

West Lothian's Council leader warns of "tough decisions" on Council Tax following budget

West Lothian's Council leader has warned that "tough decisions" on Council Tax will follow the Scottish budget announced on Wednesday.

Labour's Lawrence Fitzpatrick welcomed the decision to abandon the Holyrood imposed tax freeze and restore the power to set levels locally but warned that freedom did not provide a magic wand to solve burgeoning costs facing councils.

"Tough decisions will have to be made, either way," he said.

His comments echoed those by the head of the Local Government Information Unit in Scotland who said that many councils would be dismayed to see how much funding is ring-fenced by Holyrood and that the majority of councils are "hanging by a thread."

In February this year West Lothian's finance officers had recommended a council tax rise of 5.9%. Some neighbouring councils had suggested 10% to 15% increases.

The freeze announced in Autumn 2023 by then First Minister, Humza Yousaf cost West Lothian more than £1m extra than it had budgeted for.

Responding the Local Democracy Reporting Service today (Thursday) Councillor Fitzpatrick said: "We will be seeking

clarity from the Scottish Government on the true impact of their 2025/26 budget on West Lothian over the next few weeks.

“It’s not clear at this stage how much of the funding for local government will come to West Lothian, or how much will be ring-fenced for Scottish Government priorities. The vast majority of our funding, around 80%, comes from the Scottish Government.

“Early indications are that this funding will not be enough to cover the rising costs of delivering essential services, such as homelessness and adult social care.

“Local government has been underfunded for a number of years. The imposition of eight years of Council Tax freeze and the impact year on year of inflation have undermined our financial base.”

He added: “We welcome the confirmation that any changes to council tax will be left to the discretion of councils this year.

“It’s vital that the democratic role of local councils is respected, and elected members who have been voted in to represent their area have the flexibility to set their local council tax levels if they wish.

“Once we have full details of the budget settlement, it will allow us to move forward with our own process for setting a balanced budget in February 2025, which will include setting council tax.

“We appreciate that increasing council tax could increase the strain on some already hard-pressed local families and not increasing it will lead to more drastic cuts to vital services, so tough decisions will need to be made either way.

“Due to Council Tax freezes imposed by the Scottish Government and poor financial settlements have already reduced the value

of the money we raise directly.

Council Tax provides 19% of our funding for vital council services that West Lothian residents rely on, such as schools, roads, recycling, social care and much more.”

Delivering her budget on Wednesday the SNP Finance Secretary said Scottish councils will receive a record funding settlement.

Shona Robison said: “In 2025-26, the Scottish Government will increase local authority funding by more than £1 billion.

“It will take their total funding to over £15 billion, including £289 million to give real terms protection to the general revenue grant.”

Earlier this week Jonathan Carr-West, Chief Executive, LGIU Scotland, said: “We know from our annual survey that local government finances in Scotland are hanging by a thread. One in four councils are afraid they won’t be able to pass a balanced budget next year. Three quarters are warning that they may not be able to do so within the next five years. Today’s Budget from the Scottish Government does not engage with the scale of that challenge.

“The Scottish Government has responded to the concerns of councils and has removed the freeze on council tax rises, but the Cabinet Secretary’s expectation that record funding levels should mean councils do not need to put up council tax is too complacent.

“The truth is that even with the additional funding announced today, local authorities will still need to raise council tax and make cuts to services and will still edge closer to being unable to balance their books.”

By Stuart Sommerville, Local Democracy Reporter