

Fair Funding for Local Authorities – Motion as adjusted approved, after division.

12 Councillor Alex Kerr, seconded by Bailie MacLeod, moved that:-

"Council deplores the systemic economic mismanagement of the Scottish economy by successive UK Governments which has resulted in a falling standard of living; a decade of cuts to public services; and the loss of access to the European single market and all the benefits that come with that to both Scottish citizens and Scottish businesses.

Council notes with deep concern the increasing number of Councils in England, of all political persuasions, which have filed for effective bankruptcy due to over a decade of austerity caused by adhering to the "fiscal rules" imposed by the UK Government and backed by both major UK parties.

Council notes with particular concern the financial situation of Labour-run Birmingham Council which has been forced into effective bankruptcy due to underfunding from the UK Government and by failing timeously to settle an Equal Pay dispute. Council recognises a similar situation narrowly was avoided here in Glasgow through the early settlement of a similar Equal Pay dispute by the SNP Administration when it took office in 2017. It must be of the utmost concern that Birmingham, the biggest local authority in Europe, has ended up in effective insolvency, recently resulting to approving plans to increase council tax by 21% over the next two years and £300m of cuts to services including dimming the city's lights.

Council further recognises that since 2018, eight English Councils have declared themselves in effect bankrupt, including three others in the past 15 months, those being Nottingham, Thurrock and Woking.

Council considers these English Councils to be the "canary in the coal mine" warning of disaster, given that continued UK Government reduction in funding for English Councils' will lead to a consequential reduction in Treasury funding to the Scottish Government and therefore in money available to fund Scotland's local authorities.

Council supports the representations made by the Convention of Scottish Local Authorities (COSLA), in conjunction with the Northern Ireland Local Government Association, Welsh Local Government Association, Local Government Association (England), to the Chancellor of the Exchequer, as part of its Spring Budget lobbying campaign, to emphasise the extreme pressures being placed on Local Government across these islands.

Council resolves to join COSLA's calls for fair local government funding at a UK level to maximise the funding available for our communities.

Council firmly believes that the UK political system has proven itself incapable of delivering economic prosperity, increased living standards for its Scottish Citizens and protecting the public services upon which all rely.

Council further believes that Scottish Independence presents an exciting opportunity for a new model of Government for our country far better placed to deliver for those living and working in Scotland.

Council notes the considerable number of mandates already given for a further referendum on Scotland's constitutional arrangements and deplores the continuing undemocratic denial by successive UK Governments and political parties of the clearly expressed desire of the people of Scotland to be able to decide their own future.

Council requests that the Chief Executive writes on behalf of the Council to the Prime Minister, Chancellor, Leader of the Opposition, and the Shadow Chancellor to make clear our support for COSLA and the other Local Government Associations across these islands in their calls for a fair funding settlement for Local Authorities at a UK level. These letters also should make clear this Council's continued opposition to the undemocratic refusals by successive UK Prime Ministers to recognise the mandates in favour of a new referendum on Independence for Scotland and request a commitment now to respect the democratic wishes of the Scottish electorate.

Council further requests that the Chief Executive writes also to the President of COSLA to advise her of these communications and of our support of COSLA's joint campaign with the other Local Government Associations across these islands."

Councillor O'Neill, seconded by Councillor Brown, moved as an amendment that:-

(1) at the first paragraph:

(a) delete "Scottish", "successive" and "UK" to read as follows:

"Council deplores the systemic economic mismanagement of the economy by the current UK and Scottish Governments which has resulted in a falling standard of living";

(b) after "standard of living" insert the following:

"and more than";

(c) after "cuts" insert the following:

"Vital public services while Scottish taxpayers are expected time and time again to pay more to get less"; and

(d) thereafter delete to the end of the paragraph.;

(2) at the second paragraph:

(a) delete "caused by adhering to the "fiscal rules" imposed by the UK Government and backed by both major UK parties";

- (b) insert at the end:

“COSLA have argued that the local government settlement is £62.7million less than expected. This is a direct consequence of decisions made by the Scottish Government. In addition, the total for capital settlements in real terms fall of 24% when compared against capital funding for 2022-23.”;

