

Variation to order of business agreed.

10 The Council agreed to vary the order of business as hereinafter minuted.

Local Government Financing – Motion as adjusted approved, after division.

11 Councillor Bell, seconded by Councillor Alex Kerr, moved that:-

“Council notes the recent report by Unison “Councils on the Brink” which outlines the collective hole in Council financing across the UK of more than £4.3bn for the coming financial year, way beyond any previous estimates, and the cumulative figure will have risen to £8.5bn by 2026/27.

Council agrees that years of sustained austerity from UK Government has led to this financial shortfall and that we need to turn on the page on the destructive cuts and austerity of the past. Council agrees with the Local Government Association that the new UK Government must increase funding to councils to protect vital services and the communities we serve. Council urges the Chancellor to heed these calls.

Council calls on the UK Government to commit to the “significant seven asks” made by the Convention of Scottish Local Authorities (COSLA) during the General Election to respect and properly fund local authorities across these islands and instructs the Chief Executive to write to the Chancellor to outline these asks and seek her commitment to deliver on them”.

Councillor Redmond, seconded by Councillor Pidgeon, moved as an amendment that:-

(1) at second paragraph after “austerity from”, insert

“the previous UK Government has been to blame for this along with the mismanagement of local government budgets from the Scottish Government.”;

(2) after this, delete, “led to this financial shortfall”;

(3) after “austerity cuts of the past”, insert:

“as well as Scottish Government not providing adequate money for local authorities.” ;

(4) second paragraph should now read as:

“Council agrees that years of sustained austerity from the previous UK Government has been to blame for this along with the mismanagement of local government budgets from the Scottish Government and that we need to turn on the page on the destructive cuts and austerity of the past, as well as Scottish Government not providing adequate money for local authorities.”;

(5) next paragraph, after “communities we serve” insert:

“and this must be administered correctly at Scottish Government level so that this money comes directly to local communities.”;

(6) on second last paragraph, delete:

“Council urges the Chancellor to heed these calls”. ; and

(7) last paragraph after “Council calls on” insert:

“Both the UK and Scottish Government.”

Councillor Jon Molyneux, seconded by Councillor Hutchison moved as an amendment that the following be added at the end:-

“Glasgow City Council acknowledges the publication of the Accounts Commission’s “Transformation in Councils” report on 1st October 2024, which underscores the urgent need for transformation within local authorities to address current and future challenges. Council recognises the significant financial pressures faced by local authorities, exacerbated by increasing demands and limited resources. Council therefore expresses its support for both the findings and recommendations of the report and the sector-led transformation work which it highlights, which will be vital for the sustainable development and effective functioning of local councils.

Council maintains that adequate funding from the Scottish Government is essential so that local authorities can implement necessary transformations and continue providing high-quality services to their communities. Council notes the Commission’s finding that slow progress on the commitments in the Verity House Agreement (VHA) poses a risk to transformation, and that, “several actions, decisions and behaviours have challenged and risked undermining the collaborative vision of the VHA. These include the former First Minister’s announcement last October of a Council Tax freeze and the imposition of teacher numbers and learning hours.”

Council therefore calls on the Scottish Government to meaningfully recommit to the VHA and to demonstrate that by: (i) ruling out ever again seeking to dictate the setting of local taxes, (ii) dropping threats to impose its will on local decision-making by way of financial punishment or reactive legislation, and (iii) urgently delivering with CoSLA a fiscal framework that ensures fair and sustainable funding for local government.

Council believes that discussions around transformation should be driven by the need for better and more effective powers, as much as they are about being more efficient. Council therefore agrees that devolution of powers, including wide-ranging and generalised revenue-raising powers, and powers of general competence, would empower councils to better manage their resources and address local needs more effectively, and calls on the Scottish Government to take this forward with CoSLA. Council notes with concern that the joint working group on reforming the Council Tax has not met for over six months.

Council recognises the financial pressures facing the Scottish Government and believes that the best way to balance budgets while protecting services is through raising additional income rather than reducing spending. Council agrees that ideally local revenue-raising should provide additionality to local services rather than filling gaps created by reduced budgets, but recognises that following more than a decade of austerity leading to significant real-terms reductions in the value of Scotland's revenue and capital budgets, combined with significant cost pressures arising from the Covid pandemic, Brexit, the war in Ukraine and the impact of disastrous UK government budget decisions, Councils need urgent access to new revenue streams in order to maintain financial sustainability. In the immediate term, therefore, Council calls on the Scottish Government to commit to rapid delivery of new revenue-raising options for Councils in the forthcoming Scottish Budget. This should include, as a minimum:

