

### **Verity House Agreement- update**

#### **Summary and Recommendations**

This report provides Convention with an update on the ongoing work to progress the commitments made in the Verity House Agreement since it was signed in June 2023 and follows on from the update provided to Convention in September 2023.

As well as acknowledging the challenges experienced over the last few months, the report includes updates on the joint commitment to develop accountability and assurance arrangements, including the development of a monitoring and accountability framework, the Local Governance Review and Single Authority Models, the European Charter of Local Self Government, a Fiscal Framework for Local Government, and the role of Scottish Government Place Directors in Community Planning Partnerships.

This paper invites Convention to:

- i. Note the progress being made in relation to the Verity House Agreement and that updates will be brought to each meeting of Convention.

#### **References**

Previous reports on Verity House Agreement:

- Convention September 2023, Item 5: Verity House Agreement update
- Convention March 2023, Item 4: COSLA Plan 2022 – 2027
- Convention October 2022, Item 5: COSLA Plan 2022 – 2027

**Simon Cameron**  
**Chief Officer Corporate Policy**  
[simonc@cosla.gov.uk](mailto:simonc@cosla.gov.uk)

**22 March 2024**



## Verity House Agreement - update

### Purpose

1. This report provides Convention with an update on the work relating to the commitments made in the Verity House Agreement (VHA). It notes both the challenges so far and the opportunities that remain in having the agreement.
2. The VHA sets out the three shared ambitions of delivering person-centred public service reform, a just transition to net zero and tackling poverty, in particular child poverty, that remain and are whole system priorities that can only be achieved collectively.

### Current COSLA Position

3. The signing of the VHA in June 2023 was acknowledged as the start of a process in relation to how the spheres of government work together in a manner that is mutually respectful and trusting. The agreement is recognition by both national and local government that a reset of our relationship is required if we are to deliver improved outcomes for individuals and communities across Scotland.
4. It specifically references tangible outputs that are required to support the reset and since the signing, officers have been working with civil servants to progress several key actions. These include developing accountability and assurance arrangements that will set out a monitoring and accountability framework; re-establishing the Local Governance Review with a focus on single authority models; the successful embedding of the European Charter of Local Self-Government into Scots Law; the finalisation and agreement of a Fiscal Framework for Local Government; and a rejuvenation of Community Planning through the role of Place Directors in Scottish Government.

### Issues experienced

5. Due to several breaches of the agreement, including the First Minister's announcement last October on a Council Tax freeze, imposition of teacher numbers and learning hours, officers have been developing a dispute resolution procedure to ensure that moving forward, the underlying principle of **"no surprises"** and the maxim of **"local by default and national by agreement"** are adhered to by government.
6. The COSLA Presidential team has been very active in driving this work forward, writing and meeting several times in the past three months with the First Minister and Deputy First Minister (DFM) to raise the concerns of Leaders regarding the breaches. This has

included, on 13 February, writing to the First Minister to state that we were in formal dispute and requesting an immediate meeting. Following that meeting on 16 February, work by officers and officials has continued at pace as noted above and further correspondence has been exchanged – these letters have been shared with Leaders.

7. However, there have been other issues in relation to the Budget that have caused concern, such as the conditions set by the Deputy First Minister for additional funding, with it being contingent on freezing council tax. Political Group Leaders met with the DFM to discuss this issue and their understanding of the outcome of the meeting on additional funding differed from what was then confirmed in follow up letters. This introduced an element of risk for councils who were setting council their budgets (and council tax levels) prior to the UK Spring Budget, on which the additional funding was contingent.
8. The Presidential team, through upcoming VHA engagement meetings, monthly relationship meeting with the Minister for Local Government Empowerment and Planning and the Strategic Review Group with the DFM, will continue to press the need to realise what has been set out in the VHA and will lead by example to drive the changes to be delivered. When writing to the First Minister and DFM on 5<sup>th</sup> March, Cllrs Morrison and Heddle stated that they believed it may be useful to ask independent parties in Parliament or in the Accounts Commission to support with work to ensure commitments in the VHA are upheld.

