

Scottish Local Government Finance Statistics 2024-25

SG/2026/20

3 February 2026



Scottish Government
Riaghaltas na h-Alba

How much did local authorities spend on services in 2024-25?

Revenue expenditure is the cost of delivering services each year.

Gross service expenditure is total expenditure on services in year minus internal transfers.

Gross service income is total income authorities receive from services, such as service specific grants or income generated through fees, etc.

Net revenue expenditure is gross service expenditure minus gross service income. It reflects the amount of service expenditure to be funded by general funding or reserves.

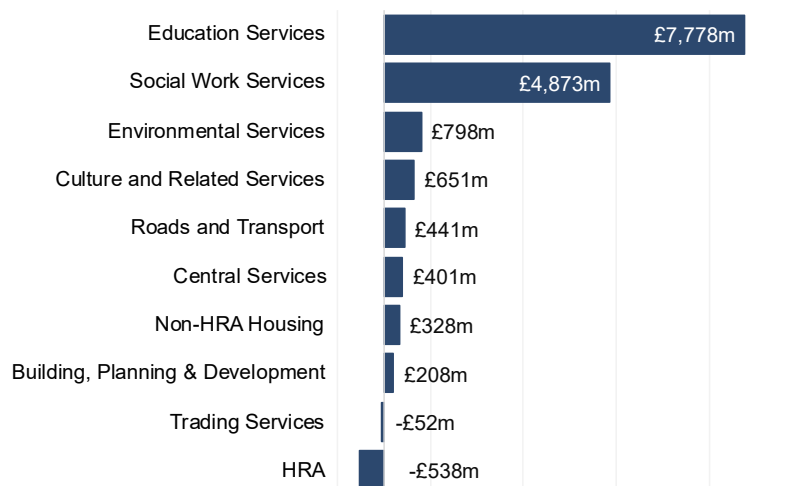
How did local authorities fund services in 2024-25?

General funding is largely made up of the **General Revenue Grant (GRG)**, **Non-Domestic Rates (NDR)** and **Council Tax**.

Local authorities use general funding to meet their net revenue expenditure on services and any other revenue expenditure that is not directly related to services, such as repayment of debt.

In 2024-25, local authorities' expenditure was **more** than their general funding. This deficit was taken from local authorities' reserves.

Net Revenue Expenditure in 2024-25 by service, £ millions

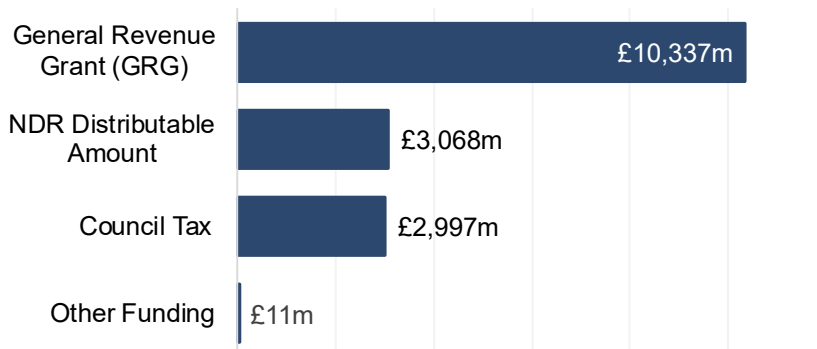


Gross Service Expenditure £25,852 million

-Gross Service Income -£10,965 million

Net Revenue Expenditure £14,887 million

General Funding in 2024-25 by source, £ millions



General Funding £16,412 million

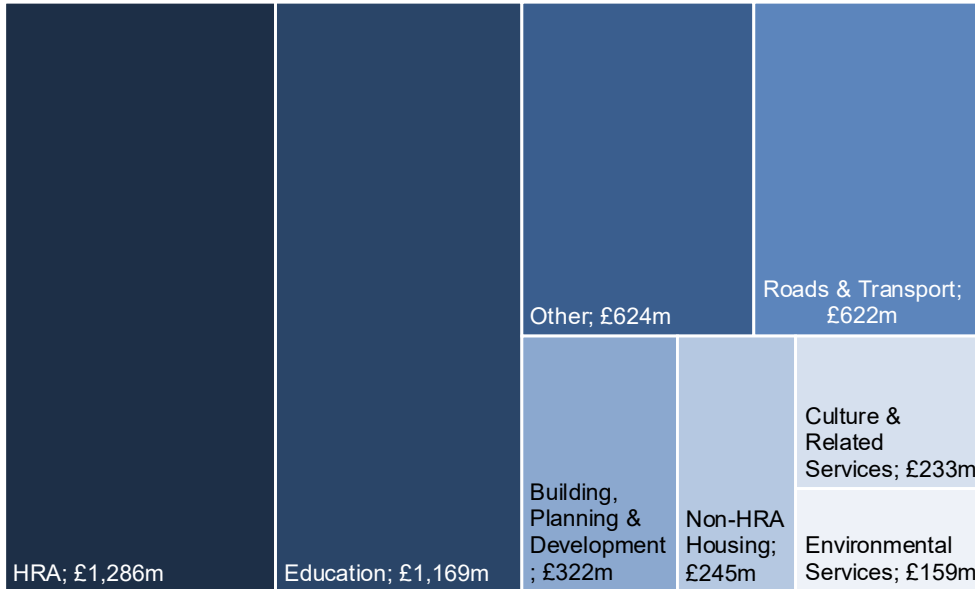
Net Revenue Expenditure -£14,887 million

- Non-Service Expenditure -£1,844 million

Deficit taken from Reserves -£318 million

Capital Expenditure in 2024-25 by service, £ millions

Please note 'Other' includes Central Services, Other Services, Social Work and Trading Services.

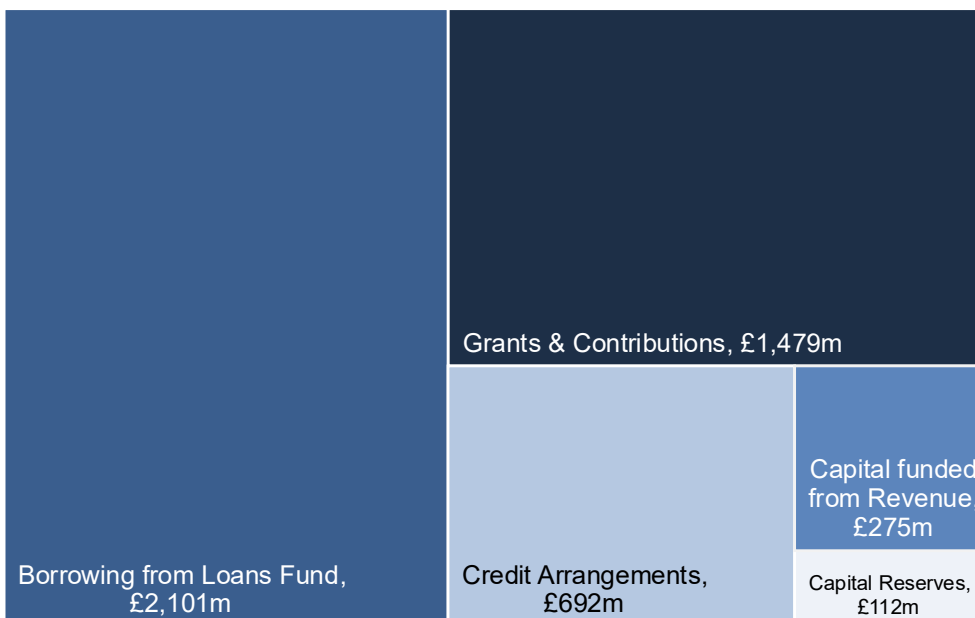


What was the value of capital investment in 2024-25?

Capital expenditure is expenditure that **creates** the **buildings and infrastructure** necessary to provide services, such as schools, flood defence, roads and vehicles.

Capital expenditure also includes **capital grants or loans to third parties** funded from borrowing.

Total Capital Expenditure = £4,659 million



How did local authorities finance the £4,659 million of capital expenditure incurred in 2024-25?

Local authorities can finance capital expenditure in a number of ways. The main sources of financing in 2024-25 were:

- **Borrowing;**
- **Grants & contributions,** including those from the Scottish Government;
- **Revenue funding,** and;
- **Capital reserves.**

Credit Arrangements feature due to the implementation of IFRS 16. More detail can be found in Chapter 3.

What reserves did local authorities have at 31 March 2025?

Usable reserves are local authorities' surplus income from previous years. This can be used to finance future revenue or capital expenditure.

The **General Fund** is the main usable **revenue** reserve, although there are other reserves that local authorities may be able to use. There are also two usable **capital** reserves.

What debt did local authorities have at 31 March 2025?

When a local authority borrows money or uses a credit arrangement to finance capital expenditure, a **debt** is created.

Local authorities have to repay this debt from future revenues.

