

# Citizen Participation and Public Petitions Committee

1<sup>st</sup> Meeting, 2022 (Session 6), Wednesday 19  
January 2022

## PE1912: Funding for council venues

### Note by the Clerk

<b>Petitioner</b>	Wendy Dunsmore
<b>Petition summary</b>	Calling on the Scottish Parliament to urge the Scottish Government to provide the necessary additional revenue to local councils to run essential services and venues.
<b>Background information</b>	<p>The joint trades unions Unite, GMB and Unison believe that the closure of sports and cultural venues by local authorities will negatively impact on the physical and mental health of their citizens.</p> <p>We recognise this as a further demonstration and direct consequence of the inadequate funding which is being allocated to local government and see this decision as a retrograde step in the drive to improve the healthy life expectancy of the citizens.</p> <p>We therefore demand, as a matter of urgency, that the Scottish Government provide the necessary additional revenue to local councils to run these essential services, otherwise local people will be deprived of important venues which contribute to improved healthy life expectancy as well as social cohesion and inclusion.</p>
<b>Webpage</b>	<a href="https://petitions.parliament.scot/petitions/PE1912">https://petitions.parliament.scot/petitions/PE1912</a>

### Introduction

1. This is a new petition that was lodged on 14 October 2021.
2. A SPICe briefing has been prepared to inform the Committee's consideration of the petition and can be found at **Annexe A**.

3. While not a formal requirement, petitioners have the option to collect signatures on their petition. On this occasion, the petitioner elected not to collect this information.
4. The Committee seeks views from the Scottish Government on all new petitions before they are formally considered. A response has been received from the Scottish Government and is included at **Annexe B** of this paper.
5. A submission has been provided by the petitioner. This is included at **Annexe C**.
6. It is worth noting that the SPICe briefing relating to this petition, Scottish Government submission and petitioner submission were written before the Scottish Budget 2022-23 was published on 9 December 2021. Key points from a separate SPICe briefing on local government finance following the Budget's publication are highlighted in this paper (para 10 – 11).

## Background information

7. The SPICe briefing explains that local authorities receive around 60% of their net revenue budget from the Scottish Government in the form of general and ring-fenced grants. The remainder, around 40%, comes from a combination of the nominally “local” Council Tax and Non-Domestic Rates. In addition, the Scottish Government provides capital grants to each local authority.
8. The briefing also outlines the pre-budget scrutiny by the Local Government, Housing and Planning Committee which resulted in the Committee writing to the Scottish Government with conclusions and recommendations, including:
  - If local government is to lead recovery from the pandemic and tackle inequalities, then the Scottish Government needs to ensure local government is sufficiently resourced.
  - The Accounts Commission contend that for a “significant period” local authorities have seen reductions in funding.
  - A number of witnesses told the Committee about the extent to which local government is unable to meet the demands placed upon it within existing funding.
  - The Committee also concluded that local government needs more long-term certainty about resources, including multi-year funding.
9. The Scottish Government and COSLA’s joint Local Governance Review is also highlighted in the briefing. The Local Government, Housing and Planning Committee [took evidence on the review’s progress](#) on 2 November 2021.

10. As previously stated, SPICe published a briefing, [Local Government Finance: Budget 2022-23 and provisional allocations to local authorities](#), following the 2022-23 Budget.

11. The executive summary covers a number of key points, including:

- Both the Scottish Government and COSLA agree that "core" revenue budget remains the same in cash-terms between 2021-22 and 2022-23.
- When the likely impact of inflation is factored in, the "core" revenue budget is reduced by £284 million in real terms between 2021-22 and 2022-23.
- Once additional revenue and capital grants, such as an additional £1,367 million allocation is factored in, the total local government settlement increased by £603 million (+5.1%) between 2021-22 and 2022-23
- There will be a real terms increase in provisional revenue allocations for all local authorities, except for Comhairle nan Eilean Siar, Shetland Islands Council and Orkney Islands Council, who all see small real-terms reductions.

## Minister for Public Finance, Planning and Community Wealth submission

12. The Minister begins his submission by noting that 'this is a hugely challenging time for people and organisations in the culture, heritage and leisure sector' and that the Scottish Government is 'acutely aware' of the impact of COVID-19 on culture and leisure services.

13. He points out that councils have been allocated an additional £1.5 billion in direct support through the local government finance settlement and councils have also been granted additional flexibility to address the financial pressures caused by COVID-19.

14. The 2021-22 settlement of £11.7 billion saw a cash increase in local government spending for revenue services of £375.6 million.

15. Financial freedom and the ability to operate independently is highlighted by the Minister as part of the Scottish Government's policy towards local authority spending.

## Petitioner submission

16. The petitioner's submission is a collective response to the Minister from Unite, Unison and GMB. They recognise that local authorities make decisions about service provision and delivery. However, they note that it is not without 'unfair challenges' caused by a real terms reduction in funding.

