



Inquiry into the Flexibility and Autonomy of Local Government

Response to the Call for Written Evidence from the Scottish Parliament Local Government and Regeneration Committee

**The UNISON Scotland Submission to the Scottish Parliament's Local
Government and Regeneration Committee**

March 2014

Introduction

UNISON is Scotland's largest public sector trade union representing 160,000 members delivering services across Scotland more than half working in local government. UNISON members deliver a wide range of services in the public, community and private sector. They are also service users, citizens and tax payers. UNISON Scotland, because of its democratic structures, is able to collate and analyse members' experience to provide evidence to inform the policy process. It is essential that their voices and those of all citizens are heard in the debates about Scotland's future. UNISON welcomes the opportunity to provide evidence to the Local Government and Regeneration Committee.

Evidence

UNISON believes that the public sector provides a means to both deliver services cost effectively and to allow citizens to participate in decision making and to engage with each other. Services must be designed through democratic process to ensure that they meet the needs of all citizens not just those with the most money or power. Local Government has developed over many years because the infrastructure and services needed to support citizens and the economy could not be provided by the market or charities.

UNISON supported devolution in order to bring decision making closer to ordinary people, to make it easier for them to influence the decisions. This requires more than the devolution of more powers to the Scottish Parliament; the parliament needs to devolve power further into communities. So far there is little evidence of this happening. The moves to national police and fire services will do nothing to give ordinary people influence over these essential services. The commitment to teacher numbers, tied to council tax freeze subsidy (and formerly police numbers), as well as the freeze itself means that power is flowing away from councils and therefore communities. Local government is local democracy. It needs proper investment so that it can engage locally with citizens to both decide what the issues are and how and what to deliver in response.

The questions are how do we drive change to make services responsive to citizens and does this require better ways of making the current structure work or do the structures need to change. The Christie Commission suggested bottom up change, but so far all we see is increased central command and control.

Does any action require to be taken to improve the level of public engagement and interaction with local government, if so please suggest what action might be beneficial?

The defining difference between public and private provision of services is democracy. This requires not just elections but ensuring that citizens can meaningfully participate in the decision making process. This requires decisions to be made as close to those affected as possible. Citizens also need adequate opportunities to influence the policy making and review process from start to finish. Not just a yes or no to plans. This means deliberate involvement is deciding the desired outcomes, framing the problem to be tackled and the methods used to achieve the agreed aims. All public bodies should have a statutory duty to meaningfully involve users as partners not customers in the decision making process. To facilitate this, organisational structures need to be decentralised to appropriate levels for each function.

Increasingly decision making in Scotland is being centralised. Local Government in particular is at real risk of becoming an administrative arm of central government. Scotland is already highly centralised by European standards with on average 1 councillor per 4270

people while France has 1 per 125. The basis for the proposals from organisations like Reform Scotland is that economies of scale created by centralising services but as there are real costs from failures caused when one size doesn't fit all. Top down solutions expect citizens to fit in to services rather than services respond to the needs of citizens.

In order to move forward we need to look at what citizen's want in terms of participation rather than what commentators, lobbyists and salespeople are promoting. The key findings from *For the Public Good*: Natan Doron and Andrew Harrap are:

- 62% of people thought that public services should be provided mainly or only by government
- People were concerned about the practical implications of an enlarged role for non-state providers
- 64% agreed that public services should not be run like a business but depend on the values and ethos of public good
- While increasing user choice was the third most popular method for improving services, allowing private companies and charities to deliver more was the least popular option. 53% thought that when a politician used the phrase "public service reform" it meant a lot of time and money being spent on reorganising. The public place a high priority on staff having more power to drive improvements:
- 59% thought giving staff more decision making power would improve services.
- 70% thought improved user voice would improve services.
- Information and communications about services are really important to people but only a small minority want to be involved in local decision making.

What is clear is that people are not asking to take over delivery of services; just to be heard. People want to be able to be part of deciding what the problem is not just "yes or no" to proposals.

Communities are not homogenous whether they are geographical or of interest. Even in small rural communities there will be differing needs and more and less powerful individuals. UNISON believes that empowering communities through increased participation is not about transferring assets or ownership of services to groups of people but about ensuring that citizens are consulted and listened to at all points of the process. This requires appropriate resources. These are not just financial. Though funding will be crucial, politicians and delivery bodies will need to develop and improve listening skills and tools in order to get people together to discuss issues and also to ensure that the voices of marginalised groups not just the most articulate and well resourced groups who are heard. Too much is focused of how citizens need to act in order to have more influence. Politicians and policy makers need to change the way they behave and who they listen to.

Privatisation and outsourcing limit the ability of communities to influence services design. Service level agreements and contracts are no substitute for democratic design and control of services. To improve public engagement we need to

- Bringing services back in house to ensure democratic control where ever the services are placed in a structure.

- Elected councillors/MSPs/MPs need to become more diverse too many are still male and white. Much more needs to be done to ensure that a wider range of people are able to take up these positions
- Local government needs to have more power over its finances. This includes a local tax base, regaining control over business rates and exploring new forms of borrowing like Tax Increment Finance and borrowing from pension's funds for capital spend.
- Spending decisions need to be made more locally and over a broader range of budgets. It cannot just be about local government budgets, people should have a say over **all** spending in their communities

Views on the current legal and funding positions of local government

Local authorities currently have a “power to advance well being”. The Westminster Localism Bill gives their authorities a “power of general competence”. Extending this to Scottish councils as well as a redefinition of Best Value could help free local authorities to make more innovative use of their resources including brown field sites. UNISON supports empowering local authorities in this way. We also support returning services from Quangos to local authorities where appropriate. This will enable local authorities to better integrate service provision in their area and coordinate community involvement in service design and delivery.