In 2024-25, local authorities **repaid** £591 million of debt.

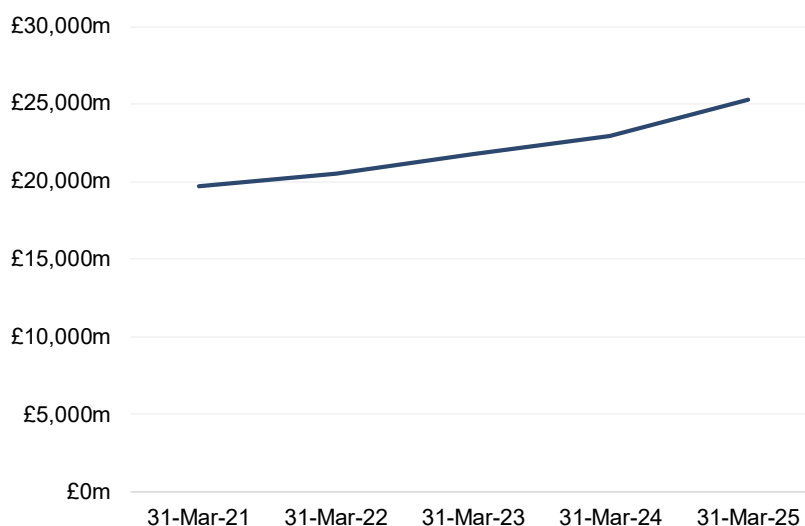
Usable Reserves as at 31 March 2025, £ millions

'Other' revenue includes the Insurance Fund.



Usable Reserves as at 31 March 2025: £3,931 million

Total Debt at 31 March 2021 to 31 March 2025, £ millions



Total Debt as at 31 March 2025: £25,296 million

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1. Introduction

Local authorities are responsible for delivering a wide range of services, including education, social work, transport, housing, environmental services and cultural services. In Scotland, local government is primarily comprised of **32 councils**, the boundaries of which are shown in [Annex A](#). There are also:

- **ten Valuation Joint Boards (VJBs)**, who provide valuation services to councils. Primarily, VJBs maintain the valuation roll for non-domestic properties and the Council Tax valuation list for domestic dwellings. These are then used as the basis for local taxation billing liability.
- **seven Regional Transport Partnerships (RTPs)**, established to lead on regional transport strategy and delivery by the Transport (Scotland) Act 2005.
- **the Tay Road Bridge Joint Board**, which is responsible for the operation, management and maintenance of the Tay Road Bridge.

Most of these additional boards are the collective responsibility of two or more councils – a list of local authority joint board membership is provided at [Annex B](#). The Tay Road Bridge Joint Board comprises councillors from Dundee City, Fife and Angus, however finance is provided directly from the Scottish Government.

This publication provides a comprehensive **overview of the financial activity across the 50 local authorities described above**. It covers revenue expenditure and income, including local taxation; capital expenditure and financing; reserves and fixed assets; debt and prudential indicators; and pensions. Where appropriate, comparisons to 2023-24 and time series over the last five years have been included to provide broader context to the figures in this publication.

Since the previous publication, updated returns have been received from the following authorities:

For 2023-24:

- Returns based on audited accounts were received from ten authorities: Aberdeenshire, Argyll & Bute, East Lothian, Glasgow City, Inverclyde, Stirling, West Dunbartonshire, Dunbartonshire & Argyll & Bute VJB, Grampian VJB and TACTRAN.
- Accounts remain unaudited for three authorities: Clackmannanshire, East Dunbartonshire and Na h-Eileanan Siar.

For 2024-25:

- Returns based on audited accounts were received from 49 authorities.
- Returns based on unaudited accounts were received from nine authorities: Aberdeenshire, Argyll & Bute, Glasgow City, Na h-Eileanan Siar, Orkney Islands, Stirling, West Dunbartonshire, Central VJB and Grampian VJB.
- At the time of publication, accounts have not been published for two authorities: East Dunbartonshire and Clackmannanshire.

Key figures have been matched to audited accounts for most authorities. Where audited accounts for 2024-25 were not available at time of writing, draft unaudited accounts have been used. Data for Clackmannanshire and East Dunbartonshire could not be checked against any unaudited accounts as these were not available at time of writing. Updated returns based on audited data for 2024-25 will be used in future Scottish Local Government Finance Statistics (SLGFS) publications.

Expenditure and income figures are presented on a **funding basis** in this publication. This means local authorities have made adjustments to remove certain accounting transactions that have been charged to services, such as depreciation and pension costs. Local authorities will consider funding basis figures when making financial decisions, such as setting budgets or increases in Council Tax.

Please note, throughout the publication:

- all years refer to the relevant **financial year** running 1 April to 31 March;
- figures within tables / charts may not sum to the total exactly due to rounding;
- absolute zeroes are shown as '-' and rounded zeroes are shown as '0';
- all figures are presented in **cash terms**, this means they have **not** been adjusted for inflation;
- expenditure and income figures are presented as positive figures, however **net** expenditure figures may be presented as negative where gross income has exceeded gross expenditure and so the net position relates to income;
- General Fund figures include amounts relating to the Harbour Accounts for Orkney and Shetland Island Councils unless otherwise stated;
- gross revenue figures have been adjusted for inter-authority transfers;
- 'Roads & Transport' includes amounts relating to Road Bridges.

Figures included in this publication for years prior to 2024-25 have been revised where necessary to match audited accounts where unaudited data was previously submitted, to ensure comparability to 2024-25 data or to correct any minor errors identified since the last publication. This means that figures may not match to those previously published. Please note that this publication will **only** be updated to reflect revisions which have a significant impact on the key figures or commentary. Minor revisions to source data files made after publication that have no material impact on the Scotland figures or key messages will **not** be made to this publication, but will be reflected in the 2025-26 Scottish Local Government Finance Statistics (SLGFS) publication.

Under the Public Bodies (Joint Working) (Scotland) Act 2014, **30 Integration Joint Boards (IJBs)** have been established in Scotland. IJBs are responsible for the planning of integrated arrangements and onward service delivery of health and social care for their constituent councils and health boards. This publication only includes expenditure that is recognised in councils' financial data, that is:

- local authorities' transfer payments to IJBs, with the total payment amount in year recorded as gross service expenditure against Social Work services;
- income local authorities receive from IJBs to commission services, recorded as gross service income against the relevant service;
- the expenditure that local authorities incur to commission those services, recorded as gross service expenditure against the relevant service.

Local authorities are also required to undertake community planning in partnership with other agencies responsible for public service delivery in an area, such as Health Boards, and Police and Fire bodies. However, the financial activity of these other agencies is not included in this publication.

More information on [this publication, including associated data available for download](#), and on [local government in Scotland](#) is available on the Scottish Government website.

1.1 An Accredited Official Statistics Publication for Scotland

These statistics are [accredited official statistics](#). The Office for Statistics Regulation has independently reviewed and accredited these statistics as complying with the standards of trustworthiness, quality, and value in the [Code of Practice for Statistics](#).

These statistics were accredited in November 2013 (assessment report [AR225](#)).

Accredited official statistics are called National Statistics in the [Statistics and Registration Service Act 2007](#).

Scottish Government statistics are regulated by the Office for Statistics Regulation (OSR). OSR sets the standards of trustworthiness, quality and value in the [Code of Practice for Statistics](#) that all producers of official statistics should adhere to.

More information about Scottish Government statistics is available on the [Scottish Government website](#).



2. Revenue Expenditure and Income

Revenue expenditure is the cost of delivering services each year and includes both service operating costs and overheads. These costs might include salaries, rent, building maintenance, supplies and services. The benefits from revenue expenditure are mainly received within the financial year. Revenue expenditure also includes costs that cannot be directly attributed to a service, such as the repayment of debt and where a local authority has used revenue resources to fund capital investment.

All local authorities are required to have a **General Fund** which is used to account for all revenue activity, except that relating to local authority housing. The General Fund is the principal revenue reserve of the local authority.

Where a council has housing stock, it is required to record expenditure and income relating to the direct provision of housing in their **Housing Revenue Account (HRA)**. HRAs are generally self-financing, that is the income received is sufficient to cover expenditure incurred. Of the 32 councils, 26 have an HRA.

The Orkney County Council Act 1974 and the Zetland County Council Act 1974 require Orkney and Shetland to also hold a **Harbour Account**, a separate account and reserve fund specifically for harbour undertakings. Orkney and Shetland are also able to transfer money between their General Fund and their Harbour Accounts. For the purposes of this publication, expenditure and income relating to Harbour Accounts is included in General Fund figures unless otherwise stated.

Revenue expenditure is principally funded through service income and general funding – further detail on these sources of funding is provided in [Chapters 2.1.4](#) and [2.3](#) respectively. Any **deficit (+)** in a local authority's revenue account is met from their reserves, and any **surplus (-)** is added to a local authority's reserves and carried forward to the next year. [Chapter 2.4](#) provides more detail on the movement in General Fund and HRA reserves in 2024-25.