17. They acknowledge that culture and leisure funding is competing with ‘financial black holes’ such as social care, housing, education, economic development, roads and planning.
18. The submission points out that ‘much of the £11.7 billion settlement figure...is ring-fenced for Scottish Government commitments’, therefore it is not technically available for local authority spending decisions.
19. Glasgow City Council’s successful approach to administering and running its venues, often considered as national rather than local, is noted as an example where costs could be partly met by the Scottish Government.
20. The submission highlights the ‘invaluable resource’ that culture and leisure facilities have been during the pandemic, stating that –  
  
“Community centres, football and sports facilities, libraries, museums and galleries are not only a way to exercise our bodies and our minds, they also connect us as a community, which as we know is vital in ensuring our mental and social wellbeing.”

## **Action**

The Committee is invited to consider what action it wishes to take on this petition.

### **Clerk to the Committee**

# PE1912: FUNDING FOR COUNCIL VENUES

## Petitioner

Wendy Dunsmore

## Date Lodged

14 October 2021

## Petition summary

Calling on the Scottish Parliament to urge the Scottish Government to provide the necessary additional revenue to local councils to run essential services and venues.

## Previous action

Our efforts have been focussed on Glasgow so far. We have set up meetings with Glasgow MSPs and MPs. Several attended to understand the threat to services and jobs.

The unions have also written to the Cabinet Secretary for Finance and the Cabinet Secretary for Social Justice, Housing and Local Government on 26 July 2021 and received a response on 5 October 2021.

Meetings have also taken place with a number of Glasgow City Council councillors. In addition, a number of meetings have also been set up with Glasgow City Council and Glasgow Life (the organisation established by the council to run its venues and provide some of its essential services). Further meetings are taking place throughout Scottish Local Authorities to adequate fund local government to meet their duty of care to the citizens of Scotland.

## Background information

The joint trades unions Unite, GMB and Unison believe that the closure of sports and cultural venues by local authorities will negatively impact on the physical and mental health of their citizens.

We recognise this as a further demonstration and direct consequence of the inadequate funding which is being allocated to local government and see this decision as a retrograde step in the drive to improve the healthy life expectancy of the citizens.

We therefore demand, as a matter of urgency, that the Scottish Government provide the necessary additional revenue to local councils to run these essential services, otherwise local people will be deprived of important venues which contribute to improved healthy life expectancy as well as social cohesion and inclusion.

## **Briefing for the Citizen Participation and Public Petitions Committee on petition [PE1912](#): Funding for council venues, lodged by Wendy Dunsmore of Unite**

### **Overview of issues raised by the petition**

The petition calls on the Scottish Parliament “to urge the Scottish Government to provide the necessary additional revenue to local councils to run essential services and venues”.

### **Background**

Local authorities are responsible for delivering a range of important services to individuals and communities in their areas, from school education and social care to bin collections, planning services and road maintenance.

They receive around 60% of their net revenue budget from the Scottish Government in the form of general and ring-fenced grants. The remainder, around 40%, comes from a combination of the nominally “local” Council Tax and Non-Domestic Rates. In addition, the Scottish Government provides capital grants to each local authority, and individual councils can also borrow to help pay for large projects.

Local government finance is one of the most frequently contested areas in Scottish politics. This is mainly due to the fact that local authorities rely on Scottish Government funding, whilst the Scottish Government needs local authorities to deliver many of its national priorities. Both tiers of government have legitimate democratic mandates, and both are accountable to their electorates. The annual budget process is where frictions between these two layers of government most publicly, and most regularly, play out.

SPICe publishes a briefing each year analysing local government allocations from the Scottish Government. This includes a look at how allocations have changed over time, a discussion of ring-fencing and analysis of allocations for each local authority area. The [most recent SPICe briefing](#) on this subject was published in August.

With local elections happening next year, the politics around this issue are particularly heightened. Also, a number of pay negotiations are currently taking place between COSLA (representing local authorities) and the main local authority unions, the GMB, Unison and Unite. In addition, the [EIS union recently rejected a pay offer](#) for Scotland’s teachers.

## Recent scrutiny by the Local Government, Housing and Planning Committee

The Local Government Housing and Planning Committee recently conducted pre-budget scrutiny looking at local government finances. The [Committee wrote to the Scottish Government](#) with a number of conclusions and recommendations, including the following:

- the Accounts Commission contend that for a “significant period” local authorities have seen reductions in funding.
- A number of witnesses told the Committee about the extent to which local government is unable to meet the demands placed upon it within existing funding.
- If local government is to lead recovery from the pandemic and tackle inequalities, then the Scottish Government needs to ensure local government is sufficiently resourced.
- The Committee also concluded that local government needs more long-term certainty about resources, including multi-year funding.

The Scottish Government will publish its Budget on the 9<sup>th</sup> December. This will include details of the local government settlement for 2022-23, and will also respond to the points raised in the Committee’s letter. The Budget will be followed by further evidence sessions by the Local Government, Housing and Planning Committee and further debates in the Chamber. Parliament will vote on the Scottish Government’s Budget and also on the Government’s allocations to local authorities.

