respondent’s representative argued that had the complainer done so, the Respondent may have been able to recollect the meeting and exactly what had been said. The Respondent’s representative contended that the process was prejudicial to him as a result of the fact that he was unable to do so and could, therefore, be a contravention of his right, under Article 6 of the ECHR, to a fair Hearing within a reasonable time.

DECISION

The Hearing Panel considered the submissions given orally at the Hearing and in writing and found as follows:


2. The Respondent had breached paragraphs 3.1, 3.2, 7.3 and 7.4 of the Councillors’ Code of Conduct.

Reasons for Decision

The Hearing Panel considered all of the evidence, including the evidence led and submissions made orally at the Hearing.

In reaching its decision in respect of the alleged contravention by the Respondent of paragraphs 3.1 and 3.2 of the Code, the Hearing Panel took the following approach. Firstly, it considered whether the facts, as admitted, led it to conclude that the Respondent had failed to comply with
Code. Secondly, if so, whether such a finding in itself was on the face of it a breach of the Respondent’s right to freedom of expression under Article 10 of the ECHR (as incorporated in the Human Rights Act 1998). Thirdly, if so, whether the restriction involved by the finding was justified by Article 10(2), which allows restrictions that are necessary in a democratic society, and in particular, in this case for the protection of the reputation or rights of others.

The Hearing Panel noted that in the absence of any video or audio recorded evidence of the Committee meeting on 15 December 2015, it could not determine categorically, word-for-word, what had been said by the Respondent. The Hearing Panel was nevertheless satisfied, in the absence of any dispute to the contrary and in light of the Sheriff’s findings in fact, that, on the balance of probabilities, the Respondent had made comments substantially to the effect, and in the tenor, of those ascribed to him.

The Hearing Panel accepted, however, that the Sheriff did not have the benefit of the officers’ notes when reaching his determination. On close consideration and reading of these notes, the Hearing Panel noted that there were discrepancies in the accounts of how the word ‘bully’ had been used and the context in which the Respondent had made his remarks. The Hearing Panel noted that the Respondent had referred to the complainer as having come across as a ‘bully’ when making a motion to the effect that the application should be rejected. The Hearing Panel was of the view that the conduct, as described by the police, could reasonably be described as bullying. The Hearing Panel was not satisfied, therefore, that it was clear that the remark could be categorised, definitively, as something other than an attempt to summarise what had been represented in the letter from the police. As such, the Hearing Panel concluded the Respondent’s use of the term, in the context of providing reasoning in his motion for why the application should be rejected, was not necessarily disrespectful and, as such, it did not amount to a breach of the Code.

The Hearing Panel found, however, that the comments to the effect of why women would live with the complainer or marry him amounted to a personal attack on the complainer and were not relevant or appropriate questions to determine whether he was a fit and proper person to hold a taxi licence. The Hearing Panel noted that, notwithstanding the Respondent’s position that he may have become frustrated as a result of a lack of engagement from the complainer at the meeting, the officers’ notes demonstrated that the complainer had answered questions put to him, albeit not necessarily in as comprehensive a manner as the Respondent may have wished. Notwithstanding the level of engagement by the respondent or the recognised responsibility of the Committee to seek to satisfy itself as to whether an applicant is a fit and proper person to be licensed to drive a taxi, the Hearing Panel found that there was no justification for the Respondent having made what amounted to personal and insulting comments. The Hearing Panel was therefore satisfied that, in doing so, the Respondent failed to observe the rules of good conduct by behaving in a respectful manner towards the complainer.

The Hearing Panel found, therefore, that the Respondent’s behaviour amounted to a contravention of paragraphs 3.1 and 3.2 of the Councillors’ Code of Conduct.

The Hearing Panel proceeded to consider whether such a finding in itself was on the face of it a breach of the Respondent’s right to freedom of expression under Article 10 of the ECHR and, if so, whether the restriction involved by the finding was justified by Article 10(2), which allows
restrictions that are necessary in a democratic society, and in particular, in this case for the protection of the reputation or rights of others.

The Hearing Panel did not accept that the comments had been made in the context of commenting on a political matter and, as such, the Respondent did not benefit from the enhanced protection of freedom of expression afforded to politicians under Article 10. The Hearing Panel concluded that the Respondent’s comments were unnecessary and gratuitous and amounted to a personal attack on the complainer. As such, the Hearing Panel determined that the imposition of a restriction in the circumstances was relevant, sufficient and proportionate. The Hearing Panel concluded, therefore, that it was satisfied that a finding of breach, and subsequent application of a sanction, would not contravene Article 10.

The Hearing Panel noted that the Respondent’s representative had argued that it would be disproportionate for a finding of breach and sanction to be imposed, given the length of time that had elapsed between the Committee meeting in question and the submission of the complaint to the CESPLS. The Hearing Panel disagreed, however, as while it accepted that it had not had the benefit of hearing from the complainer himself and did not know the reasons why he had waited until August 2017 to submit the complaint, it considered that it would have been reasonable for the complainer to have awaited the outcome of the appeal before doing so. This was because it would have been understandable for his focus to have been on overturning the Council’s decision not to grant the taxi licence, in order to secure his livelihood. The Hearing Panel further considered that it would have been reasonable for the complainer to have waited for the Sheriff’s decision to be issued, and to see whether the Council lodged an appeal against this, before submitting the complaint, in order for him to have been satisfied he had legitimate grounds for doing so. The Hearing Panel noted that the Sheriff’s decision was issued on 12 June 2017 and that the Council had 28 days to appeal on a point of law arising from this. The Hearing Panel noted that the complaint was submitted to the CESPLS on 14 August 2017 and considered that this was a reasonable timescale in the circumstances. The Hearing Panel was further of the view that the matter had not been disposed of by the sheriff as the Sheriff had no locus to determine whether a breach of the Code had occurred.

The Hearing Panel fully accepted that the Respondent was unable to recollect the meeting and exactly what had been said, and drew no adverse inference from this. The Hearing Panel considered, however, that the existence of the officers’ notes, combined with the Sheriff’s finding in fact (based on the admission from the Council), meant that it had been able to establish, on the balance of probabilities, that the Respondent had made comments to the effect, or in the tenor, of those ascribed to him even, if it was unable to determine categorically what precisely had been said. In light of this, and given that it considered that there were good reasons as to why the complainer may not have submitted his complaint before the Sheriff’s decision was issued, the Hearing Panel was satisfied that the Respondent’s right to a fair and public hearing within a reasonable time under Article 6 of the ECHR had not been contravened.

The Hearing Panel noted that paragraphs 7.3 and 7.4 of the Councillors’ Code of Conduct provide that councillors must ensure that, in taking decisions on quasi-judicial or regulatory applications, they not only act fairly but must also be seen as acting fairly. To reduce the risk of the Council’s decisions being legally challenged, councillors must not only avoid impropriety, but must at all times avoid any occasion for suspicion and any appearance of improper conduct.
The Hearing Panel noted that the officers’ notes recorded the Respondent as having stated, in his motion to refuse the application, words to the effect that he had been open to listening to the complainer and his views on the letter from the police. The Hearing Panel further noted the Respondent’s evidence that he always took into consideration how an applicant conducted his or herself when appearing before the Committee and any information or answers they provided. The Hearing Panel accepted, therefore, that the Respondent may not have pre-judged the application. It nevertheless found that, in making disrespectful comments to, or about, the complainer at the meeting, the Respondent failed to avoid any appearance of having not dealt with him fairly. As such, the Hearing Panel found the Respondent failed to avoid any occasion for suspicion or appearance of improper conduct, which would have reduced the risk of a successful legal challenge against the Council’s decision.

The Hearing Panel found, therefore, that the Respondent’s had also contravened of paragraphs 7.3 and 7.4 of the Councillors’ Code of Conduct.

The Hearing Panel determined that it was the Respondent’s personal responsibility to be aware of, and comply with, the provisions in the Councillors’ Code of Conduct. He had failed to do so at the meeting in question.

The Hearing Panel therefore concluded that the Respondent had breached paragraphs 3.1, 3.2, 7.3 and 7.4 of the Councillors’ Code of Conduct.

**Evidence in Mitigation**

A number of supportive statements and character references from constituents and community groups were submitted on behalf of the Respondent, which testified that he was a diligent, conscientious and committed councillor who had worked hard to serve the interests of the people of Fife.

In addition, the Hearing Panel heard that the Respondent took his responsibilities as a councillor very seriously and had not been the subject of any complaint either before, or since, the one under consideration.

The Respondent’s representative explained that while the Respondent had no recollection of the events in question, he was not trying to evade responsibility for the complaint or justify the remarks attributed to him. The Respondent’s representative noted that the Hearing Panel had only found a breach in respect of one of the remarks attributed to the Respondent. The Respondent’s representative advised that the Respondent accepted the making of such a comment was unacceptable and out of character for him. The Respondent could only assume that he had made the remark as a result of a momentary lapse at a stressful meeting and asked the Hearing Panel to take into consideration the fact that breach that had been found had been of a very limited duration, had been inadvertent and that there had been no repetition since the contravention had occurred.

**SANCTION**
The decision of the Hearing Panel was to suspend for a period of two months, the Respondent, Councillor MacDiarmid, from the Regulation and Licensing Committee of Fife Council, with effect from 2 May 2018.

This sanction is made under the terms of the Ethical Standards in Public Life etc. (Scotland) Act 2000 section 19(1)(c).

Reason for Sanction

In reaching its decision, the Hearing Panel:

- Noted the Respondent had co-operated fully with the investigative and Hearing processes, and further had acknowledged that the remarks attributed to him were unacceptable and his submission that such comments were out of character.

- Acknowledged the Respondent’s position that his overriding aim at the Committee was to act in the best interests of, and protect, the citizens of Fife.

- Noted the character references submitted on behalf of the Respondent and his contribution to public life as a councillor for 11 years.

However, the Hearing Panel:

- Found that the Respondent’s comments amounted to a personal attack on a member of the public. The Hearing Panel considered that members of the public have a right to be treated in a respectful and courteous manner when dealing with any Council and its elected members.

- Considered that, as councillor with a good deal of experience in dealing with regulatory and quasi-judicial matters, the Respondent should have known the importance of not only acting fairly, but being seen to act fairly when dealing with decisions that were either quasi-judicial or regulatory in nature, to avoid a successful legal challenge and consequent risk to the reputation of the Council.

- Considered it was clear that the making of insulting personal remarks towards the complainer was a factor in the success of the legal challenge against the Council. As such, the Respondent’s conduct had had the potential to bring the Council into disrepute and risked public confidence in it being adversely affected.

- Noted that evidence was not provided that the Respondent had admitted making the remarks attributed to him, nor was there evidence of an appropriate apology having provided to the complainer.

- Emphasised it was a councillor’s personal responsibility to be aware of the provisions in the Code and to ensure that he or she complied with them.
RIGHT OF APPEAL

The Respondent has a right of appeal in respect of this decision, as outlined in Section 22 of the Ethical Standards in Public Life etc. (Scotland) Act 2000, as amended.

Date: 2 May 2018

Mr Michael McCormick
Chair of the Hearing Panel
Edinburgh and South East Scotland City Region Deal

Report by: Steve Grimmond, Chief Executive

Wards Affected: All

Purpose

To present the Edinburgh and South East Scotland City Region Deal.

Recommendation(s)

Council is asked to:

(i) approve the Edinburgh and South East Scotland City Region Deal in terms of the City Region Deal document included in Appendix 2 to this report;

(ii) note that the City Region Deal document updates the governance arrangements being put in place for the Edinburgh and South East Scotland City Region; and authorise the Council’s involvement in their implementation as outlined in more detail in Section 3 and Annex 1 in Appendix 2 to this report;

(iii) agree to the amendment of the terms of the Minute of Agreement considered by Council on 23rd November, 2017 to reflect the principles of broader regional collaboration outlined in the City Region Deal document and as outlined in paragraph 3.3 in this report;

(iv) agree to the role of City of Edinburgh Council as the accountable body for the City Region Deal; and

(v) note that the governance arrangements that are being put in place for the Tay Cities Deal will be as consistent as possible with Fife Council’s participation in the Edinburgh and South East Scotland City Region Deal.

Resource Implications

A Capital Fund allocation including the cost of professional fees and services sufficient to fund the Council’s contribution the Edinburgh and South East of Scotland City Region Deal is included in the Council’s Capital Plan.

An allocation from the Capital Delivery fund will fund the Strategic Growth and City Deals Programme Management Unit costs for two years. Other revenue costs will be met from existing operational budgets.

No contribution to the Integrated Regional Employability and Skills Programme is required.
Legal & Risk Implications

The City Region governance processes outlined in Appendix 2 do not require any changes to the List of Committee Powers or List of Officer Powers.

Paragraphs 4.8 through to 4.12 in this report outline the implications for risk management as a result of the City Region Deal document included in this report at Appendix 2.

A risk assessment has been carried out as part of the preparation of the Outline Business Case for the Fife Industrial Estates Regeneration Programme that identifies the range of potential risk categories that would need to be considered prior to commitment of any investment in infrastructure as well as the potential risk mitigation measures. A full risk assessment will be undertaken as the Detailed Business Case is developed, prior to any actual commitment to investment which would include a full assessment of the potential cost, benefit and risk associated with any specific investment proposal.

The ESES City Region requires a long-term programme of sustained economic investment to tackle issues such as a lack of modern business property that constrain growth as well as open up opportunities to remain internationally competitive and improve productivity. Without this investment programme, there is a risk that the ESES City Region loses out on investment by the private sector and reduces its current contribution to the UK and Scottish economies. There is a further risk that the current situation where a significant proportion of residents in the region lack the opportunity to share in the region’s economic prosperity does not change.