2.1 Expenditure and Income on Services

Net Revenue Expenditure, also known as the net cost of services, is the element of service expenditure that is funded by general funding or reserves. It is calculated as gross service expenditure minus gross service income. As shown in **Table 2.1**, the net revenue expenditure on local authority services, including HRA, was £14,887 million in 2024-25. This is an increase in net revenue expenditure of £586 million, or 4.1 per cent, on 2023-24.

For context, the GDP deflator, which can be viewed as a measure of general inflation in the domestic economy, was 4.03 per cent higher in 2024-25 when compared to 2023-24¹.

Table 2.1: Net Revenue Expenditure on Services in 2024-25, £ millions

Source: LFR 00

Category	General Fund	HRA	Total
Gross Service Expenditure	24,829	1,023	25,852
Gross Service Income	9,404	1,561	10,965
Net Revenue Expenditure	15,425	-538	14,887

¹ [GDP deflators at market prices, and money GDP December 2025 \(Quarterly National Accounts\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/gdp-deflators-at-market-prices-and-money-gdp-december-2025-quarterly-national-accounts)

2.1.1 Net Revenue Expenditure by Service

Chart 2.1 shows net revenue expenditure on services in Scotland in 2024-25. Education has the highest net revenue expenditure at £7,778 million followed by Social Work which has a net revenue expenditure of £4,873 million.

Chart 2.1: Net Revenue Expenditure in 2024-25 by Service, £ millions

Source: LFR 00

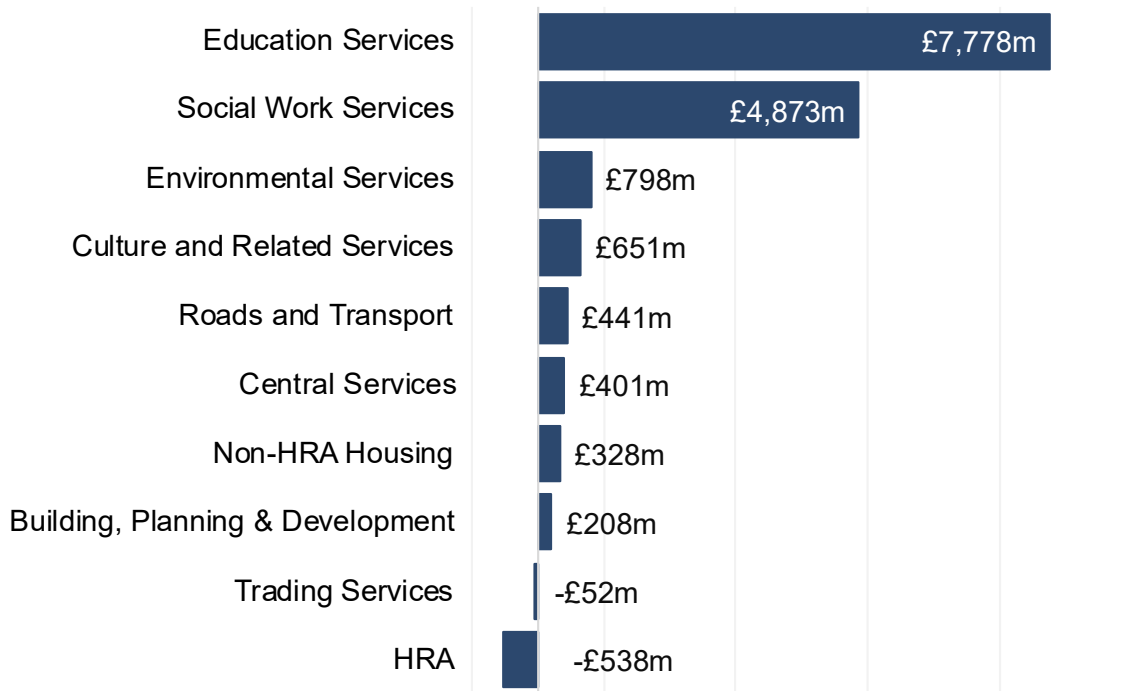


Table 2.2 shows how net revenue expenditure by service has changed between 2021-22 and 2024-25.

Table 2.2: Net Revenue Expenditure from 2021-22 to 2024-25 by Service, £ millions

Source: LFR 00

Service	2021-22	2022-23	2023-24	2024-25	% change between 2023-24 & 2024-25
Education	5,867	6,471	6,960	7,778	11.7%
Culture & Related Services	592	651	675	651	-3.6%
Social Work	3,818	4,291	4,605	4,873	5.8%
Roads & Transport	404	437	454	441	-3.0%
Environmental Services	719	754	811	798	-1.5%
Building, Planning & Development	250	246	263	208	-20.8%
Central Services	363	340	692	401	-42.1%
Non-HRA Housing	291	322	339	328	-3.3%
Trading Services	-29	-25	-41	-52	28.6%
General Fund Net Revenue Expenditure	12,277	13,487	14,758	15,425	4.5%
Housing Revenue Account (HRA)	-527	-538	-457	-538	17.7%
Total Net Revenue Expenditure	11,750	12,950	14,300	14,887	4.1%

Net revenue expenditure on **Education** has increased by 11.7 per cent, or £818 million, in 2024-25. This is driven by increases in net expenditure for Pre-Primary, Primary and Secondary Schools, which have increased by 96.8 per cent, 4.2 per cent and 5.0 per cent, or £528 million, £112 million and £136 million, respectively².

The increase of £528 million in net revenue expenditure for pre-primary education is due to the baselining of the Specific Grant for Early Learning and Childcare (£521.9 million).

Net revenue expenditure on special education increased by £53 million (6.0 per cent). Net revenue expenditure on Community Learning decreased by 3.7 per cent (£4 million).

² These figures can be found in the supporting document: Scottish Local Government Finance Statistics (SLGFS) 2024-25 - Additional Analysis- Revenue: Table J – Timeseries.

Culture and Related Services saw a decrease of 3.6 per cent, or £24 million, in net revenue expenditure in 2024-25. The main underlying changes were a decrease in net expenditure of £15 million (-7.6 per cent) on Sport Facilities, a £9 million decrease (-6.3 per cent) on Community Parks and Open Spaces and a £2 million decrease (-3.4 per cent) on Museums & Galleries.

Net revenue expenditure on **Social Work** increased by 5.8 per cent, or £269 million, in 2024-25. Much of this increase is accounted for by Integrated Joint Boards (IJBs). Councils' collectively transferred £291 million more funds to IJBs in 2024-25, compared to 2023-24. This resulted in an increase in net revenue for IJBs of £291 million.

Net revenue expenditure on **Roads & Transport** has decreased by 3.0 per cent, or £14 million, in 2024-25. Net revenue expenditure on parking services decreased by £22 million (47.2 per cent) as a result of increased parking income. Net revenue expenditure on Non-LA Public Transport: Support to Operators & Voluntary Groups increased by £6 million (5.8 per cent).

Environmental Services saw a decrease of 1.5 per cent, or £12 million, in net revenue expenditure in 2024-25. Of this decrease, £9 million related to Waste Collection.

Building, Planning & Development saw a decrease of 20.8 per cent, or £55 million, in net revenue expenditure in 2024-25, compared to 2023-24. Most of this decrease is accounted for by Economic Development, which decreased by £52 million.

Net revenue expenditure on **Central Services** decreased by 42.1 per cent, or £291 million, between 2023-24 and 2024-25. The 2023-24 figure was high as it included the £260 million in Equal Pay payments that were made by Glasgow City Council during 2023-24.

Net revenue expenditure on **Non-HRA Housing** decreased by 3.3 per cent, or £11 million, in 2024-25.

