# LOCAL GOVERNANCE (SCOTLAND) BILL

**EXPLANATORY NOTES** 

(AND OTHER ACCOMPANYING DOCUMENTS)

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- 1. As required under Rule 9.3 of the Parliament's Standing Orders, the following documents are published to accompany the Local Governance (Scotland) Bill introduced in the Scottish Parliament on 21 November 2003:
  - Explanatory Notes;
  - a Financial Memorandum;
  - an Executive Statement on legislative competence; and
  - the Presiding Officer's Statement on legislative competence.

A Policy Memorandum is printed separately as SP Bill 14–PM.

SP Bill 14–EN 1 Session 2 (2003)

#### **EXPLANATORY NOTES**

#### INTRODUCTION

- 2. These Explanatory Notes have been prepared by the Scottish Executive in order to assist the reader of the Bill and to help inform debate on it. They do not form part of the Bill and have not been endorsed by the Parliament.
- 3. The Notes should be read in conjunction with the Bill. They are not, and are not meant to be, a comprehensive description of the Bill. So where a section or schedule, or a part of a section or schedule, does not seem to require any explanation or comment, none is given.

#### THE BILL - AN OVERVIEW

4. The Bill is set out in three parts as follows:

Part 1: Local government elections;

Part 2: Membership of local authorities etc.; and

Part 3: Miscellaneous and general

#### THE BILL - SECTION BY SECTION

#### Part 1 – Local government elections

- 5. The current electoral system used for local government elections in Scotland is the first past the post system. This part of the Bill makes provision for the introduction of the single transferable vote (STV) system of proportional representation.
- 6. Unlike first past the post which is used to elect one member per ward, STV can be used to elect a number of candidates for each ward in a local government area. The provisions in this Bill allow for 3 or 4 members to be elected in each ward. Whether 3 or 4 are to be elected will, in relation to each ward, be determined following a review of electoral arrangements by the Local Government Boundary Commission for Scotland ("the Boundary Commission").
- 7. Rather than voting for one candidate only, voters can indicate their order of preference for one, some or all of the candidates shown on the ballot paper by marking, for example, "1" against their first preference, "2" against their second and so on. A quota of votes is then calculated. Any candidate who gets that number of votes is elected.
- 8. The votes are then counted according to voters' first preferences and any candidate reaching the quota of votes is elected. In order to determine which of the remaining candidates are elected to fill any remaining seats, votes are transferred at a proportional value to voters' second preferences. Such votes are transferred from candidates who have more votes than are needed to reach the quota and, if necessary, the candidate or candidates with the least number of votes. This process of transferring votes to subsequent preference candidates continues until the required number of candidates is elected.

#### Section 1 – Electoral wards

9. Subsection (1) provides that, for the purposes of local government elections, each local government area will be divided into electoral wards and a separate election held for each ward at which a prescribed number of councillors will be returned. Subsections (2) and (3) provide that the number of councillors will be set down in an order made by the Scottish Ministers following a review of electoral arrangements by the Boundary Commission. The area of wards and number of councillors will be set out in proposals made by the Commission after it has conducted its review but such proposals must provide for the election of not fewer than 3 and not more than 4 councillors for each ward.

#### Section 2 – Single transferable vote

10. This section provides that in each ward where there is a contested election, each voter will have a single transferable vote and, where there are 3 or more candidates, will be able to rank candidates in order of preference.

#### *Section 3 – The quota*

11. This section sets out the formula for determining the quota of votes which will be sufficient for a candidate to be returned as a councillor. The formula is calculated by dividing the total number of ballot papers by the number of councillors to be elected plus one, and then adding one vote to that total. Election rules set out in an order made under section 9(1)(a) will, as indicated in section 9(2)(a), describe any type of ballot paper which is to be invalid and therefore rejected before calculating the quota. For example, if there were 10,000 valid ballot papers in a ward where 3 seats were to be filled, the calculation would be:

$$\frac{10000}{((3)+1)=4)} + 1 = 2501 \text{ (quota)}$$

#### Section 4 – Return of councillors

12. This section provides that any candidate who receives sufficient votes so as to equal or exceed the quota is elected.

