



# **Scrutiny of Draft Budget 2014-15**

## **Response to the Call for Written Evidence from the Scottish Parliament Local Government and Regeneration Committee**

**The UNISON Scotland Submission to the Scottish Parliament's local  
government and regeneration Committee**

**September 2013**

## Introduction

UNISON is Scotland's largest public sector trade union representing over 160,000 members delivering services across Scotland. UNISON members deliver a wide range of services in the public, community and private sector. UNISON is able to analyse and collate their experience as service users and staff to provide evidence to the committee. UNISON welcomes the opportunity to provide evidence to the Local Government and Regeneration Committee.

## Evidence Cuts

The council tax freeze has not been fully funded, further reducing local authority budgets and leaving councils with limited options to increase their incomes. Local Government has, and continues to take, the largest budget cut: £637m since 2008/9. Over 30,000 jobs have gone since 2008. The demands on local government services have increased while the resources available to meet those demands have diminished substantially.

Scottish Budget Comparison 2008-09 to 2015-16								
	2008-9	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Health	10,479.8	10,909.9	11,181.3	11,333.7	11,596.9	11,822.3	11,960.4	12,071.5
Finance	3,036.5	2,950.0	3,420.8	3,430.7	3,021.1	3,363.6	3,191.4	3,395.7
Education	2,581.3	2,868.2	2,810.2	2,671.0	2,817.4	2,909.9	3,023.1	3,122.4
Justice	1,019.7	1,048.3	1,425.0	1,319.3	1,377.3	2,552.2	2,589.1	2,615.3
Rural Affairs & Env.	510.4	536.8	557.3	507.8	570.5	540.8	559.2	592.4
Infrastructure	2,457.3	2,800.7	2,378.1	2,177.4	2,473.8	2,398.3	2,608.5	2,858.4
Local Government	11,168.3	11,804.3	11,696.4	11,327.6	11,266.1	10,274.8	10,531.4	10,608.2

The table above tucked away in an annex to the budget document is a comparison of budget allocations by portfolio since the Scottish Government's first full budget in 2008-9 shows that local government is bearing the brunt of the cuts. Even this masks the real cuts in funding. The apparent increase in funding over the next two years comes largely from increased revenue from Non-Domestic Rates. The General Resource Grant to councils is being cut from £7.189m this year to £6.971m next year and £6.809m the year after. In real terms the cut is even larger - £6.841m and £6.564m. In addition, a significant amount of spending is either ring-fenced or has to be bid for like the council tax freeze, small business bonus, teacher numbers, police numbers (until totally centralised), change funds etc. No one disputes that the Scottish Government has to manage a difficult budget imposed by Westminster. But within that budget there are choices to be made and councils are clearly the losers.

The recent Institute for Fiscal Studies Report <http://www.ifs.org.uk/bns/bn140.pdf> raises an interesting issue about the levels of capital spend in Scotland.

“Tables 4 and 5 also show that as well as differing between services, the relative levels of spending in Scotland and the UK as a whole differ between capital and current spending. Current spending on public services per person in Scotland was 12.5% higher than the average for the UK as a whole, whilst capital spending per person was 48.2% higher. This means that whereas capital spending made up around 11.5% of all public service spending in the UK as a whole in 2011-12, it made up around 14.7% of all public service spending in Scotland. As is shown in Section 4, capital spending per person has been consistently higher

in Scotland than in the UK as a whole since 2002–03, although the difference has grown substantially since 2009–10 as capital spending has been cut as part of the fiscal consolidation.”

The key point is that capital spending is 48% higher in Scotland compared to only 12.5% higher for revenue spending. UNISON is concerned about this shift from revenue to capital spending. While announcing big new projects gets a lot of media coverage the focus on capital spend is impacting on the day-to-day delivery of services. Given the gender segregation in our jobs market, more information is also needed as to whether these funding decisions are having a disproportionate effect on women. More information is also needed so we can consider the impact of service cuts and increased charges on people living with disabilities.

Joseph Rowntree Foundation: *Managing the Social Risks of Public Spending Cuts in Scotland* gives an insight into how local authorities are making decisions about how to deal with budgets cuts.

“Councils appear to have resorted to protecting their statutory requirements as funding for discretionary services has shrunk and tough decisions have to be made. Service delivery has been reduced (rather than withdrawn completely) for some statutory service, the choice between reduction and withdrawal varying from one council to another.”