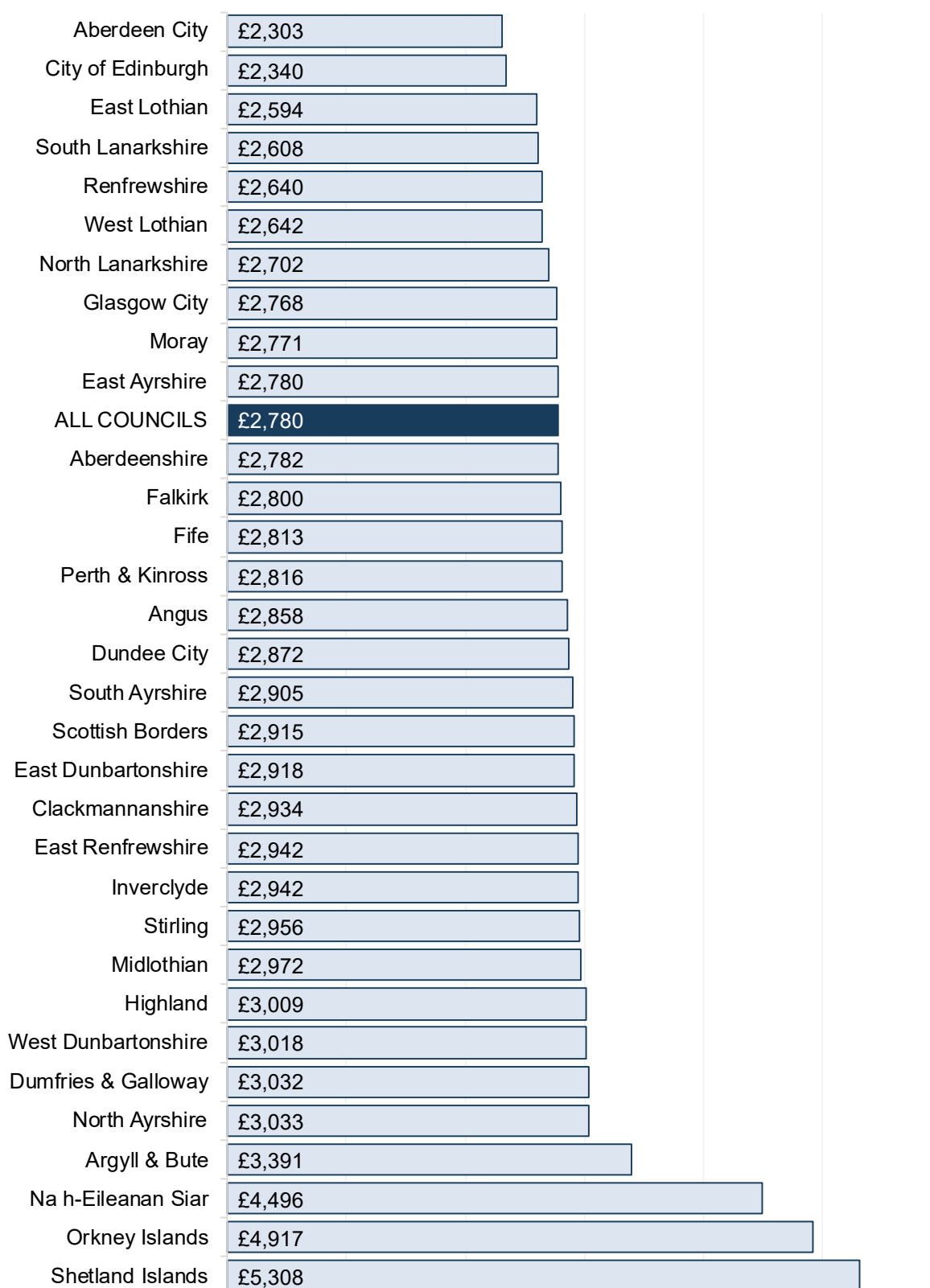
HRA and Trading Services both have negative net revenue expenditure, which means that the service income received for these services was **more** than the expenditure incurred to provide these services. As such, negative net revenue expenditure can be considered as net income. For 2024-25, net expenditure for Trading Services decreased by 28.6 per cent to negative £52 million (it was negative £41 million in 2023-24). Net expenditure for HRA has decreased between 2023-24 and 2024-25, from -£457 million to -£538 million. – that is, the overall net income that local authorities have received from their HRA has increased.

2.1.2 General Fund Net Revenue Expenditure by Council

Chart 2.2 shows net revenue expenditure on General Fund services per person by council. In 2024-25, councils spent on average £2,780 per person, an increase from £2,687 per person in 2023-24. Spend per person varied across councils with island authorities having the highest spend per person.

Chart 2.2: General Fund Net Revenue Expenditure in 2024-25 by Council, £ per person

Source: LFR 00, Scotland's National Records of Scotland Mid-2024 population estimates



2.1.3 Gross Service Expenditure

Gross Service Expenditure is the total expenditure on local authority services within a financial year, adjusted for any intra / inter-authority transfers. In 2024-25, gross service expenditure was £25,852 million, an increase of 2.5 per cent, or £620 million, from 2023-24. **Table 2.3** shows gross service expenditure by type of expenditure from 2020-21 to 2024-25.

Table 2.3: Gross Service Expenditure from 2020-21 to 2024-25 by Expenditure Type, £ millions

Source: LFR 00

Expenditure Type	2020-21	2021-22	2022-23	2023-24	2024-25	% change between 2023-24 & 2024-25
Employee Costs	8,191	8,611	9,305	10,341	10,211	-1.3%
Operating Costs	8,066	8,400	9,046	9,706	10,164	4.7%
Transfer Payments	4,724	5,026	5,432	5,599	5,907	5.5%
Support Services	743	785	832	898	910	1.2%
Adjustment for Intra / Inter Authority Transfers	-1,253	-1,223	-1,224	-1,313	-1,340	2.1%
Gross Service Expenditure	20,471	21,599	23,390	25,232	25,852	2.5%

In 2024-25, **employee costs** were the largest element of gross service expenditure, accounting for £10,211 million. These costs relate to salaries and wages, national insurance and superannuation contributions, cash allowances paid to employees, redundancy and severance payments and any other costs relating to employees. Employee costs in 2024-25 have decreased by 1.3 per cent, or £131 million, from 2023-24. Employee costs have increased by 24.7 per cent, or £2,019 million, over the last five years.

Operating costs relate to costs for premises, transport, supplies and services, as well as payments made to third parties. In 2024-25, these accounted for £10,164 million of gross expenditure – an increase of 4.7 per cent, or £458 million, from 2023-24. This increase predominantly relates to an increase in payments to third parties.

Transfer payments accounted for £5,907 million of gross service expenditure in 2024-25, an increase of 5.5 per cent, or £309 million, from 2023-24. This expenditure relates to payments for which no goods or services are received in return by the local authority, including payment of Housing Benefit and transfers to IJBs.

Support services costs are the smallest component of gross service expenditure, accounting for £910 million. This is an increase of 1.2 per cent, or £11 million, from 2023-24. These are costs that are paid for services that support the provision of

services to the public, such as IT, Human Resources, Legal services, Procurement services, and Corporate services.

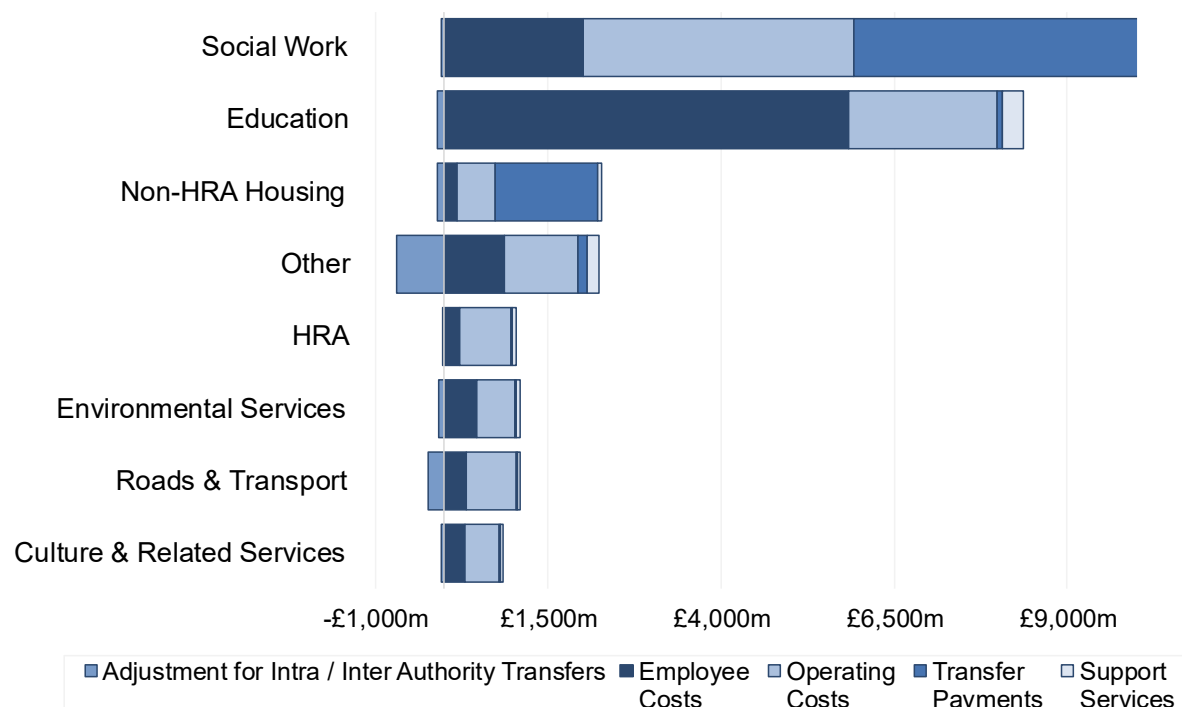
An **adjustment for intra / inter-authority transfers** of -£1,340 million has been made to the aggregate gross service expenditure figure. This is to prevent double counting of expenditure caused by transfers between different services within an authority and between different local authorities. The adjustment removes the total recharge income from other services, contributions from other local authorities and requisition income for VJBs and RTPs. Following the adjustment, expenditure is only reported against the authority or service area that commissioned the service.