Non-engagement in the ESES City Region collaboration could lead to displacement of existing jobs and economic performance to Council areas who do participate or to other City Regions.

Impact Assessment

An EqIA and summary form have been completed – the summary form is attached to the report in Appendix 1. More information on the Inclusive Growth impact and how the City Region Deal will reduce inequalities of outcome caused by socioeconomic disadvantage, is included in paragraphs 4.13 to 4.17 below.

The City Region Deal provides a mechanism to help drive forward investment in sustainable place making. It will be developed in line with the Council’s stated ambition to advance stronger, sustainable and more resilient economic growth for Fife which is shared by all. A holistic approach to sustainable growth is at the heart of the City Region Deal.

Consultation

The Heads of Finance, Legal, Education, Asset, Transportation and Environment, Economy, Planning and Employability Services have been consulted in the development of this report and the City Region Deal document.

All projects in the City Region Deal have been consulted on, through the local and regional strategic planning processes.
The Regional Enterprise Council is described in the Governance Framework. When formed, it will comprise suitable links to the business sector, third sector and social enterprises. This will complement existing consultation with the Fife Economy Partnership and its delivery groups.

Beyond this, further measures will be taken to actively ensure scrutiny, and effective consultation with the business community, third sector and general public. The Regional Enterprise Council and City Region Joint Committee will develop these measures in partnership with Government. Options may include: an annual conference/seminar(s) tackling a key priority in the region; an annual online consultation with key stakeholders in the region/the general public; regular “roadshow” consultations on key upcoming projects across the region (linking in with the planning process).

1.0 Background

1.1 Since 2016, the region’s six local authorities (City of Edinburgh, East Lothian, Fife, Midlothian, Scottish Borders and West Lothian), together with the region’s universities and colleges, have been working with the Scottish and UK Governments to develop a transformational and inclusive City Region Deal that will provide the jobs of the future and address key economic barriers and issues constraining the region’s economic potential.

1.2 A Heads of Terms tripartite agreement between the Scottish Government, UK Government and regional partners was signed on 19th July, 2017. This set out the commitment of both Governments to jointly invest up to £600m over the next 15 years across five key themes:

- Innovation;
- Employability and Skills
- Transport;
- Culture; and
- Housing

1.3 This investment was subject to:

- Approval of final business cases for all projects and programmes
- Development of a final city region deal document and implementation plan
- Establishment of clear and robust governance arrangements
- The consent of all constituent local authorities and partners.

1.4 Since July 2017, partners have been working with the Governments on developing businesses cases and the necessary deal documentation to commence the programme of investment. A governance framework has been agreed with the Governments and are appended to this report in Appendix 2. Subject to approvals by all partner authorities and university courts, the Deal Document can be signed between partners, Scottish Government ministers and UK Government.
At its meeting held on 5th October, 2017, Fife Council considered a report giving an update on the proposed governance for the Edinburgh and South East Scotland City Region Deal. Fife Council approved proposals for the Council to enter into a Minute of Agreement to establish a Joint Committee under section 57 of the Local Government (Scotland) Act 1973 for the purposes of progressing and implementing the Edinburgh and South East of Scotland City Region Deal.

The specific financial offer in the City Region Deal for Fife Council amounts to £35 million, which will go towards the cost of investing in a Fife Industrial Estates Regeneration Programme to deliver essential infrastructure in employment land and construction of modern businesses in strategic business/employment locations in Fife. Working in partnership with the Edinburgh and South East of Scotland City Region Deal Data Driven innovation programme, the Council intends to work with Fife businesses to harness the economic opportunities from the adoption of data driven innovation. Fife will also benefit from the Integrated Regional Employability and Skills Programme. Fife Council leads on the delivery of the Intensive Family Support Project. Fife Council will also benefit from participation in the Regional Housing Programme that will help deliver the Strategic Development Areas and Affordable Homes.

An Outline Business Case for the Fife Industrial Estates Regeneration Programme has been submitted as part of the City Region Deal to Scottish Government. A report on the Outline Business Case was approved by the Policy and Co-ordination Committee on 12th April, 2018.

Further work is underway to prepare a Detailed Business Case for each phase of the Fife Industrial Estates Regeneration Programme. The Business Cases for each City Region Deal project will be required to be approved by regional partners and Government, to allow the money to flow, subject to the approval process described in the governance framework. This is a 15-year programme and Business Cases will be brought forward as detailed in the project summaries.

**2.0 Summary of the City Region Deal**

Appendix 2 to this report is the City Region Deal Document, which comprises four chapters:

- Context and narrative on the Deal's ambitions to secure inclusive growth;
- A summary of the programmes and projects;
- A governance framework for implementation and monitoring; and
- The terms of reference for the governance bodies.

A summary of the Deal is shown below.
<table>
<thead>
<tr>
<th>Theme</th>
<th>Government contribution (£m)</th>
<th>Partner contribution (£m)</th>
<th>Total amount (£m)</th>
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<tr>
<td>Total</td>
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<td>£730</td>
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</tr>
</tbody>
</table>

*Includes £120m for Sheriffhall roundabout to be delivered by Transport Scotland

2.3 An analysis of the city region’s inclusion challenges identified five thematic interventions to ensure that the investment outlined above addresses these challenges in the short, medium and long term. There is more information on the impact in Paragraphs 4.13 through to 4.17 of this report.

3.0 Governance

3.1 The governance arrangements put in place for the Edinburgh and South East Scotland City Region Deal will enable decisions to be taken in an open and transparent way for the whole city region. These arrangements are described in more detail in Section 3 and Annex 1 within Appendix 2 to this report.

3.2 The City Region Deal Heads of Terms of July 2017 states:

“Partners will establish a new model of regional governance that will encompass the best practice approaches identified within the regional partnerships work stream of Phase 2 of the Enterprise and Skills Review. Following the recommendations of the Enterprise and Skills Review the model will focus on the needs of the area and will include an integral role for the private and third sectors. The new regional governance will include effective engagement with Scottish Enterprise, Skills Development Scotland and incorporate senior business and industry leadership.”

3.3 The City Region Deal partners are aware that delivering the twin objectives of innovation and inclusive growth will require alignment between local, regional and national objectives, policies and resources. The proposed City Region Deal governance arrangements would empower local authorities to:

- Operate strategically with their partners to realise the economic potential of the city region.
- Respond to issues critical to the economic health and wellbeing of the city region.
- Unlock economic assets.
- Decide on the alignment of resources in projects and programmes with the greatest potential for the city region.
3.4 Further development of the governance provides the opportunity to help align activity such as strategic planning of development and infrastructure planning to enhance the impact of the collective investment being made, to build inclusive growth to ensure that all communities can prosper and fully contribute.

3.5 Through the City Region Deal, the Governments and regional partners are embarking on a new relationship. The first phase is underpinned by the activities set out in the City Region Deal. However, future phases will involve continuing to work together on transferring further powers, policy and resources levers, while also strengthening the city region’s governance and capacity to deliver and to meet the recommendations of the Scottish Government’s Enterprise and Skills Review as set out in the Heads of Terms and the UK government’s emerging Industrial Strategy. The governance arrangements will operate in a way that would best deliver inclusive growth and accountability, underpinned by the participation of the city region’s key private, public and third sector interests.

3.6 The proposed governance structure for the City Region Deal comprises decision-making boards, advisory groups and project groups. Annex 1 within Appendix 2 to this report sets out the Full Terms of Reference for the decision-making boards and advisory groups. Terms of Reference for the projects will be laid out within the Management Case in each project’s business case.

3.7 Reporting on the Fife Industrial Estates Regeneration Programme will be made direct to the City Region Executive Board who will hold decision-making power for the programme and reports into the Joint Committee. The City Region Executive Board comprises the six regional local authority chief executives, six regional local authority directors with a remit for the economy, a representative for the region’s universities and colleges and the Programme Management Office function.

3.8 An officer Project Group for the Fife Industrial Estates Regeneration Programme is being established and a Project Manager will also be put in place. Reports will be provided through both the Capital Monitoring programme and Fife Industrial Estates Regeneration Programme reports to the Policy and Co-ordination Committee and, on any wider Economic Development policy issues, to the Economy, Tourism, Strategic Planning and Tourism Committee.

4.0 Implications

Financial

4.1 City of Edinburgh Council will act as the Accountable Body for the deal, which will provide a link between the Scottish Government and all regional partners. This will be underpinned by a tri-partite agreement with the UK Government, Scottish Government and the Council. All the City Region Deal grant monies will flow through the Scottish Government and then on to the Council over the lifetime of the deal.

4.2 City of Edinburgh Council will be required to sign a grant offer letter from the Scottish Government. City of Edinburgh Council will set up separate standard agreements with all regional partners and will be ‘backed off’ with the grant letter so that all terms and provisions are included. These agreements may require additional terms to manage any risk to City of Edinburgh Council from the City Region Deal activities being delivered by regional partners. Legal Services from both Councils will make sure that agreements are comprehensive and robust.
4.3 The financial procedures of the City Region Deal will be implemented and managed by the City of Edinburgh Council through its role as the Accountable Body. Stewardship will be provided by a Finance Directors Group and membership will include a Section 95 Officer to provide assurance of the programme’s finances and ensure that the financial requirements agreed with both the UK and Scottish Governments are met. The programme will also be aligned with the City of Edinburgh Council’s financial regulations and, where appropriate, the regional partners.

4.4 The dedicated City Region Deal Programme Management Office function within the City of Edinburgh Council will work collaboratively with all regional partners to ensure that the role of Accountable Body is carried out impartially, aligning with all regional partners so they are fully engaged and making sure that obligations for all regional partners are clearly communicated and agreed.

4.5 The Programme’s finances will be reported quarterly to both Governments to an agreed format. These reports will be reviewed by the City Region Executive Board and referred to the Edinburgh and South-East Scotland City Region Deal Joint Committee for approval, prior to sharing with both Governments.

4.6 Changes to financial forecasts will also be reported on the same basis so that all parties remain fully informed of the programme’s finances. This will be done through a system of change control undertaken by the Accountable Body and regional partners and reported to both Governments through the quarterly reporting schedule.

4.7 An annual audit of the finances of the City Region Deal programme will be undertaken both internally and externally by the Accountable Body.

**Risk and Mitigations**

4.8 An overall risk register and performance monitoring report will be considered by the City Region Executive Board and Joint Committee every quarter. The template for these reports will be agreed with the Governments and the reports will be shared with the Governments and the Regional Enterprise Council every quarter.

4.9 Measures will be taken to ensure scrutiny and effective consultation with the business community, third sector and the general public. The Regional Enterprise Council and the City Region Joint Committee will agree these measures with Government.

4.10 Every five years, an independent evaluation of the City Region Deal will take place. Government will agree the process for the independent evaluation with the Joint Committee.

4.11 To assess progress against the milestones set out in relevant business cases, each Decision-Making Board and Advisory Group will produce a quarterly risk and performance monitoring report.

4.12 The proposed Government investment in Housing is significantly less than the estimated costs to unlock regional housing requirements. The initial commitment by the Scottish Government is at least £50m. However, City Region partners will explore, with the Scottish Government, innovative solutions to stimulate creative ideas, fresh thinking and innovation in the provision of affordable housing. This collaboration will consider the evolving financial landscape with the Scottish Government’s proposals to establish the Building Scotland Fund and Scottish National Investment Bank.
Inclusive Growth and Equalities Impact

4.13 Inclusive Growth is one of the Scottish Government’s four priority areas in Scotland’s Economic Strategy and a key driver for the Deal is to promote equality through addressing inclusion across the region. It is a priority for Fife’s Local Outcome Improvement Plan and Economic Strategy. All business cases for projects included in the programme have demonstrated, or will demonstrate, how they will reduce inequalities. The Integrated Regional Employability and Skills Programme in particular will work to ensure that all residents throughout the region have the ability to share in future success.

4.14 It is recognised that prosperity and success is not universal across the region: 22.4% of children are living in poverty; there is a lack of mid-market and affordable housing; and too many people are unable to move on from low wage/low skills jobs. The Deal will deliver transformational change to the city regional economy to help address these issues.

4.15 Each City Region Deal projects’ business case must demonstrate the impact that it will have on inclusion. A Monitoring and Evaluation Framework is also being developed for the Deal, which will incorporate clear indicators to align with the Scottish Government Inclusive Growth Framework, also under development.

4.16 Partners recognise the importance to ensuring that inclusive growth ambitions are embedded in their plans and aligned with the Scottish Government’s Economic Strategy ambitions, responding to the particular challenges faced across the city region. A detailed analysis of the region’s economy, accredited by the Scottish Government, took place and identified six key inclusion challenges:

- Slow Growth
- Regional disparities in jobs density
- Housing, transport and connectivity
- Skills inequality and polarisation
- Gender and age inequalities and
- Low income and low pay

4.17 An inclusive growth framework for the City Region Deal was developed to ensure that the City Region Deal projects can address these issues. Five thematic interventions to target these challenges will go some way towards ensuring that the benefits of the City Region Deal investment are shared as widely as possible:

- Accelerating inclusive growth
- Removing the physical barriers to growth
- A significant programme of construction
- Targeted skills interventions and
- Social benefit through innovation

5.0 Conclusions

5.1 The Edinburgh and South-East Scotland City Region Deal represents over £1.3 billion of investment over the next 15 years. The Deal will deliver transformational change to the city regional economy through inclusive economic growth, building on the region’s strengths and addressing issues and economic barriers currently constraining the region’s potential.
5.2 Following the signing of the Heads of Terms for the City Region Deal in July 2017, regional partners, Scottish Government and UK Government have agreed a Deal document which describes the Deal in more detail and demonstrates how projects and programmes will be implemented and governed.

