

Finance and Public Administration Committee

Framework for the Resource Spending Review

Submission from COSLA

COSLA welcomes the opportunity to provide views to the Committee on the Scottish Government's Resource Spending Review. Whilst COSLA will respond in full to the Scottish Government's Consultation in due course, we can offer the Committee some initial views on the questions posed. The Committee's questions and COSLA's views are set out below.

1. How clearly does the framework set out the Scottish Government's priorities for the resource spending review?

The framework sets out that the approach to the Spending Review is intended to be outcomes focused, evidence based and consultative. This is welcomed, though we will want to understand how this is to be set out in practice and how Local Government can bring its influence to bear on this. Local Government has had experience of Scottish Government's desire to focus on outcomes – Single Outcome Agreements; Community Plans; Local Outcome Improvement Plans; National Performance Framework – yet we continue to measure inputs and outputs at a granular, funding level (e.g. £3m for Whole Family support, £1.5m Pavement Parking Ban Funding, Directed Employability Funding (£80.65m in 2021/22) including No One Left Behind, Parental Employability Support Fund (PESF, PESF Boost, £3.2m National Trauma Training Programme). With employability funding especially this has been notified late in the financial year and limited to spending by 31st March. This mitigates entirely against planning for priorities over more than one year and creates significant challenges for Local Government in seeking to support economic recovery. Local Government welcomes funding to achieve outcomes but this needs to be accompanied by the flexibility and certainty of funding over more than one year to enable Councils to work to improve outcomes in a way that works for local circumstances.

We are concerned that, whilst the framework is laudable in its ambitions, the Spending Review itself will not necessarily offer the planning and financial certainty over multiple years that Local Government needs. The Spending Review needs to be set out at a level which gives clear direction on the level of funding which Local Government and public sector providers can expect over the period. We owe this to our own workforce and to the services we commission from the third and independent sector

2. What should be the overarching priorities in the resource spending review and how adequately are these currently covered in the framework?

While we are not in a position to pre-empt COSLA's response to the consultation which asks for comment on these priorities, they are in line with some of COSLA's priorities:

- Meeting child poverty targets
- Addressing climate change
- Securing a stronger, fairer, greener economy

However, we believe that the Spending Review provides an ideal opportunity to be clear about the roles played by national and Local Government, as well as public providers. Local Government's role is integral to achieving successful outcomes in each of the key priority areas and this should be recognised and those outcomes in the National Performance Framework.

There is notably very little comment in the consultation on the data and drivers behind these three priorities which makes it challenging to understand from the consultation document how exactly the evidence on these issues will be factored in.

3. Does the framework properly reflect the current economic and political context?

This has undoubtedly been an extremely challenging time and a clear focus on economic and social recovery is needed, as we plan ahead for the future.

The framework fails to recognise the long-term pressures which have been faced by the public sector over the past decades due to reduced resources and increased demands. Critically the framework does not acknowledge the increased amount of policy commitments, many of them for universal provision, that Local Government have been required to deliver which, given the poor settlement received by Local Government year on year means that there is no additional funding for inflation or pay for the staff who deliver these. Ultimately this affects the sustainability of Local Government having significant impact on recruitment and the retention of our workforce as the sector is continuously undervalued. The inability to invest progressively in our current workforce and attract new talent ultimately has a negative impact on our communities and the essential services we deliver. The lack of investment further disregards our role as often the largest employers in our areas and the lead we take as Fair Work employers. Our employees both deliver services but are also members of our community and rely on the services we deliver.

The framework refers to the National Care Service numerous times which is challenging given that the consultation analysis has not been published and

there is no clarity on what a National Care Service will look like or deliver. This has and continues to create great uncertainty for our workforce and the cost implications and impact on current employment terms and conditions has not been considered. The framework also fails to recognise the impact of structural change on current services and the resource implications of establishing new structures rather than investing and improving current structures that would enable Councils to attract new talent and develop those in post.

4. How does the framework approach cross-cutting issues, long-term challenges such as demographic trends, and preventative approaches?

The framework makes reference to each of these approaches, however what is needed is a genuine focus on preventative approaches in particular, aligned to the recommendation from the Christie Commission. Local Government and its partners have a critical role to play in transforming communities and enhancing health and wellbeing. However Local Government's ability to bring about this change has been severely hampered by financial pressures on core budgets. These core budgets are where the spending on prevention takes place, for example local nurture programmes, ESOL, leisure, cultural venues and services all of these contribute to health, wellbeing and attainment. With ever greater levels of funding being directed toward the NHS (fixing the problem) and reduced investment in preventative work (solving the problem), this simply exacerbates the problem and takes us further away from key priorities, especially around tackling child poverty. The Spending Review should recognise that health and wellbeing are interrelated and that investment is needed in the whole system – that improving these outcomes depend on the building blocks being in place, these are housing, education, employment to name a few, without these or with poor versions of these, people live shorter lives.

5. How well do the priorities in the framework link in with National Performance Framework outcomes?

The focus of longer-term financial planning needs to be outcome driven not based on inputs. The priorities in the framework are not clearly set out to demonstrate linkages with the National Performance Framework. There has been far too much focus on where the money went and not enough on what we achieved. Need to move away from myriad disconnected funding pots, to a funding basis which allows for maximum flexibility. There needs to be an improved mechanism for assessing how we are reaching the National Performance Framework goals. This should be integral to Spending Review – not just setting out some high-level numbers which are limited in their usefulness. There should be greater clarity and transparency about how budgets are contributing to the National Performance, any priorities set by a Spending Review and how these interlink.