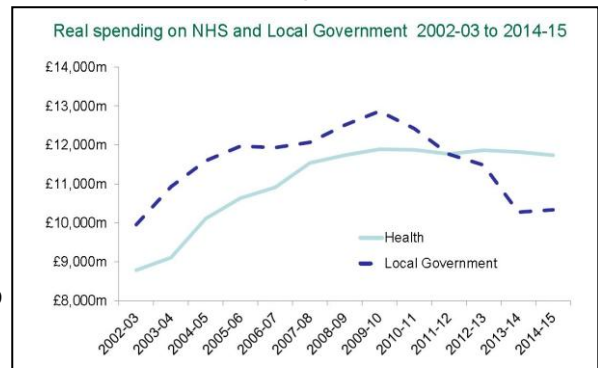


Local Government Finance Order

February 2015

These are tough times for local government: It remains the only major spending portfolio to experience a real cash cut in its budget. At the same time local authorities face increased demands for services particularly those arising in social care and maintaining teacher numbers. We are also concerned that the money allocated for initiatives e.g. free school meals and additional childcare provision, does not meet the real costs of delivery.

The council tax freeze has now cost £2.5Billion as well as restricting councils' choices the allocation is exactly the same as in 2007 so bears no relation to the increased costs that councils have faced. As [UNISON](#) and [Audit Scotland](#) have pointed out councils are using charges to balance budgets. Charges bear no relation to ability to pay and it is those on the lowest incomes, who have gained little or nothing from the freeze, that are hardest hit by paying charges or indeed go without.



The Small Business Bonus Scheme has now cost over £800m. While this may benefit individual small businesses there is no evidence that it has led to increased economic investment or jobs growth. [Providing good services](#) particularly on training, skills development and business support are much more effective ways to encourage business growth than tax cuts. Freezing taxes is not the route to reducing poverty and inequality.

Budget cuts mean that four out of every five of the 50,000 jobs cut in the public sector are from local government. Many more are in the pipeline. Services are being salami sliced increasing pressure on remaining staff to deliver services with fewer resources. UNISON research clearly shows the heavy toll being exacted by these cuts in [social care](#), [waste management](#) and [cleaning](#) but no area of local government is exempt from these pressures.

Budget cuts mean that genuine reform of public services had been sidelined: as the [local government committee state](#) “the pace of transformation of service delivery across the public services in Scotland in concerning and, in our view, needs to increase rapidly in order to deliver the kind of changes which are required in coming years”. Local government services are the key to preventative spending. While investment in education and childcare are rightly the focus of “Getting It Right for Every Child” other local government services are just as important: it is libraries, sports centres and parks that make sure that children (and other citizens) have access to information and positive activities like reading, the outdoors in general and exercise. Walking, running or just fresh air and something nice to look at like flowers and trees have a strong impact on physical and mental health. Clean safe streets and other public spaces, quality affordable housing and community centres are essential for both community engagement and generally feeling safe where you live. If we are serious about preventative spending then local government needs investment. If not we will continue see high demand and therefore costs in health, care and criminal justice.

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