### **Progress to date**

9. Since August 2023 there has been a range of activity relating to the **Local Governance Review**. This included the launch of Democracy Matters 2 (a conversation with communities about what revised or new democratic systems can be developed) and engagement with a number of councils and partners regarding their ambition to consider models for single public authorities to better support the effective and sustainable delivery of services in remote, rural and island communities. Work is progressing to hold both political level and officer discussions that will enable active exploration of cross sector models. The President will be attending a meeting with Ministers in the Western Isles in the coming week to support the shared ambition of Scottish and Local Government.
10. The COSLA Presidential team has held regular discussions with both the Minister for Local Government Empowerment and Planning and the Minister for Community Wealth and Public Finance to discuss progress relating to the **European Charter of Local Self Government** and has emphasised COSLA's long held position of adopting it in Scots Law. Work is being finalised for amendments to be brought forward prior to the summer recess of Parliament and COSLA will lobby in parliament to support the successful passing of the bill. At the upcoming monthly relationship meeting, the Presidential team will discuss this with ministers and continue to press for progress. Scottish Government has committed that the amendments will be provided to COSLA as soon as they are available.
11. Work has been ongoing to develop a proposed **Fiscal Framework** for Local Government, and this has included the ask of Convention to explore key elements such as a "rules basis". This requires financial modelling work to ensure that the implications for Local Government, and Scottish Government, are well understood before any decisions are taken. The progress on this element has been delayed due to limited capacity in Scottish Government and COSLA which has been required to focus on the Budget. COSLA Officers and civil servants will have a renewed focus on this work in the coming months, with details being brought back to Leaders for agreement and approval in due course. Already, as part of the VHA, there has been some progress on the removal of ringfencing which we will seek to build on. The intention is that the new fiscal

framework will improve the certainty in funding for Local Government to enable councils to make the best use of the resources available to deliver improved outcomes for communities.


12. A key driver for VHA is to reset the relationship between the spheres of government and officers are working closely with Scottish Government officials, colleagues in the Improvement Service, professional associations and Audit Scotland to develop accountability and assurance arrangements and a monitoring and accountability framework that addresses the way we work together, how we approach our shared priorities, and how we engage with each other in a positive and proactive manner.
13. The Vice President has been leading work to improve COSLA's parliamentary engagement and as part of this discussions have been initiated with the Local Government Housing and Planning Committee to apply external scrutiny to VHA and the key deliverables within it.
14. To maximise the role of community planning in the achievement of better outcomes, the role of Scottish Government Place Directors (senior civil servants that attend local partnership meetings on behalf of Scottish Government) is recognised as key to enabling and supporting the work of Community Planning Partnerships (CPPs) by ensuring that they act as ambassadors for Local Government and CPPs across portfolios and programmes within government. Work is being taken forward that will enable Place Directors to build a strong understanding about place-based leadership and local plans that will support a focus on our shared priorities.
15. Since the signing of the VHA, although there have been some issues (as highlighted above), engagement between Ministers and COSLA's Presidential and Spokespeople has been regular and, for the most part, constructive. COSLA Officers have also seen more proactive and early engagement from civil servants in many policy areas, including in relation to the refresh of the National Strategy on Economic Transformation, but undoubtedly, more still requires to be done.

### Next Steps

16. Officers will continue to take forward the shared programme of work with colleagues across COSLA, Scottish and Local Government, ensuring regular engagement with policy boards and Leaders. Updates will also be brought to each meeting of Convention.

**22 March 2024**

### Contribution to agreed COSLA Plan and Verity House Agreement:

<a href="#">COSLA Plan 22-27</a>	<b>Priority Areas</b>	
	Strengthen Local Democracy	✓
	Secure Sustainable Funding	✓
	Improve the Wellbeing of Individuals, Families and Communities	✓
	Enhance Education and Support for our Children and Young People	✓
	Deliver a Just Transition to a Net Zero Economy	✓
	Support the Most Vulnerable in our Communities	✓
<a href="#">Verity House Agreement</a>	<b>Shared Priorities</b>	✓
	Tackling Poverty	✓
	Just transition to net zero	✓
	Sustainable Public Services	✓