5.3 The Deal Document comprises four chapters:

- Context and narrative on the Deal’s ambitions to secure inclusive growth
- A summary of the programmes and projects
- A governance framework for implementation and monitoring the Deal and
- The terms of reference for the governance bodies.

5.4 Appendix 2 to this report contains the Deal Documentation. It is concluded that Fife Council is recommended to approve the proposed City Region Deal as outlined in Appendix 2.

5.5 Officers will now complete the development of the Detailed Business Case for the Fife Industrial Estates Regeneration Programme that will be subject to the further approval of the Policy and Co-ordination Committee in due course and in accordance with the City Deal governance processes.

List of Appendices

1. Equality Impact Assessment Statement
2. The Edinburgh and South East of Scotland City Region Deal Document

Background Papers

- City Deal Proposal approved by the Executive Committee on 9th December 2014
- City Deal Update approved by the Executive Committee on 2nd June 2015
- Edinburgh and South East of Scotland City Deal Update approved by the Executive Committee on 28th June 2016
- Edinburgh and South East of Scotland City Deal Update approved by the Executive Committee on 28th February 2017
- Edinburgh and South East of Scotland City Deal approval of the Heads of Terms by the Policy and Coordination Committee on 13th September 2017.
- Approval of the Outline Business Case for the Fife Industrial Estates Regeneration Programme by the Policy and Coordination Committee on 12th April 2018.
- Edinburgh and South East of Scotland City Deal approval by Council on 23rd November 2017.

Report Contact

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Executive Director, Enterprise & Environment
Fife House
Glenrothes
Telephone: 03451 555555 Ext. 442284 Email: Keith.Winter@Fife.gov.uk
**Equality Impact Assessment Summary Report**

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<table>
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<tbody>
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**Further information is available from:**

Morag Millar, Strategic Growth & City Deals Programme Manager  
[mailto:morag.millar@fife.gov.uk]  
03451 55 55 55 extension 44 24 37
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   • Our approach to ensuring inclusive growth 5

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   • Integrated Regional Employability and Skills Programme 14
   • Transport 19
   • Culture 21
   • Housing 22

3 Governance Framework 24
   • Context 24
   • Overarching principles 24
   • Governance structure 25
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   • Decision-making/change process 27

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Foreword

The Edinburgh and South-East Scotland City Region Deal is a mechanism for accelerating economic and inclusive growth in the City Region.

The UK Government and Scottish Government are investing £600 million into the city region over the next 15 years. Alongside partners, comprising: the six member authorities - The City of Edinburgh, East Lothian, Fife, Midlothian, Scottish Borders and West Lothian Councils; the city region’s universities and colleges; and the private and third sectors, £1.3 billion of investment will be delivered.

Building on the Heads of Terms, signed in July 2017, this document sets out a compelling vision that builds on the city region’s unique strengths to deliver a number of transformational programmes and projects across Innovation, Skills, Transport, Culture and Housing themes. Together, these interventions will deliver a step-change in inclusive growth to benefit the city region, Scotland and the United Kingdom.

Our signing of this document reaffirms our joint commitment to achieve full implementation of the Edinburgh and South-East Scotland City Region Deal together over the next 15 years.

TBC

Scottish Government

TBC

UK Government

Cllr Norman Hampshire
Depute Leader
East Lothian Council

Cllr Adam McVey
Leader
The City of Edinburgh Council

Cllr David Alexander
Co-Leader
Fife Council

Cllr David Ross
Co-Leader
Fife Council

Cllr Derek Milligan
Leader
Midlothian Council

Cllr Shona Haslam
Leader
Scottish Borders Council

Cllr Lawrence Fitzpatrick
Leader
West Lothian Council

Professor Charlie Jeffery
City Region Universities and Colleges
1 Introduction

Context

1.1 The Edinburgh and South-East Scotland City Region (the city region) comprises six local authorities and has a population of approximately 1.4 million people¹, more than a quarter of the Scottish population, and contributes approximately £36 billion per year to the Scottish and UK economies².

1.2 But prosperity and success is not universal across the city region: 22.4% of children are living in poverty³; there is a lack of mid-market and affordable housing; and too many people are unable to move on from low wage/low skill jobs. The City Region Deal will address these issues; it will accelerate growth, create new economic opportunities, and meaningful new jobs that will help to reduce inequalities.

1.3 The City Region Deal partners (the partners) comprise: The City of Edinburgh Council; East Lothian Council; Fife Council; Midlothian Council; Scottish Borders Council; West Lothian Council; the city region’s universities and colleges; and the city region’s business and third sectors.

1.4 In July 2017, the partners signed a Heads of Terms agreement with the UK and Scottish Governments to deliver the deal. The Heads of Terms are available to download on the Accelerating Growth website.

1.5 This ambitious city region deal, identifies new and more collaborative ways that partners will work with UK Government and Scottish Governments to deliver transformational change to the city regional economy. The Governments will jointly invest £600 million over the next 15 years and regional partners committed to adding in excess of £700 million, overall representing a deal worth £1.3bn. A summary of the Deal of shown in Table 1:

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¹ National Records for Scotland, 2017 mid-year population estimates.
² ONS (2015)
³ End Child Poverty, 2018
Table 1: Edinburgh and South-East Scotland City Region Deal Financial Summary

<table>
<thead>
<tr>
<th>Theme</th>
<th>Government contribution (£m)</th>
<th>Partner contribution (£m)</th>
<th>Total amount (£m)</th>
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*Includes £120m for Sheriffhall roundabout to be delivered by Transport Scotland

1.6 Through the City Region Deal, the Scottish and UK Governments and regional partners embark on a new relationship. To deliver cross-regional City Region Deal projects effectively in the short-term and to create future regional infrastructure in the long-term, partners are working to enhance existing and develop new regional collaboration for strategic coordination across transport, housing and economic development.

**Our Approach to Ensuring Inclusive Growth**

**Background**

1.1 In 2015 the Scottish Government set out its Economic Strategy for achieving increased sustainable economic growth. Its two mutually supportive objectives of boosting competitiveness and tackling inequalities are underpinned by four key strategic priorities to drive economic growth – Investment, Innovation, Internationalisation and Inclusive Growth.

1.2 The introduction of Inclusive Growth as a central component of the strategy set out the case for delivering an economic agenda that drives sustainable economic growth and productivity across all of Scotland’s regions, places and communities.

1.3 Partners recognise the importance of ensuring that Inclusive Growth ambitions are embedded in their plans for the city region, responding to the particular challenges faced across the city region’s geography.

1.4 Work has been ongoing to develop an analytical framework which provides an evidence base, enabling partners to identify the city region’s key Inclusive Growth challenges, and to propose an approach to help address these through City Region Deal activities.

1.5 This approach identifies a number of thematic interventions, and proposes a range of indicators to help track progress. It aligns with, and complements, the Inclusive Growth diagnostic under development by the Scottish Government.
Inclusive Growth Challenges Specific to the City Region

1) Slow Growth

1.12 While the city region has been experiencing growth, with a number of thriving sectors, productivity levels have slowed in recent years and there remains a stark productivity gap when compared with benchmark city regions internationally. Furthermore, there are significant regional disparities in job and outputs growth, with forecasted growth concentrated in the Edinburgh city area.

2) Regional Disparities in Job Densities

1.13 Regional disparities are also evident in job densities, ranging from 0.55 in East Lothian to 1.02 in the City of Edinburgh.4 Strong cross-region commuting patterns result, contributing to areas of congestion and significant levels of pollution in some locations.

3) Skills Inequality and Polarisation

1.14 Clusters of disadvantage exist across the city region, with related variations in skills levels, health outcomes and earnings. The availability of highly skilled jobs varies from 55% employed in managerial, professional and technical/scientific occupations in Edinburgh to 38% in the Scottish Borders.5 There is also evidence of a growing shortage of higher level skills, most notably in the technology sphere. Future activity in Construction, Healthcare and Tourism risks being constrained by skills shortages that have the potential to blunt the city region’s competitiveness in coming years.

1.15 The variation in skills affects income levels; these are skewed towards lower and higher wages, with relatively few individuals at middle income levels. 22% of the city region’s children live in low income households, with wide local inequalities, (nine of the city region’s multi-member wards have poverty rates over 30%, while 11 wards have rates of 15% or less).6

4) Gender and Age Inequalities

1.16 Gender and age inequalities are also prevalent. On average, men across the city region earn 14% more than women, and female participation and employment rates tend to be lower too.7

5) Housing, Transport and Connectivity Issues

1.17 While the city region has benefitted from a number of major transport improvements including the Queensferry Crossing, Borders Railway and tram and bus network improvements, infrastructure constraints remain. These connectivity issues are impacting upon the availability of land for housing

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4 Annual Population Survey (2016)
5 Labour Force Survey (Sep 2017)
6 End Child Poverty (2017)
7 Annual Survey of Hours and Earnings (2017)
and commercial expansion. Satisfaction levels with public transport also vary widely across the city region.

1.18 Average house prices in the city region are above the Scottish average, with high house price to earnings ratios in many locations. There has also been rapid growth in the cost of private rented accommodation. By 2037, a need for 140,000 new homes in the city region has been identified.

The Edinburgh and South-East Scotland City Region Deal Inclusive Growth framework

1.19 The city region partners have identified five key thematic interventions to target the challenges laid out above, interventions that will go some way towards ensuring that the benefits of the City Region Deal investment are shared as widely as possible.

1.20 A range of performance indicators will be agreed with both Governments to measure the impact of these interventions across the deal. These will be based on the advice of Scotland’s Centre for Regional Economic Growth to ensure consistency with other Deals across Scotland and will align with the new National Performance Framework. The indicators will measure the delivery of inclusive growth through the Deal, including the impact on the equality of opportunity through consideration of protected characteristics to ensure the benefits are shared by everyone in Scotland’s communities.

Theme 1: Accelerating inclusive growth

1.21 The City Region Deal is focused on accelerating Inclusive Growth across the city region, driven by a significant programme of construction in the short term, and sustained over the medium and long term by ongoing investment across the city region. The Data Driven Innovation (DDI) programme of investment will be a key driver in helping to deliver a step-change in regional economic activity.

Theme 2: Removing the physical barriers to growth

1.22 Interventions to unlock current physical barriers to growth, including housing and transport connectivity are a key component of the City Region Deal. A significant programme of house building will be targeted at increasing the supply of housing, integrating the latest technologies, and helping to reduce fuel poverty across the city region. By upgrading existing transport infrastructure, the aim is to reduce journey times across the city region, opening up more job opportunities for residents and augmenting the impact of recent major investments.

Theme 3: A significant programme of construction

1.23 A significant programme of construction, funded by the City Region Deal is planned across the city region. Through an agreed approach to City Region Deal procurement, Community Benefit clauses will be used to target inclusive employment practices and other opportunities. A consistent approach will be taken to applying the principles laid out in the Scottish Government’s Business Pledge. Benefits will be felt in the short, medium and long term.

Theme 4: Targeted employability and skills interventions
1.24 A programme of integrated and targeted employability and skills interventions will be directed at widening access, addressing skills shortages and gaps, and delivering improvements to boost the flow of individuals from disadvantaged groups into good career opportunities. Impacts will be felt over the short, medium and long term.

Theme 5: Social benefit through innovation

1.25 Recognising the potential presented by a significant investment in DDI, opportunities to drive out challenged-based social benefit across the city region, over the medium and long term, will be explored.
2 Key Elements of the Deal

2.1 The five themes of the Deal are summarised in Figure 1:

![Figure 1: The Edinburgh and South Scotland City Region Deal](image)

**Research, Development and Innovation**

2.2 Over 15 years, the UK and Scottish Governments will commit £350m to support the development of a number of initiatives in the innovation theme.

**Five Data-Driven Innovation (DDI) Research, Development and Innovation (RD&I) sectoral hubs**

2.3 The [Edinburgh and South East Scotland Science and Innovation Audit (SIA)](https://example.com) detailed how the ability to collect, store and analyse data from an array of diverse sources will become increasingly important in driving economic growth, social change and public services. By harnessing this challenge the aim of the Data-Driven Innovation (DDI) Programme is to establish the city region as the Data Capital of Europe. To achieve this, the DDI Programme will enhance the data capability of the region across key industry sectors through five areas of activity:

- **Talent**: by meeting data skills demands through a range of new undergraduate, post graduate and professional development programmes;
• **Research**: through expanding the City Region’s leading DDI research activities to meet industry and other sectors future data needs;

• **Adoption**: by increasing the practical use and adoption of DDI by the public, private and third sectors;

• **Data**: by providing the secure data storage, analytical capacity and data accessibility to underpin all DDI Programme activities; and,

• **Entrepreneurship**: by enabling entrepreneurs to develop new fast growth DDI-based businesses.

2.4 The DDI Programme will be delivered through a network of five DDI Innovation Hubs - Bayes Centre, National Robotarium, Edinburgh Futures Institute (EFI), Usher Institute, and Easter Bush. These hubs will draw upon the World Class Data Infrastructure (WCDI) project to provide the required underpinning data capability, computing and data storage infrastructure.

2.5 The UK Government and the Scottish Government have together committed, subject to business cases, an indicative amount of up to £270 million to support the development of the DDI Programme. This will be matched by up to £391 million capital investment from the universities and other sources.

**The Bayes Centre**

2.6 The Bayes Centre, powered by the proposed investment in World Class Data Infrastructure (WCDI), provides the focal point for all the other DDI programme initiatives in the city region. The Bayes Centre will assemble up to 600 world-leading applied data science researchers, talented students and staff from organisations across the public, private and third sectors into one facility. It will do this by providing commercial collaboration space - and robotics “Living Lab” testing facilities - for use by industry, and by drawing together the University of Edinburgh Schools of Informatics, Mathematics, and Design together with the Alan Turing Institute, the Data Lab and the Edinburgh Parallel Computing Centre.

