

Briefing for MSPs

Response to the Scottish Government's Resource Spending Review Framework Consultation



The following briefing sets out for MSPs COSLA's response to the publication of the Scottish Government's Spending Review Framework Consultation via a summary of key points in six sections.

The Government Consultation is to inform how Scottish Government will prioritise its resources for the next three years. The three priorities are - to support progress toward meeting child poverty targets; to address climate change and to secure a stronger; fairer, greener economy.

In agreeing the COSLA Response Council Leaders also said that it is essential that there is meaningful long term, sustainable investment in Local Government to achieve better outcomes across these three priorities.

It is COSLA's view that a further priority is required to reflect on the importance of improving the wellbeing of individuals and communities – **"to ensure that everyone can live well locally"**.

Summary of Key Points

Section 1 – Priorities for Resource Spending

- **Local Government is the crucial partner** in addressing all three of the Scottish Government's Resource Spending Review priorities - *to support progress toward meeting our child poverty targets; to address climate change and to secure a stronger; fairer, greener economy* - and is integral to the role of improving outcomes for people across Scotland.
- It is essential that there is meaningful long term, sustainable investment in Local Government to achieve better outcomes across these priorities. Without meaningful investment, achieving these three priorities will be impossible.
- It is COSLA's view that a **fourth priority** is required to reflect on the importance of improving the wellbeing of individuals and communities – **"to ensure that everyone can live well locally"**. This additional priority can underpin and link the other three priorities.

- To enable people to Live Well Locally it is critical to address the social determinants of health and invest in the 'whole system' of which local government is a fundamental part.

Section 2 – Primary Drivers of Public Spend

- It is not immediately clear how the four drivers identified within the RSR Framework (*changing demographics, demand on the health service, public sector workforce, inflation*) link with the three priorities identified (*child poverty, climate change, the economy*).
- Local Government has borne the brunt of funding pressure for more than a decade, but the gap cannot continue be met by Local Government through further efficiencies.
- There are clear signs that health inequalities are worsening, however, funding to address this must be sustainable and not at the expense of core Local Government funding.
- There is a more compelling need to drive a focus on **greater investment upstream** to reduce demand on health and social care services, not just funding the NHS and continue to be reactive - **prevention is the key**.
- Pay and inflationary pressures need to be addressed in the RSR to avoid Local Government having to make job losses or lose highly trained and well-developed staff to other sectors, with service closure impacts within communities.
- Recovery from the COVID-19 pandemic is not listed as a driver and COSLA believes that this should be included.

Section 3 – Maximising the Value of the Public Sector Workforce

- The value of the public sector workforce will be maximised by ensuring staff are appropriately paid, skilled supported, and recognised for the critical roles they do.
- The Local Government workforce includes those doing the most poorly paid types of work, due in no small part to the continued downward pressure on core budgets. This is unacceptable and leads to poorer social and economic outcomes.
- To deliver on the RSR priorities there needs to be greater investment in and recognition of the workforce.

Section 4 – Maximising the Impact of Public Spending

- To maximise the positive impact of public spending there needs to be fair and sustainable funding to Local Government, and this must be a critical part of 'whole system' thinking and addressing the social determinants of health.
- The Local Government core settlement has seen a real terms reduction of 15.2% since 2013/14. Increasingly directed funding and pressure on core budgets mean that councils have limited flexibility decisions about local spend to ensure best use of resources based on local need and priorities.
- Multi-year settlements are required to maximise the positive and lasting impact of public spending. Resourcing on an annual basis is not a best value approach.
- There needs to be a greater understanding of the **opportunity cost of introducing new policies**, when they come at the expense of core funding.

- The focus must shift from input measures to truly outcomes focus. A focus on inputs and outputs drives behaviour and spending in ways that are not necessarily best value.
- There is a need to stop or change some things that are currently delivered from a national perspective, where they aren't required locally.
- Investing in prevention is critical to success.

Section 5 – Equality and Human Rights Impacts of the RSR

- Local Government is the key partner in the realisation of social, economic, and cultural rights. Local Government must receive fair and sustainable funding to support this and needs to be empowered to raise revenue to fund local services and infrastructure to support the realisation of rights.
- The ways in which resources are raised and allocated to support local delivery of services is crucial to the progressive realisation of human rights and our ability to invest in the most urgent and pressing needs within communities. This is a challenging and resource intensive objective to deliver.
- All spheres of government should be applying the principle of non-regression of rights which impacts both revenue raising and allocation – a key route to this is for Scottish Government to create the fiscal conditions to support and empower Local Government. Additional revenue raised by Local Government could be usefully used to fund the progressive realisation of rights, improving outcomes for individuals and communities.
- To address the inequalities and the gaps in the realisation of rights, there must first be analysis of where the greatest need is, and an assessment of how best this can be improved. For example, ensuring that there is gendered analysis and gendered budgeting.
- Scottish Government should align budgets to the National Performance Framework and the realisation of rights. There should be an analysis of current policy, legislation and the Scottish Budget to ensure that it is supporting the progressive realisation of rights.

Section 6 – Ongoing Engagement Around Resource Spending Plans

- A consultative approach to the RSR and a longer-term conversation about fiscal sustainability is welcomed, however engagement needs to be genuinely ongoing, meaningful, accessible and easy to understand.

Read COSLA's full response to the RSR here: [COSLA Response to the RSR | www.cosla.gov.uk](https://www.cosla.gov.uk/cosla-response-to-the-rsr/)