

## **SLAED EXECUTIVE MEETING**

Glasgow City Chambers

Tuesday 27<sup>th</sup> August 2024

### **Attendance**

Ishabel Bremner, Argyll & Bute Council (CHAIR)  
Rory Young, Dundee City Council (VICE CHAIR)  
Allan Conry, North Lanarkshire Council  
Diane Milne, Dundee City Council  
David Boyle, Glasgow City Council  
Kenny Lean, South Lanarkshire Council  
Calum Lindsay, COSLA  
Hannah Brown, Improvement Service  
Miriam McKenna, Improvement Service  
Lorraine King, Scottish Government  
Katie Graham, Scottish Government

### **Apologies**

Pamela Stevenson, Fife Council  
Ruth Cooper, Renfrewshire  
Andrew McKean, Renfrewshire  
Lesley Walker, Angus Council  
Robert Nicol, COSLA  
Hugh Lightbody, COSLA

### **Action**

#### **1. Welcome and Introductions**

IB welcomed members to this in-person meeting and noted attendance from Scottish Government colleagues to discuss Tax Strategy.

#### **2. Minute of Previous Meeting**

Members agreed this was an accurate record of discussions. In Andrew's absence, there will be an update on the Visitor Levy at the next meeting.

**HB**

#### **3. Tax Strategy**

Lorraine King gave an update and noted publication will be alongside the 2025/26 budget. Finances are challenging and what's in the strategy needs to be balanced with this. It is acknowledged that sudden changes without consultation can damage SG's credibility, so engagement has focused on enhancing certainty and building a stable foundation for tax strategy development with good evidence and rationale. Economic activity will be prioritised with progressive tax policies designed to grow the tax base. Businesses have asked for a principle of no surprises, and SG aims to be more open and transparent, whilst recognising difficult decisions Ministers need to take to support stability of public finances.

SG is aware of the need to show how evidence and evaluation inform decision making, and the short- and longer-term impacts of policy changes. Engagement needs to be more frequent and meaningful with those most impacted by changes in tax policy. SG should take an inclusive and open approach to showing direction of travel, with communications that are easy for taxpayers to understand and navigate. Tax literacy tools are being developed to enhance this, encouraging seldom heard voices and lived experiences to be shared.

There is a case to be made for further tax powers to be devolved to Scotland, as those currently devolved are very narrow and focus changes on income tax. However, the strategy will not specify which taxes SG would like to see devolved as this is highly political. Instead, SG is keen to open discussions around what a wider basket of devolved taxes could do to relieve reliance on income tax. The strategy will look at the burden of taxation across Scotland rather than individual taxes. Existing tax revenues can be maximised through prioritising Scotland-specific data and compliance information.

Members queried how the strategy might account for the range of different local taxes that cause variation in the cost of doing business in different areas. The strategy will consider at which level of government it is most appropriate to introduce a new tax, as lots of proposals are brought forward and the debate needs to be managed carefully. Lots of these have 'local' in the title in an attempt to make them easier to approve, but many are not appropriate at the local level e.g. wealth tax.

SG has increased engagement with businesses through consultation and research into economic impacts of taxation, and opportunities for economic growth to help drive tax income. It is important to ensure the strategy is aligned with the refresh of NSET and the teams are working closely together internally. Taxation should be one of several lenses through which to consider and develop economic policy. Local authorities were not included in the initial engagement around NSET despite being the bodies that will deliver on a lot of the content. Members reiterated the importance of engagement with local authorities via SLAED, as the collective, non-political officers voice for local authorities.

Members highlighted businesses in certain sectors are disproportionately impacted by taxation, and often do not receive the same reliefs as those in the rest of the UK. This raises questions around how competitive Scotland is for businesses, and the Cabinet Secretary has met with the Deputy First Minister to ensure this is considered within the strategy. Members queried whether there have been any international comparisons around taxation e.g. countries that use a flat rate, as the Scottish system is relatively complex and may benefit from simplification. However, countries are not always directly comparable and there are consequences of different approaches.