The report supports the feedback we have from UNISON members that authorities are salami slicing, focusing on statutory services and short-term reactive spend which cannot be avoided.

This is placing enormous stress on staff (and service users) who have to deliver with fewer resources. Environmental health officer numbers have been reduced by 13%, cuts in inspections and enforcement activity increase risks of food poisoning and improper disposal of waste which just pushes costs onto other public sector bodies like waste disposal and the health service.

Staff are often limited to reactive work rather than prevention which would have long-term benefits not only for clients but will yield substantial savings in the future. Workloads have increased; this reduces time available for each client. This means that for staff building the relationships required to do their jobs properly is increasingly difficult. This also makes it hard to see when clients, for example those with mental health problems or chronic health complaints are deteriorating, this can lead to them falling into a costly crisis situation, when an earlier intervention would have saved a level of distress as well as substantial amounts of money. Budget cuts at the level experienced by local government put the Scottish Government’s welcome preventative spending strategy at serious risk.

### **New and extra charges**

Local Authorities are responding to budget cuts by looking raise incomes from other sources. A key route has been new and higher charges for services. The Scottish Government claims that the council tax freeze is “vital lifeline to hard pressed Scots”. This is not the case. The freeze disproportionately benefits the wealthy; while charges are being increased and services cut. Band H households are “saving” on average £441 per year while those in the cheapest homes (Band A) “save” £147 a year. Following anecdotal evidence

about increased charges UNISON undertook a freedom of information request to establish if councils were indeed looking to raise income in this way. The FOI request showed increased charging far outweighs the claimed savings. Rents in some areas are going up by over £900 per year. Other charges appear small but build up quickly on essential services which are used as often as every day. It's much fairer for everyone to pay a small amount extra in tax than have big increases in charges that bear no relation at all to ability to pay.

Discussions around the council tax usually use the Band D charge for comparison but the average bill rate gives a better idea of what people are actually paying. The average council tax bill in Scotland is £985 while the average band D charge is £1149. Band D in Glasgow is £1213, the average bill is only £953. Dundee City also has a higher than average band D charge, the average bill is £900. The average bill in East Renfrewshire is £1233 although their band D charge is £1126 and East Dunbartonshire has a band D of £1142 but an average bill of £1240. A 1% rise on average would cost £98.50, even on East Dunbartonshire the average rise would be £124: far less than extra charges are costing residents.

Rents: Since the council tax freeze stated in 2007 rents in Edinburgh have gone from £61.57 per week (for a three bedroom home) to £85.55 that adds up to £1237 a year extra. The average council tax bill in Edinburgh is £1098; the band D charge for Edinburgh is only £1169. A 3% rise there on average would have cost £330 instead social housing tenants face a substantial rise in housing costs. South Ayrshire rents have gone up by £870, the average council tax there is £1050 so even a 3% rise in council tax would have meant on average an extra £300. Tenants in Fife had a rise of £688 the average tax there is £931 so a 3% rise would have cost less than half the rent increase. Housing associations are not subject to FOI but data available on the Scottish housing regulator website shows that housing association rents have gone up by 4.8% in the last year alone. There is no freeze in housing costs for social housing tenants.

School meals: While those who qualify for free school meals are at least protected, lunch for the rest is going up by a third in some areas. Since 2007 meals in Argyll and Bute have gone from £1.60 to £2.10. An extra 50p per day per child soon adds up for families. A family with two children is paying £5 extra per week £200 for a school year. The average council tax bill in Argyll and Bute is £1037. In Orkney charges rose from £1.50 to £2.00 another £200 rise for working parents to find. Meals in Edinburgh were £2.15 in 2007 when the freeze started, they are £2.25 with a possible rise to £2.30, this 15p rise works out at £60 per year for a family with 2 children.

Day Centres: Councils are introducing charges for attendance at day centres for elderly and disabled residents: East Dunbartonshire is charging £10 a week (no matter how often you go), that is £500 a year. Falkirk has introduced a charge of £23.50 per visit for people with learning difficulties. Fife used to charge £2.80 per day; it increased to £3.13 with a further rise awaiting approval this year. That is an increase again of almost £60 a year. Scottish Borders have introduced a £2 per day charge. Even a weekly visit means an extra £100. Western Isles is planning to add £1.00 to their lunch charges for day centre attendees. £260 per year for five visits a week.