#### Section 5 – Transfer of ballot papers

- 13. This section sets out the procedures for the proportional transfer of votes to remaining candidates where the number of votes received by the candidate exceeds the quota and one or more vacancies remain to be filled (and cannot be filled under section 8).
- 14. Subsection (1) provides that the ballot papers, on which first preferences are given for a candidate who has, by reason of those first preferences, attained the quota, are to be sorted into separate parcels according to the next preference shown on them. A separate parcel is to be made of the non-transferable papers (those ballot papers which show no subsequent preference or those papers that are described as non-transferable papers by virtue of an order made under section 9).
- 15. Subsection (2) provides that each parcel of transferable ballot papers is to be transferred to the candidate shown as a next preference on those papers. The value of a vote on a transferred ballot paper (its "transfer value") will be calculated in accordance with subsection (3). That

subsection provides that the transfer value is either one or, if less than one, the number arrived at by dividing the number of votes by which the candidate has exceeded the quota by the number of ballot papers being transferred from that candidate. For example:

Candidate A has 2900 votes so exceeds the quota of 2501 by 399

200 of these ballot papers are non-transferable because the voters did not express a second preference

All transferable ballot papers (2700 (2900-200) not just the surplus of 399) are transferred to the next preference

Transfer value of each ballot paper is 
$$\frac{399}{2700} = 0.15$$

1900 ballot papers show a second preference for and are transferred to Candidate B at a value of 0.15 = 285 votes

- 16. Subsections (4) and (5) set out the procedures to be followed where, at the end of the transfer process described in subsection (2), the number of votes for any candidate exceeds the quota and one or more vacancies remain. Where this happens, the parcel of ballot papers last received by that candidate (i.e. the papers from which that candidate obtained sufficient additional votes to reach the quota) are to be grouped into parcels according to the next preference shown on them (ignoring any preferences for candidates who have already been returned or excluded) and then transferred to the candidate for whom that next preference is given. Any papers on which there is no subsequent preference are set aside as non-transferable.
- 17. Subsection (6) provides that the value of a vote derived from a ballot paper transferred under subsection (5) is to be the lower of the transfer value calculated in the manner described in subsection (3)(b) (i.e. the number of votes by which the returned candidate exceeds the quota divided by the number of ballot papers being transferred from that candidate) and the value at which that vote was received by the returned candidate. This ensures that the value of a vote derived from a transferred ballot paper cannot increase. So:

Candidate B has received 1900 transferred ballot papers from Candidate A which after carrying out the calculation set out in paragraph 15 resulted in Candidate B receiving 285 votes

Candidate B already had 2460 votes and now has 2745 votes - 244 more than the quota

440 of these ballot papers are non-transferable so 1460 (1900-440) can be transferred to the next preference

Transfer value is calculated at  $\frac{244}{1460} = 0.16$  but, as this is higher than the value of 0.15 at which the ballot papers were received, a transfer value of 0.15 is applied

- 18. Subsection (7) provides that, unless the circumstances described in subsection (8) arise, the process of transferring transferable papers is to be continued until either no candidate exceeds the quota or all the vacancies have been filled.
- 19. Subsection (8) provides that if the number of votes by which a candidate exceeds the quota is less than the number of votes which separates two or more candidates with the lowest numbers of votes, the transfer process set out in this section is not to occur. In such circumstances, the next transfer will be from the candidates with the lowest votes in accordance with the procedures set out in section 7.

#### *Section 6 – Provision where two or more candidates have surpluses*

20. Section 6 provides that if, at any stage during the count, the number of votes for two or more candidates exceeds the quota, the transferable ballot papers of the candidate with the highest surplus are to be transferred first. If the surpluses are equal, the papers to be transferred first are those of the candidate who had the highest vote at the earliest preceding stage at which they had unequal votes. Where the votes credited were equal at all stages, lots are to be used to determine which candidate's papers are to be transferred first.

#### *Section 7 – Exclusion of candidates*

- 21. Subsection (1) provides that if all transferable papers have been transferred under sections 5 and 7 (or cannot be transferred by reason of section 5(8)) and one or more vacancies remain to be filled (and cannot be filled under section 8), the candidate with the lowest vote is to be excluded from the election at that stage. Subsections (2) to (7) set out the procedures for the transfer of ballot papers from a candidate who has been excluded to any continuing candidate for whom the next preference is marked on those papers.
- 22. The first step (subsections (2) and (3)) is to sort out the ballot papers on which the excluded candidate received a first preference and, where a subsequent preference is given for a continuing candidate, transfer each paper to the next such candidate for whom a preference is given. Subsection (4) provides that the continuing candidate to whom such a paper is transferred will receive an additional vote at the full value.
- 23. If, after a transfer under subsection (3), one or more vacancies remain to be filled, the next step (subsections (5) to (9)) is to consider any ballot papers which have been transferred to the excluded candidate at an earlier stage of the count from candidates who are either elected or excluded. If the excluded candidate has received votes in this manner, the ballot papers from which those votes were derived are to be sorted into parcels according to transfer value (i.e. the value at which the excluded candidate received the votes).
- 24. Each of the ballot papers in the parcel of ballot papers with votes of the highest transfer value is then transferred to the continuing candidate who is marked as the next preference after the excluded candidate. A continuing candidate who receives such a ballot paper is to be credited with a vote of a value equal to the value at which that vote was received by the excluded candidate. Any papers on which no preferences are marked for continuing candidates are set aside.