**The National Robotarium**

2.7 The National Robotarium will provide state of the art facilities to co-locate researchers, R&D engineers, entrepreneurs and educators to deliver the UK’s leading international centre for the generation of new smart robotics companies. The activities proposed build on the established partnership with University of Edinburgh through the Edinburgh Centre for Robotics. The National Robotarium, through its Living Laboratories and engagement mechanisms, will enable subject matter experts to understand the needs of major companies. It will bring together the capabilities of the Centre for Innovative Manufacturing of Laser based production processes, coupled with the researchers in robotics and autonomous systems, linking with the UK High Value Manufacturing Catapult’s Manufacturing Technology Centre and Centre for Process Innovation, to engage directly with industry, for the benefit of the local and national economy.

2.8 The National Robotarium will be co-located on the Heriot-Watt University campus, having access to the resources of both Heriot-Watt and the University of Edinburgh. It will offer access to leading-edge applied research in autonomous systems, sensor technologies, and existing micro-assembly equipment.
The Edinburgh Futures Institute

2.9 The Edinburgh Futures Institute (EFI) will be a global centre for multi-disciplinary, challenge-based DDI research, teaching and societal impact. The world is experiencing major changes including climate volatility, political discontent, economic upheaval and technological change. EFI will bring different ways of thinking about these and other global issues, and of devising new solutions. EFI will provide thought-leadership in cultural, ethical, managerial, political, social and technological DDI issues, and help to transform the application, governance and exploitation of data. It will do this by bringing together a range of academic disciplines, together with third party organisations, across financial services, cultural industries and the public sector that are dealing directly with these challenges.

The Usher Institute

2.10 The overall objective of the Usher Institute is, through the application of data science, to develop innovative and financially sustainable models of health and social care that improve lives. The Usher Institute, located at Edinburgh BioQuarter, will become a world-leading hub where up to 600 health and social care researchers and scientists will collaborate with colleagues from public, private and third sectors organisations to deliver data-driven advances. The Usher Institute will drive health and social care innovation at scale by integrating the activities of: clinicians, life scientists and data scientists to identify new, co-produced insights in identified areas of challenge; and industry and public sector organisations to extract, apply and commercially exploit expert knowledge.

2.11 The Usher Institute will draw on Scotland’s mature and world-leading health data assets, and well-established governance and data-sharing protocols developed in partnership with the National Health Service and the Scottish Government.

Easter Bush

2.12 An efficient agricultural sector is critical to social well-being and, by 2050, global agricultural production will need to increase by 50% to feed a growing global population. By applying data technologies that enable farmers and related industries to improve food production, digital agriculture (Agritech) will be critical to increasing global food supply.

2.13 The project will seek to leverage existing world-class research institutes and commercialisation facilities in order that Easter Bush becomes a global location of Agritech excellence. It will do this through the deployment of a campus-wide network that will generate and collate, in real time, a multitude of local and global data, (e.g. animal genetics, food species genetics, soil condition, weather and market drivers). It will also work with commercial collaboration partners to use this information to realise the potential of having the right food species, and the right products, in the right field at the right time to maximise agricultural productivity. In addition, by improving on-site infrastructure and local road network, commercial partners will be able to co-locate at scale to commercially exploit Agritech breakthroughs.
Data infrastructure and analysis technology

2.14 The World Class Data Infrastructure (WCDI) project will provide the enabling data infrastructure platform for the wider DDI Programme. The DDI Programme requires an extremely powerful, high capacity and flexible infrastructure, capable of responsive delivery of an expanding range of complex and bespoke data and analytical services. By leveraging prior investments in the Edinburgh Parallel Computing Centre (EPCC), and specifically its Advanced Computing Facility (ACF), WCDI represents a practical, flexible and cost-effective approach to the delivery of the diverse technological requirements of the DDI Programme.

Food and Drink Innovation Campus

2.15 The Food & Drink Innovation Campus will be located at Craighall, by Musselburgh, East Lothian, on land next to the Queen Margaret University campus.

2.16 The Food & Drink Innovation project will deliver a flexible innovation space that will be directly adjacent to, and supported by Queen Margaret University – a university that is leading on international research in Dietetics, Nutrition and Biological Sciences. The innovation space will be set within a significant new wider business development space that will also be unlocked through the project.

2.17 This new state-of-the-art innovation facility for the food and drink sector in Scotland will drive company growth, supporting and developing existing and creating sustainable new businesses to access a global market for healthy and functional food. The development will allow the Queen Margaret University, along with businesses, to form and grow a business sector that will harness the potential of translational medicine in food and drink. This will in turn support the diversification of the Food and Drink industry towards preventative, therapeutic and rehabilitative applications of expertise in genomics of disease, biomarkers and bioinformatics. It will help close the existing innovation gap within the Food & Drink sector.

2.18 The proposal will be part of an integrated multi-agency regional employability and skills “escalator”, which will help people facing labour market exclusion into entry level employment; put in place in-work up-skilling incentives at scale; and support a pipeline of indigenous and global talent ensuring that the growing demand for high level graduate skills that the industry sector requires is met.

A Programme of Investment in Economic Infrastructure

2.19 This programme, worth £74 million will ensure that businesses and communities across the city region are fully able to engage in the data-driven innovation opportunities, including industrial and business premises, to ensure maximum impact from the innovation investment. Working closely with the region’s universities, the local authorities and their local business forum/economy partnership will also develop new approaches to stimulating innovation activity. This will be achieved through a range of innovation activities with a focus on digital technologies and data and the circular, low carbon economy. The ambition is to have more innovation-active businesses in Fife and Scottish Borders, i.e. businesses that are engaged in all forms of innovation. In the medium term, the ambition is to increase business investment in formal innovation such as research and development. This will
deliver improved productivity and higher value jobs for the local authority areas and the city region. In the longer-term, businesses could sustain and improve their economic performance through increasing the value they generate from their data by adopting digital technologies - to create new products, new supply chain arrangements, new business models, individually and through collaboration - thereby creating/safeguarding jobs and turnover. The aim is to create long term investment programme in Fife and Scottish Borders that can be replicated elsewhere in the city region through other economic development and investment projects.

**Fife Industrial Estates Regeneration**

2.20 The programme will deliver a major investment programme in infrastructure and modern business premises to support economic development in Fife. Such investment will increase the supply of serviced employment land and new industrial, office and business space in Fife. Innovation is being defined as “doing things in new, hopefully better, ways” that ultimately leads to a transformational change in business performance and local economy mix and strength. In the longer-term, Fife businesses could sustain and improve their economic performance through increasing the value they generate from their data by adopting digital technologies, to create new products, new supply chain arrangements, new business models, individually and through collaboration, thereby creating and safeguarding jobs and turnover. The aim is to create long term investment programme in Fife that can be replicated elsewhere in the city region through other economic development and investment projects.

**Tweedbank Innovation Park**

2.21 The Central Borders Innovation Park, situated next to the Borders Railway terminus at Tweedbank, will deliver much-needed high quality business space to the Scottish Borders. Costing £25 million, the project will stimulate business growth and associated job creation, enhancing the area’s inward investment offer, particularly to high-value sectors, as well as assisting existing businesses to improve their competitiveness. It will also help to address inequalities in the area through providing access to better quality, higher paid jobs.
Integrated Regional Employability and Skills (IRES) Programme

2.22 Since the economic recession in 2008 the Scottish economy has been steadily improving. Average unemployment across the city region’s is currently low, however this masks some important factors - there is still some evidence of persistent worklessness, unemployment, and poverty for some of our communities and vulnerable citizens.

2.23 Key inclusion challenges in the city region, outlined in Section 1, are evident: Slow growth; regional disparity in job density; skills inequality and polarisation; gender and age inequalities; low income and low pay; and housing, transport and connectivity.

2.24 The Integrated Regional Employability and Skills (IRES) Programme and its underpinning private, public, and third sector partnership is a key way in which partners intend to embed Inclusive Growth practices in the city regional labour market and evolving policy and practice to:

- increase the visibility and unlock access to good opportunities for all the city region’s citizens;
- open up new talent pools to business and stimulate increased recruitment from under-represented groups into the good jobs and careers being generated in the region;
- evolve, streamline, and integrate employability and skills services to ensure citizens are equipped with the skills they need to succeed throughout their working life;
- put in place complementary supports to help people mitigate any barriers they may have in achieving their potential and ensuring that these supports are part of an integrated person-centred approach;
- develop the collective knowledge, organisational cultures, networks, policies and practices that are essential to accelerating progress to an inclusive, innovative and future-proofed regional economy; and
- maximise the impact of employability and skills investments by public, private, and third sector partners and fully harness the potential of City Region Deal to stimulate a step change in performance.

2.25 The IRES model and programme has been developed by using the extensive expertise and knowledge of the city regional partners to create a development structure, programme and set of mutually supporting projects that not only add value to current services and interventions, but also creates the conditions to incrementally improve the inclusive growth impact of our collective investment in the city region’s labour market.
2.26 The model is based on the “Plan-Do-Review-Revise” improvement cycle with a focus on five Pillars that are judged as critical to creating a more inclusive and impactful regional employability and skills services as part of a “whole person”, “whole system” and sustained impact approach to thinking about services.

2.27 The Scottish Government has committed to investing £25m to support the change activity supported through the IRES Programme. This will be augmented by partner resources, and be integrated with existing funding streams. The IRES Programme Business case provides more detail on the proposed change activities and the steps to success, but a synopsis is set out below:

**Pillar 1: Regional Leadership and Improvement Capacity**

2.28 The barriers and obstacles that disadvantaged sections of society face in accessing and progressing in employment are complex and typically cut across disciplines and stakeholders.

2.29 This multiplicity of stakeholder involvement, although important for stimulating innovative solutions to our challenges, can also lead to service misalignment and an opaque service offer (for beneficiaries and service professionals alike) that creates barriers and inertia in the pipeline of support and an increased likelihood of poor outcomes for the most vulnerable in society.

2.30 Therefore, a critical part of making progress towards an inclusive labour market will be the creation of the right leadership and collaboration environment to stimulate whole system thinking and a shared commitment to improving the quality and quantity of collective outcomes.

2.31 The IRES Board and supporting development structure that is being put in place to support collaboration and the delivery of project activity is outlined in the City Region Deal Governance Framework (Section 3 of this document) and the IRES Programme Business Case.

**Pillar 2: Understanding of Labour Market Need and Opportunity**

2.32 The collective visibility, understanding, and active response to regional labour market dynamics, service impact, and new innovative approaches is vital to the creation of a citizen-centred, demand-led and integrated approach.

2.33 Therefore, developing our collective capacity to understand and disseminate the opportunities and challenges for the city regional labour market along a greater understanding of inclusive growth impact of our interventions will be important for driving progress towards our long-term goals.

2.34 In this initial phase the partnership is focusing on two Projects:

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1 Social Work Inspection Agency: Guide to Managing and Improving Performance: Taking a closer look at managing and improving performance in social work services
Integrated Knowledge Systems

2.35 This project will aim to better align and integrate partner performance management systems and digital services to enable the more effective pooling, analysis, and dissemination of performance information that will be critical to driving service improvement, increased responsiveness, and the creation of an integrated person-centred approach.

Labour Market Analysis and Evaluation

2.36 This project will create a cross-partner virtual team to undertake research and evaluation support for the IRES programme. It will draw on existing partner expertise to provide insights on the success of our activities, expose obstacles or ineffective approaches, and identify best practice from elsewhere that could be adopted or tested as part of a culture of continuous improvement.

Pillar 3: Building Strong Employer and Citizen Relationships

2.37 Businesses and citizens are the engine of the economy and the primary beneficiaries of our employability and skills system.

2.38 Therefore, strengthening our (bilateral) relationships with employers and citizens to; enhance our collective knowledge of opportunities and blockers to success, tackle misconceptions and promote culture change within stakeholders, and ensuring that we work with people not “do unto them” in the journey to success will be important for setting and adjusting our strategic and tactical direction.

2.39 In this initial phase the partnership is focusing on two Projects:

Integrated Employer Engagement

2.40 This project work will clarify, co-ordinate and improve the employability and skills service offer to employers. The partners will establish a “No Wrong Door” approach that will create designated points of contact to manage individual employer relationships that will allow us to; tailor and route our combined service offer, pool and match the opportunities that are generated, reduce double handling, and so strengthen individual relationships. To complement this, the partners will also develop a regional approach to “Community Benefits from Procurement” to ensure that the significant expenditure of the partners fully exploits any opportunity to drive inclusive growth. This project stream will also work on developing our network of Recruitment and Skills Centres to act as a tangible interface between the partners and business particularly in geographic or sectoral high demand areas.

Intensive Family Support Service

2.41 Developing a multi-agency family focused service that targets very small areas of intense need for a rolling series of inter-connected interventions that aim to counteract helplessness, dependency, and low aspirations. The service will offer a combination of intensive general and specialist supports tailored to help support individuals within families to progress towards their own goals, as well as
developing “whole family” activities that build a support network and improve the family dynamic and ability to provide effective support for each other.

**Pillar 4: Targeted Skills Development**

2.42 Supporting all sections of society to acquire the knowledge and skills and secure the complementary supports they need (throughout their working lives) to develop and progress will be critical to maximising the talents of our citizens and unlocking the full potential of our economy.

2.43 Therefore, developing integrated and universally well-understood career pathways (i.e. academic, blended, and vocational) for our key industries, that are interlocked with other enabler services (e.g. Health, Care, and, Financial) will be important to allowing the talents of all our citizens to blossom.