There is a perception that SG focuses on supporting people into work with less consideration of how to incentivise businesses to employ people. Many are struggling with the cost of doing business and this is compounded by conditionalities such as Fair Work First. There are difficult decisions for SG to make in the next few months and the Tax

Strategy can help to balance some of this. A roadmap will make the process clearer and encourage debate, and there is intention to engage local authorities as much as possible through SLAED and COSLA. SG is also engaging with Chambers and FSB and encouraging broader views than just those businesses that typically speak out.

#### **4. EDAS Events Update**

IB shared an updated calendar of events from EDAS. Following an initial discussion with EDAS leads around joint events, a further conversation is needed to look at next steps. It was agreed there is value in collaborating with EDAS on some events, and they can attract high calibre speakers. The seniority of officers attending events and conferences can be higher than those attending regular meetings, and collaboration with EDAS is helpful in raising the profile of SLAED.

It was agreed that dates will be put in diaries for SLAED events for the year ahead, including a Child Poverty event in November, and the SLAED AGM in January. Other events to be scheduled include a follow-up to the recent 'Climate Ready Economic Development' workshop which can be supported by the new SCIS capacity building programme at IS, as well as an event focused around the rural and tourism themes. IB will continue to share EDAS events schedules, and HB and MM will put together a draft schedule of events for SLAED.

**IB  
HB/MM**

#### **5. Funding Group Update**

The main Funding Group is meeting on 2<sup>nd</sup> September with 30 attendees expected. There are 74 members on the list, covering all 32 local authorities. An updated version of the letter stating local authorities concerns on the future of UKSPF was sent to the new Labour Ministers. The original letter asked for confirmation by June but, as this hasn't happened, it has now been requested that clarity on funding is provided in advance of the Autumn Statement. Without this, it is challenging for local authorities to continue planning programmes, particularly where person-centred approaches are being taken, that may need to be closed at short notice. There is no clarity on whether last-minute levelling-up funding approved by the previous Conservative government will go ahead, and there are challenges for local authorities developing round 2 bids for RCGF, which is often the only chance for small communities to access capital funding.

A letter has also been sent to the Scottish Government Minister outlining challenges created by pausing key regeneration capital funding programmes. Several challenges were raised including time spent by local authorities in developing bids, and promised funding that doesn't come through. Copies of both letters will be circulated to members.

**HB**

#### **6. Business Group Update**

AC gave an update on recent meetings, and noted the session around child poverty was well received across the network. This was also mentioned at the BSP Board, and partners expressed interest in getting involved in these discussions to help deliver on Scottish Government priorities. It was noted the only priority area for economic development in the upcoming Programme for Government is around entrepreneurship and innovation, and any funding is likely to be focused in this space.

A new Green Industrial Strategy will be published in September but there was no engagement with local authorities around this. Similarly, a recent CivTech challenge was published around how AI can simplify the business support landscape, but BSP was not sighted on this prior to publication. SOSE has been given funding to look at pre-start support despite existing work in this area across the partnership, demonstrating a risk of duplication and lack of SG engagement.

The MCR work is ongoing with councils asked to contribute £85k collectively for phase 2. BG is also contributing; therefore, local authorities are effectively being asked to contribute twice. There continues to be a lack of clarity around future costs, as well as licensing arrangements. The request for phase 2 funding went out in late April, with five local authorities committing to funding, six saying no, and two maybe. The remaining local authorities did not respond. Different options were suggested to the Business Group e.g. a flat rate or replication of the SLAED membership model with tiered contributions. Two local authorities have confirmed intention to contribute regardless of whether others do, and SE and SG have committed additional funding to fill the gap. Some of the most important business data is held by local authorities and there are GDPR concerns around lack of consent from businesses for data sharing. Members agreed there is a need to clarify that SLAED is not a body that can take funding requests on behalf of all local authorities and cannot coerce members into financial decisions.

AC reiterated that Improvement Service's BisAccount is an alternative resource that has been effective in engaging businesses in NLC, and means they only sign up to one service. A demo of this will be given at a future Business Group meeting.

## **7. People Group Update**

IB gave an update and noted the NOLB funding allocation from SG is received during the financial year of delivery. This year local authorities received initial grant letters for only 25% of funding on 2<sup>nd</sup> May 2024. Following discussions, a further grant offer letter was received on 17<sup>th</sup> July for 100%.