## Single Outcome Agreements and the National Outcomes

While it is hard to think of an outcome that local government is not directly involved in the use of the outcomes for monitoring or spending decisions is still not clear. UNISON agrees with the JRF report *Managing the Social Risks of Public Spending Cuts in Scotland* states “the SOA is both too narrow and too broad to facilitate mitigation of social risk”. The Scottish Government’s SOA (<http://www.scotland.gov.uk/Topics/Government/local-government/CP/SOA2012/SOAORep>) section on the website only has reports up to 2010-11. It is therefore difficult to judge whether this way of working is having any impact on the delivery of services, or how this is captured or measured.

UNISON does not believe that the new national performance framework has led to any meaningful change in the way performance is measured. UNISON is not aware of Scotland Performs updates or indicators being used in question/debates in the parliament. The outcomes and indicators do not seem to have become part of the discussions in parliamentary committees or the wider body of Scottish debate. UNISON has not found it useful in our policy development or analysis process.

On a very basic level the site is not user friendly or easy to navigate. The first page contains data from 2007; links down the side have to be used to find current performance. Current performance should surely be the first page.

Scotland Performs is not as similar to Virginia Performs as UNISON had hoped. The Virginia site, as well as providing easy visual indicators of overall performance against the state’s own objectives, it is also a gateway to whole ranges of data which allows citizens, researchers and policy makers to analyse the delivery of services and the states’ performance on a range of levels. Virginia Performs has easy to use data sets and graphics comparing Virginia to other US states and breaks down performance across the state. The site has links to state agencies and other bodies involved in achieving and indicators supporting research for those who wish to explore further and detail to support professional researchers and policy makers

UNISON does not find Scotland Performs to be a useful gateway to data about Scotland and its public services. The key indicators are mainly updated annually; there are time-lags between collection, analysis and appearing on the website. Most of the figures are only up to 2011 (For example cultural activity). Figures that are updated quarterly are easier to find and use elsewhere like ONS or Incomes Data Services. The most up to date sections are those on employment and GDP but again it is easier/quicker to access the agencies that produce these figures themselves that use Scotland Performs. Scotland Performs also doesn’t have links to these sources which would be useful if you wanted to get more detail or compare with other parts of Britain.

Scotland Performs doesn’t link the indicators to actual government programmes or initiatives or to other public bodies involved in delivering. In particular it would be useful to see some link to and discussion of the national indicators and targets and local authority Single Outcome Agreements. These too do not seem to be widely used.

There is no clear link between the Scottish Government Budget, its programme and Scotland Performs, neither physically as a web link on the site or in the discussion sections of the site.

There is a link to the Spending Review from 2011 and the Programme for Government 2011-12 on the front page but nothing up-to-date. The lack of connection is though more than a technical issue about the website. The performance framework doesn't seem to us to really link in to the detail of government initiatives. The framework doesn't provide a format for strategic planning or review of the ongoing work of the public sector or economy in Scotland in the way promised.

UNISON is supportive of initiatives like Oxfam's *The Human Kind Index* as a way of moving towards promoting the wellbeing of people rather than purely economic indicators as the progress for our country and holding elected representatives to account for their decisions. The Scottish Government was very positive when the report was published. UNISON would like to see more concrete steps taken to quickly move towards including something similar in their performance framework.

### **Public Sector Reform**

UNISON is concerned that the wider public reform agenda is becoming irrelevant to the choices face by those delivering services in local government. As stated authorities are focusing on statutory services and salami slicing budgets rather than reform. This is not surprising given the budget cuts they face. Good reform, as supported by the findings of the Commission on the Future delivery of public services, is bottom up, involving service users and staff in developing new approaches. This requires resources in terms of money but also staff time both of which are in short supply. Budget cuts mean that service providers are fire-fighting rather than engaging and planning.

While UNISON welcomes the Government's commitment to increased preventative spending, which will save money over time and impact positively on people's lives, there is still a substantial need for the services which support for many of our most vulnerable and in some cases dangerous services users. Budget cuts mean that those statutory services have to be paid for leaving non-statutory services, which many of the preventative services are underfunded. Across the range of services which local government provides staff shortages mean that workloads have increased, this reduces time available for each client. This means that for staff building the relationships required to do their jobs properly is increasingly difficult. This also makes it hard to see when clients, for example those with mental health problems or chronic health complaints are deteriorating, this can lead to them falling into a costly crisis situation, when an earlier intervention would have saved a level of distress as well as substantial amounts of money.