2.44 In this initial phase the partnership is focusing on developing, testing, and mainstreaming integrated career pipelines for two industrial sectors critical to the regional economy and maximising the impact of wider City Region Deal investment in Innovation, Housing, Transport and Culture. These Projects are:

**DEC (Design, Engineer, Construct) Targeted Skills Gateway**

2.45 The DEC Gateway will bring together industry, universities, colleges, schools and other partners to provide an integrated (visible) progression routes into Construction and Low Carbon careers encompassing basic/key skills in schools through to advanced postgraduate training and research role in business that help drive high value growth. It will create and deliver employability, skills attainment, upskilling and career progression and inclusion support activities to enhance productivity, competitiveness and support innovations currently gaining momentum in the sector. This will help address the skills shortages in the sector and open up new opportunities to non-traditional groups of people into the construction sector helping to increase the diversity of the sector.

**DDI (Data Driven Innovation) Targeted Skills Gateway**

2.46 The DDI Gateway will bring together industry, universities, colleges, schools and other partners to provide integrated and visible progression routes into DDI careers encompassing basic/key skills in schools (Digital Citizens who interact with public and private digital services) through to advanced postgraduate training and research (Digital Business Leaders driving the development of global digital businesses) that help drive high value growth. It will also help develop the data science curriculum and CPD for employability and learning professionals along with integrating skills development and progression opportunities for individuals who can be locked out of the industry helping to address inclusion challenges within the industry.

**Pillar 5: Active Opportunity Matching**

2.47 Given the inclusion challenge faced there must be a more active approach to supporting disadvantaged individuals’ access and succeed in work or enterprise.
2.48 Therefore, it will be important that we make the best use of relationships, business start-up and career services, digital technologies, active travel and childcare services to ensure personal circumstances or geography is not a barrier to progression.

**Workforce Mobility**

2.49 This project focuses on the blockers to the full mobility of the regional workforce beyond individual personal skills and capabilities. The initial area of weakness being examined is the role of travel in supporting vulnerable or disengaged members of our workforce to move into and sustain good learning or work opportunities, while also opening up new talent pools for employers. There are several transport subsidy schemes that young people, job seekers, and new (vulnerable) job entrant can access to help sustain work, but these schemes are not joined up and can have considerable restrictions in their use. Also in rural areas the level of demand may mean that travel options are limited. The project will therefore explore the potential of the National Entitlement Card to be the mechanism for a single concessionary travel offer, examine how the existing combined travel support offer can be used to maximise the positive impact on disadvantaged groups seeking work or learning, and finally how we can work with transport colleagues to identify opportunities to create active travel options to that widen the range of transport options for disadvantaged jobseekers and learners.
Transport

2.50 The City Region Deal will deliver major investments to ensure that Scotland’s capital and its region is served by world class transport infrastructure.

2.51 Partners will put in place a Regional Developer Contributions framework based on the work currently being led by SESplan (the strategic development planning authority for Edinburgh and South-East Scotland) and findings of the Cross-Boundary Study, published in 2017. These interventions and commitments, taken with the additional transport investment to enable the innovation and housing projects, will help ensure the city region continues to grow and flourish.

2.52 The Scottish Government is committed to investing £140m on strategic transport improvements as part of the City Region deal. This specifically includes up to £120m to support improvements to the A720 City Bypass for the grade separation of Sheriffhall Roundabout and £20m investment to support public transport infrastructure improvements identified by the West Edinburgh Transport Appraisal.

2.53 Partners will also contribute towards the improvements in West Edinburgh. The vision for West Edinburgh, as identified by Scottish Government’s National Planning Policy (NFP3), can only be delivered through the investment in a strategic package of transportation improvements. These improvements include a core package of A8/A89 sustainable transportation measures that provide long term resilience and support strong connectivity between neighbouring authorities, and importantly enable the supply of the increased labour supply demands required, to deliver the full economic potential of West Edinburgh; current infrastructure constrains any such economic growth.

2.54 Transport Scotland will manage and deliver the upgrade of Sheriffhall Roundabout. The preferred option is a grade separated junction which separates local traffic from the strategic traffic on the A720 (city bypass) and when complete will allow the traffic on the bypass to flow freely, improving road safety and journey times for all road users, bringing improved economic benefits and inclusion across Edinburgh and South-East Scotland. It will improve accessibility for all modes of transport including walking and cycling. Transport Scotland will provide updates on progress to the Transport Appraisal Board, as well as the Executive Board and Joint Committee as and when appropriate.

2.55 An Edinburgh and South-East Scotland City Region Transport Appraisal Board (TAB), comprising the six local authorities representing the city region deal, SESTRAN and Transport Scotland will be formed to help shape transport policy, strategy and priorities across the city region. The TAB will take a specific role in representing the city region’s interests through the reviews of the National Transport Strategy and the second Strategic Transport Projects Review. This group will also provide a channel for involvement in the development and delivery of the improvements to Sheriffhall Roundabout, building upon the already established stakeholder engagement being led by the design team in Transport Scotland, to ensure that benefits are maximised, particularly around community benefits and opportunities for skills development.

2.56 The TAB will report to the Transport Board which will work closely with the city regional Housing Board and with Government to influence and formalise any future regional partnership working which
may emanate from the moves to a Regional Economic Partnerships as well as regional land use planning, depending on the outcomes of parliaments current consideration of the Planning Bill.
Culture

2.57 Scotland’s capital city has a world-class cultural offer which is vital in attracting around four million visitors a year into the city core who inject £1.3 billion to the city region’s economy.

IMPACT

2.58 The Scottish Government and UK Government will provide up to £10 million each (up to a maximum of £20 million), and the City of Edinburgh Council will provide £5 million of capital funding to support the delivery of the new IMPACT Centre, a concert hall and performance venue, that will reinforce Edinburgh’s position as a pre-eminent Festival City.

2.59 The IMPACT Centre will be immediately adjacent to a historic building on St Andrew Square in the heart of Edinburgh and will provide a new home for the Scottish Chamber Orchestra, the only Edinburgh-based National Performing Arts Company. It will house a 1,000-seat auditorium and studio facilities to enable rehearsal, recital and recording space, as well as enabling community outreach and education, conferences and multi-art-form use. The site will be enhanced by the provision of a restaurant, cafe and bar facilities.

2.60 The new world-class performing arts venue will deliver £35 million private sector investment and make a significant contribution to the ongoing success of Edinburgh’s cultural offer.
Housing

2.61 The Deal reflects the joint commitment of city region partners and the Scottish Government to deliver the regional housing programme, transforming regional housing supply and driving economic and inclusive growth across Scotland.

2.62 The regional housing programme aims to accelerate the delivery of affordable housing and housing across all tenures, enable the development of seven major strategic housing sites and drive efficiencies across the public sector estate.

2.63 Collaboratively regional partners and Government will work together on:

- **An expanded affordable housing programme** that builds on the committed additional £125 million between 2018/19-2020/21, with a commitment to maximise certainty over future public funding levels for the regional housing programme.

- Developing **risk-sharing guarantees** on a site-by-site basis to support local authority borrowing and share the financing risk of infrastructure delivery required across strategic sites, starting with Winchburgh in 2018, where West Lothian Council have agreed guarantees for up to £150m of infrastructure investment with the Scottish Government. These will be repaid by developer contributions as set out in a complementary tripartite agreement between West Lothian Council, Winchburgh Developments Limited and the Scottish Government.

- **Seven strategic sites** have been identified in SESplan as key areas of change and growth (Blindwells, Calderwood, Dunfermline, Edinburgh’s Waterfront, Shawfair, Tweedbank and Winchburgh). Business cases will be developed within the 15-year period of the Deal, of which Winchburgh is likely to be the first. Taken together these sites will deliver over 41,000 new homes, create 7,800 jobs and contribute over £10 billion to the wider economy. The Scottish Government and city region commit to work together on each of these strategic housing sites recognising the long-term nature of these proposals with most new homes being delivered over a 15-year period. To support this, the Scottish Government will commit at least £50 million. City Region partners will explore, with the Scottish Government, innovative solutions to stimulate creative ideas, fresh thinking and innovation in the provision of affordable housing. This collaboration will consider the evolving financial landscape with the Scottish Government’s proposals to establish the Building Scotland Fund and Scottish National Investment Bank.

- **An increased supply of good quality low cost market rent housing** across the region. This is an essential requirement for meeting the housing needs of key workers and those on low to middle incomes who cannot access home ownership and are not a priority for social rent. The Scottish Government will provide a funding package comprised of a one-off £16.1 million capital grant and consent for the City of Edinburgh Council to on-lend up to £248 million to establish a new housing company with Scottish Futures Trust (SFT) to deliver a minimum of 1,500 homes at mid-market rent and competitive market rent levels. The City of Edinburgh Council and SFT will continue to share learning and financial models with city region partners, to explore regional delivery models.
- City region partners will work jointly with both Governments to maximise the potential contribution of public sector land and property in the region to help unlock further new housing and wider public policy objectives.

Drawing on the approach taken with many other City Deals across the UK, the Edinburgh Partnership (Edinburgh’s Community Planning Partnership) is in the process of establishing an Edinburgh Land Commission, chaired by the Council’s Chief Executive.

Once working effectively at a city scale, regional partners will be invited to become members of a regional land commission.

- **More Jobs, training and apprenticeships as well as opportunities for regional construction related SMEs.** The city region housing partnership will align with the Integrated Regional Employability and Skills (IRES) Programme and specifically to the Housing and Construction Skills Gateway (DEC Gateway) to meet existing and future skills requirements in the construction and housebuilding sectors. This will deliver more jobs, training and apprenticeships, as well as opportunities for regional construction related SMEs.

Community benefits from regional housing investment will be maximised to ensure sustainable jobs and economic growth is created for local communities. Regional housing partners will support IRES colleagues to work towards developing a consistent all partner approach to community benefits.

- The **Edinburgh and South-East Scotland City Regional Housing Board** will provide robust governance and strategic oversight over the regional housing programme. The Regional Housing Board will make recommendations to the Joint Committee to ensure the effective delivery of the city region deal housing projects. The Regional Housing Board will work with Government to influence any future regional partnership working as this emerges through the enterprise and skills review, planning bill and following the future implementation of the new planning act.
3 Governance Framework

Context

3.1 This document sets out effective and accountable governance arrangements for the Edinburgh and South-East of Scotland City Region. The Governance arrangements enable decisions to be taken in an open and transparent way in one place for the whole of the city region.

Overarching Principles

Driving Inclusive Growth for Edinburgh and South-East Scotland

3.2 The city region’s partners recognise that delivering the twin ambitions of innovation and inclusive growth through the City Region Deal requires alignment between local, regional and national ambitions, policies and resources. The governance arrangements outlined in this document empower local authorities to:

- operate strategically with their partners to fully realise the economic potential of the city region;
- respond to issues critical to the economic health and wellbeing of the city region;
- unlock economic assets; and
- decide on the alignment of resources in projects and programmes with the greatest economic potential for the city region.

Financial Diligence

3.3 Throughout all the strands of the City Region Deal, partners and the City of Edinburgh Council as the lead authority shall be bound by the key principles of personal responsibility for the propriety and regularity of the finances under their stewardship and for the economic, efficient and effective use of all related resources. Risk management and assurance best practice shall be integral to this and respect the diverse nature of the City Region Deal programme.

Partnership with Private and Third Sectors

3.4 The voices of the private and third sectors are integral to the city region’s governance arrangements. The governance model combines the best of private sector commerciality and expertise with public sector capacity, transparency and accountability. The city region has strong private and third sectors that will underpin the city regional governance arrangements. Harnessing their understanding of regional strengths and opportunities is critical to the city region’s success. The business and third sector voices will help to realise the partners’ ambitions to develop a bespoke regional economic plan to create an environment for economic growth and to tackle barriers to efficiency and inclusive growth.

Community Engagement

3.5 Throughout the process, engagement will take place with communities on projects and programmes. This will occur through the existing statutory and informal community engagement structures, such as community planning, planning consultations and local authority budget engagement processes.
Working with Government/Agencies to Deliver a Strong Regional Partnership

3.6 From the outset of the City Region Deal process, partners have taken a holistic approach to the development of the city region’s economy, by focusing on investment in projects that support a step change in the performance of the city region, and that spread the benefits of growth more evenly within and across the communities in the city region. This collaboration builds on and helps to deliver the statutory regional governance in transport and land use.

3.7 Through the City Region Deal, the Scottish and UK Governments and regional partners embark on a new relationship. The first phase is underpinned by the activities set out in the City Region Deal. However, future phases will involve regional partners continuing to work together on exploring opportunities for transferring further powers, policy resources and levers while also strengthening the city region’s governance and capacity to deliver and to meet the clear policy expectations set out in the Scottish Government’s Enterprise and Skills Review. Regional partners agree that ensuring sufficient scale and quality of governance to manage financial and policy risks will be key to effective regional devolution. The governance arrangements will operate in a way that best delivers inclusive growth and accountability, underpinned by participation of the city region’s key private, public and third sector interests.

Governance Structure

3.8 A summary diagram of the City Region Deal governance structure is shown in Figure 1. It comprises the Joint Committee, Advisory Boards/Groups, Thematic Advisory Boards and Project Groups. The Advisory Groups will support the work of the Executive Board. The Thematic Advisory Boards will report to the Executive Board and make recommendations for decision by the Joint Committee. The Annex summarises the Terms of Reference for the Joint Committee, Advisory Boards/Groups and Thematic Advisory Boards. Terms of Reference for project groups sit within the Management Case of each Business Case. The structure will be reviewed to determine its continuing relevance by the Edinburgh Joint Committee on an annual basis as part of the Annual Report (see section 3.21).
Standing Orders, Delegated Authority and Terms of Reference

3.9 Standing Orders will be agreed by the Joint Committee and will include details on the nature and extent of delegated authority. The Terms of Reference for the Joint Committee, Advisory Boards/Groups and Thematic Advisory Boards are summarised in the Annex. They provide for appropriate government/agency engagement and representation. Each group will have the ability to co-opt additional members if required.

