



# **Local Government Finance Inquiry**

## **Response to the call for evidence from the Local Government and Communities Committee**

**The UNISON Scotland submission to the Scottish Parliament's  
Local Government and Communities Committee on their call  
for evidence for their inquiry into local government finance  
September 2009**

## **Introduction**

UNISON Scotland has over 160,000 members in Scotland, over 100 000 of whom work in local government. We welcome the opportunity to provide evidence to the Scottish Parliament's Local Government Committee in response to the inquiry into local government finance.

## **Overview**

Public services in general and local government in particular are under pressure on a number of fronts. The economic crisis has raised demand for services at the same time as budget cuts and increased efficiency targets mean that fewer resources are available. There are already job losses and it is clear that there will be substantial cuts in jobs and services in the near future. Many seem to find this a cause for celebration. The current economic crisis has seen those who want to see public spending and taxes cut for ideological reasons claim that the public sector harms rather than supports the wider economy. There are daily attacks from think-tanks and organisations like the so-called Tax-Payers Alliance which get headline coverage in the media. They demand an end to so called feather bedded pensions, ridicule valuable jobs because of their titles, claim that highly paid public sector workers are overly protected from job cuts and repeat the economic myth that money spent on the public sector is waste.

The economic crisis was not caused by the size of Scotland's public sector and job losses in the public sector are not good for the economy. It only adds to the numbers of benefits' claimants and reduces the number of taxpayers. UNISON Scotland believes that this is in fact the time to support the public sector to ensure our economy and society can get through the crisis as quickly as possible.

## **Local Government Budgets**

Local Government budgets are under enormous pressure: income from land sales is falling because of the falling value of property/land; the recession also has an impact on family spending so revenue generating services are finding their income going down. Other services are experiencing an increase in demand and not just those who provide direct support to people suffering from job losses like welfare rights. People are making changes to their lives and turning to the public sector in a range of ways: Libraries are noting an upsurge in users for IT and books, people want allotments to grow their own food and news stories also seem to indicate that some are moving from private schools to the public sector.

In addition, in Scotland, the council tax freeze, business rate cuts and the increased efficiency target have added to the problems leaving local government under increased financial pressures with less control over their

finances. UNISON members are under pressure as job cuts and vacancy freezes increase the workload of those left to cope with the increasing demand.

All councils are involved in detailed discussions across departments about how to cope with these financial pressures. While there are few decisions made yet it is clear to our members that further cuts are on the way and substantial job losses are feared. This plus the attacks of the public sector in general are generating fear and uncertainty so further increasing the pressure that members are under.

Scottish Government figures indicate that there are 6700 less people working in local government than 2 years ago. This is a substantial job loss. If these people were all made redundant by a private employer there would be demands for swift government action. Instead in some places this is seen as a cause for celebration. Imagine if the job losses at Diageo were met with praise for the companies improved efficiency and commitment to value for money instead of the welcome support from media and politicians that they have in fact received. This is what our members are experiencing daily.

While so far there have been no mass redundancies in local government's own figures show that jobs are being lost. The information we have from branches shows that jobs are temporary contracts are no longer being renewed and vacancies are no longer being filled. This has a clear impact on service delivery and increases the workloads of those left behind to pick up the slack.

Scottish authorities are in the planning/discussion phase so a clear picture of the position across Scotland has yet to emerge. Some examples include.

The problems in **Aberdeen City** have had a great deal of coverage, including at least 200 teaching assistant posts being cut. The council reported 478 FTE job cuts in an earlier submission to Parliament finance committee.

**Dumfries and Galloway** council has not yet indicated that there will be job cuts but they are in the process of "reviewing vacancies" and few posts are being re-advertised.

The **East Ayrshire** council submission to the Finance Committee indicates that they expect to be making cuts in region of £6-10 million.

**Highland Council** plans cuts of £20 million next year and around £80million over 3 years.

**Glasgow** is drawing up plans for a 2.5% budget cut across all departments; it is as yet unclear how this will be achieved.

**Inverclyde** plans include the loss of 153 FTE posts over 2 years due to cuts of £8.759m.

**North Ayrshire** has a vacancy moratorium while they work out detailed plans to meet £8m in “efficiencies” and almost £6m in cuts.

**South Lanarkshire Council** is planning a number of savings across all areas. While they are currently at discussion stage in most areas there are some concrete proposals: following review of management structures 100 posts are to go; there will be reductions in frontline staff in the Home Support Partnership within Education Services and reduction of staff within Benefits and Revenue staff who deal with advice to claimants and tenants.

In **South Ayrshire** there are plans to cut around 200 jobs.

**Stirling Council** is planning to cut 30-50 administrative posts and 120 management/supervisory jobs and are freezing all vacancies.

### **Community and Voluntary Sector**

The impact of the budget pressures goes beyond the services that local government delivers directly. Many third sector organisations provide services having tendered for local government funding. Their overall budgets are being squeezed by the recession and are under pressure to cut costs in order to retain the delivery contracts. Providers of learning disability services have been asked by Glasgow City council to accept a funding cut of 7.5% in this year. Many charities already cross subsidise service delivery contracts from other funding streams. They have little room to manoeuvre without cutting services. In social care staff costs account for 75-80% of spending and therefore the only way to save money is to cut jobs or terms and conditions. Increasingly already low paid staff are being asked to do more for less. One large Scottish charity has served notice to over 2000 staff of their intention to dismiss and re-engage on inferior contract. UNISON is calling for a Fair Funding Charter to protect staff and service users. The charter calls for public sector to fund organisations sufficiently to ensure that staff can be employed on the same term and conditions as public sector staff and an improved contracting regime based on contracts of a minimum of 5 years.

### **Conclusion**

Local government finances are coming under enormous pressure. Budget cuts are already impacting on service delivery particularly in the voluntary sector. It is also clear that the situation is getting worse rather than improving. Local Government and the third sector are experiencing the slow pain of “death by a thousand cuts”. While this is not headline grabbing the impact on the services they provide and the people who deliver them will be significant.

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