

# **Brinksmanship as Scottish Government promises more funding for councils**

**Just before the day that The City of Edinburgh Council agrees its budget for the next year the Deputy First Minister, Shona Robison, has announced further funding of £62.7 million for Scottish local authorities.**

Ms Robison has held discussions with COSLA and the government says that this award means the total funding for councils has now reached the highest level on record.

As well as this the government will also pay a further £17.7 million in a General Revenue Grant and will pass on the Barnett consequential of £45 million. While this is ring-fenced for Adult Social Care in England it will not be restricted when paid over in Scotland.

Council Leader, Cammy Day, said in response to the letter to Council Leaders: "Potential' back down from the SNP/Green government 'potentially' provide a trickle more funding to local authorities after COSLA demands more. An email from SNP/Green government and acceptance that council tax freeze is NOT fully funded."

Finance Convener, Mandy Watt conceded that this extra funding means that the council tax freeze is almost fully funded, but

not quite.

Cllr Watt said: “More money for councils is always good news. But the not so good news is that Ms Robison is to pass through what they called Barnett consequential from a decision that’s been made by the UK Government.

“For each council in Scotland, it’s actually not a lot of money, depending on how it’s divided across councils.”

She explained that out of the £45.5 million from Barnett consequentials, Edinburgh will receive around 8%, so around £3.5 million could be available to the council out of that pot. But she said: “We’ve got a £67 million gap in our adult health and social care provision. So while £3.5 million (and the other funding) will be welcome, it doesn’t really touch the sides.”



# The text of the letter to all councillors in Scotland is as follows:

Dear Councillors

Further to our recent discussions, including the conversation with the First Minister on Friday 16 February, and following your correspondence received on 19 February 2024, the First Minister and I have discussed COSLA's position on the Council Tax Freeze and the Local Government Settlement more generally.

We have reflected on the view of Leaders that, in that context, the £147 million allocated to fund the Council Tax Freeze is not sufficient, in particular COSLA's position that the General Revenue Grant is £62.7 million lower than last year. We have also heard your call for a compromise to be reached, as reiterated in my meeting with the Vice President, Cllr Hagmann and Group Leaders this afternoon.

In the light of these discussions, I am prepared to commit that, subject to the overall funding position improving following the UK Government's Spring Budget on 6 March, the Scottish Government will not only pass through to local government the £45 million expected as a result of the recent announcement on ring-fenced Adult Social Care funding in England, and any consequentials received for increased teacher pension contributions, but we will also increase the local government General Revenue Grant by a further £17.7 million.

As I stated in our meeting earlier today, the £45 million which is expected as a result of Michael Gove's announcement on adult social care funding, is being passed through to local government in Scotland as general revenue funding. We are not imposing the same conditions on the use of that funding, or compelling councils to produce productivity improvement plans

as part of that package.

In making this decision we will be allocating an additional £62.7 million to councils in Scotland for them to use as they see fit. In the context of the wide range of demands on the Scottish Budget and challenges across the public sector, I consider that this is a significant offer of compromise.

It will mean that the £147 million in funding allocated will be wholly additional funding. This compromise, in the spirit of honest and constructive discussions we have had in recent weeks, represents a significant protection and improvement in the funding position for local government, which no other portfolio is benefiting from. It is also a demonstration of our commitment to the Verity House Agreement. In return for this significant compromise, I reiterate the position that the funding is conditional upon the freezing on the Council Tax.

It is also my intention that the funding for a Council Tax Freeze will be baselined in future years into the General Revenue Grant for all councils which agree to freeze their Council Tax in 2024-25.

I would highlight the priority placed on Local Government in recent years. Since the Resource Spending Review was published, Ministers have been required to take very difficult in-year decisions including the Emergency Budget Review in 2022-23 and more recently an in year budget savings exercise in 2023-24. Councils were not only fully protected from the challenging decisions taken in those processes but with the addition of the £62.7 million confirmed today, the core Local Government resource budget in 2024-25 is now over £730 million higher than the £10,616 million position published in the Resource Spending Review.

In addition, the Minister for Local Government Empowerment and Planning has today communicated to relevant councils our intention, subject to the funding position after the Spring

Budget, to increase the Islands Cost of Living fund by £4 million. We have been listening closely to the island authorities, communities and businesses, and have recognised the needs of islands throughout this budget. This further step is being taken in recognition that there is a review underway led by COSLA and the Improvement Service on the Special Islands Needs Allowance, but that review will take time to complete. This is a small step but one which we hope will aid the island authorities to support their communities in the short term.

Finally, two further matters were raised in my meeting with Group Leaders earlier today and which I committed to clarifying.

Group Leaders raised with me their views about the need for a dialogue on teacher numbers and the wider education workforce, it is my view that the proposed Education Assurance Board needs to be rapidly established and begin its work to best enable those discussions to take place. A date for the first meeting of that Board should be identified as soon as possible.

In addition, in respect of delegation of services under the National Care Service, I can confirm that there is no intention to consider the requirement for the delegation of homelessness services as part of the NCS. We are committed to ensuring a clear interface between social care reform and other initiatives designed to support those experiencing or at risk of homelessness, and the letter simply intended to restate that commitment.

I trust that this confirmation on funding supports those councils still to make a decision on their Council Tax and budget setting in that process, and that the clarifications above help us to move the discussion on other matters forward in the spirit of the Verity House Agreement.

**Shona Robison**