

Local Government Overview 2023

Introduction

The 2023 Local Government Overview Report, prepared by Audit Scotland for the Accounts Commission, is the third and final report in a series on the impact of the Covid-19 pandemic.

It looks at how well placed councils are to deal with current and future challenges. It warns “councils have never faced such a challenging situation, with demand and workforce pressures deepening after the Covid-19 pandemic and funding forecast to reduce in real terms.”

The report notes that funding of local government has not kept pace with other parts of the Scottish budget for many years. (As UNISON has regularly highlighted.) It says radical change through greater collaboration is urgently needed and the promised Scottish Government ‘New Deal’ agreement with the Convention of Scottish Local Authorities (COSLA) is essential for more certainty of funding, greater transparency and more flexibilities for councils.

Exhibit 3.

Scottish Government revenue funding to local government (in real terms) and year-on-year percentage change, 2013/14 to 2023/24



Source: Audit Scotland 23 Loc Gov [Overview Report](#)

Tim McKay, acting Chair of the Accounts Commission, said: “The New Deal for local government, agreed between the Scottish Government and COSLA, is long overdue. Putting this in place will give councils longer-term financial stability, supporting them to make decisions and make the fundamental changes that are urgently needed. Councils have gone beyond the point where making savings is enough.”

KEY POINTS:

- Council finances and workforce under severe strain and funding forecast to fall in real terms
- Accounts Commission says Scot Gov/COSLA ‘New Deal’ is key for change planning
- Some communities face crisis with shocking child poverty and homelessness
- Pressures on councils are deepening after the pandemic, not easing



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“If the change needed doesn’t happen now, some services will continue to get worse or deeper cuts will be made. This will impact communities and individuals that are already at crisis point with the effects of inequality and persistently high poverty.”

COSLA President Shona Morrison said in response to the report that councils are the most transformative and collaborative part of the public sector and should be further empowered to support local service delivery. She said the ‘New Deal’ “will enable more long-term planning, more transparency in the budget setting process and a reduction in ring fenced funding for national priorities which constrains councils from making decisions about how to best use money to address the needs of their local communities.”

Workforce and National Care Service

The Accounts Commission’s 2022 social care briefing found recruitment and retention challenges and high vacancy rates. The situation has worsened. The social care 2021 vacancy rate was 8.1%, up 3% on 2020. (The Scotland wide 2021 vacancy rate across all sectors was 1.9%.) The report notes that National Care Service (NCS) plans “are uncertain and divide opinion”, with immediate concerns in the sector being that current issues (e.g. workforce / financial sustainability) are in a critical state and need to be addressed now.

Overall, local government staff worked under unprecedented strain during the pandemic to adapt and maintain services and support communities. That same workforce is still under pressure. Despite a focus on wellbeing, overall absence levels for non-teaching staff in 2021/22 were the highest on record. The Improvement Service highlight stress and burn-out as contributing to high absence levels.

Communities and councils face crisis

Some communities face crisis, with shocking child poverty and homelessness, including record numbers of children living in temporary accommodation. Pressures on councils are deepening after the pandemic, not easing: “Councils need to radically rethink how they can work together, and with local partners, to provide services and meet wider ambitions to tackle climate change, child poverty and inequalities.” The report says increasing cost pressures jeopardise the sustainability of local services, with some chief executives “concerned about the sustainability of councils” given this and forecasts of future funding reductions. UNISON has also warned of this about NCS plans.

Further reading

There is a range of potentially useful information in the report for branches, with links to case studies across a range of scenarios. The report makes recommendations on finance and resources; community needs and inequalities; collaboration; leadership; and workforce.

Additional reading

- **Audit Scotland Local Government 23 Overview**
https://www.audit-scotland.gov.uk/uploads/docs/report/2023/nr_230517_local_government_overview.pdf
- **Scot Gov/COSLA ‘New Deal’**
<https://www.gov.scot/news/a-new-deal-for-local-government/>
- **BBC report on ‘Overview’**
<https://www.bbc.co.uk/news/uk-scotland-65610095>
- **COSLA ‘Overview’ response**
<https://www.cosla.gov.uk/news/2023/local-governments-strong-record-on-transformation-and-collaboration-across-public-services>



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