

## **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.

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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)

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