

## SUMMARY OF FINDINGS OF MONTGOMERY COMMITTEE OF INQUIRY INTO FUNCTIONS AND POWERS OF ISLANDS COUNCILS

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### I THE POSITIVE RECOMMENDATIONS

#### General

First, the creation of the islands councils as all-purpose authorities has been a success, and there should not only be no question of reduction in the councils' powers but the opportunity should be taken wherever possible to consolidate, develop and extend these powers. The recommendations are only one stage in a continuing process of development in the local government of the islands. The conclusions should not be regarded as final, nor should they necessarily apply for more than a relatively short period: an argument found unconvincing in 1983 could become thoroughly persuasive in different circumstances some years from now.

In future consultations between the Scottish Office and local authorities, Scottish Office departments should, as a matter of course, give consideration as to whether there might be grounds for asking for a separate islands councils view to be included in any collective response from local authorities; consideration should be given, as a matter of course, to the possibility of highlighting particular aspects which may be of special relevance to the islands, whether or not an islands view is being requested, and, in reaching a decision on these matters, it should be kept in mind that islands councils, both as all-purpose authorities and as local authorities in

particularly remote and isolated areas, may be affected not only by proposals which are directed at such areas but also by proposals which are designed with mainland or urban circumstances in mind but which are to be applied to all local authorities. There may be circumstances in which Acts of Parliament should include a provision to allow the Secretary of State to vary their application to the island areas, and such provisions should in future be considered in relation to all Scottish legislation at an early stage in its preparation. The general principle should apply that if powers are needed by all the islands councils these should be given in public general legislation.

The present system of attendance allowances should be replaced by a form of salary for councillors of a fixed annual sum to compensate them for the time they have devoted to all forms of duty as councillor, and also to make up any financial loss they may have suffered. Health Boards in the islands should be instructed to take note of community councils' views, and to consult them on local issues.

The Government should initiate a study to work out a broad policy towards Gaelic involving all interested bodies, with agreed objectives and responsibilities clearly apportioned between local authorities, central government and the other agencies concerned. When this policy is agreed, a system should be developed to allocate resources in accordance with the respective responsibilities assigned for Gaelic. Until that time, steps should be taken to ensure that adequate financial support is made available to the Western Isles Council to ensure that their efforts to promote the Gaelic language may continue.

#### Block Grant

The Secretary of State's consent to local authorities to incur capital expenditure should be given to the islands councils in the form of a single block allocation, obtained by aggregating the allocations for separate programmes, with the object that the councils take responsibility for managing this expenditure in order to secure the maximum value from their allocations. The aggregated figure should be obtained by the same procedures as at present, under which allocations are separately fixed for each service, and the councils should be told the amount which it is thought appropriate for them to spend on each service. The councils should report their actual expenditure to the Scottish Office in due course in the normal way.

#### Oil-related Development (Shetland)

The conflict between section 83 of the Local Government (Scotland) Act 1973 and section 67 of the Zetland County Council Act 1974 should be removed, and the Secretary of State should support a provision to this effect if Shetland Islands Council come forward with proposals for private legislation on these lines.

The amount of expenditure which islands councils may be permitted to incur under section 83 of the Local Government (Scotland) Act 1973 should be increased to the equivalent of what may be spent in other areas of Scotland by the two tiers of local authorities.

There should be a standing consent from the Secretary of State for capital expenditure by Shetland Islands Council if this is to be met from the Council's reserve fund, not subject to any financial limit and in addition to the Council's normal capital allocation. The standing consent should only apply to capital spending for development purposes.

The Secretary of State should support any proposals from the Shetland Islands Council for private legislation to enable them to pay other sums obtained as a result of oil development in Shetland into the Council's reserve fund. Some flexibility should be permitted to Shetland Islands Council in cases where they want to provide financial assistance to development projects already receiving government aid, so that there are no corresponding reductions in government aid to these projects.

### **Economic Development**

The Secretary of State should instruct the Highlands and Islands Development Board to ensure that the Board and the islands councils define more precisely in formal agreements the way in which common responsibilities are to be exercised, particularly in the building of factories and in industrial promotion. The Secretary of State should set out the principles for consultation with the islands councils by the Highlands and Islands Development Board.