Audit Scotland reportⁱ that “councils face reducing budgets and increasing demand”. Councils have balanced budgets through cutting jobs but Audit Scotland point out that this is not sustainable in the long term if local authorities are to meet the challenges of increased demand particularly round the growth of the elderly population and those living with chronic illnesses and disabilities. Local authorities need more money, and power over more of that money. Local authorities now raise less than 20% of their own budgets. Central targets like teacher numbers also limit the scope for setting local spending priorities within their overall budgets. This is a relatively new development; until the 90s local government raised 50%. The “gearing effect” means that a 5% cut in central grant needs a 20% increase in council tax to maintain funding levels. The council tax was heavily subsidised when it was introduced in the wake of the failed poll tax. The removal of the subsidy along with the gearing effect created the big percentage increases in council tax in its early years. The freeze means that councils lose funding if they do not agree to the freeze so any increase in would also have to cover that loss of funding as well. Funding for the freeze has itself been stuck at £70 million per annum again cutting council budgets in real terms. Despite the problems caused by the council tax freeze authorities are reluctant to break it. Councils are introducing and raising charges to raise income but this is neither as fair as raising taxes nor as effective. Many people choose to no longer use a service when charges are introduced so income doesn't increase at all. Some charges can also lead to costs elsewhere for example an increase in fly-tipping after changes to bulk uplift charges.

UNISON believes that is a key function of the tax system to redistribute wealth but there is also a balance to be struck where local authorities should be able to have control over their finances and have some say over who and what gets taxed and how they use that money within their area as they are directly elected.

UNISON believes that a property tax is the best tax for funding local government as the direct link between your home and the authority and the service it provides is clear. More detail on this policy proposal is provided in [Paying For Local Government](#)ⁱⁱ. UNISON also

supports the return of business rates to local authority control. We do not support proposals for local income taxes as they increase the burden of taxation on ordinary workers and leave a large portion of wealth untaxed. Council tax benefit does not work properly particularly for those in work. Any new tax will need an appropriate benefit to support those on low incomes to meet their property tax bills, as this has now been devolved to the Scottish Government there are no barriers to the introduction of a new tax for local government. The fifty-fifty split in central/local fundraising seems to give the right balance between redistribution and local control.

Views on the way that remote, peripheral and island communities are accommodated within the local government structure.

UNISON does not believe that there is a one size fits all solution to local democracy. What works in a town and a city may not be suitable for rural and island communities. UNISON has argued against large scale reorganisation because of the costs and disruption involved. That does not mean that UNISON believes the current structures are ideal. Looking at international comparisons it can be seen that those countries like France without our concentration of population in an urban belt tends towards smaller village based units of government. There is a challenge though because smaller bodies lose some of the economies of scale provided by large bodies.

Many of those arguing to reduce the numbers of councils highlight the number of jobs that can be cut by having fewer authorities. Others argue that new technology particularly round IT based shared service solutions offer many of the savings without the disruption of reorganisation. So far though there are few (if any) examples of substantial costs savings in the public sector through large scale shared services. Any savings made through shared services tend to be by job cuts. The loss of public sector jobs in rural areas has a massive impact. Alternative secure employment is hard to find forcing many residents to relocate which in turn harms local private sector businesses and impacts on pupil numbers for village schools.

Smaller units of government may therefore be more suitable with public sector networks used across wider areas to support delivery of services in partnership where necessary for example transport or rural schools. What is essential is that it is the people in those communities who define the problems and design the solutions.

Views on the level of legal flexibility and autonomy from central government that local government enjoys

The Scottish Government's current policies are limiting the power of local government to implement its own agenda. This is not just the creation of national police and fire services. The council tax freeze limits local government's ability to make decisions about local spending. Central funding accounts for over 80% of local authority cash and with the council tax rate frozen local authorities are now working to a national agenda as set out in the Single Outcome Agreements. UNISON supported the changes which reduced much of the ring fencing of local authority grants but budget cuts coupled with proportion of council budgets tied up in meeting commitments like teacher numbers mean that in effect budgets are still largely spent on national priorities with very little flexibility.

Local authorities are directly elected and therefore should have much more autonomy to respond to the needs of their citizens.

Conclusion

UNISON is Scotland's largest public sector trade union representing over 160,000 members delivering services across Scotland. UNISON supported devolution in order to bring decision making closer to ordinary people, to make it easier for them to influence the decisions. This requires more than the devolution of powers to the Scottish Parliament; the parliament needs to devolve power further into communities. So far there is little evidence of this happening. Local Government, itself has less and less autonomy to deliver local solutions. Local government is local democracy. It needs proper investment so that it can engage locally with citizens to both decide what the issues are and how and what to deliver in response. Local authorities need to regain control over a greater share of its finances in order to respond to local needs. We therefore welcome the opportunity to contribute evidence to the Local Government Regeneration Committee on the flexibility and autonomy of local government and look forward to participating further in the future development of public services.

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ⁱ An overview of local government in Scotland 2014 Audit Scotland March 2014

ⁱⁱ Paying For Local Government UNISON Scotland http://www.unison-scotland.org.uk/localgovt/PayingforLocalGovernment_UNISONdiscussionpaper_Nov2013.pdf