- (3) at the third paragraph:

- (a) delete “notes with particular concern the financial situation of Labour run Birmingham Council and insert; “recognises the challenges faced by Birmingham City Council as the biggest local authority in Europe”;
- (b) delete “by failing timeously to settle an” and insert “its own”; and
- (c) thereafter delete to the end of the paragraph;

- (4) at the seventh paragraph:

- (a) insert “and Scottish” after “fair local Government funding at a UK”; and
- (b) insert the following new paragraph:

“Council believes that the current Scottish Government which has been in power for more than 14 years has held local government in absolute contempt. This has been demonstrated with year on year real-terms cuts to local governments funding, the continued centralisation of power in Edinburgh away from local communities and regularly curtailing the ability for democratically elected local councillors to make decisions in their local authorities.”

- (5) at the eighth paragraph:

- (a) after “firmly believes that the” insert “UK Conservative Government” and delete “political system”;;
- (b) insert “time and time again” after “has proven itself”;
- (a) delete “Scottish” after “increased living standards for its”; and
- (b) insert the following after “all rely”:

“Council welcomes the earliest available opportunity for a general election where Glasgow and Scotland can play a leading role in the election of a Labour Government that can once again transform lives.”;

- (6) delete the ninth paragraph; and

(7) at the tenth paragraph:

- (a) after “on behalf of the Council to the Prime Minister” insert “Chancellor of the Exchequer, First Minister and Deputy First Minister” and delete “Chancellor, Leader of the Opposition, and the Shadow Chancellor”; and
- (a) insert “and Scottish” after “fair funding settlement for Local Authorities at a UK” and delete the remainder of the paragraph.

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

- (1) after “Council resolves to join COSLA's calls for fair local government funding at a UK level to maximise the funding available for our communities,” insert the following:

“In contrast, Council notes the progress made in recent years in Scotland on devolving additional local revenue-raising powers, as well as new commitments to a timescale and process for significant reform of the Council Tax and to explore a general power of competence for councils. Council agrees these are welcome developments.

Council recognises that, in the face of financial pressures, it is the responsibility of local and national government to work together to develop and deliver proposals to maximise the income available to councils. Council welcomes steps which have already been taken, including the devolution of powers over Empty Property Relief for Non-Domestic Rates and variation of Council Tax rates on second and empty homes, and believes this direction of travel must continue. Council notes the recent decision to establish a new team within the Chief Executive’s Department to develop future income generation opportunities. Council believes that these powers ought to be used to the greatest possible extent in order to minimise the need to reduce the Council’s spending. Specifically:

- Council notes the Visitor Levy Bill currently going through Parliament and welcomes the recent statement by the Scottish Government that councils will have broad discretion on how revenue from the Levy can be spent. Council asks the relevant Convenor to write to the relevant Minister and lobby for this broad discretion to be confirmed in the relevant statutory guidance, and for the Bill to be amended for rate-setting powers over penalties to be devolved to local government.
- Council notes the Finance Secretary’s recent announcement that primary legislation will be brought forward devolving new powers to local government to vary council tax rates for second and empty homes beyond the current 200% ceiling. Following devolution of this power, and subject to agreement at a future Budget-setting meeting, Council expresses a desire to go far beyond the current 200% rate to make housing more accessible and affordable for people in Glasgow.
- Council welcomes the Deputy First Minister’s recent announcement that the Scottish Government will resource the work required to deliver the commitment, secured by the Bute House Agreement, to reform council

tax. Recognising that that process will be lengthy, Council supports the devolution of more power over council tax and non-domestic rates to local government, specifically around powers to set and vary relevant discounts, exemptions, supplements and multipliers. Council welcomes the commitment in the most recent Scottish Budget to consult on proposals to reintroduce a Public Health Supplement on non-domestic rates, and supports the introduction of such a supplement; Council therefore asks the relevant convenor and officers to respond in such terms to relevant consultations once they are published.