Chart 2.3 shows the breakdown of gross service expenditure by service and by expenditure type. Education has a higher proportion of employee costs than other services – this is due to the higher number of staff employed within Education, in particular teachers. Social Work and Non-HRA Housing have high proportions of transfer payments which relates to amounts transferred to IJBs and the payment of Housing Benefits respectively. Other has the largest adjustment for intra / inter authority transfers which is due to Central Services and Trading Services having particularly high amounts of recharge income from other services.

Chart 2.3: Gross Service Expenditure in 2024-25 by Service and Expenditure Type, £ millions

Please note that ‘Other’ consists of Building, Planning & Development Services, Central Services and Trading Services.

Source: LFR 00



2.1.4 Gross Service Income

Gross Service Income is the total income a local authority receives directly in relation to services they provide. In 2024-25, local authorities received £10,965 million in service income, an increase of 0.3 per cent, or £34 million, from 2023-24.

Local authorities receive service income from a variety of sources. **Table 2.4** shows gross service income by type of income from 2020-21 to 2024-25.

Table 2.4: Gross Service Income from 2020-21 to 2024-25 by Income Type, £ millions

Source: LFR 00

Income Type	2020-21	2021-22	2022-23	2023-24	2024-25	% change between 2023-24 & 2024-25
Government Grants	2,866	2,884	2,857	2,801	2,270	-19.0%
Other Grants, Reimbursements and Contributions	4,003	4,249	4,676	4,946	5,245	6.0%
Customer and Client Receipts	2,494	2,715	2,908	3,184	3,450	8.3%
Gross Service Income	9,363	9,849	10,440	10,931	10,965	0.3%

Government grants relates to grants local authorities receive to support specific services from either the Scottish or UK Governments, including Ring-Fenced Revenue Grants (RFRGs) and grants from the Department for Work & Pensions (DWP) for Housing Benefit payments. These figures will reflect the amount of grants **used** in the year specified – this may not match the amount of grants local authorities received in that year. This category does **not** include General Revenue Grant (GRG) as that is not provided to local authorities to fund a specific service. In 2024-25, government grants accounted for £2,270 million of service income, a decrease of 19.0 per cent, or £531 million, from 2023-24.

This decrease is the result of baselining £950.9 million of specific grants into the General Revenue Grant (GRG)³. This decrease was partially offset by an increase in £420 million of other government grants, so that the result is a decrease of £531 million.

Other grants, reimbursements and contributions includes contributions from NHS Boards and income from IJBs to commission social care services. This accounted for £5,245 million of service income in 2024-25 – an increase of 6.0 per cent, or £299 million, from 2023-24.

³ See [Local government finance circular No. 2/2024: settlement for 2024-2025 - gov.scot](#)

Customer and client receipts is income local authorities have received for sales, rents, fees and charges for services they provide. In 2024-25, this accounted for £3,450 million of service income, an increase of 8.3 per cent, or £266 million, from 2023-24.

Chart 2.4 shows the breakdown of gross service income by service and income type. Social Work has the largest amount of service income, the majority of which is from other grants, reimbursements and contributions. This relates to amounts received from IJBs to commission social care services, as well as contributions received from NHS Boards.

Both Non-HRA Housing and Education have high proportions of service income from government grants. For Non-HRA Housing, this relates to grants from the DWP to fund Housing Benefit payments.

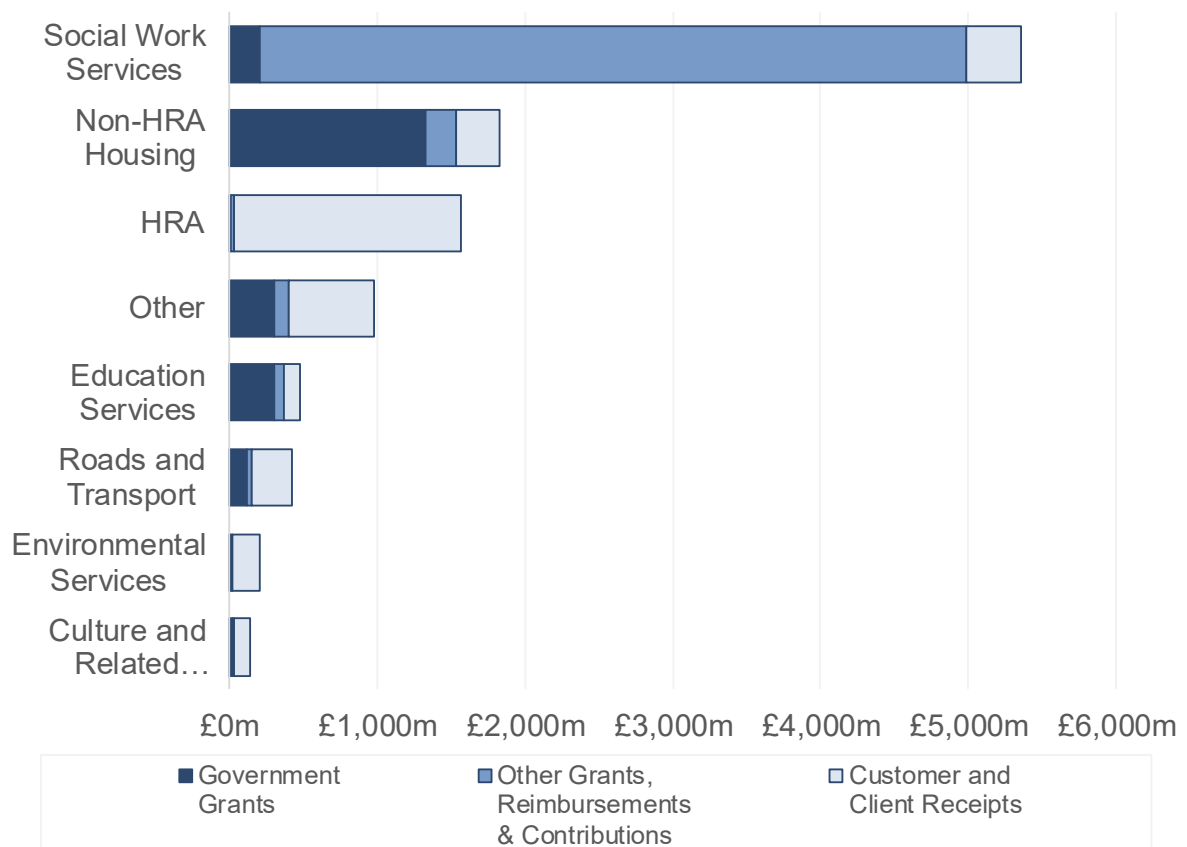
For Education, the baselining of the Specific Grant for Early Learning and Childcare (£521.9 million in 2024-25) into the General Revenue Grant has resulted in a corresponding reduction in Ring Fenced Revenue Grants that local authorities received from Scottish Government.

Service income for the HRA is almost entirely made up of customer and client receipts which predominantly relates to rent payments received.

Chart 2.4: Gross Service Income in 2024-25 by Service and Income Type, £ millions

Please note that ‘Other’ consists of Building, Planning & Development Services, Central Services and Trading Services.

