

# **Environment, Climate Change and Land Reform Committee**

## **Draft Budget 2020-21**

### **Written submission from COSLA**

#### **Introduction**

COSLA welcomes the opportunity to contribute evidence to the Environment, Climate Change and Land Reform Committee on preventative spend. Pre-budget scrutiny is an essential element of the Scottish budget process but no topic can be considered in isolation from the whole system it is part of.

In pre-budget scrutiny evidence, COSLA has written to all Committees across the Scottish Parliament on the specific questions posed but alongside specific evidence we urge Committees to consider the context of overall Local Government budgets. This is set out in COSLA's attached submission to the Local Government and Communities Committee.

#### **Local Government's Vision**

To ensure sustainable communities across Scotland, Local Government's unique role in designing and delivering the vital services which underpin and provide the lifeblood to communities must be recognised and invested in. The interrelated and collective impact of the everyday services delivered by Local Government directly affects all individuals and communities in Scotland.

Aligned to the National Performance Framework (NPF) and the core priorities set out in the Scottish Government's Medium-Term Financial Strategy, COSLA has agreed four priorities for its Spending Review campaign this year. The four priorities cannot however be considered or viewed in isolation and throughout this evidence we will stress these critical interdependencies. The four priorities are:

- Inclusive economic growth
- Improving Wellbeing
- Tackling child poverty
- Addressing climate change

Councils spend, plan, regulate, connect, educate, enforce, support, train and employ. Local Government is the only body operating across all the agendas that can impact on the lives of all our citizens and communities by coordinating the multi-faceted services they provide, tailored to the needs of individual communities and local authority areas.

To deliver on the NPF and the four priorities set out above, Scottish Government must choose to invest in Councils. Investment means no more cuts to the Local

Government core settlement and putting fiscal measures in place to ensure individual Councils are empowered and autonomous to make decisions at the local level. In contrast, recent settlements have seen reductions to core local authority budgets and increased central control of how budgets can be spent. This is putting not only Local Government's vision at risk, but the whole of the NPF and most

importantly is impacting on the lives of vulnerable individuals and communities in Scotland.

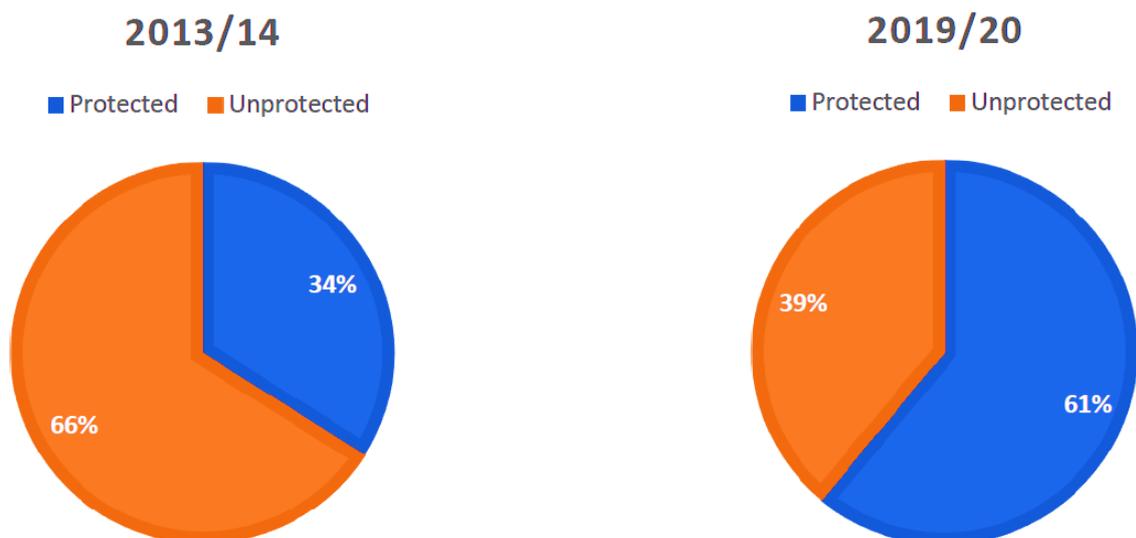
## The Role of Local Government

The unique reach of Councils across a vast range of policy areas will impact on Scotland's ability to have a carbon neutral economy by 2045 - from the businesses that Councils choose to support to the planning applications that are approved; from the types of houses and public buildings we build, to investment in sustainable public transport, roads and paths. This unique role has been recognised within the UN Paris Agreement when it is stated that **local action** is critical to success in tackling climate change.

Interrelated decisions about economic, planning, spatial and social policy will impact positively on the challenging targets but there will be tensions to work through that will require strong, consistent leadership and real empowerment. But investment in Local Government's critical leadership role is required to ensure a focus on the transition to a carbon neutral economy over the longer term, in a way that is inclusive and creates opportunities. However, the reality of the current financial context makes this increasingly difficult for Councils.

As explained more fully in the attached submission to the Local Government and Communities Committee, recent years have seen Local Government core budgets decrease while national priorities and initiatives have increased. The practice of investing in 'more' and 'new' commitments, without indicating what, out of the current budget priorities and statutory commitments can be disinvested in to accommodate those commitments means that core budgets reduce in the face of increased demand.

Predominantly, budgets which contribute to pro-active environment and climate change interventions sit within the non-protected areas of Council budgets. In the 2019/20 budget, a point was reached where 61% of budgets are protected as a result of national priorities and demand on services while only 39% unprotected – a shift in balance even since 2018/19.



Councils have no choice but to take any necessary savings from services areas that fall within the non-protected area of the budget and any cuts are amplified in these areas as a result. This fundamentally undermines local democratic accountability. A 2% cut in overall budgets becomes at least a 5% saving that has to be made from nonprotected areas. There is a gearing effect of 2.5 times – whatever the cut is, this is magnified in the services which fall in to the non-protected area of the budget.

These are the services which support wellbeing, infrastructure, the economy and the creation of sustainable communities. These are also the services which support areas fundamental to achieving environmental and climate goals like planning, public transport, active travel and more. The evidence is clear that already the impact of reducing budgets has been absorbed in large part here and cuts are being felt this year across communities in Scotland.

This has an inevitable impact on the ability of Councils to undertake pro-active and preventative work. Councils are now facing extremely difficult decisions - not about cuts to be made to services but about which services they may no longer be able to deliver. In this context, the budget and strategic capacity required for pro-active preventative spend is significantly constrained while Councils focus on providing statutory services.

The reality is that Councils cannot achieve all we or the Scottish Government might aspire to achieve if the Scottish Government does not invest in Local Government.

## **Conclusion**

In the course of pre-budget scrutiny, COSLA would urge the Committee to consider the overall Local Government Settlement as fundamental. There must be investment in Local Government to empower Councils to fully play the role only they can play locally as leaders in tackling climate change.