3.10 Project Groups and Delivery teams sit beneath the Thematic Advisory Boards. Each project team will have its own terms of reference, and a core of full time members of staff, supplemented by PMO resources where required. The Terms of Reference for Project Groups can be found within the Management Case of the business cases. Best practice project management processes will be adopted throughout.

Resourcing

3.11 Each Advisory Board/Group, Thematic Advisory Board and Project Group will be responsible for its own administration. Initially, the PMO will be responsible for the administration of the Joint Committee, Regional Enterprise Council, Executive Board and Directors Groups. The PMO will be reviewed by the Executive Board quarterly as part of risk reporting, to ensure that it is suitably resourced to meet the demands of delivering the Deal for the forthcoming period.
Decision-Making/Change Process

3.12 The city regional partners are committed to putting in place robust decision-making and financial management processes to ensure that public money is being spent responsibly and is accounted for. All decisions will be publicly available.

3.13 It is recognised that the Joint Committee’s powers and duties relate to activities set out in the City Region Deal. Each constituent partner’s decision-making in relation to its own financial commitments are not subject to Joint Committee approval. The Joint Committee does however have a monitoring and assurance role with respect to City Region Deal funding to ensure that it is spent in line with the City Region Deal objectives.

Consensus

3.14 Each Thematic Advisory Board will have its own respective arrangements for achieving consensus. The Joint Committee will be the ultimate decision-making body for all City Region Deal activity.

Change

3.15 Major change decisions will be escalated from project level to thematic board level, or, when required, to the Executive Board for discussion. Recommendations will then be presented to the Joint Committee for decision. Examples of major changes may relate to cost, scope and time, for example:

- project/parts of project costs rise significantly (beyond acceptable tolerances as detailed through standing orders) since business case approval, and partners are unable to meet the funding gap;
- there is project underspend, leaving an opportunity to enhance the scope or consider new projects;
- project is no longer considered viable or value for money since business case approval; or
- external factors trigger changes in the investment priorities for the city region.

Role of Members/Accountability

3.16 Irrespective of their background or geography, it is the duty of all Board members to act in the best interests of the Edinburgh and South-East of Scotland City Region. All private and third sector members will be required to act in the best interests of the City Region Deal, foregoing any interest (if any) their own organisation may have in the City Region Deal and related projects.

3.17 All members are expected to comply with the code of conducts of their respective organisations and the values and aspirations of the city regional partnership.

3.18 Government representatives will attend in observer/advisory capacity and are not bound by the requirements of the Board’s Members. Transport Scotland will sit on the Transport Advisory Board as a full member.
The Business Case Journey

3.19 Projects will be identified and implemented through a four-stage journey as shown in the box:

Stage 1 – Strategic Business Case
Once a need for change is identified, a conceptual business case is developed at thematic board level. This will be shared with Government, relevant agencies, the Regional Enterprise Council and relevant Advisory Boards/Groups. The Executive Board will be consulted, and the Joint Committee informed.

Stage 2 – Outline Business Case
Should the project plan be approved by the thematic board, an outline business case will be prepared with input from Government, which the thematic board will recommend to the Executive Board for approval.

Stage 3 – Full Business Case
Should the outline business case be considered viable, it will be expanded to a full business case for the thematic board and executive board to recommend to the Joint Committee for approval.

Stage 4 – Implementation, Review and Evaluation
Should the full business case be approved by the Joint Committee, formal Government approval will be sought to allow City Region Deal funds to flow to the project for its implementation. The project will then be subject to review and evaluation as is the case in all projects.

Accountable Body

3.20 The City of Edinburgh Council will act as the Accountable Body for City Region Deal finances. All grant funding from Government, will be channelled through the City of Edinburgh Council, with the exception of the Sheriffhall roundabout project.

3.21 Governance and accountability for the Winchburgh risk sharing guarantee will be in accordance with the tripartite agreement being progressed by the Scottish Government, West Lothian Council and the lead developer at Winchburgh.

3.22 As the Accountable Body, the City of Edinburgh Council will have the authority to hold others to account should projects present a risk to the overall programme A grant offer letter signed between the Scottish Government and the Accountable Body will set out required terms and provisions to ensure funding is applied as expected. These terms and provisions will also be replicated in separate agreements between the Accountable Body and regional partners with any additional specific requirements necessary for the City of Edinburgh Council to fulfil its role as the Accountable Body, clearly set out. The broad terms of the deal are also set out in the Financial Agreement between the UK and Scottish Governments and the Accountable Body.

Progress Reporting, Risk, Audit and Accountability

3.23 To assess progress against the milestones set out in relevant business cases, each Thematic Advisory Board will produce a quarterly Risk and Performance Monitoring Report. Where risks are
identified, change recommendations will be made. An overall Programme Risk Register and Performance Monitoring Report will also be considered by the Executive Board and Joint Committee every quarter. The template for these reports will be agreed with the Governments in advance. The reports will be presented to the Governments and the Regional Enterprise Council quarterly.

3.24 To assess how well the City Region Deal is aligning towards the overall vision and inclusive growth outcomes for the city region, the PMO will produce an Annual Report on all City Region Deal activity. The template for the Annual Report will be agreed with Government. The reports will be presented to the Governments and the Regional Enterprise Council annually.

3.25 Measures will be taken to ensure scrutiny, and effective consultation with the business community, third sector and general public. The Regional Enterprise Council and Joint Committee will develop these measures in partnership with Government. Options may include: an annual conference/seminar(s) tackling a key priority in the city region; an annual online consultation with key stakeholders in the city region and/or the general public; regular “roadshow” consultations on key upcoming projects across the city region (linking in with the planning process).

3.26 Every five years, an independent evaluation of the City Region Deal will be undertaken to capture progress and identify priorities for the next phase of delivery. The Governments will work with the Joint Committee to set the terms of the evaluation and consider its recommendations. Both Governments reserve the right to halt funding in the event that outcomes and targets are not being met.

3.27 Given the size of the investment and the significance of it to the overall Deal, Governments and partners agree to undertake an 18-month review checkpoint with respect to the DDI programme. The objectives and format for the review will be agreed by Governments and partners and set out within the overall DDI programme business case.
Annex: Summary of Terms of References for Joint Committee, Advisory Boards/Groups and Thematic Advisory Boards

This section summarises the Terms of Reference for the Joint Committee, Advisory Boards/Groups and Thematic Advisory Boards within the governance structure. At project level, other groups exist, which may have their own Terms of Reference. These can be found within the Management Case of project business cases, and are not included in this paper.

1) Edinburgh and South-East Scotland City Region Joint Committee

Membership

The Joint Committee will comprise:

- Leaders from the six local authorities
- University/college sector representative;
- Business sector representative;
- Third sector representative.
- Programme Management Office (observer/secretariat).

The Chair and Vice Chair will rotate annually.

Purpose

The purpose of the Joint Committee will be:

- To oversee the implementation of the Edinburgh and South-East Scotland City Region Deal programme, and ensuring that it is aligned towards driving innovation and achieving its inclusive growth ambitions.
- To monitor the impact of the City Region Deal Programme.
- To build and support inclusive growth focusing on the needs of the city region and strengthening the partnership between public, private and third sectors;
- To improve business involvement from the city region in regional decision making;
- To collaborate and work in partnership to assist in delivering regional planning and transport policy linking the City Region Deal to SEStran and SESplan; and
- To work in partnership on other initiatives across the city region with the explicit support of individual constituent members.

Meeting Schedule

The group will meet at least quarterly.

Current Status and Implementation

The Joint Committee will be formed following the approval of Deal Documentation, including the Governance Framework in June 2018.
2) Advisory Boards/Groups

a) Regional Enterprise Council

Purpose

The overarching purpose of the group is to provide the voice of the business and third sector to guide the implementation of the Deal. While the projects and financial arrangements have already been agreed in the Heads of Terms and City Region Deal Document, this group will support the other city region deal partners (local authorities, universities/colleges and government/public sector agencies), towards a shared ambition for achieving sustainable and inclusive economic growth for the city region. It will do this in the following ways:

- use its commercial knowledge and expertise to influence the Joint Committee and Executive Board in making spend and investment decisions that maximise benefits for the city region’s economy and its people;
- engage with wider business and third sector networks across the city region to ensure that a wide range of views are captured; and
- champion the City Region Deal nationally and internationally to encourage further investment opportunities.

Principles

- The group will augment, and build on, existing business forums or similar structures without superseding them. It will be the recognised regional enterprise forum with a formal role within the City Region Deal.
- Members will be appointed to the group based on their expertise and knowledge of the city region and its commercial and third sector, rather than the organisations which they represent. Individuals will be required to act in the best interests of the City Region Deal community, foregoing any interest their own organisation (if any) may have in the City Region Deal and related projects.
- Members will be responsible for ensuring that views of existing business and third sector networks are captured, and that there is no duplication between the group’s activity and these networks. These responsibilities will be mapped when the group is appointed.

Governance and Decision Making

The group will not have direct decision-making power, but will make recommendations to the Joint Committee, which will be the ultimate decision-making body for City Region Deal activity. The group may also advise Advisory Boards/Groups and Thematic Advisory Boards. To cater for this, the Chair and Vice Chair of the group will sit on the Joint Committee, and the IRES Board chair will also sit on the REC.

Membership

i) Size and Composition

The group will comprise approximately 12 individuals.
In determining membership of the group from applications received, the Joint Committee will seek to ensure an appropriate balance of membership, in terms of:

- **Geography:** each of the six local authorities in the city region will be represented by at least one business or third sector organisation with significant operations in their area.
- **Sector:** Organisations that operate in key industry areas that are relevant to the city region’s economy will be represented.
- **Size:** Small, medium and large organisations will all be represented.
- **Gender, ethnicity and age** of business and third sector leaders.
- **Organisation type:** Individuals from the private and third sectors will be represented in accordance with the mix of enterprise types across the city region.

There will also be City Region Deal PMO, government/agency and higher/further education representation, to ensure links with the wider governance structure (see Figure 1). Support will be provided by the City Region Deal PMO.

The following structure is recommended, but the mix of members is subject to change depending on the nature of applications received:

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Board Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair</td>
<td>1</td>
</tr>
<tr>
<td>Business representatives (4 SMEs and 2 large)</td>
<td>6</td>
</tr>
<tr>
<td>o Finance/Fintech</td>
<td></td>
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<tr>
<td>o Creative Industries</td>
<td></td>
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<tr>
<td>o Construction/Housing</td>
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<tr>
<td>o Food/Drink</td>
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<tr>
<td>o Manufacturing</td>
<td></td>
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<tr>
<td>o Tourism</td>
<td></td>
</tr>
<tr>
<td>Third Sector representatives:</td>
<td>2</td>
</tr>
<tr>
<td>o Social Enterprise</td>
<td></td>
</tr>
<tr>
<td>o Voluntary Organisation</td>
<td></td>
</tr>
<tr>
<td>Higher/further education representative</td>
<td>1</td>
</tr>
<tr>
<td>Integrated Regional Employability and Skills (IRES) Board Chair</td>
<td>1</td>
</tr>
<tr>
<td>Skills Development Scotland</td>
<td>1</td>
</tr>
<tr>
<td>Scottish Enterprise</td>
<td>1</td>
</tr>
<tr>
<td>Programme Management Office (Observer)</td>
<td>1</td>
</tr>
</tbody>
</table>

**ii) Recruitment Process and Appointment of Chair**

From summer 2018, the group will be recruited via an application process open to all businesses and third sector organisations from across the city region. The Joint Committee will approve the membership, chair and vice chair of the REC, which will be recommended through engagement with key industry bodies and
regional employers. The chair and vice chair will be appointed from the business and third sectors, and these individuals will also sit on the Joint Committee.

It is important that the Chair is a high profile, credible and influential individual, who reflects the key components of the Deal and ambitions for the Edinburgh and South-East Scotland city region. It is recommended that the Chair be additional to the six business and two third sector representatives. The Vice-Chair should be drawn from the relevant business or third sector cohort dependent upon which field of enterprise the Chair is drawn from.

The first REC meeting is expected to take place in late 2018.

**Wider Business/Third Sector Engagement**

To ensure that views from across the city region’s business and third sector community are captured, a wider grouping will also be developed. Members of existing business or third sector forums which operate across the city region will be invited to join the wider group. They will be encouraged to participate in consultations when required and will be kept up to date on the REC activity by email. Regular seminars on City Region Deal activity are also proposed.

**Meeting Schedule**

It is suggested that group will initially meet quarterly and the wider grouping meets bi-annually.

**Current Status and Implementation**

The group will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal,
b) Edinburgh and South-East Scotland City Region Deal Executive Board

Membership

The Executive Board comprises:

- Six regional local authority chief executives;
- a representative for the city region’s universities and colleges;
- six regional local authority directors with a remit for the economy (observers);
- City Region Deal Programme Management Office function (observers).
- Government colleagues will be invited to attend meetings on a quarterly basis as observers.

The Chair and Vice Chair will rotate annually, and will be aligned to the Chair and Vice Chair of the Joint Committee by geography.

Purpose

The Executive Board supports and make recommendations for the Joint Committee in the delivery of the City Region Deal Programme. It also oversees the activity of the PMO and Directors’ Group and engages with the Scottish City Region Deal Delivery Board for performance monitoring as appropriate.