The demographic challenges Scotland faces pose a massive challenge for local government which provides the funding for the bulk of care services, for both the elderly and people living with disabilities. Local government also has to deliver on carbon reduction and recycling targets. Local government services also play a substantial role in tackling poverty and inequality, both in terms of actively mitigating their effects as well as reducing their prevalence. Schools, and nurseries, should play a significant role in supporting those from deprived background to mitigate the effects of their backgrounds on both their current circumstances and their long term ability to reach their potential. It is in these places that the need for support can be identified but unless there are resources and support to come into play once a need has been identified then for example the "named person for every child" will be unable to provide the support required. UNISON has been supportive of ensuring that children with disabilities can access mainstream education, this requires more than just

a space in a school. These children require a huge range of support in order to take up their school place and without adequate funding the policy will fail.

## **Equalities**

Despite official reports to the contrary, equal pay problems persist on a significant scale in the public sector - principally in local government. The issue has been the subject of detailed scrutiny by MSPs, most notably in the Local Government Committee report of June 2009. The 2009 report contained a number of recommendations designed to ensure that authorities eliminated discrimination, promoted equality and compensated employees for past losses. When viewed from a national perspective, none of those recommendations have been implemented in full.

Compensation for the pre-single status era was the most basic recommendation of the Local Government Committee in 2009, and yet UNISON was compelled to pursue this issue to the UK Supreme Court in June 2013. This has also incurred substantial legal costs for local government, wasted money that could have been spent delivering services. Our members still await compensation on these historic claims in a number of council areas. Perhaps more worryingly from a financial perspective, there is substantial evidence that discrimination endures in the new pay systems and a small minority of employers have paid further compensation for that reason. The majority of Single Status systems are the subject of legal challenge, the first legal challenge has succeeded and there is every indication that more success will follow. It is clear that there will be further strain on budgets throughout the spending review period, and the years beyond, unless the Government uses the budget setting process to encourage local authorities to adopt specific equality measures now.

In 2009 the local government committee recommended a way forward.

“The Committee therefore recommends that the Scottish Government enters into discussions with COSLA over the issue of regular reviews and equality-proofing for the future and that it gives all the necessary advice and support it can. Such discussions might also usefully include the Equalities and Human Rights Commission.”

And

“While it is not clear whether any such discussions took place, the Committee echoes the call from the Finance Committee in 2006, this time in relation to equal pay claims and recommends that all the relevant parties should be brought together to come to an agreement on how to deal with those cases in the system which are considered to be strong and that these discussions should be facilitated by the Scottish Government.”

The Scottish Government responded positively

“Scottish Government Response - The Scottish Government has encouraged COSLA to find a solution to this point and will continue to encourage COSLA to resolve issues as quickly as possible, for the benefit of all parties involved.”

And

“Scottish Government Response - The Scottish Government is happy to work with local government to improve and advance equality as we already do with COSLA and the Equality and Human Rights Commission.”

Women, who started their working lives when the Equal Pay Act was passed in 1970, have now retired and still we wait to fix the inequalities in the local government pay system. The

words need to be followed by actions. Through the budget process the Cabinet Secretary has the power to lead a move away from a compensation culture and towards an equality culture.

The equalities agenda is wider than equal pay. The Scottish Government needs to demonstrate they are actively using the specific equalities duties by involving TU's and other affected groups. UNISON is concerned that the use of Equality Impact Assessments is not being monitored or assessed. The equalities impact process is not mainstreamed into the process of evaluation in Scotland. The Audit Scotland report into managing early departures in the public sector doesn't mention gender or disability at all. The recent Wood Report into improving vocational education states that equalities issues will be dealt with in the second part of their report. This shows that equalities issues are still seen as an add-on to mainstream work rather than at the core of policy making and evaluation.

**Conclusion**UNISON members deliver a wide range of services in the public, community and private sector. UNISON is able to analyse and collate their experience as service users and staff to provide evidence to the committee. UNISON welcomes the opportunity to provide evidence to the committee.

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