- 25. The remaining parcels of ballot papers are then transferred, as described above, in descending order of transfer value to the next continuing candidates for whom a preference is marked on them.
- 26. If, by reason of a transfer of ballot papers under subsection (3), (7) or (9), a continuing candidate attains sufficient votes to exceed the quota, those ballot papers (i.e. the parcel of papers last received by the candidate) are to be transferred to any next continuing candidate for whom a subsequent preference is marked on the paper using the procedures set out in sections 5(4) to (8) and 6.
- 27. Subsection (11) provides that where the total of—
  - the number of votes of the two or more lowest candidates, and
  - if section 5(8) has prevented the transfer of ballot papers from a candidate who has exceeded the quota, the number of votes by which the returned candidate exceeds the quota,

is less than the number of votes credited to the next lowest candidate, those two or more candidates are to be excluded in a single operation under section 7.

28. Subsections (12) and (13) set out what happens when a candidate has to be excluded and there are two or more candidates with the same number of votes. If subsection (11) does not exclude both candidates, subsection (13) requires the exclusion of the candidate with the lowest number of votes at the last stage at which the candidates had unequal votes. If votes have been equal at all stages, lots are to be drawn to determine which candidate is to be excluded.

Section 8 – Filling of last vacancies

- 29. Subsection (1) provides that where the number of vacancies left to be filled is equal to the number of continuing candidates, those candidates are to be declared as elected.
- 30. If only one vacancy remains unfilled and the votes of any one candidate are less than the quota but equal to or greater than the total of—
  - the number of votes credited to the other continuing candidates, and
  - if section 5(8) has prevented the transfer of ballot papers from a candidate who has exceeded the quota, the number of votes by which the returned candidate exceeds the quota,

that candidate is to be declared as elected.

Section 9 – Power to make further provision about local government elections

31. Subsection (1) confers power on the Scottish Ministers to make orders about the conduct of local government elections, the questioning of such elections, the types of papers that may or may not be transferred and the consequences of irregularities at such elections. Subsections (2) to (4) describe certain matters which may, or in the case of subsection (3) must, be contained in an order made under subsection (1).

- 32. Subsection (3) provides that an order made under subsection (1)(b) must include provision applying Part III of the Representation of the People Act 1983 (c.2) ("ROPA"). That Part makes provision for the method of questioning local government elections including the grounds on which an election can be questioned and the procedure which requires to be followed.
- 33. Subsection (4) provides that the return of a councillor may only be questioned under Part III of ROPA as applied to local government elections by virtue of an order made under subsection (1).

#### Section 10 – Reviews of electoral arrangements

- 34. Subsection (1) requires the Boundary Commission to conduct a review of electoral arrangements in the light of the introduction of the STV system and to formulate proposals for future arrangements. The procedure for such reviews is set out in Part II of the Local Government (Scotland) Act 1973 (c.65) ("the 1973 Act"). Subsection (2) modifies that procedure to allow the Scottish Ministers to require the Boundary Commission to submit its report by a date specified by them and to remove the Scottish Ministers' discretion not to make an order following submission of the report. This enables the Scottish Ministers to ensure that the review of electoral arrangements is carried out and an order made in time for the next local elections.
- 35. Subsection (3)(a) amends section 16(2) of the 1973 Act to alter the timing of subsequent reviews by the Boundary Commission in consequence of the requirement to carry out a review under subsection (1).
- 36. Section 20 of the 1973 Act deals with the first review of electoral arrangements after 1 April 1996. This provision is now spent and is accordingly repealed by subsection (3)(b).
- 37. Subsection (3)(c) amends the definition of "electoral arrangements" to allow the Boundary Commission to review the number of councillors to be returned for each ward. It is not necessary to carry out such a review under the first past the post system but, because section 1(3) requires there to be either 3 or 4 councillors per ward under the STV system, the effect of the amendment is to require the Boundary Commission to consider whether there should be 3 or 4 councillors for each ward as part of its review.
- 38. Subsection (3)(d) inserts a provision into the 1973 Act conferring power on the Scottish Ministers to make rules in relation to the consideration of electoral arrangements. The Scottish Ministers are prevented from making such rules unless they have laid a draft of them before the Scottish Parliament and that draft has been approved by the Scottish Parliament.
- 39. Subsection (3)(e) and (f) contain amendments which are consequential on the provision made elsewhere in section 10. In particular subsection (3)(f) repeals Schedules 5 and 6 to the 1973 Act. These schedules made provision for the first review of electoral arrangements by the Local Government Boundary Commission and the rules to be observed in considering electoral arrangements.