- (i) building on the commitment in the 2024-25 Budget "to exploring the reintroduction of a non-domestic rates Public Health Supplement for large retailers" which are licensed to sell alcohol and tobacco. Council notes the research commissioned by Alcohol Focus Scotland, carried out by the Fraser of Allander Institute, which found that £57 million of additional revenue would be raised if the supplement was set at the prior level of 13p per £1 of rateable value, with £8.3 million of that revenue being raised in Glasgow City Council;
- (ii) setting out a timeline for implementing demand management measures linked to the national routemap to delivering a 20% reduction in car km. This should urgently clarify the legislative position for road user charging schemes and deliver whatever new or updated regulations are required to empower councils to implement charging orders, including 'at boundary' congestion charging schemes;
- (iii) repeating calls for the UK government to level the playing field for retrofit of existing buildings by scrapping the 20% VAT currently levied, and exploring the potential benefits and challenges of other financial measures which could help protect buildings and encourage refurbishment and development such as land and property-banking levies and a demolition tax;
- (iv) supporting the option included in the recent consultation on charging for single use cups to enable those revenues raised to be collected and managed locally by councils, which in the context of there being an estimated 388 million single use cups distributed annually in Scotland could provide substantial revenue to support local environmental improvements; and
- (v) enabling Councils to take decisions locally on the use of TIF and other mechanisms to enable the capture of increased value in land or properties following public investment.

Council acknowledges as important that the Accounts Commission makes clear in their report that such transformation in Councils must be part of ongoing engagement with citizens and communities.

Council agrees that the Leader will communicate this motion to relevant Scottish Ministers, CoSLA spokespeople, and other relevant stakeholders, urging them to take immediate action in response to the issues highlighted in Audit Scotland's report and to deliver greater fiscal autonomy to local councils."

During the debate Councillors Bell and Molyneux, with the agreement of their seconders, agreed to combine their motion and amendment, resulting in the following adjusted motion:

"Council notes the recent report by Unison "Councils on the Brink" which outlines the collective hole in Council financing across the UK of more than £4.3bn for the coming financial year, way beyond any previous estimates, and the cumulative figure will have risen to £8.5bn by 2026/27.

Council agrees that years of sustained austerity from UK Government has led to this financial shortfall and that we need to turn on the page on the destructive cuts and austerity of the past. Council agrees with the Local Government Association that the new UK Government must increase funding to councils to protect vital services and the communities we serve. Council urges the Chancellor to heed these calls.

Council calls on the UK Government to commit to the "significant seven asks" made by the Convention of Scottish Local Authorities (COSLA) during the General Election to respect and properly fund local authorities across these islands and instructs the Chief Executive to write to the Chancellor to outline these asks and seek her commitment to deliver on them.

Glasgow City Council acknowledges the publication of the Accounts Commission's "Transformation in Councils" report on 1st October 2024, which underscores the urgent need for transformation within local authorities to address current and future challenges. Council recognises the significant financial pressures faced by local authorities, exacerbated by increasing demands and limited resources. Council therefore expresses its support for both the findings and recommendations of the report and the sector-led transformation work which it highlights, which will be vital for the sustainable development and effective functioning of local councils.

Council maintains that adequate funding from the Scottish Government is essential so that local authorities can implement necessary transformations and continue providing high-quality services to their communities. Council notes the Commission's finding that slow progress on the commitments in the Verity House Agreement (VHA) poses a risk to transformation, and that, "several actions, decisions and behaviours have challenged and risked undermining the collaborative vision of the VHA. These include the former First Minister's announcement last October of a Council Tax freeze and the imposition of teacher numbers and learning hours."

Council therefore calls on the Scottish Government to meaningfully recommit to the VHA and to demonstrate that by: (i) ruling out ever again seeking to dictate the setting of local taxes, (ii) dropping threats to impose its will on local decision-making by way of financial punishment or reactive legislation, and (iii) urgently delivering with CoSLA a fiscal framework that ensures fair and sustainable funding for local government.

Council believes that discussions around transformation should be driven by the need for better and more effective powers, as much as they are about being more efficient. Council therefore agrees that devolution of powers, including wide-ranging and generalised revenue-raising powers, and powers of general competence, would empower councils to better manage their resources and address local needs more effectively, and calls on the Scottish Government to take this forward with CoSLA. Council notes with concern that the joint working group on reforming the Council Tax has not met for over six months.

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- (ii) setting out a timeline for implementing demand management measures linked to the national routemap to delivering a 20% reduction in car km. This should urgently clarify the legislative position for road user charging schemes and deliver whatever new or updated regulations are required to empower councils to implement charging orders, including 'at boundary' congestion charging schemes;
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Council acknowledges as important that the Accounts Commission makes clear in their report that such transformation in Councils must be part of ongoing engagement with citizens and communities.

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On a vote being taken electronically and by roll call, 27 members voted for the amendment, 45 for the motion as adjusted, with 3 abstentions.

The motion as adjusted was accordingly declared to be carried.