Spending review implications – Motion dealt with, after division.

13 Councillor Redmond, seconded by Bailie Siddique, moved that:-

"Council notes: the publication of the Scottish Government's Resource Spending Review covering the period up to 2026/27; that this document assumes that there will be no increase to the Local Government budget until 2026/27; and the initial analysis by the Fraser of Allander Institute which demonstrates that this amounts to 7% real terms cut to core Local Government spending.

Council recognises that Local Government is key to the achievement of many of the objectives set out in the Scottish Government's National Performance Framework and its objectives set out in the Scottish Government's Programme for Government; and recognises that early intervention is key to tackling longstanding inequalities and reducing demand on elsewhere on the public sector.

Council further notes that Unite, GMB and UNISON have all indicated that they intend to begin balloting their members for industrial action in response to an inadequate pay offer from COSLA.

Council believes that the assumptions contained within the Spending Review are unacceptable and will further harm our communities; that the needs of our communities cannot be met in full if Local Government spending power continues to be eroded and is disappointed that Local Government is not identified as a priority area.

Council further believes that the chronic underfunding of local services arises from decisions made at Westminster and Holyrood; and believes that this, combined with the deplorably low pay offer for 2022/23, undermines this Council's ability to respond to the emerging cost of living crisis and will likely place an even greater burden on already over-stretched staff.

Council therefore resolves to write to the Cabinet Secretary for Finance and the Economy outlining its deep concern at the implications of the Spending Review; and to invite the Cabinet Secretary to meet directly with a cross-party delegation of Elected Members and frontline workers of this Council to discuss the proposals."

Councillor Bell, seconded by Councillor Aitken, moved as an amendment that:-

(1) the following be deleted in the first paragraph:

from “and the initial analysis…” to “…spending” and replace with

“Council further notes that the spending review is a forecast and not a budget and therefore likely to be subject to considerable fluctuation; that the constraints of the devolution settlement in relation to public finance mean that it must be based on figures contained in the UK Government’s own spending

review and that the Scottish Government has very limited capacity to borrow to mitigate those figures; that its assumptions do not include decisions still to be made in Scotland about tax and public sector pay policy, for example; nor, as the Cabinet Secretary for Finance and the Economy noted in evidence to the Scottish Parliament's Finance and Public Administration Committee, do the assumptions include "the funding that is allocated to local government from parts of other portfolios" which are likely to contribute to "a significant uplift in future budgets."; and

(2) the following be inserted at the end of the third paragraph:-

"and understands that the new COSLA Resources Spokesperson has been mandated to make an improved offer of 5%, matching the offer already made to staff in Scotland's railways and Agenda for Change pay groups."; and

(3) amend the fourth paragraph as follows:-

"Council believes that were the assumptions contained within the Spending Review to be replicated without alteration or mitigation in future Scottish Government budgets, this would be unacceptable and would further harm our communities; that the needs of our communities cannot be met in full if Local Government spending power continues to be eroded and is disappointed that Local Government is not identified as a priority area. Council agrees therefore that it must take every opportunity to make the case that Spending Review forecasts are not the sole determinant of future Local Government budget settlements."

(4) the following be deleted from the fifth paragraph:-

"combined with the deplorably low pay offer for 2022/23"; and

(5) amend the sixth paragraph as follows:-

"Council notes that ongoing work on the revised Fiscal Framework will recommence following the Local Government elections and believes that this presents a clear opportunity for this Council to make the case for a better settlement and for maximised powers and flexibility for Local Government and Glasgow in particular. Council instructs the Chief Executive to write to the Cabinet Secretary for Finance and the Economy outlining its deep concern at the potential implications of the Spending Review; to seek further detail and assurances about transfers from other portfolio budgets to Local Government; and to invite the Cabinet Secretary to meet directly with a cross-party delegation of Elected Members and frontline workers of this Council to discuss the proposals."

Councillor Molyneux, seconded by Councillor Anderson, moved as an amendment that:-

(a) all after "period up to 2026/27;" in the first paragraph be deleted and replace with:-

"recognises that a spending review is a 'point in time' view of resource spending priorities, rather than a specific budget which takes into account block grant adjustments, UK spending consequentials, and changes to UK and Scottish tax policy; understands that the constraints faced by the Scottish Government in setting fixed budgets with limited borrowing and tax powers and condemns the Conservative UK Government's real-terms cuts to the Scottish budget while the Scottish Government still has significant expenditure related to Covid mitigation and recovery; nevertheless is concerned by the initial analysis by the Fraser of Allander Institute which demonstrates that the spending review assumptions, if enacted, would amount to 7% real terms cut to core Local Government spending."; and

(b) all be deleted after "…members for industrial action," in paragraph 3 and replaced with:

"and that further to that, COSLA Leaders have agreed to make an improved offer of 5%, subject to affordability, which will require additional funding from Scottish Government."