Source: LFR 00



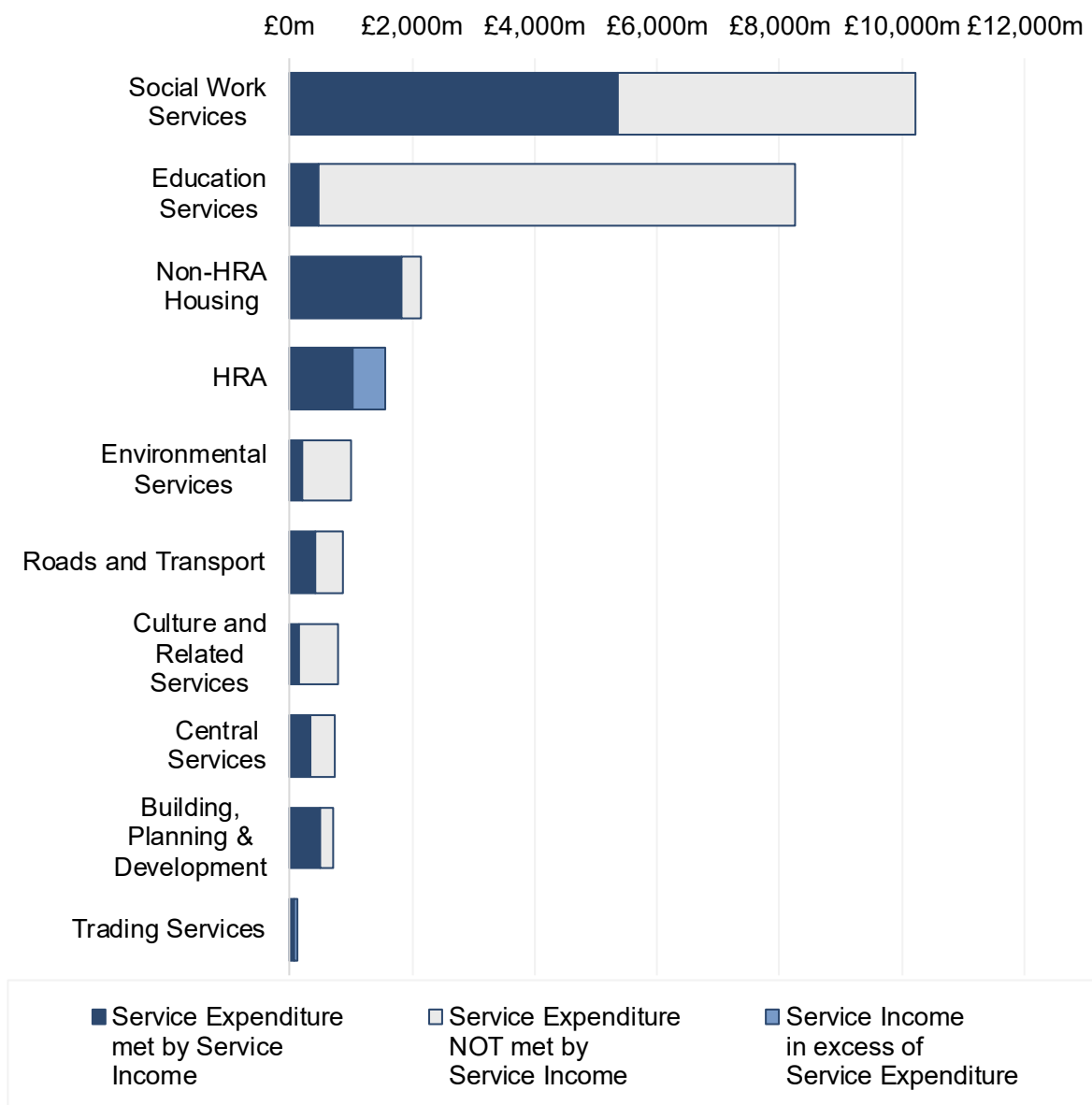
In 2024-25, 40 per cent of service expenditure was met by service income. **Chart 2.5** shows the proportion of service expenditure met by service income for each service. This varies significantly between services as they each receive different levels of grants and contributions, and services have differing abilities to generate service income in the form of customer and client receipts.

Service income **exceeded** service expenditure for HRA and Trading Services, generating surplus income for both services.

Service income was **less than** service expenditure for all other services, with the amount of service expenditure being funded by service income ranging from 6 per cent for Education Services to 85 per cent for Non-HRA Housing.

Chart 2.5: Service Expenditure met by Service Income in 2024-25 by Service, £ millions

Source: LFR 00



2.2 Other Expenditure and Income

Local authorities will also incur some revenue expenditure and income that is not attributable to specific services, such as interest paid or received, statutory repayment of debts, contributions to capital expenditure, proceeds of trading operations and any other operating expenditure.

In 2024-25, local authorities incurred £1,844 million of **other expenditure and income**. **Table 2.5** provides a breakdown of this figure, split by the General Fund and HRA. Total interest paid was £1,156 million in 2024-25.

Table 2.5: Other Expenditure and Income in 2024-25, £ millions

Please note the following:

Income figures are presented as negative in this table.

‘Interest Receivable and Similar Income’ includes losses arising from derecognition of financial assets and recognition of credit losses on financial assets.

‘Statutory Repayment of Debt’ includes repayments relating to lending to other statutory bodies and so will differ to the repayment figures in Chapter 5.

Source: LFR A0

Expenditure / Income Type	General Fund	HRA	Total
Interest Payable and Similar Charges	928	229	1,156
Interest Receivable and Similar Income	-164	-11	-175
Statutory Repayment of Debt	431	161	591
Capital Expenditure Funded from Revenue	113	159	272
Surplus (-) or Deficit (+) from Trading Operations	0	0	0
Other Operating Expenditure	-1	0	-1
Total Other Expenditure and Income	1,306	537	1,844

2.3 General Funding

General funding, referred to as ‘Taxation and Non-Specific Grant Income’ within local authorities’ accounts, principally consists of the General Revenue Grant (GRG) and local taxation, specifically Non-Domestic Rates (NDR) and Council Tax.

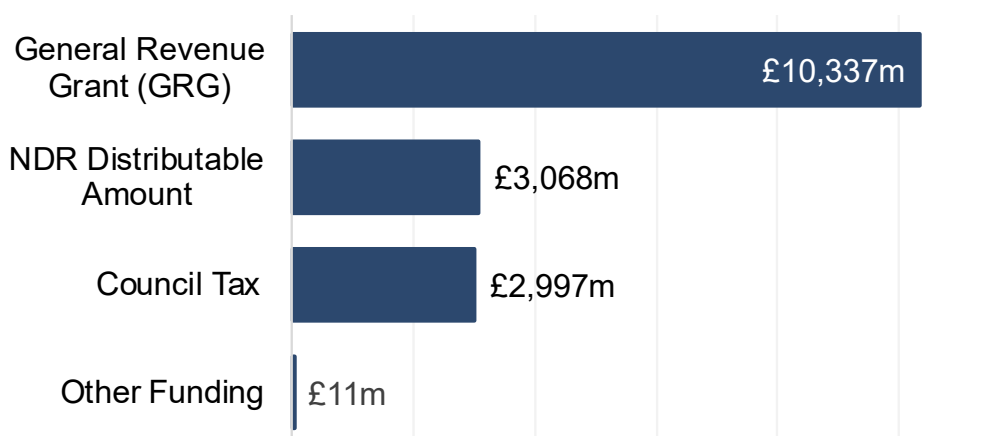
Total general funding available to authorities in 2024-25 was £16,412 million, an increase of 9.5 per cent, or £1,429 million, from 2023-24. Around two thirds of this increase can be attributed to the baselining of £950.9 million into the General Revenue Grant (GRG)⁴. Note, the corresponding reduction in Ring Fenced Revenue Grants is covered in Table 2.4 in the [previous section](#).

Chart 2.6 shows the total general funding available to local authorities in 2024-25 by type of funding.

Chart 2.6: General Funding in 2024-25 by Source, £ millions

Please note that ‘Other Funding’ includes government grants paid to joint boards and income received through NDR TIF and NDRIS schemes ([Chapter 2.3.5](#)).

Source: LFR A0



General Revenue Grant (GRG) is the general grant paid to local authorities by the Scottish Government, including monies from the UK Government payable to a local authority, and is the main source of funding for local authorities. In 2024-25, GRG accounted for £10,337 million, or 63 per cent, of general funding. See [Annex C](#) for how this figure is derived⁵.

NDR accounted for £3,068 million, or 19 per cent, of general funding. The Scottish Government guarantees the combined sum of GRG and NDR funding to local authorities in each financial year. More detail on NDR is provided in [Chapter 2.3.2](#) and more information on the process to determine local government funding from the Scottish Government is available in the [Local Government Funding: Process Overview publications](#).

⁴ See [Local government finance circular No. 2/2024: settlement for 2024-2025 - gov.scot](#)

⁵ Note, whilst the GRG amount in the circular is £10,343 million, six local authorities made adjustments which reduced this figure by £6 million. These were Aberdeenshire, East Dunbartonshire, Highland, Inverclyde, North Ayrshire and North Lanarkshire.

Council Tax accounted for £2,997 million, or 18 per cent, of general funding in 2024-25 – this is consistent with prior years. More information on Council Tax is provided in [Chapter 2.3.1](#).

Other funding was £11 million in 2024-25. Previous years included capital to revenue transfers permitted under statute to fund local government pay deals or to meet the principal element of loans fund repayments.

Table 2.6 shows the breakdown of general funding figures between 2020-21 and 2024-25. As the combined total of NDR and GRG provided to local authorities is guaranteed, any decrease in the amount of NDR collected is compensated for by a corresponding increase in GRG.

Council Tax has continued the steady increase seen over the last five years, with an increase of 2.2 per cent, or £66 million, from 2023-24.

Table 2.6: General Funding from 2020-21 to 2024-25 by Source, £ millions

Please note the following:

‘Other Funding’ includes government grants paid to joint boards, income received through NDR TIF and NDRIS schemes plus capital to revenue transfers.