- Council welcomes the recent announcement by the Deputy First Minister to pursue greater devolution of powers over fees and charges to local government, such as the recently launched 'Investing in planning - resourcing Scotland's planning system' consultation on planning fee reform. Council asks officers to draw up a summary of their current understanding of fees and charges set by the Council and which have a statutory underpinning, with this to be detailed in a report to the relevant committee as soon as possible, in order to best inform the Council's understanding of the legislative landscape.
- Council welcomes the recent announcement by the Deputy First Minister to explore introducing a Power of General Competence for local government, recognising the need for this power to be limited to ensure fiscal prudence, and welcoming the opportunity this may bring to introduce new revenue raising opportunities. Council asks the relevant convenor to write to the relevant minister in such terms, and further hopes that all parties and all councillors will engage constructively in the ongoing reforms to local government powers, bringing forward their own detailed policy proposals".

- (2) after 'Council further requests that the Chief Executive writes also to the President of COSLA to advise her of these communications and of our support of COSLA's joint campaign with the other Local Government Associations across these islands.' insert the following:

"Council separately requests that the Chief Executive writes again to the UK Government and Scottish Government and to Opposition spokespeople regarding the impact of Home Office accelerated decision-making for asylum seekers, which is currently the Council's most significant financial pressure, for which it has received no direct assistance to date, and requests urgent action to address this."

Bailie Thomas Kerr, seconded by Councillor Daly, moved as an amendment to delete all and replace with the following:-

"Council condemns the Scottish Government for its consistent underfunding of local councils; and notes that the funding given to local authorities including Glasgow City Council has not risen as fast as the budget given to the Scottish Government from the UK Government. Council criticises the Scottish Government for recklessly wasting the record block grant they have received from the UK Government which has resulted in a £1.5 billion black hole in Scotland's finances; and believes that councillors here should be focused on the perilous state of Scottish councils'

finances rather than those south of the border. As such, Council calls on councillors to agree to focus on Glasgow's real priorities such as our housing emergency, the 450 teaching posts being cut from our schools and the ongoing deterioration of our city centre rather than wasting more time discussing the SNP's independence obsession."

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

"Council deplores the systemic economic mismanagement of the Scottish economy by successive UK Governments which has resulted in a falling standard of living; a decade of cuts to public services; and the loss of access to the European single market and all the benefits that come with that to both Scottish citizens and Scottish businesses.

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Council recognises that, in the face of financial pressures, it is the responsibility of local and national government to work together to develop and deliver proposals to maximise the income available to councils. Council welcomes steps which have already been taken, including the devolution of powers over Empty Property Relief for Non-Domestic Rates and variation of Council Tax rates on second and empty homes, and believes this direction of travel must continue. Council notes the recent decision to establish a new team within the Chief Executive's Department to develop future income generation opportunities. Council welcomes devolution of these powers and believes they should be used to deliver the best possible benefit for Glasgow.

Council commits to continued engagement with the Scottish Government on additional powers for Glasgow to ensure the unique needs of Scotland's largest city are explored in the short and medium term, including a Visitor Levy with broad discretion on revenue options, investigating going above the current 200% surcharge ceiling on council tax on second and empty homes, reintroducing a Public Health Supplement on Non Domestic Rates, greater short-term flexibility on Council Tax while work progresses on a replacement, options around reform of planning fees, and a Power of General Competence.

Council firmly believes that the UK political system has proven itself incapable of delivering economic prosperity, increased living standards for its Scottish Citizens and protecting the public services upon which all rely.

Council further believes that Scottish Independence presents an exciting opportunity for a new model of Government for our country far better placed to deliver for those living and working in Scotland.

Council notes the considerable number of mandates already given for a further referendum on Scotland's constitutional arrangements and deplores the continuing undemocratic denial by successive UK Governments and political parties of the clearly expressed desire of the people of Scotland to be able to decide their own future.

Council separately requests that the Chief Executive writes again to the UK Government and Scottish Government and to Opposition spokespeople regarding the impact of Home Office accelerated decision-making for asylum seekers, which is a serious and significant financial pressure for the Council, for which it has received no direct assistance to date, and requests urgent action to address this."

On a vote being taken electronically and by roll call, 32 members voted for the amendment by Councillor O'Neill, 2 for the amendment by Bailie Thomas Kerr and 48 for the motion as adjusted which was accordingly declared to be carried.