(c) delete all after "…Council believes" in paragraph 4 and replace with the following:-

Council believes that action must be taken to increase the resources available to local government in terms of direct funding and additional revenue raising powers, including progressive reform of local taxation and devolution of existing financial powers such as Non-Domestic Rates, and greater flexibility over how resources can be used, and that local government must be considered a priority area.

Council therefore resolves to write to the Cabinet Secretary for Finance and the Economy demanding action to increase the resources available to councils to spend on local priorities over the course of this parliament and to invite the Cabinet Secretary to meet directly with a cross-party delegation of Elected Members and frontline workers of this Council to discuss the proposals."

During the debate, Councillors Bell and Molyneux, with the agreement of their seconders agreed to combine their amendments as follows:-

"Council notes: the publication of the Scottish Government's Resource Spending Review covering the period up to 2026/27; that this document assumes that there will be no increase to the Local Government budget until 2026/27; Council further notes that the spending review is a forecast and not a budget and therefore likely to be subject to considerable fluctuation; that the constraints of the devolution settlement in relation to public finance mean that it must be based on figures contained in the UK Government's own spending review and that the Scottish Government has very limited capacity to borrow to mitigate those figures; that its assumptions do not include decisions still to be made in Scotland about tax and public sector pay policy, for example; nor,

as the Cabinet Secretary for Finance and the Economy noted in evidence to the Scottish Parliament's Finance and Public Administration Committee, do the assumptions include "the funding that is allocated to local government from parts of other portfolios" which are likely to contribute to "a significant uplift in future budgets. Council also condemns the Conservative UK Government's real-terms cuts to the Scottish budget while the Scottish Government still has significant expenditure related to Covid mitigation and recovery.

Council recognises that Local Government is key to the achievement of many of the objectives set out in the Scottish Government's National Performance Framework and its objectives set out in the Scottish Government's Programme for Government; and recognises that early intervention is key to tackling longstanding inequalities and reducing demand on elsewhere on the public sector.

Council further notes that Unite, GMB and UNISON have all indicated that they intend to begin balloting their members for industrial action in response to an inadequate pay offer from COSLA and understands that the new COSLA Resources Spokesperson has been mandated to make an improved offer of 5%, matching the offer already made to staff in Scotland's railways and Agenda for Change pay groups, and that this will require additional funding from the Scottish Government."

Council believes that were the assumptions contained within the Spending Review to be replicated without alteration or mitigation in future Scottish Government budgets, this would be unacceptable and would further harm our communities; that the needs of our communities cannot be met in full if Local Government spending power continues to be eroded and is disappointed that Local Government is not identified as a priority area. Council agrees therefore that it must take every opportunity to make the case that Spending Review forecasts are not the sole determinant of future Local Government budget settlements, through include action to increase the resources available to local government in terms of direct funding and additional revenue raising powers, including progressive reform of local taxation and devolution of existing financial powers such as Non-Domestic Rates, and greater flexibility over how resources can be used. "

Council further believes that the chronic underfunding of local services arises from decisions made at Westminster and Holyrood; and believes that this, undermines this Council's ability to respond to the emerging cost of living crisis and will likely place an even greater burden on already over-stretched staff.

Council notes that ongoing work on the revised Fiscal Framework will recommence following the Local Government elections and believes that this presents a clear opportunity for this Council to make the case for a better settlement and for maximised powers and flexibility for Local Government and Glasgow in particular.

Council instructs the Chief Executive to write to the Cabinet Secretary for Finance and the Economy outlining its deep concern at the potential implications of the Spending Review; to demand action to increase the resources available to councils to spend on local priorities over the course of this parliament, to seek further detail and assurances about transfers from other portfolio budgets to Local Government; and to invite the Cabinet Secretary to meet directly with a cross-party delegation of Elected Members and frontline workers of this Council to discuss the proposals."

On a vote being taken by calling the roll, 46 members voted for the combined amendment by Councillors Bell and Molyneux and 35 for the motion.

The combined amendment by Councillors Bell and Molyneux was accordingly declared to be carried.