Source: LFR A0

General Funding Source	2020-21	2021-22	2022-23	2023-24	2024-25	% change between 2023-24 & 2024-25
GRG	9,308	9,014	8,672	8,920	10,337	15.9%
NDR Distributable Amount	1,868	2,090	2,765	3,045	3,068	0.7%
Council Tax	2,581	2,640	2,767	2,931	2,997	2.2%
Other Funding	77	44	30	87	11	-87.7%
Total General Funding	13,834	13,788	14,234	14,983	16,412	9.5%

2.3.1 Council Tax

Council Tax was introduced in Scotland on the 1 April 1993 to replace the Community Charge. It is a tax system based on dwellings and is a component of general funding for local authorities.

There are three factors that determine the amount of Council Tax that a dwelling is liable for:

1. **The market value of the dwelling as at the 1 April 1991.** Each dwelling is placed into one of eight bands from A to H, with Band A dwellings liable for the lowest rates of Council Tax and Band H attracting the highest.
2. **The Band D rate** which is set by the local authority, with other bands calculated as a ratio to Band D. The ratios determining the charges for properties in bands E to H were revised in 2018-19.
3. **A range of discounts, exemptions, reductions and increases** that are available in certain circumstances, or in some cases an increase in Council Tax due to the application of a levy.

The valuation range and ratio for each Council Tax band is given in **Table 2.7**.

Table 2.7: Valuation Range and Ratios by Council Tax Band

Please note the following:

“n/a” indicates where a total value is not applicable.

The ratios quoted applied from 2017-18 onwards.

Source: CTaxbase

Band	Valuation Band Ranges as at 1 April 1991	Ratio to Band D	No. of Chargeable Dwellings as at September 2024	Proportion of Chargeable dwellings
Band A	Under £27,000	6/9	497,867	19.1%
Band B	£27,001 to £35,000	7/9	581,576	22.3%
Band C	£35,001 to £45,000	8/9	423,304	16.3%
Band D	£45,001 to £58,000	9/9	365,001	14.0%
Band E	£58,001 to £80,000	473/360	362,354	13.9%
Band F	£80,001 to £106,000	585/360	217,954	8.4%
Band G	£106,001 to £212,000	705/360	140,162	5.4%
Band H	Over £212,000	882/360	14,327	0.6%
Total			2,602,545	100.0%

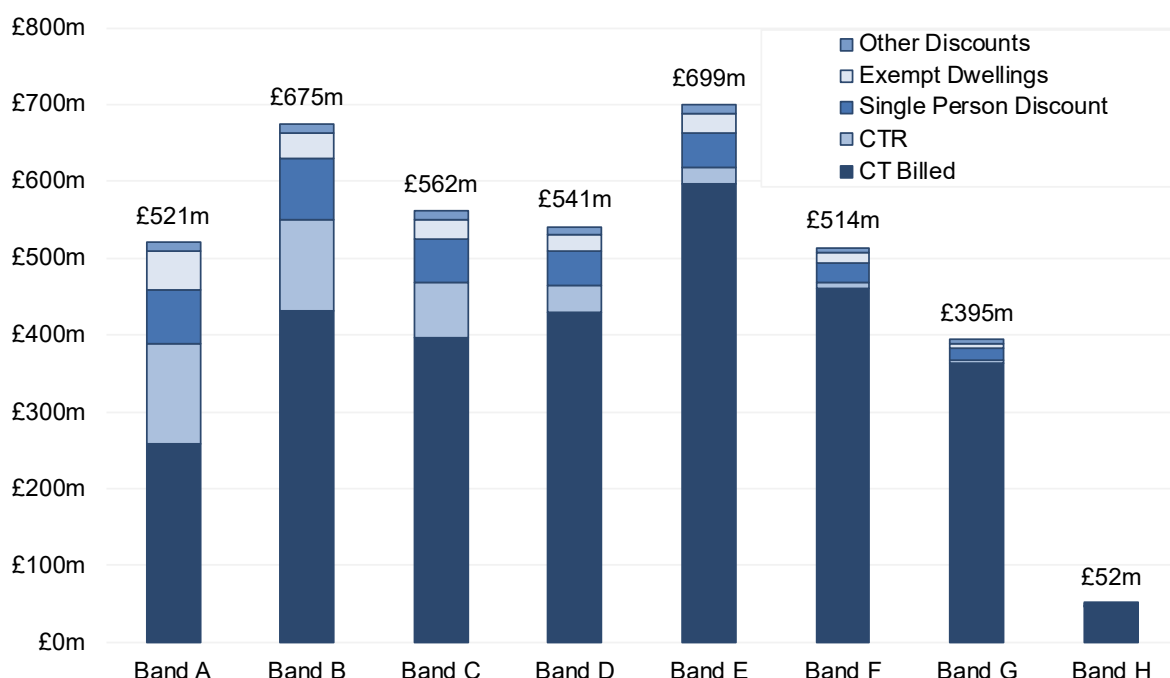
2.3.1.1 Collection and Yield of Council Tax

Local authorities are responsible for billing and collecting Council Tax. Before the start of each financial year, local authorities issue Council Tax bills to householders in each dwelling. Each bill is calculated by applying the appropriate band rate for the local authority, then applying any discounts, exemptions, reductions or increases – further details are provided in **Tables 2.12** and **2.13**.

Council Tax Potential Yield refers to the Council Tax yield if all dwellings paid the full rate for their relevant Band and local authority. **Chart 2.7** illustrates the gross Council Tax potential yield broken down into the Council Tax billed and the amounts not billed due to discounts and exemptions, or where the Council Tax Reduction (CTR) scheme has reduced a household's Council Tax liability.

Chart 2.7: Council Tax Potential Yield in 2024-25, £ millions

Source: CTaxbase and CTRR



Local authorities collect Council Tax relating to these bills over the year, and also continue to collect late amounts from previous billing years. The provisional in-year Council Tax collection rate in Scotland for 2024-25 was 95.5 per cent – this is the proportion of Council Tax billed for 2024-25 that was collected by 31 March 2025. As published in June 2025, the provisional total amount of Council Tax collected for Scotland after CTR and including late payments of bills from prior years, was £2,938 million. More information about bills issued in 2024-25 and the provisional amounts collected are available in the [Council Tax Collection Statistics, 2024-25](#) publication.

Table 2.8 shows the amount of Council Tax collected by each local authority in 2024-25 based on, as far as possible, their audited annual accounts. The figure here is slightly higher at £2,997 million.

Table 2.8: Council Tax Income after CTR in 2024-25 by Local Authority, £ thousands

Please note that figures relate to income collected in 2024-25, which can include amounts that were billed in previous years.

Source: LFR A0

Local Authority	Net Council Tax Income
Aberdeen City	143,678
Aberdeenshire	170,446
Angus	58,344
Argyll & Bute	66,948
City of Edinburgh	330,188
Clackmannanshire	26,005
Dumfries & Galloway	79,364
Dundee City	66,343
East Ayrshire	59,317
East Dunbartonshire	72,555
East Lothian	72,867
East Renfrewshire	63,328
Falkirk	78,618
Fife	194,348
Glasgow City	276,965
Highland	153,234
Inverclyde	36,037
Midlothian	58,294
Moray	52,553
Na h-Eileanan Siar	14,681
North Ayrshire	66,140
North Lanarkshire	141,657
Orkney Islands	12,461
Perth & Kinross	100,379
Renfrewshire	97,701
Scottish Borders	69,499
Shetland Islands	11,328
South Ayrshire	67,939
South Lanarkshire	161,060
Stirling	60,177
West Dunbartonshire	41,701
West Lothian	92,694
Scotland	2,996,849

2.3.1.2 Chargeable Dwellings

Table 2.9 shows the number of dwellings in Scotland for each September from 2020-21 to 2024-25. There were a total of 2.741 million dwellings in Scotland in 2024-25, of which 138,428 were exempt for Council Tax purposes. This gave 2.603 million chargeable dwellings in 2024-25, an increase of around 3 per cent, or 79,658 dwellings, since 2020-21.