The present study into possible control of off-shore activities should be carried through as a matter of urgency with the object of introducing a form of control which should involve consultation with the local authorities concerned.

### **Agriculture and Fishing**

The Secretary of State should recognise the direct interest of the islands councils in the welfare of the fishing industry in their areas, and they should be included in any local management arrangements.

The Government should ensure that the use of resources obtained by Orkney and Shetland Islands Councils to develop local industries is not constrained in any harmonisation of aids to the fishing industry in the European Community. The islands councils should be able to operate their own schemes of assistance, although it may be necessary to reach agreement between the councils and central government on the types of assistance each may provide.

Assistance to agriculture provided by the Orkney and Shetland Islands Councils through the reserve funds should be allowed to supplement other grants received, if the additional assistance is to meet costs specifically arising from remoteness, such as the cost of sea transport.

### **Works and Communications**

The islands councils should be given powers to operate their own air services, and should be allowed to take over the Civil Aviation Authority aerodromes in their areas.

Orkney Islands Council should take over responsibility for the internal ferry service in their area.

If the islands councils want to extend their control over the imposition of speed limits on the principal roads in their area, the Secretary of State should make the necessary order.

When the ceiling cost for grant purposes for installation of water and sewerage services is reviewed, this should be determined in the light of the fact that new schemes are going to increasingly remote or very small communities, with higher overall connection costs as a result.

### **Protective and Welfare Services**

A system of apportionment of costs for police and fire services based on actual costs incurred in each local authority area should be considered. The Secretary of State should appoint an arbiter to deal with any differences between constituent authorities over the terms of the joint schemes.

The financial burden on the Western Isles Council arising from the costs of the District Court in their area should be removed.

The Scottish Home and Health Department should encourage and improve the operation of liaison committees in fields of common concern to local authorities and the Health Boards, and central government should continue to give support to the islands areas for projects under the support finance scheme.

The provision of the Tenants' Rights, Etc. (Scotland) Act 1980 whose effect is to give teachers who are tenants of islands councils the right to buy their house should be amended to put islands councils in the same position as other education authorities in Scotland, with the requirement being removed that the Secretary of State's consent must be obtained before an application to buy a house is refused.

## II PROPOSALS REJECTED

### General

We recommend against the establishment of a "Council of the Islands". We also recommend against the proposals made for an advisory committee to the Secretary of State, as a source of advice on islands matters.

It is the view of the majority of us that the proposal for an "islands desk" in the Scottish Office should not be pursued.

Islands council employees should not be allowed to stand for election to their council. There should be no special arrangements for declaration of interests by islands councillors.

The islands councils should not be given powers to amalgamate community bodies such as community councils, schools councils and local health councils.

There should be no change in the arrangements for regulating the activities described by the islands councils as "inimical developments".

### Finance, Oil

Additional responsibilities are not to be taken on unless an area can afford to meet some of the costs of the service.

There should be no change in the arrangements for valuation in the islands. There should be no changes in the way the rate burden is distributed between the oil industry and the local (non-oil related) sector within the Shetland community and there should be no special changes in the legislation on industrial derating or the rating of external plant and machinery as a result of its application in the islands.

### Economic Development

There should be no transfer of responsibility from the Highlands and Islands Development Board to the islands councils for providing assistance for economic and industrial development or social development. There should be no change in the composition of the Highlands and Islands Development Board.

Islands councils should not be allowed to have direct access to various European institutions that provide financial assistance to local authorities but should continue to channel their applications through central government.

The Secretary of State'scrofting estates in the Western Isles should not be transferred to the ownership of the Western Isles Council.

### Works and Communications

There should be no change in the ownership of the ferry terminals at present owned by the Scottish Transport Group in the Western Isles, and no change in responsibility for the management of Stornoway harbour.

There should be no changes in the present financial arrangements for expenditure on roads, other than those as a result of the granting of block capital allocations as recommended by the Committee.

There need be no special arrangements for building control in the islands.

There should be no special arrangements for the direct labour organisations of islands councils.

### Fire, Police and Health

There should be no separate police or fire authorities for the islands

areas.

There should be no change in allocation of responsibility for health service matters between the Health Boards and the islands councils. There should be no change in the methods of appointment of Health Board members.