



The Scottish Parliament  
Pàrlamaid na h-Alba

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REDACTED - S.38(2)(b)

21st January 2019

Dear Cabinet Secretary

I am writing to follow up from the Local Government Committee where we had the opportunity to discuss the local government settlement with you.

As you know, from the response from local councils, the settlement will result in substantial cuts being made to frontline services across Scotland. This comes on top of last year's settlement, which also resulted in significant cuts being made to frontline services.

You acknowledged that the Scottish Government have set a number of priorities for some of the spend that has been allocated to local councils and said; "Those priorities will potentially mean deprioritisation of other things".

Labour believes this is a form of ring-fencing where you have set out, as COSLA stated in their evidence, £400 million of new Scottish Government policies funded at the expense of core local government budgets. This is why a majority of council leaders are stating that the settlement is much worse than they were expecting.

Now, we can argue about the rights and wrongs of bringing forward new spending commitments without bringing forward the funds to pay for them. However, the main point I want to make is that councils are having to, as you put it, "deprioritise" what in effect are core services including education, social care, youth services, refuse collections and leisure to name but a few.

The other point about this is that it is no longer an argument amongst politicians as these cuts are now very visible for most to see. Councils are not in a position where they can find efficiencies but are now cutting into core services that people and communities depend on.

I did note the point the First Minister made when I asked her about the cuts and she said where would you take the money from to put additional funds into local council services.

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I also note that when I asked you if there was any extra funding available for local council services as part of any deal with other parties you said you did not have much fiscal headroom left, but that you were willing to engage with other parties to get the budget through.

It would be very helpful in the spirit of that engagement if you were able to say how much more you can bring to the table.

As you know, James Kelly met with you and set out a number of asks that Labour would like to see implemented. James is clear that our key ask in terms of prioritising them is a better settlement for local council services.

I asked you in committee if you were satisfied that that you have done your job in looking for efficiencies in all Scottish Government budgets. I made the point that since 2013 local councils had taken a cut of 7.1% in their budgets whilst the Scottish Government had taken a cut of 0.8%.

I note from the budget documents that all departments are required to make a saving of 3% in efficiencies. Given the fact that council services have taken a disproportionate share of austerity cuts, and there is little in the way of efficiencies left in this area, I would ask that you consider redirecting the efficiencies from other departments within the Scottish Government budget.

Excluding Health and Social Care and Communities and Local Government, a 3% efficiency saving which you are making would bring in £338.9 million. It is my view these monies should be reprioritised into frontline services some of which are on the brink of collapse.

I note you say that 'all efficiency savings are available to be reinvested in the body that generates the saving'. However, by reprioritising frontline services this funding from efficiencies elsewhere will go a way to halting damaging cuts to local services.

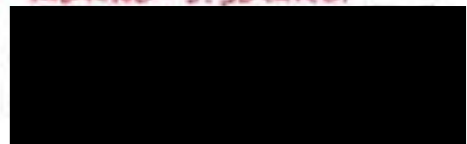
I also believe it will go some way to building a better partnership with local government in a drive to tackle the many issues faced by people and communities across Scotland.

I would be grateful if you could respond to the suggestions I have made. James Kelly has been very clear that Labour will work to support the government if we are able to secure protection against the worst of the cuts to local services.

I look forward to hearing from you.

Yours sincerely

Redacted - s.38(1)(b)



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