#### Section 11 – Consequential amendments and repeals

40. This section makes a number of consequential amendments and repeals to the Representation of the People Act 1983 (c.2) ("the 1983 Act") and the Local Government etc. (Scotland) Act 1994 (c.39) ("the 1994 Act"). In particular it repeals section 42 (1) to (4) and (7) of the 1983 Act (local elections in Scotland) as these provisions are superseded by the new power to make rules contained at section 9 of the Bill. It also repeals section 5 (1), (5) and (6) of the 1994 Act (elections and terms of office of councillors). These provisions are superseded by sections 1 and 9 of the Bill.

#### Part 2 – Membership of local authorities etc.

#### Section 13 – Disqualification

41. This section repeals section 31(1)(a) of the 1973 Act and replaces it with a new section 31A. The effect of so doing is to lift the requirement for a person who is a paid employee or office-holder of a local authority to resign when he or she is nominated as a candidate to be a councillor and replaces it with a requirement to resign only where the person is elected. Resignation is to take effect on the first working day following the declaration of election. Disqualification on the grounds that a person has a business partner who is a paid employee or office-holder of a local authority is lifted entirely.

#### Section 14 – Reduction of age qualification

42. This section amends section 29 of the 1973 Act to reduce the age at which a person may be nominated as a candidate for, be elected as or hold office as a councillor from 21 to 18 years.

#### Section 15 – Eligibility for membership: politically restricted posts

43. This section amends section 2 of the Local Government and Housing Act 1989 (c.42) which sets out categories of local authority employees who are to be regarded as holding politically restricted posts and who are therefore prevented, by section 1 of that Act, from standing for election as, or holding office as, councillor and engaging in a range of political activities. This amendment removes two of those categories, which are determined by a salary threshold.

#### Section 16 – Prohibitions on appointment of councillors and ex-councillors to local authority posts

44. This section substitutes a new section for section 67 of the 1973 Act which prevents a former member of a local authority from being employed by that authority for a period of twelve months after ceasing to be a member. The new section retains the twelve month restriction for employment in posts designated as politically-restricted, and for retiring councillors who have been directly involved in the appointments process for council officers holding politically-restricted posts, but reduces the restriction to three months for all other posts.

## Section 17 – Pay, pensions etc. of councillors

45. This section enables the Scottish Ministers to make regulations to provide for the payment by local authorities of remuneration, allowances and expenses to councillors. These regulations may cover payments made in respect of activities carried out in connection with any of the duties of a councillor and make different provisions for different circumstances and purposes.

- 46. The power to make regulations also enables provision for an element of remuneration to be payable by way of a pension and for a pension scheme to be set up or adapted for this purpose.
- 47. Subsection (4) requires the Scottish Ministers, where they have required the Scottish Local Authorities Remuneration Committee (established under section 19) to provide them with information, advice or recommendations in relation to remuneration etc., to consider the Committee's response before making regulations under subsection (1).

#### Section 18 – Severance payments for councillors

- 48. Subsection (1) confers power on the Scottish Ministers to make regulations providing for the making of severance payments to councillors who do not stand at a local government election and who meet such other criteria as the Scottish Ministers may specify.
- 49. Subsection (3) requires the Scottish Ministers, where they have required the Scottish Local Authorities Remuneration Committee (established under section 19) to provide them with information, advice or recommendations in relation to severance payments, to consider the Committee's response before making regulations under subsection (1).
- 50. Subsection (4) amends section 29 of the 1973 Act to provide that an ex-councillor to whom a severance payment is made is not entitled to stand as a candidate for councillor at a future local government election.

#### Section 19 – The Scottish Local Authorities Remuneration Committee

- 51. Subsection (1) establishes a Scottish Local Authorities Remuneration Committee.
- 52. The Scottish Ministers may, under subsection (2), require the Committee to provide them with information, or to review and prepare advice or recommendations, in relation to the remuneration etc. of councillors or the payment of severance payments.
- 53. Subsection (5) requires the Committee to comply with any directions made by the Scottish Ministers in relation to the discharge of its functions.

