

Extra funding promised for councils

The Scottish Government has announced a package of extra funding for councils which could be worth up to £750 million, and which has been agreed in partnership with COSLA.

To address the financial pressures caused by the pandemic over the next two years, councils will be granted additional spending powers which could be worth around £600 million.

In addition to this, a Lost Income Scheme will be established to help compensate councils and council trusts for lost sales, fees and charges from services such as sports centres and parking charges.

Councils and their trusts will have access to an estimated £90 million of funding with council trusts delivering services on behalf of councils able to receive a share of a further £49 million of support through the scheme.

Added to additional funding already committed, this brings the value of the overall COVID-19 support package for councils to more than £1 billion.

Finance Secretary Kate Forbes said: "I have been clear that The Scottish Government needs appropriate fiscal levers in order to respond effectively to the Covid-19 pandemic. That is equally true for local government, which is why I am very pleased that we have been able to deliver a package of support

for local services worth up to £750 million.

“Working in partnership with COSLA, the Scottish Government has delivered on our commitment to support councils across Scotland with a game changing package of financial flexibilities, giving them the powers they need to make informed decisions about spending at a local level.

“In addition, we are close to finalising the details of additional financial support through a Lost Income Scheme, worth an estimated £90 million subject to confirmation of the funding from the UK Government. For trusts delivering services on behalf of councils this can also be topped up with £49 million of additional funding already confirmed.

“This support will help councils and their trusts manage the loss of income they are facing from local services due to Covid-19.

“These measures are excellent examples of how the Scottish Government is working together with COSLA and local authorities to ensure that we are doing everything within our power to save jobs, protect our public services and reboot our economy.”

COSLA’s Resources Spokesperson Cllr Gail Macgregor said: “We welcome this substantial package of measures from which councils can choose, depending on local circumstance.

“Responding to Covid-19 whilst continuing to deliver essential, everyday services has put extreme pressure on Local Government finances this year. The pandemic has also meant substantial losses of income across a range of council services including leisure, sport, culture, and planning. Balancing budgets will be a real challenge and this has been fully recognised by Scottish Government who we have worked with constructively and positively.”

Cllr Rob Munn, interim Finance and Resources Convener, said:

“For many months we’ve been working closely with COSLA and the Scottish Government to push for the powers and funding Edinburgh needs, so I’m pleased that our calls are being listened to. The Finance Secretary’s commitment will see us provided with more flexibility in how we respond to the financial impact of the pandemic so that together, we can better protect our public services and support our City to recover from Covid-19.

“This extra support is of course alongside the £23m we have already received, which will go some way towards our budget gap caused by the pandemic but not all. We will still face challenges as a Council in order to address the ongoing costs of Covid-19.”

Cllr Joan Griffiths, Vice Finance and Resources Convener, said: “It’s thanks to our positive discussions with COSLA and their perseverance that these additional measures have been brought forward and – while all of this financial support is very welcome – Edinburgh is still left with a significant gap.

“As the Capital our contribution to the Scottish economy as a whole relies on strong and sustainably funded public services to support people, businesses and communities equally, so we must continue to call for the support we need. It is our absolute priority to protect our services, our residents and our workers as far as we possibly can as we continue to respond to this emergency.”

Johanna Baxter, UNISON Scotland head of local government said: “We welcome that the Scottish government has listened to our representations about the financial crises in local government. But the announcement today does not solve the problem. Much of this funding has already been announced and the package of support is only ‘worth up to £750m’ if local authorities use all the ‘fiscal flexibilities’ set out. And all the fiscal flexibilities do is kick the can down the

road. It's like increasing the limit on your credit card – the debt is still there and will still have to be addressed. We have already seen £2bn taken out of local government over the last decade. Coronavirus has caused a double whammy of extra demand for services and the substantial loss of income. Jobs and services remain at risk and while we welcome constructive discussions with The Scottish Government we need a long-term commitment to local government services”