

From COSLA Presidential Team and Group Leaders



22 December 2023

Shona Robison MSP
Deputy First Minister and Cabinet Secretary for Finance
Scottish Government
St Andrews House
EDINBURGH
EH1 3DG

Via Email – dfmcsf@gov.scot

— Dear Shona,

Thank you for your letter of 19 December setting out details of the proposed Local Government finance settlement for 2024/25.

As you are aware, COSLA Leaders met today to discuss the Scottish Budget and Local Government Settlement for 2024/25. Leaders expressed their disappointment with the draft Budget settlement for Local Government and have asked for us to write to you to highlight significant concerns.

At first analysis, the draft settlement for Local Government is significantly short of what is required to even stand still. This will have far-reaching and severe implications for every community in Scotland and poses a real threat to essential local services and the Local Government workforce. It is also regrettable that all the necessary detailed information on the Settlement was not made available to local authorities after the Budget was published, unlike previous years. While we knew that the draft Local Government Circular would not be published until 21 December, information is usually made available to COSLA and Directors of Finance on a strictly confidential basis to enable early checking of any issues and to start getting a handle on inevitably complicated budget movements. This is particularly acutely felt this year given the proximity of the Budget to the festive holidays.

In our [‘Councils are Key’](#) document, we set out the challenges that Councils are facing and the huge potential they have to unlock the best for our communities if they are funded properly. We set out that Local Government requires £14,377m revenue and £838m capital funding just to stand still in 2024/25 and anything less will force Councils to make even more tough choices and cuts to services in the coming months. After further analysis, COSLA published an updated [Budget Reality](#) last night.

Leaders request that the Scottish Government urgently reconsiders the Local Government quantum and now engages in meaningful negotiations to improve our funding position and protect the essential services that our communities rely on. The Budget in its current form could result in service cuts, job losses and an inevitable shift to providing statutory services only. This means potentially losing libraries, leisure centres and all the things that improve our lives and wellbeing.

Leaders also call for the removal of all ringfencing, including that which is both explicit and implicit, in the Settlement and to abide by the spirit and the letter of the Verity House Agreement.

COSLA's initial analysis of the draft settlement shows that the Council Tax Freeze is not fully funded. Given the shortfall in core revenue funding, the £144m revenue offered for a freeze is immediately worth less. Leaders wish to reaffirm the position that the decision on Council Tax can only be made by each full Council and it is therefore for each individual Council to determine their own level of Council Tax.

Leaders are also concerned about the impact that some of the decisions which have been made in the budget will have directly *and* indirectly for Local Government and communities. In particular, we are concerned about the impact of cuts to the Affordable Housing Supply Programme particularly in light of the housing emergency declared by many councils and the contribution this makes to tackling poverty, which as you know is a shared priority. We are also extremely concerned that as it stands, the budget will make tackling poverty in its widest sense, addressing climate change and reforming public services more challenging than ever before.

Leaders noted your invitation to consider adjustments to the Floor. However, there is a need for budget stability and certainty for 2024/25 and making changes to that which has now been published would not provide this. We therefore request a meeting with you and relevant Scottish Government officials to discuss the future operation of the Floor in relation to the **2025/26 Budget**, with an initial report coming back to Leaders no later than September 2024.

In your letter on 19 December, you sought agreement from COSLA to commit publicly to exploring options for a national indicative rate or range of rates for the Early Learning and Childcare PVI sector. Leaders have asked COSLA officers to work with civil servants to fully understand the implications of this before proposals are brought back to Leaders in due course.

We hope that you will consider the issues raised in this letter as a matter of urgency.

Yours sincerely,



Councillor Shona Morrison
COSLA President



Councillor Steven Heddle
COSLA Vice President



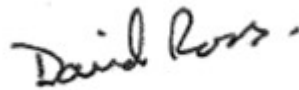
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**COSLA Scottish Liberal Democrats
Group Leader**



Councillor Alys Mumford
COSLA Greens Group Leader



Councillor Douglas Reid
COSLA SNP Group Leader



Councillor David Ross
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Group Leader**