#### Schedule - Constitution etc. of the Scottish Local Authorities Remuneration Committee

54. The schedule contains further provision in relation to the Committee established by section 19. The Committee is to be made up of 7 members appointed by the Scottish Ministers. The members are to be appointed following consultation with local authority associations and other interested parties. The activities of the Committee will be funded from grants provided by the Scottish Ministers and the Committee may, with the consent of the Scottish Ministers, appoint staff to help it in carrying out its functions. Its procedures will be a matter for the Committee itself to determine.

#### Part 3 – Miscellaneous and general

*Section 20 – Election expenses etc.* 

- 55. Section 20 amends certain sections of the Political Parties, Elections and Referendums Act 2000 (c.41) to extend to local government elections sections 90A to 90D of the Representation of the People Act 1983 (c.2) (meaning of "election expenses") and section 118A of that Act (meaning of "candidate") The new meanings already apply, by virtue of the 2000 Act, for Parliamentary elections.
- 56. Subsections (3) and (4) also repeal section 82(4) of the 1983 Act and, in so doing, remove the requirement for a declaration of election expenses to be made before a justice of the peace or the proper officer of a local authority.

Section 21 – Ancillary provision

57. Section 21 provides for an order to make such incidental, supplemental, consequential, transitional, transitory or savings provisions as the Scottish Ministers consider necessary or expedient for the purposes or in consequence of the Bill. This will enable the Scottish Ministers to make provision for purely ancillary matters which arise following the enactment of the Bill without first having recourse to primary legislation. The scope of the power is restricted. In the first place it can only be used to make incidental, supplemental, consequential, transitional, transitory or savings provisions. In addition this must be for the purposes or in consequence of the existing provisions of the Bill. As this Bill makes changes to an existing complex body of law in relation to local government elections this power will enable Scottish Ministers to make transitional and other arrangements which may be needed as a result of the changes made by the Bill.

## FINANCIAL MEMORANDUM

#### INTRODUCTION

58. The key measures in the Bill concern the introduction of a new voting system (the single transferable vote (STV)) for local government elections, setting the framework for a new system of remuneration for councillors, and widening access to council membership. The provisions relating to councillors' remuneration in particular are broad enabling powers which would allow for the creation of a new remuneration system, but do not seek to specify the detail of any such scheme. It is not therefore possible at this stage to estimate the costs of any such scheme. There are, however, specific, identifiable costs arising from the introduction of STV and the creation of the Scottish Local Authorities Remuneration Committee and these are detailed below.

#### COSTS ON THE SCOTTISH ADMINISTRATION

59. The Bill provides for the introduction of STV for local government elections. The Scottish Executive believes that the smooth introduction of STV will require a significant voter education campaign, along with appropriate training for elections administrators. The Executive already carries out voter awareness and training activity at a national level in advance of local government elections in Scotland, but the change to a system which allows voters to list their preferences from

amongst the candidates for elections, and the relatively complex nature of an STV count, will require greater input in both areas. The Executive spent just over £370k on its share of the public awareness campaign for the elections in May 2003 (run jointly with the Electoral Commission which carries out similar activities in respect of Parliamentary elections). Based on this previous experience, the Executive estimates that the costs of a major voter awareness campaign and training for elections administrators for the first election using STV could amount to somewhere approaching £1.5m. The majority of this expenditure would be incurred in the financial year before the election, but some might fall due in the following financial year. For subsequent elections, the costs of voter awareness and training should decrease as voters and electoral administrators become more familiar with the STV system.

60. The Bill establishes a Scottish Local Authorities Remuneration Committee to prepare advice or recommendations in relation to remuneration for councillors, including pension and severance The Scottish Executive has already established a non-statutory independent Councillors' Remuneration Progress Group which has been asked to consider the remit of the statutory Committee and the skills and experience needed by its members. A detailed assessment of the costs of the Remuneration Committee cannot therefore be made until the Progress Group reports to Ministers, and will take account of the Executive's own guidance on the payment of allowances to members of non-departmental public bodies. Given that the Committee will be independent, and that the Executive has no way of knowing how the Committee will choose to conduct its work, how often the Committee will need to meet, whether the Committee will wish to employ staff or whether the Committee will wish to commission research on councillors' remuneration, it is difficult to predict its running costs. The Executive estimates that up to £100k should be allowed for the running costs of the Committee during the first period of its existence, although it would expect these costs to be considerably less. It is estimated that the Committee will take around 15 months to carry out its initial work. Thereafter running costs will very much depend upon the frequency with which it is asked to consider further remuneration issues.,

