

Government announce funding of £10.85bn for councils

✘ The Deputy First Minister and Finance Secretary John Swinney announced almost £11 billion of funding for councils across Scotland this week. This money will be paid over in the financial year 2015-16 and yet again the government is recommending a freeze on council tax.

The Scottish Government says it is providing an overall funding settlement and package of measures to help maintain and develop the services on which the people and businesses of Scotland depend.

The Order will seek Parliament's approval for the distribution and payment of £9.8 billion out of the revenue total of almost £10 billion, with the remainder paid out as specific grant funding for which separate legislation already exists and other funding to be distributed later.

The Deputy First Minister said:

“In 2015-16, the Scottish Government will provide councils with a total funding package worth over £10.85 billion to deliver services that enrich our nation.

“This Government has worked closely, and will continue to do so, with councils to agree an overall funding settlement and package to help maintain and improve these services.

“The Scottish Government is focused on securing economic growth, tackling inequality and protecting our public services and it's great news for Scottish households who will be spared a raise in council tax for the eighth consecutive year.

“The £70 million to fund the council tax freeze will be added to individual local authority settlement totals for those

councils who agree to freeze council tax in 2015-16. This will be made available in a further Order that I will bring to this Parliament next month.

“I will also use the second Order to distribute the funding for the Discretionary Housing Payments amounting to £35 million for next year which will enable this Government to fully mitigate the effects of the UK Government’s imposition of the spare room subsidy or bedroom tax and any further changes required as a result of the teacher numbers funding arrangements. I will also use the second Order to switch the £11 million between non domestic rates and general revenue grant as set out in the Budget Bill yesterday.

“This Government has been clear and consistent in our commitment to maintain teacher numbers. We know that the quality and capacity of our teaching workforce is critical to ensuring every child and young person has the best possible education and an equal opportunity to succeed.

“To help ensure delivery of the teacher numbers commitment, and in recognition of the general budget pressures authorities are facing, I announced yesterday a further £10 million for 2015-16 – a figure proposed by COSLA – in addition to the £41 million previously allocated to support this commitment.

“In order to protect that investment in teacher numbers this total resource of £51 million will only be available to local authorities on a council by council basis if they are prepared to sign up to a clear commitment to protect teacher numbers. Clearly any council that chooses not make and deliver on that commitment will not benefit from that funding. We will continue discussions on the delivery of the teacher number commitment with partners, including local government.

“In December, I confirmed that we will continue to match the English poundage rates for 2015-16 and reaffirms this Government’s commitment to maintaining the competitive

advantage enjoyed by Scottish businesses since 2007.

“As a result of our decision to match the UK Government’s cap on the business rates poundage increase to 2 per cent, as explained yesterday I have allocated a compensating amount from the associated Barnett consequential to match this reduction in income. By reducing the distributable Non Domestic Rates and increasing the General Revenue Grant total by the same amount will ensure that all 32 local authorities receive exactly the same total funding as set out in the Order before Parliament today.

“Our extensive package of business rates reliefs also continues, worth around £618 million in 2015-16, offering enduring support for Scottish businesses. And our Community Empowerment Bill proposes the power for councils to offer further rate reliefs in their local areas.”

The Community Empowerment Bill is at Stage 1 on its journey through Holyrood.

One council leader has reacted to the pronouncement on teacher numbers which he views as an eleventh hour change by the Finance Secretary by asking to see him.

The Leader of Renfrewshire Council Mark Macmillan has given a firm commitment to protect teaching numbers across local schools.

Cllr MacMillan said:

“This announcement will not sway us from improving our pupil:teacher ratio. We have already increased the numbers of teachers in our peripatetic nursery and Looked After Children teams and want to do more.

“However, I have written to John Swinney today outlining my concerns and demanding an urgent meeting. The fact is that this cash pot will deliver only seven extra teachers for

Renfrewshire once shared across the 32 councils.

“This is a huge issue not just for Renfrewshire but all councils across Scotland. We want to go further than maintaining teacher numbers, we want to increase them. But to give an idea of the scale of the problem, Renfrewshire Council would need £10.5m pounds alone to replace the teachers which have been lost under John Swinney since the current government came to power.

“We face the situation we do today because of the current Government’s failure to accurately predict the future demand for teachers and shore this up with sufficient training opportunities.”