

COSLA submission of 18 February 2022

PE1912/F - Funding for Council Venues

The Convention of Scottish Local Authorities (COSLA) is the voice of Local Government in Scotland. We are a Councillor-led, cross-party organisation which champions Councils' vital work to secure the resources and powers they need to deliver effectively. COSLA works on Councils' behalf to focus on the challenges and opportunities they face, and to engage positively with Governments and others on policy, funding and legislation.

Cultural and leisure services are critical to the wellbeing of individuals and communities and have huge physical and mental health benefits. These services play a significant role in preventing poor health outcomes and as such, their closure will have wider negative impacts on physical and mental health. These services are critical to addressing the social determinants of health, along with other core Local Government services such as roads, transport, housing, parks and youth work. Cultural and leisure services are also significant contributors to local and national economies and the maintenance of, and access to, these services and venues is also critical to address inequality, poverty and improved educational attainment.

Local Government has been under significant and sustained financial challenge over the past decade. Councils have seen a real terms reduction in core funding. Ring-fencing, national policy initiatives and protections in education and health and social care continue to mean that Councils have limited flexibility over local spend and unprotected areas, including cultural and leisure services and venues, are subject to a higher proportion of cuts. Evidence from the Local Government Benchmark Framework shows that over a period of 8 years before the pandemic the investment in the collective cultural area decreased by nearly a quarter. Councils and the Arms Length External Organisations (ALEOs) that deliver cultural services have sought to manage these budget reductions in ways that minimise the impacts on services but the cracks are starting to show.

Additional funding of £120m for Local Government has been announced for 2022/23; however, the 2022/23 Scottish Budget still demonstrates a £251m real terms cut in core funding. It should also be noted that this additional £120m funding is not recurring. The Budget also does not take into account inflation, pay, increased demand and significantly this

year rising costs such as energy. Sustainability of these services therefore remains challenging for both Councils and the ALEOs.

Cultural and leisure services across all Council areas have also been badly affected by the COVID-19 pandemic, with most culture and leisure services unable to operate either at all or at usual capacity for the last 22 months. COSLA has worked to identify the level of income lost across services in Local Government including ALEOs. This was estimated to be around £200m for all ALEOs and direct cultural and leisure services in 2020/21, increased from earlier estimates due to restrictions needing to be strengthened and in place for longer. This represents 30-90% of budget for some organisations and services depending on structure and service offer. It is not expected that service usage will return to pre-pandemic levels, and therefore income, for a number of years as behaviour has been impacted by the pandemic. The pandemic will also have affected service user behaviour and service delivery in some, as yet, unquantifiable ways.

Given the erosion of Councils' core funding, it is anticipated this lost income will need to be addressed through efficiencies and service redesign – meeting future pay awards will compound this challenge.

There needs to be fair funding to Local Government to enable ongoing and sustainable investment in culture and leisure services to support recovery and ensure wider benefits such as physical and mental health are enjoyed by communities. This must be a critical part of 'whole system' thinking, and about addressing the social determinants of health. Local Government and the wider public sector are anticipating significant challenges over the next few years as we recover from the pandemic, which is likely to place additional pressures on budgets. It is therefore critical that Local Government is sustainably funded to deliver all of the services, which should be recognised for the value that they add to our communities and to recovery.

COSLA submitted to a response to the Constitution, Europe, External Affairs and Culture Committee's Funding for Culture consultation, which considered these issues in more detail. The full response can be found here: [Response 122994077 to Funding for Culture - Scottish Parliament - Citizen Space](#)