## Local Governance Review

The Local Governance Review was [jointly launched by the Scottish Government and COSLA](#) in December 2017 to consider how powers and resources should be shared between national and local government, and with Scotland’s communities. Four years on the Review has not yet concluded.

A [joint statement from the SG and COSLA](#) in March this year was accompanied by the publication of [Democracy Matters: phase 2](#) as well as a [review of some international case studies](#).

The update confirmed that a “fiscal framework” is currently being developed between the Scottish Government and local government. This will recognise the importance of multi-year funding arrangements, which has been [an ask of local government](#) for a number of years. Details of how this framework will operate are not yet available.

The Local Government, Housing and Planning Committee [took evidence on the how the Review is progressing](#) on 2<sup>nd</sup> November with COSLA, community groups and the Deputy First Minister.



**Greig Liddell**  
**Senior Researcher**  
11 November 2021

The purpose of this briefing is to provide a brief overview of issues raised by the petition. SPICe research specialists are not able to discuss the content of petition briefings with petitioners or other members of the public. However, if you have any comments on any petition briefing you can email us at [spice@parliament.scot](mailto:spice@parliament.scot)

Every effort is made to ensure that the information contained in petition briefings is correct at the time of publication. Readers should be aware however that these briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

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# Minister for Public Finance, Planning and Community Wealth submission of 12 November 2021

## PE1912/A – Funding for council venues

Firstly, I should note that this is a hugely challenging time for people and organisations in the culture, heritage and leisure sector and we are acutely aware of the impacts of COVID-19 on local authority culture and leisure services.

The Scottish Government places great importance on culture and leisure facilities and believes everyone should have access to these services. However as independent corporate bodies it is for local authorities to decide what services will be offered, and it is for the locally elected representatives to make these decisions.

Turning now to funding for local government, Scotland's councils have been allocated an additional £1.5 billion in direct support through the local government finance settlement and councils have also been granted additional financial flexibilities to address the financial pressures caused by COVID-19.

In addition, the 2021-22 Local Government Settlement of almost £11.7 billion provides a cash increase in local government day to day spending for local revenue services of £375.6 million or 3.5 per cent.

However, the Scottish Government's policy towards local authorities' spending is to allow local authorities the financial freedom to operate independently. As such, the vast majority of the revenue funding is provided by means of a block grant. It is the responsibility of individual local authorities to manage their own budgets and to allocate the total financial resources available to them, including on culture and leisure services, on the basis of local needs and priorities, having first fulfilled their statutory obligations and the jointly agreed set of national and local priorities.

Decisions on future local government finance settlements will be the subject of negotiations with COSLA on behalf of all 32 local authorities

and announced as part of the outcome of future Scottish Budgets and Spending Reviews.

Finally, I can confirm that the Scottish Government continue to meet with COSLA and individual local authorities on a regular basis to cover a range of topics, including budget pressures and how we can recover from the pandemic as quickly and efficiently as possible.

## Petitioner submission of 13 December 2021

### PE1912/B - Funding for council venues

Unite, Unison and GMB are happy to respond to the submission made by the Minister for Public Finance, Planning and Community Wealth.

Unite, Unison and GMB recognise that it is for local authorities to decide what services are offered and delivered and, all things being equal, that is exactly what they do. However we do not feel that those decisions are without unfair challenges caused by a real terms reduction of funding from the Scottish Government which has inevitable consequences for local authorities when considering their spending plans and objectives.

Local authorities have been caught between a rock and a hard place. The funding required for culture and leisure is competing with other financial black holes in local government such as the demands from social care, housing, education, economic development, roads and transport, planning etc. Furthermore, given that much of the £11.7 billion settlement figure referred to in the Minister's submission is ring-fenced for Scottish Government's commitments, the Local Government settlement is therefore not technically available to spend as local authorities might wish. Rather it is made available on the proviso that it meets the Scottish Government's own commitments on key indicators.

Glasgow is also a victim of its own success in terms of administering and running of venues regarded as national venues. Glasgow's highly successful cultural and sporting venues require regular and ongoing maintenance and administration. Unite would argue that some of these venues should be considered more as national and even international venues, which should mean costs being partly met by the relevant Scottish Government department and not specifically costs wholly the responsibility of Glasgow City Council.

The Scottish Government must also recognise that the culture and leisure facilities provided by local governments across Scotland have proved to be an invaluable resource to many people during the pandemic with additional online content made available, but particularly as we emerge to the new normal. Community centres, football and sports facilities, libraries, museums and galleries are not only a way to exercise our bodies and our minds, they also connect us as a community, which as we know is vital in ensuring our mental and social

wellbeing. We all want to recover from the pandemic as quickly as possible however for some of Glasgow's citizens, recovery may be hampered if the facilities which they have utilised are removed or do not reopen.

Unite remains firm that the concerns raised in this petition regarding inadequate local government funding remain, and that additional local government funding is required as a matter of urgency.