A paper on the Employability Strategic Plan 2024-27 was discussed at the COSLA Community Wellbeing Board in August, seeking comments in advance of publication on 13<sup>th</sup> September. The aim of the plan is to set out the role of employability in relation to the wider policy landscape, taking account of changes and progress on NOLB since 2018. It will set out the delivery model for Scotland's employability system, establish areas of priority based on evidence of labour market challenges, and set actions SG and local authorities will jointly take to deliver on these.

A paper was discussed at the COSLA Community Wellbeing Board around Specialist Employability Support, seeking comments on the flexible approach agreed by the SES Working Group, and supported by the Minister for Employment and Investment. Susie Donkin at IS advised it is important LEPs start to reprioritise local to include Supported Employment, working on the assumption there will be no further funding next year.

Alexis Camble, Policy Manager for Employability and Fair Work at COSLA, confirmed Councillor Chalmers had a meeting with Tom Arthur, Minister for Employment and Investment, to discuss multi-annual funding, the Employability Strategic Plan and Supported Employment.

Seemab Farooqi, University of Dundee, has been tasked by SG to explore how the current funding model impacts delivery of employability support across Scotland, particularly in the context of the challenging budget settlement. She will investigate funding allocation processes, timelines, and implications for local authorities and delivery partners within the employability landscape. Members completed a survey where important issues were stressed, such as multi-annual funding, timeous issuing of grant offer letters, staff recruitment/ retention, and job security. The need for additional funding for supported employment was noted. Seemab will be interviewing local authority employability/ economic development officers involved in the local delivery of NOLB funding.

#### **8. IS Transformation Programme**

AC noted a request from a colleague at NLC to input into the Economic Development tab of the Statutory/Non-Statutory mapping spreadsheet for the IS/SOLACE Transformation Programme. This was discussed internally with employability colleagues who have also been approached and there is concern that input will be solely from the NLC perspective and might miss points relevant to other areas.

HB is leading on the Stat/Non-Stat workstream on behalf of the IS PMO and advised that project team members have been tasked with speaking to colleagues internally to complete the mapping spreadsheet, with acknowledgement that this may not be representative of all councils. The next phase of the workstream will involve engaging professional networks, such as SLAED, with the relevant expertise in each of the subject areas, and it is likely this will be brought to the Executive in due course for review.

#### **9. AOB**

The Visitor Levy will be on the agenda for the next meeting when the guidance for local authorities should be published. IB is waiting for the commencement order and will share details when available, as well as a link to an update on the Argyll & Bute Council website. It was noted there is likely to be media attention around variations in levy rates across areas, and this will need to be managed. Meetings are being held to discuss a potential Cruise Ship Levy and IB will share dates for these.

**IB**

**IB**

MM noted IS has been given SG funding for a Community Wealth Building Officer post and will be recruiting in September. The officer will focus on the local ownership pillar of CWB, mapping work across Scotland, and sharing practice. IS will work with SG and SLAED to develop the workplan. RY highlighted work at DCC around developing co-owned businesses and noted it will be useful to loop the officer in.

The next Executive meeting will include discussion with the enterprise agencies around strategic priorities, corporate plans, and alignment with Programme for Government. Timescales and format for the discussion needs to be agreed and shared in advance.

**IB/RY/  
PS/HB**

### Actions

#	Action	Lead
1.	Include Visitor Levy on agenda for the next meeting	Hannah Brown
2.	Continue to share EDAS events schedules	Ishabel Bremner
3.	Put together draft events schedule for 2024/25	Hannah Brown Miriam McKenna
4.	Circulate letters sent to Ministers around UKSPF and regeneration funding	Hannah Brown
5.	Share details of Visitor Levy commencement order and link to update on Argyll & Bute Council website	Ishabel Bremner
6.	Share dates for Cruise Ship Levy meetings	Ishabel Bremner
7.	Share timescales and format for enterprise agencies workshop in advance of the next meeting	Hannah Brown Ishabel Bremner Rory Young Pamela Stevenson