#### **COSTS ON LOCAL AUTHORITIES**

61. Returning officers are currently responsible for the administration of local government elections, which are funded by local authorities themselves. The Bill does not seek to change those arrangements, but instead changes the system of election used. The Scottish Executive does not therefore expect there to be significant additional costs to local authorities arising purely from the introduction of STV for local government elections. The Executive intends to fund voter education and training for elections administrators at a national level, but recognises that local authorities may also wish to undertake some activity at a local level as they do at present. This will be a matter for individual local authorities to decide on the basis of local circumstances nearer to the date of the elections, and it is not therefore possible to identify any resultant costs. In addition, the Scottish Executive recognises that a manual count for an STV election will be more complex and may take longer than has been the case for elections using the first past the post system. A number of the responses to the consultation on the Bill noted that this could result in additional costs, although no estimate of those costs was offered at this early stage. Local authorities have not yet undertaken detailed assessments of the possible implications for their election procedures of introducing STV, and, until they do so, it is not possible to estimate to any extent whether there will be any increase or decrease in the costs of running local government elections in future.

- 62. The provisions in the Bill which set the broad framework for a new system of remuneration (including pensions and severance payments) for councillors are general enabling powers which do not in themselves have direct financial implications for local authorities. The Scottish Executive recognises that any future decision to implement a new system of remuneration may have financial implications for local authorities. Scottish Ministers do not wish to influence the work of the Remuneration Committee which is expected to report late in 2005 with the new arrangements coming into effect after the next local government election. Until the Committee is established, has carried out its work, and makes recommendation to Ministers, it is simply not possible to estimate the costs of any new arrangements. Any indication at this stage of what Ministers consider the costs of the new arrangements might be could be seen as steering the independent Committee in a particular direction, which Ministers wish to avoid doing.
- 63. It should also be borne in mind that the Report of the Renewing Local Democracy Working Group (June 2000) estimated that local authorities were already spending in excess of £14m per annum on allowances for the 1222 councillors in Scotland. This figure can be expected to have increased since then. Local authorities would only therefore have to find any additional costs resulting from the introduction of a new system of basic remuneration for councillors over and above the current costs of councillors' allowances. Indeed, depending on the recommendations of the Scottish Local Authorities' Remuneration Committee, decisions taken in light of them, and how these are applied to individual councils' circumstances, it is at least theoretically possible that new arrangements could cost particular local authorities less than the current arrangements.
- 64. Councillors are not entitled to pensions and severance payments at present, and the costs of these schemes could therefore be considerable. It is not, however, possible to estimate the costs involved in advance of the Scottish Local Authorities' Remuneration Committee making recommendations, and decisions being taken in light of them.. In the case of severance pay in particular, the costs of a future scheme will also depend upon the number of councillors who pursue this option.
- 65. The detail of a new system of remuneration (including pensions and severance payments) will, however, have to be set out in secondary legislation which will come before the Parliament before the schemes are introduced. More detailed information about the costs of the various schemes can therefore be made available at that time.
- 66. The Scottish Executive recognises that local authorities will be concerned about the potential costs to them of implementing the provisions in the Bill which relate to STV and councillors' remuneration. While it is too early at this stage to estimate the possible costs involved, the Executive will wish to consider the detail of those costs in due course and how they should be met.

#### COSTS ON OTHER BODIES, INDIVIDUALS AND BUSINESSES

67. The Scottish Executive does not consider that the measures in the Bill will create additional costs for other bodies.

## EXECUTIVE STATEMENT ON LEGISLATIVE COMPETENCE

68. On 20 November 2003, the Minister for Finance and Public Services (Mr Andy Kerr) made the following statement:

"In my view, the provisions of the Local Governance (Scotland) Bill would be within the legislative competence of the Scottish Parliament."

# PRESIDING OFFICER'S STATEMENT ON LEGISLATIVE COMPETENCE

69. On 20 November 2003, the Presiding Officer (George Reid) made the following statement:

"In my view, the provisions of the Local Governance (Scotland) Bill would be within the legislative competence of the Scottish Parliament."

# LOCAL GOVERNANCE (SCOTLAND) BILL

# EXPLANATORY NOTES (AND OTHER ACCOMPANYING DOCUMENTS)

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