Introduction

1. COSLA welcomes the opportunity to contribute evidence to the Equalities and Human Rights Committee on funding to third sector organisations that deliver national equalities and human rights priorities. Pre-budget scrutiny is an essential element of the Scottish budget process, but no topic can be considered in isolation from the whole system it is part of.

2. In pre-budget scrutiny evidence, COSLA has written to all Committees across the Scottish Parliament on the specific questions posed but alongside specific evidence we urge Committees to consider the context of overall Local Government budgets. This is set out in COSLA’s attached submission to the Local Government and Communities Committee.

Local Government’s Vision

3. To ensure sustainable communities across Scotland, Local Government’s unique role in designing and delivering the vital services which underpin and provide the lifeblood to communities must be recognised and invested in. The interrelated and collective impact of the everyday services delivered by Local Government directly affects all individuals and communities in Scotland.

4. Aligned to the National Performance Framework (NPF) and the core priorities set out in the Scottish Government’s Medium-Term Financial Strategy, COSLA has agreed four priorities for its Spending Review campaign this year. The four priorities cannot however be considered or viewed in isolation and throughout this evidence we will stress these critical interdependencies. The four priorities are:
   - Inclusive economic growth
   - Improving Wellbeing
   - Tackling child poverty
   - Addressing climate change

5. Councils spend, plan, regulate, connect, educate, enforce, support, train and employ. Local Government is the only body operating across all the agendas that can impact on the lives of all our citizens and communities by coordinating the multi-faceted services they provide, tailored to the needs of individual communities and local authority areas.

6. To deliver on the NPF and the four priorities set out above, Scottish Government must choose to invest in Councils. Investment means no more cuts to the Local Government core settlement and putting fiscal measures in place to ensure individual Councils are empowered and autonomous to make decisions at the local level, to respond to local priorities and challenges. In contrast, recent settlements have seen reductions to core local authority budgets and increased central control of how budgets
can be spent. This is putting not only Local Government’s vision at risk, but the whole of the NPF and most importantly is impacting on the lives of vulnerable individuals and communities in Scotland.

**The role of Local Government in delivering national equalities and human rights priorities**

7. Local Government is committed to delivering on equalities and human rights priorities and this is fundamental to all that Local Government does. Local Government’s unique role in delivering services which work to support the most vulnerable to achieve these priorities includes a variety of work such as:
   - Tackling poverty and inequalities faced by vulnerable migrants
   - Tackling inequalities faced by Scotland’s Gypsy / Travellers
   - Supporting families in poverty and ultimately helping them out of poverty
   - Tackling social isolation and loneliness

8. This work is crucial if we want to deliver on the National Performance Framework and Local Government’s core shared priorities of inclusive economic growth, improving wellbeing and tackling child poverty.

9. Councils and the third sector work together in a variety of ways that can impact positively on equalities and human rights at a local level:
   a. Through Community Planning Partnerships (CPP) and other key strategic partnership groups such as Children and Young People’s Planning Partnerships, where the Third Sector may take the lead on tackling a particular local issue e.g. LGBT in schools;
   b. Through Service Level Agreements (SLA) and commissioning/contracting arrangements e.g. for the provision of counselling for young people, community capacity building for older people or the provision of advice services to tackle poverty and financial exclusion.

10. However, funding of third sector organisations falls predominantly within the “unprotected” portion of Council budgets. In the 2019/20 budget, a point was reached where 61% of Local Authority budgets are protected as a result of national priorities and demand on services e.g. social care while only 39% unprotected – a shift in balance even since 2018/19.

11. Councils have no choice but to take any necessary savings from service areas that fall within the non-protected area of the budget and any cuts are amplified in these areas.
as a result. These are the services which support wellbeing, infrastructure, the economy and the creation of sustainable communities. The evidence is clear that already the impact of reducing budgets has been absorbed in large part here and cuts are being felt this year across communities in Scotland.

12. This fundamentally undermines local democratic accountability. A 2% cut in overall budgets becomes at least a 5% saving that has to be made from non-protected areas. There is a gearing effect of 2.5 times – whatever the cut is, this is magnified in the service areas which fall in to the non-protected area of the budget. This means that the ability of Councils to maximise partnership work with the third sector – at both a CPP and a service delivery level - is disproportionately impacted by cuts to the Local Government budget.

13. Councils realise the impact that these measures have on individuals and communities, but limited resources mean that these are the extremely difficult decisions facing local authorities across Scotland. This includes local decisions about commissioning and contracting.

14. COSLA fully recognises the pressures and impacts experienced by third sector organisations in relation to year-on-year cuts, and the benefits that longer-term certainty of budgets can bring. These are exactly the points that COSLA makes to Scottish Government in relation to Local Government funding. With only one-year settlements for Local Government, Councils are not in the position to guarantee longer-term budgets for partners. The impact of cuts can, therefore, cause unpredictability of short-term funding arrangements and make it difficult for these organisations to plan for the longer term which can impact on our ability to deliver locally in relation to CPP Local Outcome Improvement plans, on the NPF and other equalities and human rights priorities.

Conclusion

15. While the work of Local Government in achieving equalities and human rights priorities can and does have positive impacts on our communities and on the most vulnerable, this can only be maximised if Local Government is invested in.

16. In the course of pre-budget scrutiny, COSLA would urge the Committee to consider the overall Local Government Settlement as fundamental to specific consideration about funding to third sector organisations that deliver national equalities and human rights priorities.