



Radical Options for Scotland and Europe

For public ownership and democratic control

Briefing 55 February 2023

Confederation of Scottish Local Authorities statement on funding cuts and Scottish government control over education budgets 7 February 2023

Council Leaders reacted with great disappointment to the Scottish Government's cutting of Local Government's funding on the one hand whilst at the same time legislating/intervening to prevent headlines showing the unpalatable consequences of those cuts.

Councils are unanimous that attainment is not just about teacher numbers, especially in areas where school rolls are declining, and depends also on a wide range of other council services and support staff. Accordingly, councils must be left with the flexibility to manage their inadequate budgets to minimise the impact on attainment and the other services the public depend upon. To do more than this will require the Scottish Government to provide additional funding, not more restriction.

Council leaders were clear that Local Government wants to protect education. Councils want to continue to improve the attainment and achievement of children and young people, whilst also retaining the teachers and support staff that are required to do this. It's the Budget which is putting these things at risk, not Local Government.

COSLA said that the reality is that Scottish Government Budgets over a decade have left us with a funding crisis in Local Government the likes of which have never been seen before.

Commenting today in a joint statement COSLA's Presidential Team said: "The timing and approach of the Scottish Government's latest move undermines the democratic mandate of Local Government and is a U-turn on previously agreed flexibilities for councils over their budgets.

COSLA comment on the National Care Service Bill 9 February 2023

The National Care Service Bill has clearly caused great concern across Scottish civil society, reflected by today's letter from a breadth of organisations. With our care services facing immense pressures, COSLA Leaders too have asked for the NCS Bill to be paused so that investment in our front-line services can take priority over disruptive structural reforms. We hope the Scottish Government will reflect on this important intervention from key partners.

£125m extra allocated end February by UK government from Barnett consequentials Fraser of Alander Institute 24 February

The post-budget allocation of £125m amounts to 0.8 percent of the combined budget for Social Justice, Housing and Local Government of £18 billion

Corporate Energy Profits for 2022

Oil and Gas - Shell: £27 billion; BP £27 billion;
Harbour Energy (biggest NSea producer) \$4 billion; Centrica £3 billion
Coal - Glencore (Swiss-based) \$38 billion.

Resolution Foundation: comparative report on British economic growth

The report issued on 3 February 2023, part of the Economy 2030 Inquiry, examined productivity and incomes in Britain compared to other OECD countries. Productivity growth, closely associated with investment in either equipment or training, has been running at just 0.4 percent a year since the 2008 financial crisis, half the level of 25 richest states in the OECD. The productivity gap with Germany, France and US is now near 20 percent. Average household incomes are now around 10 percent lower than in the three comparator countries.

Statistics from the EU

	EU percent	Germany	France	Italy
Inflation Jan 2023	10.0	9.2	7.0	10.7
Food inflation	18.4	20.5	14.4	12.5
Growth Q4 2022	0.0	-0.4	0.1	-0.1
Unemployment	6.1	2.9	7.1	7.8

EU clashes with the US on the poaching of EU firms

On 5 February the EU Commission issued a formal request to the EU 'to stop making aggressive overtures to European companies to relocate to the US'. It requested 'a mutual understanding to avoid a subsidies race'. A joint French and Germany delegation was agreed.

EU Parliament: petition for the reform of the 2014 EU Directive regulating Public Procurement

160 MEPs (a minority of the total) have supported a petition from the trade union UNIEurope for an amendment that would require observance of minimum labour conditions for public contracting. Currently this is not included. The directive controls up to €2 trillion contracts annually, equivalent to 15 per cent of EU GDP. A majority are decided on the basis of 'maximum economic benefits'. This has enabled contractors to enforce labour conditions including mandatory self-employment, no pension rights and even no entitlement to toilet breaks.

EU Commission approves a €1.1 billion State Aid submission from Germany for a subsidy for rail companies

24 February 2022 European Commission: Decision to approve Germany government proposal to provide up to €1.1 billion to provide subsidies to those train companies using electric current for traction.