The purpose of the Executive Board is to:

- Support the Joint Committee in overseeing the delivery of the City Region Deal and ensuring that it is aligned towards achieving its inclusive growth ambitions;
- Engage in dialogue with Government and respond to policy, proposals and opportunities to bid for funding in support of economic growth;
- Engage with investors, businesses and advisors to secure growth opportunities;
- Develop and consult on regional economic policy, programmes and interventions designed to maximise growth in the city region;
- Provide leadership in key themes and priorities to promote sustainable economic growth;
- Lead on communications and stakeholder engagement to raise the profile, image, reputation and influence of the city region at a regional, national and international levels.

Meeting Schedule

The group will meet monthly.

Current Status and Implementation

The Board is constituted and meets monthly.
c) Edinburgh and South-East Scotland City Region Deal Directors’ Group

Membership

Membership comprises:

- Six regional local authority Directors with a remit for the economy;
- One representative for the city region’s universities and colleges;
- Five thematic leads;
- The finance director of the Accountable Body (The City of Edinburgh Council) will have a standing invitation as an ex-officio member; and
- Programme Management Office function

Purpose

The Directors’ Group supports the Executive Board in the delivery of the City Region Deal Programme. It oversees cross-regional strategic activities outlined in the Heads of Terms, many of which are led by groups at programme level. Priority areas currently include: the city regional Housing Programme; the Integrated Regional Employability and Skills (IRES) programme; cross-regional transport projects; and the revision of existing cross-regional governance structures across Transport, Planning, Housing and Economic Development to align with the City Region Deal. It also acts as a sounding board and provides feedback for activity that the PMO is undertaking.

The purpose of the Directors’ Group is to:

- Support the Executive Board in the delivery of the City Region Deal and ensuring that it is aligned towards achieving its inclusive growth ambitions;
- Capture and communicate business requirements for changes to, and development of economic policy and commission associated appropriate interventions;
- Work collaboratively with all partners, including local authorities to address barriers to inclusive economic growth and drive efficiency;
- Bring together intelligence and expertise to identify priorities and develop solutions to maximise private sector investment in the City Region and secure sustainable and inclusive growth;
- Work to create an environment to support business growth ensuring appropriate mechanisms exist through which, as a co-ordinated voice, the private sector can inform and influence the shape and future direction of local, regional and national government policy.

The Chair and Vice Chair will rotate annually, and will be aligned with the Chair and the Vice Chair of the Joint Committee and Executive Board by geography.

Meeting Schedule

The group meets monthly, usually in the alternate fortnight from the Executive Board.

Current Status and Implementation

The group has been constituted and will evolve according to demands of the City Region Deal programme.
d) Edinburgh and South-East Scotland City Region Deal Finance Directors’ Group

Membership
The group will comprise:

• Financial Directors of any organisations who are beneficiaries of City Region Deal funding; and
• Programme Management Office function.

It will be chaired by the Finance Director of the Accountable Body (The City of Edinburgh Council).

Purpose
The group will:

• Support the Executive Board and Joint Committee in overseeing the City Region Deal’s finances;
• Ensure that the City Region Deal monies are spent as set out in the agreed Financial Plan;
• Ensure that financial risk, audit and assurance are carried out effectively throughout the process;
• Ensure compliance with current financial regulations and accountancy best practice; and
• Consider quarterly financial reports, and escalate any risks to the Executive Board.

Meeting Schedule
The group will meet quarterly to align with funding flows from Government, and quarterly reporting.

Current Status and Implementation
The group will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.
e) Edinburgh and South-East Scotland Innovation Advisory Group

**Membership**

The Group will include representation from:

- Regional local authorities
- Regional HE / FE institutions
- Relevant government agencies – UK Research and Innovation and Scottish Enterprise
- Business community
- Third sector UK Government
- Scottish Government (observers)
- UK Government (observers)
- City Region Deal Programme Management Office function (observers)

**Purpose**

To identify opportunities to deliver innovation across the City Region Deal programmes and projects, making linkages with other groups as appropriate and providing advice and recommendations to the Executive Board as appropriate. To look to maximise the exploitation of wider innovation opportunities aligned to the development of a regional economic strategy.

**NB:** The role of the Innovation Advisory Board would not extend to allocation of existing City Region Deal resources or oversight of City Region Deal funded projects.

The group’s remit will be:

- To advise on regional innovation priorities and the further development of a regional innovation ecosystem
- To identify partnership working opportunities beyond the City Region Deal
- To seek alignment of national resources behind regional innovation priorities
- To co-ordinate innovation activity across the city region
- To engage on a regional, national and global level with businesses and agencies able to help to achieve ambitions of inclusive growth through innovation

**Meeting Schedule**

To be confirmed.

**Current Status and Implementation**

The Board will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.
f) Edinburgh and South-East Scotland City Region Higher/Further Education Group

Membership

One representative from the following regional universities and colleges attends (nominated by their respective principal):

- Borders College
- Edinburgh College
- Edinburgh Napier University
- Fife College
- Heriot Watt University
- Newbattle Abbey College
- Queen Margaret University
- University of Edinburgh
- West Lothian College
- Scotland’s Rural College (SRUC)
- City Region Deal Programme Office function (observers)

Secretariat support is provided by the University of Edinburgh.

Purpose

The group’s purpose is:

- To provide a formal mechanism for the engagement of universities and colleges in Edinburgh and South-East Scotland in the governance arrangements of the City Region Deal;
- To contribute to the development of the business cases and, following their approval, the delivery of commitments around innovation and skills in the City Region Deal; and
- To pursue other areas of shared interest

Meeting Schedule

The group meets quarterly.

Current Status and Implementation

The group has been formally constituted and will evolve according to demands of the City Region Deal programme.
3) Thematic Advisory Boards

a) Edinburgh and South-East Scotland City Region Housing Board

Membership

Representatives from the following organisations will be represented:

- The City of Edinburgh Council
- East Lothian Council
- Fife Council
- Midlothian Council
- Scottish Borders Council
- West Lothian Council
- Edinburgh Napier University
- University of Edinburgh
- Scottish Enterprise
- Construction Scotland Innovation Centre
- Scottish Government Housing (observer)
- City Region Deal PMO (observer)

Purpose

The city regional Housing Board will provide robust governance and strategic oversight over the city regional housing programme, progress the statements outlined in the Heads of Terms Agreement and ensure the effective delivery of the City Region Deal projects.

At project level, the city regional Housing Partnership, made up of senior regional housing partners, will report to the Board manage and deliver the programme.

The city regional Housing Partnership aims to deliver the city regional housing programme and accelerate the delivery of affordable and low-cost market homes, enable the development of the seven major strategic housing sites, drive efficiencies across the public sector estate and increase housing land supply.

The Board will oversee and provide recommendations to the Joint Committee in relation to the delivery of the following key outcomes:

- Accelerated delivery of seven strategic housing sites with capacity for over 40,000 homes
- Housing infrastructure delivery and funding solutions
- Land to develop a robust affordable housing pipeline
- An affordable housing programme (with a commitment to maximise certainty over future public funding levels for the regional housing programme)
- A pipeline of mid-market rent and low cost market rent homes
- Accelerated delivery through innovation and supporting regional SME growth
- Jobs, learning and progression opportunities, meeting current and future industry skills requirements
• Support the development of a consistent all partner approach to community benefits
• Strengthened relationship between public, private, and third sector stakeholders

Meeting Schedule
This group will meet bi-monthly.

Current Status and Implementation
The Board will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.
b) Edinburgh and South-East Scotland Regional Transport Appraisal Board (TAB)

**Membership**

The Transport Appraisal Group will comprise:

- SESTran
- Representatives from the six local authorities in the City Region Deal
- Transport Scotland
- City Region Deal PMO (observer)

**Purpose**

To make recommendations to the Joint Committee on the approach towards delivering the transport elements of the City Region Deal Investment Programme through the consistent adoption of best practice from the Scottish Transport Appraisal Guidance and the Treasury Green Book, as appropriate. Although the Transport theme covers only two projects (A720 and West Edinburgh) the Board will also consider transport elements of other City Region Deal projects, particularly in the Housing and Innovation themes.

The TAB will build on existing best practice and consider the most relevant technical approaches including modelling tools.

The TAB will also:

- Consider the strategic rationale, demand/need, objectives, evidence, costings and delivery programme and mechanisms for projects, their relationship and phasing in the overall programme, including cumulative impact.
- Consider approaches to the use of the proposed city region data store to establish a shared evidence base.
- Establish the evidence base and options for future investment in the city region’s strategic transport infrastructure programme.
- Consider access to funds and budgets,
- Provide input as a region into other projects as appropriate; such as, the National Transport Strategy and Strategic Transport Project Review 2.

**Meeting Schedule**

To be confirmed.

**Current Status and Implementation**

Discussions on the Terms of Reference for this group are ongoing between partners, Government and Transport Scotland, so are subject to change. The Board will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.
c) Edinburgh and South-East Scotland City Region Integrated Regional Employability and Skills (IRES) Board

Membership

It is proposed that the IRES Board membership will consist of 18 individuals nominated by the organisations or groups listed below to support the delivery of the IRES Programme and other activity remitted to it. This organisation (group) list may be adjusted at any time by the Executive Board and any changes to designated nominees must be made in writing to the chair, who will maintain a list of current board nominees.

<table>
<thead>
<tr>
<th>Organisation or Stakeholder Group</th>
<th>Board Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair of the Board (nominated by Executive Board)</td>
<td>1</td>
</tr>
<tr>
<td>One representative from each Local Authority Partner (also provides a link to the School Improvement Collaboratives)</td>
<td>6</td>
</tr>
<tr>
<td>Scottish Government, Fair Work Directorate</td>
<td>1</td>
</tr>
<tr>
<td>Scottish Funding Council</td>
<td>1</td>
</tr>
<tr>
<td>Department for Work and Pensions</td>
<td>1</td>
</tr>
<tr>
<td>Skills Development Scotland</td>
<td>1</td>
</tr>
<tr>
<td>NHS representative</td>
<td>1</td>
</tr>
<tr>
<td>Developing the Young Workforce (nominated by the 4 DYW Regional Boards)</td>
<td>1</td>
</tr>
<tr>
<td>Higher Education Universities (nominated by HE/FE Roundtable)</td>
<td>1</td>
</tr>
<tr>
<td>Further Education Colleges (nominated by HE/FE Roundtable)</td>
<td>1</td>
</tr>
<tr>
<td>Business Representation (nomination by Business Leadership Council)</td>
<td>1</td>
</tr>
<tr>
<td>Third Sector Representation (nominated by Third sector Interface Group)</td>
<td>1</td>
</tr>
<tr>
<td>Lay member (selected for their knowledge and expertise in this area)</td>
<td>1</td>
</tr>
</tbody>
</table>

The Board Chair will be nominated by the Executive Board and the Vice Chair will be drawn from the IRES board members. It is expected that each nominated member will have the ability (within the relevant legal, CRD or organisational governance obligations) to commit their organisation to collective decisions.

Each member of the IRES Board has equal status and the principle of “one member-one vote” (made in person at the meeting) will apply. Whilst the IRES Board will endeavour to work through issues and differing points of view to achieve a consensus on any recommendations, where this is not immediately possible, option exists to either continue discussion at a future Board meeting or escalate to the Executive Board to resolve before presenting to the joint committee for final approval.
To be quorate at least nine IRES Board members must be present at the meeting and members will declare any pecuniary or non-pecuniary interest they may have on the agenda items being considered.

The support and secretariat to the board will be provided by the PMO and will have officers in attendance, but only in an advisory and support (non-voting) capacity.

**Purpose**

The IRES Board will provide recommendations to the Joint Committee on strategic and operational decisions relating to the City Region Deal IRES Programme.

It is proposed that responsibilities of the board will include:

**Collaboration**

- Stimulating active collaborations across stakeholders in delivering regional ambitions (as set out in the Deal) and wider opportunities for improvement.
- Working with stakeholders to align and integrate activity across organisations with the aim of delivering better value for money and/or more inclusive outcomes.
- Making recommendations to the Joint Committee or Executive Board, as detailed in the Joint Committee Standing Orders, on matters relating to the evolution and delivery of the IRES programme.

**Evidence and Knowledge led**

- Adopting and supporting the development of the City Regional Skills Investment Plan (RSIP) and other relevant plans as the solid foundation for the IRES programme.
- Instigating collaborative reports (or research) on Economic Performance and Productivity, Labour Market Access, Fair Work, People, and Place to support good decision making.
- Agreeing programme (project) assessment, monitoring and evaluation methodologies that ensure value for money and effectively capture; progress, impact and good practice.

**Additionality and Value for Money**

- Developing and updating the delivery plan for the implementation of the IRES programme consistent with the RSIP and other relevant plans
- Developing and refining a methodology and criteria for evaluating specific investment proposals submitted for consideration by IRES Board to ensure that the value for money and additionality of proposals are clearly articulated
- Monitoring the outcomes being achieved by each component part of the programme and any associated income or expenditure.
- Exploiting opportunities to bring additional resources into the programme that boost the inclusive growth outcomes achieved and/or increase the value for money of activities.

**Accountability and Communications**

- Reporting to the Joint Committee, Executive, Governments and other partners, as required, on the progress made, outcomes achieved, and expenditure committed
• Annually reviewing expenditure and outcomes to inform recommendations on continuing or future investments.
• Championing any policy learning or best practice identified by the partnership to encourage greater stakeholder buy-in and the wider application/mainstreaming of effective approaches.

The Board will be the recognised regional forum for collaboration on Employability and Skills matters within the City Region Area. It will augment and build upon existing structures without superseding them, unless by agreement with relevant partners or recognised groups, and its responsibilities can be amended at any time by the Joint Committee, Executive Board, or by IRES Board with agreement of the Executive Board or Joint Committee, as appropriate.

It can draw upon expert advisors, City Region Deal resources, or create working groups to take forward the IRES programme and the fulfilment of it responsibilities.

**IRES Working Groups**

To support the board and aid programme development the following multi-partner working group structure has been established.

It is anticipated this structure will evolve as required by the board and the needs of the programme, or to support the wider City Region Deal programme.

Group membership will be tailored to the work being undertaken, drawing from partners or external expertise as necessary.
Meeting Schedule

It is anticipated that the board will meet on a regular basis in step with the wider schedule of City Region Deal governance meetings.

Current Status and Implementation

The Board will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.
d) Edinburgh and South-East Scotland Data-Driven Innovation (DDI)

Delivery Board

Membership

Representatives on this group are likely to include:

- Senior Responsible Officer for DDI Programme
- DDI Programme Director
- Academic Director
- Entrepreneurial Director
- Representatives from University of Edinburgh Colleges
- Representative from Heriot-Watt University
- Industry representatives
- UK Government (observer)
- Scottish Government (observer)
- City Region Deal PMO (observer)

Purpose

The group’s purpose will be to maintain oversight of the integrated DDI Programme, and its remit will include:

- Project prioritisation and resourcing
- Leading and maximising the collaboration with City Region Deal partners
- Development and curation of external partnerships with industry, public bodies and academia
- Reporting on DDI Activities to funders and key stakeholders

Meeting Schedule

The group will initially meet monthly. This will be reviewed as required.

Current Status and Implementation

The group is being constituted and will evolve according to demands of the City Region Deal programme.
e) IMPACT Scotland Board

Membership

Membership will comprise representation from:

- The City of Edinburgh Council (Culture service)
- The City of Edinburgh Council (Property/construction expertise)
- City Region Deal PMO (officer and comms)
- IMPACT Scotland
- Scottish Chamber Orchestra
- Scottish Government
- UK Government
- Other City Region local authorities may nominate a representative if desired

Purpose

- The group will initially monitor the progress of the IMPACT Scotland capital development and will ensure that the project is delivered according to the business following sign off of the City Region Deal.
- As the Scottish Culture Strategy is developed, the group’s remit may evolve into a Board whose remit will be to expand to review the focus for collaboration across the city region.
- A sub-group will be formed to oversee the cultural planning for music throughout the city region to ensure that music provision is delivered to reach existing and new audiences across all musical genres.

Meeting Schedule

The group will initially meet every ten weeks. This will be reviewed as the project requires.

Current Status and Implementation

The group will be formed following Joint Committee ratification of the Governance Framework and the signing of the Deal.
4) Programme Management Office (PMO)

Membership

The PMO currently comprises a full-time project manager, project officer and administrative support (being recruited), funded equally from the local authority partners. Support is also offered from the lead officers responsible for the skills, innovation and housing programmes.

Remit

The PMO will be responsible for:

- Providing secretariat for Joint Committee, Executive group and Regional Enterprise Council, supporting members and building competence;
- Providing direction of programmes, projects and initiatives to ensure they meet the overarching vision, strategy and objectives of the City Region Deal, as defined and agreed by the Joint Committee and Executive Board; including delivery of the programme and deal level outputs and outcomes; the twin ambitions of innovation and Inclusive Growth;
- Taking a day-to-day lead of engaging with both governments providing a focal point for the Deal;
- Coordinating and delivering documents required by Government, including Green Book-compliant business cases.
- Managing the Communications subgroup, and overseeing the Deal's Communication’s Strategy
- Reporting on risk, assurance and accountability across the Deal and auditing the delivery boards and groups’ progress towards delivering projects as set out in business cases.

Current Status and Implementation

The group is constituted and will evolve according to demands of the City Region Deal programme.
28th June, 2018
Agenda Item No. 12

Report of the Inappropriate Behaviour Working Group

Report by: Steve Grimmond, Chief Executive

Wards Affected: N/A

Purpose

This report provides details of the deliberations and recommendations of the short-term, cross-party Working Group which was established to consider the arrangements the Council has in place, or should put in place, in relation to managing any complaints of inappropriate behaviour by councillors in the workplace.

Recommendation(s)

The Council is invited to:

(i) note the terms of this report and the recommendations of the Working Group;
(ii) note that guidance for elected members on the use of council facilities and a report proposing revisions to the existing Fife Councillor/Officer Protocol will be submitted to the Standards & Audit Committee for consideration and approval in early course; and
(iii) adopt the Statement of Expected Standards of Behaviour of Councillors appended to this report.

Resource Implications

There are no resource implications arising from this report.

Legal & Risk Implications

The adoption of clear standards of expected conduct and behaviour will lessen the risk of reputational damage to the Council.
Impact Assessment

An Equality Impact Assessment is not required as this report does not propose a change or revision to existing policies and practices.

Consultation

All political groups have been consulted on the terms of the draft Statement of Expected Standards of Behaviour of Councillors appended to this report. A draft of this report was also circulated to the Cross Party Leaders’ Group.

1.0 Background

1.1 Following widespread media reporting on instances of sexual harassment, misogyny and inappropriate behaviour in the workplace, the Council agreed to convene a short-life working group of officers and elected members with the following remit:

- to consider the Council’s current arrangements for dealing with any complaints of inappropriate behaviour in the workplace by councillors;
- to clarify the various roles and responsibilities in this regard i.e. those of the Chief Executive, the political groups, the Council’s Standards & Audit Committee and the Standards Commission; and
- to identify any additional actions which are being or should be taken locally or nationally in this regard, including developing a clear statement of the Council’s expectations on standards of behaviour of elected members which all political groups can sign up to.

2.0 Working Group Deliberations

2.1 Membership of the working group, which was chaired by the Chief Executive and supported by officers from HR, Legal Services and Democratic Services, comprised elected members from all political groups - Councillors Altany Craik, Linda Erskine, Jean Hall Muir, Linda Holt, Jane Ann Liston and Karen Marjoram.

2.2 The Group met on three occasions and considered the following issues:

2.2.1 The current policies and procedures which are in place to deal with complaints of inappropriate behaviour by employees

It was generally agreed that the current policies and procedures for employees are robust and fit for purpose. It was noted, in particular, that recent guidance had been issued from the Chief Executive and HR in relation to managing employee complaints; re-emphasising the
expected standards of employee behaviour; and highlighting what actions employees should take if they are subjected to or witness inappropriate behaviour.

2.2.2 The current guidance available to elected members on standards of conduct and behaviour

It was noted that the main sources of guidance were contained in the Councillors’ Code of Conduct & associated guidance and the existing Fife Councillor/Officer Protocol which covered multi-member ward working; guidance on ministerial, governmental and other VIP visits; the rights and responsibilities of councillors and political groups; and councillor/officer relations.

The Working Group agreed that the Fife Councillor/Officer Protocol should be reviewed and amended to better reflect current practices; to provide additional guidance on Joint Administration working arrangements; and to direct councillors to other sources of support and guidance on issues associated with conduct and behaviour.

A revised version of the Protocol will be submitted to the Standards & Audit Committee for consideration and approval as soon as possible.

2.2.3 The instances of complaints of inappropriate behaviour involving Fife councillors

Statistical information was obtained from the Standards Commission in order to provide details of the scale of allegations of inappropriate behaviour as it related to Fife Council. Statistics for the period 2012 – 2017 show that a total of 41 complaints relating to Fife Councillors were submitted to the Commissioner for Ethical Standards, 13 of which related to behaviour issues. Only 2 of the 41 complaints, neither of which related to behaviour, were subsequently passed to the Standards Commission.

2.2.4 The work which is ongoing nationally to address issues of inappropriate behaviour by councillors

In response to media scrutiny of public institutions’ responsibility to tackle sexual harassment and other inappropriate behaviour, the Scottish Government has proposed that the Councillors’ Code of Conduct be amended to include the following wording:

“Bullying or harassment is completely unacceptable and will be considered to be a breach of this Code.”

COSLA has confirmed councils’ support for this proposed change and the Working Group also endorses the proposal. However, it is hoped that additional guidance will be included in the Code in support of the revised wording to make it clear that examples of bullying and
harassment will extend to allegations of casual misogyny or other inappropriate behaviour which is perceived to be gender-based.

2.2.5 The roles and responsibilities of the Chief Executive; the political groups; the Council’s Standards and Audit Committee; and the Standards Commission in providing guidance and in dealing with complaints of inappropriate behaviour.

In this regard, it was noted that the Council had no authority to sanction elected members. While, in some very limited instances, the Chief Executive may feel that he could have an informal role in facilitating a resolution to a complaint against a councillor, the only formal route for complaints about elected members is to the Ethical Standards Commissioner.

It was also noted that the Standards & Audit Committee’s remit includes promoting and maintaining high standards of conduct by councillors; assisting councillors to observe the Code of Conduct and any locally agreed protocols; and arranging for appropriate training to be provided. Members are regularly provided with guidance issued by the Standards Commission in relation to conduct issues and appropriate training/briefings are offered to elected members in support of such guidance. The Committee also receives an annual report on the work of the Standards Commission along with details of decisions relating to hearings in order that any lessons can be learned and appropriate actions implemented. The outcome of any hearings involving Fife elected members is reported to the full Council.

The Fife Councillor/Officer Protocol outlines the role of political groups in seeking to ensure that individual members of the group will comply with its provisions and, where a breach occurs, address the matter with the member concerned and take such measures as it considers appropriate to prevent a recurrence.

In considering this aspect of their remit, the Working Group agreed that the information on Fife Direct in relation to councillor complaints should be revised in order to clarify the route for such complaints and to provide links to the Ethical Standards Commissioner’s office.

2.2.6 Guidelines for Elected Members on Use of Council Facilities

Although not directly related to the remit of the Working Group, following a complaint to the Ethical Standards Commissioner last year which alleged a now former elected members had improperly used Council facilities, it was recognised that a policy on the use of such facilities, including physical assets, mail, internet and phone by elected members should be developed, drawing on the similar policies which are already in place for employees. A draft of this guidance was considered by the Working Group who agreed that the guidance be submitted to the Standards & Audit Committee for consideration and approval.
2.2.7 The drafting of a statement articulating the expected standards of behaviour of councillors

The Group agreed that the political groups and individual councillors should be invited to agree and endorse a statement of expected standards of behaviour of councillors in their dealings with each other, with employees and with members of the public. It is intended that this statement will complement the new guidance in the Councillors’ Code of Conduct referred to above. A draft of the statement (which is appended to this report) has been circulated to the political groups for comments and the Council is now invited formally to endorse its terms.

The Group further agreed that the terms of the statement will be incorporated into future elected member induction programmes; that issues around expected standards of behaviour will be included in refresher training on Code of Conduct issues; and that training will be offered to all committee conveners to support them in their specific role in managing any instances of inappropriate behaviour at meetings. Additional training for political groups can be provided on request.

3.0 Conclusion

3.1 The members of the Inappropriate Behaviour Working Group have concluded their deliberations in terms of the remit assigned to them. The Council is now invited to consider their recommendations.

List of Appendices

Statement of Expected Standards of Behaviour of Councillors

Background Papers

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act, 1973:

- Papers for meetings of the Inappropriate Behaviour Working Group of 6th February, 29th March and 23rd May, 2018
- The Councillors’ Code of Conduct
- The Fife Councillor/Officer Protocol

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STATEMENT OF EXPECTED STANDARDS OF BEHAVIOUR OF COUNCILLORS

As Councillors, we know that the public has a high expectation of its elected members and the way in which we conduct ourselves in undertaking our duties in the Council. This document sets out the behaviours that are expected of all Councillors and we, in all political groups, endorse the statement and will promote the expected standards of behaviour within our respective groups.

Key Principles:

- Respect by Councillors for one another and for the Council’s employees plays a key role in ensuring that the interests of the electorate are represented as effectively as possible.
- Inappropriate behaviour is determined by the impact that it has on the individual, even if there was no intention to cause offence.
- The level of conduct expected applies to all situations where we act as a Councillor including meetings of the Council; when we are representing the Council on official business; and in our informal dealings with Council employees, party political groups and members of the public.
- We as Councillors are accountable for our own individual conduct at all times, irrespective of the conduct of others.
- The high standards of behaviour expected of us as Councillors also extends to our interactions on social media (for example social networking sites, blogs, wikis).

As a Councillor it is expected that we will:

- Treat everyone we come into contact with in the course of our duties as a Councillor with courtesy and respect, even if we disagree with their views.
- Respect the convener, our colleagues, Council employees and any members of the public present during meetings of the Council, its Committees or Sub-Committees or any other formal meetings where we represent the Council.
- Behave in accordance with the standards set out in the Council’s Councillor/Officer Protocol and the Standards Commission’s Councillors’ Code of Conduct (and associated guidance) at all times.
Committee Conveners

It is recognised that the Convener of any Council meeting has a responsibility to ensure that the views and opinions of all participants are allowed to be expressed and that the meeting is conducted in compliance with the Council’s standing orders. Therefore if a Convener witnesses inappropriate behaviour during a meeting, they are expected to ask the individual to stop the behaviour. If the behaviour does not stop, they may also exercise their right to ask the individual to leave the meeting in accordance with the Council’s standing orders.

If any Councillor is subjected to or witnesses behaviour that falls short of these expectations it is often better to take action early on rather to allow it to worsen by doing nothing, or for the situation to be repeated by others. The individual may be unaware of the behaviour that is causing offence, and although this is not an excuse for such behaviour, they will often stop the behaviour once they are aware of its impact. You may also wish to refer the matter within your own political group or to the Standards and Audit Committee for consideration.