Table 2.9: Total Number of Dwellings from 2020-21 to 2024-25

Source: CTaxbase

Financial Year	Total Dwellings	Exempt Dwellings	Chargeable Dwellings
2020-21	2,653,732	130,845	2,522,887
2021-22	2,674,729	134,096	2,540,633
2022-23	2,699,040	136,683	2,562,357
2023-24	2,720,920	139,192	2,581,728
2024-25	2,740,973	138,428	2,602,545

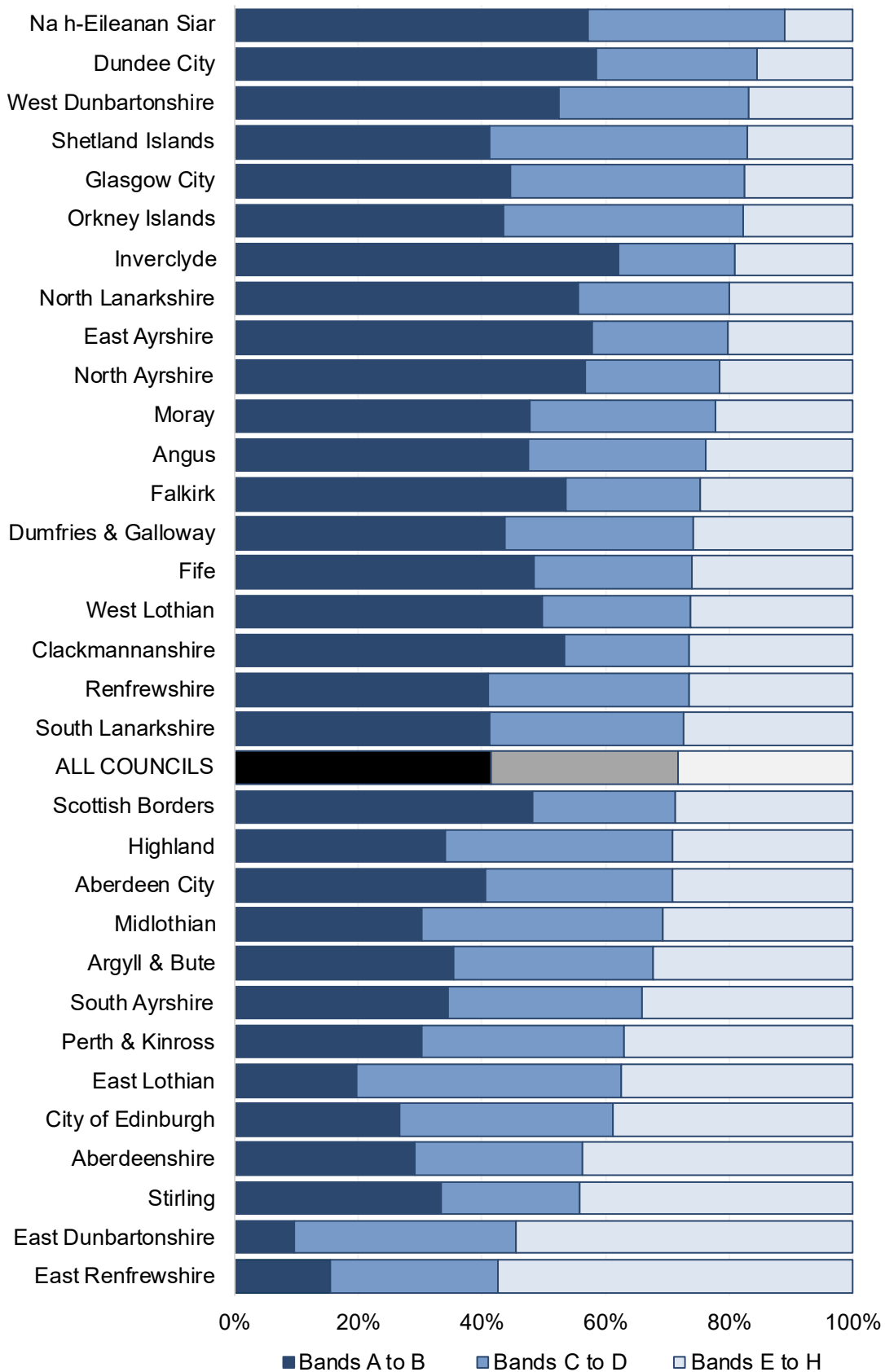
Chart 2.8 shows the distribution of chargeable dwellings across Council Tax bands in each local authority. Across Scotland, just under three-quarters of all chargeable dwellings are in Bands A to D. The distribution varies across local authorities due to variations in property market values. Na h-Eileanan Siar has the largest proportion of dwellings in Bands A to D at 89 per cent, whereas East Renfrewshire has the lowest proportion in Bands A to D at 43 per cent.

The ratios for Bands E to H, as shown in **Table 2.7**, were revised in 2018-19 and so dwellings in these bands, which make up just over a quarter of total dwellings, are subject to higher charges.

The three local authorities with the highest number of chargeable dwellings were Glasgow City, City of Edinburgh and Fife, making up over a quarter of the chargeable dwellings in Scotland between them. Further data on the number of chargeable dwellings by local authority and Council Tax band can be found in the [Council Tax supplementary tables](#).

Chart 2.8: Proportion of Chargeable Dwellings at September 2024 by Local Authority and Council Tax Band

Source: CTaxbase

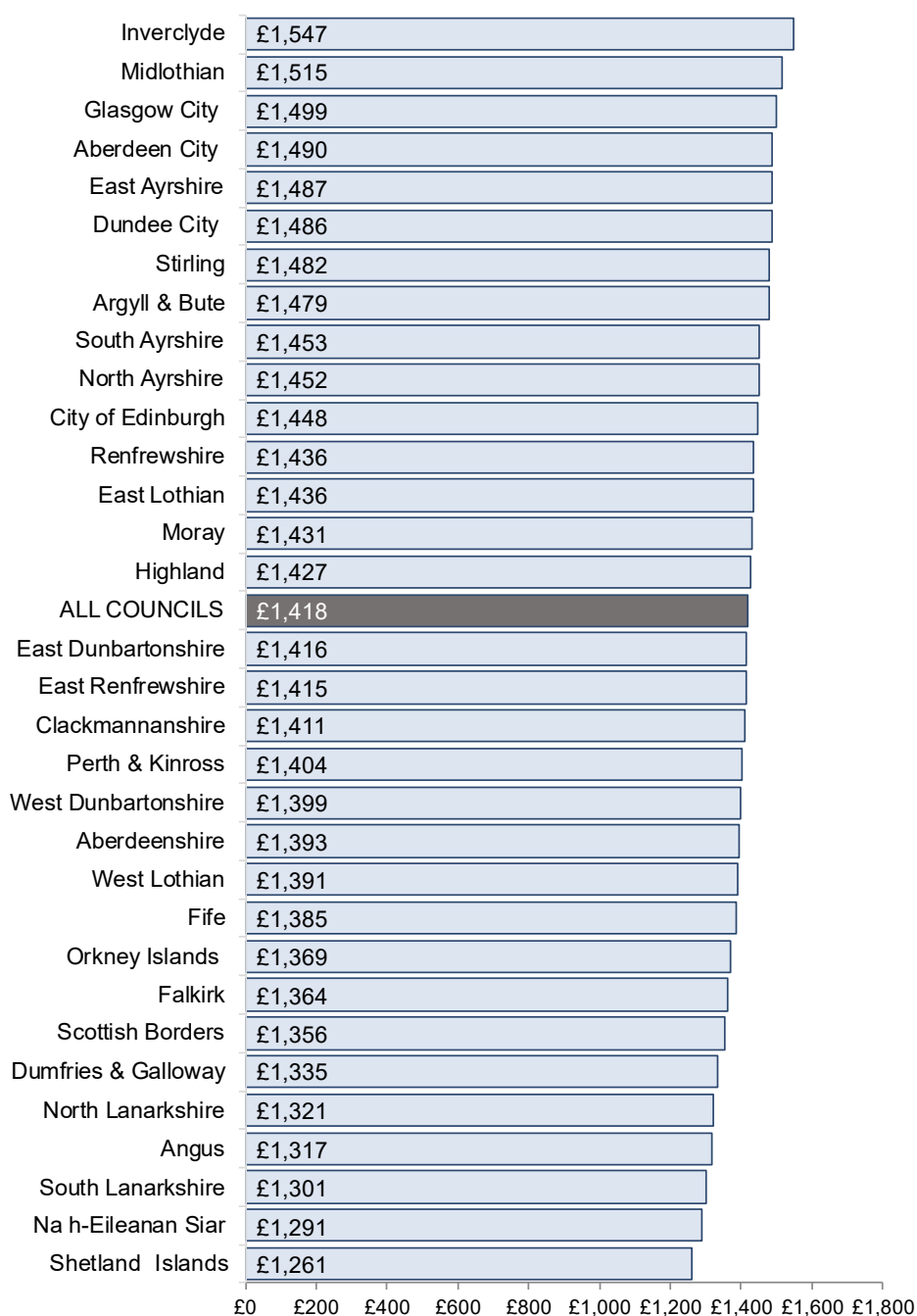


2.3.1.3 Council Tax Rates and Average Bills

Each local authority determines their own Band D rate of Council Tax as part of their budget setting process. The rate for other bands is then calculated as a set ratio of the Band D rate, see **Table 2.7**, and so each local authority has different Council Tax rates. The 2024-25 Band D Council Tax rates for each local authority are shown in **Chart 2.9** ranging from £1,261 in Shetland to £1,547 in Inverclyde. The Scotland Average Band D Council Tax Rate was £1,418, compared to £1,417 in 2023-24. It should be noted that there was a national council tax freeze in 2024-25 (Inverclyde was the only council to raise rates, however this increase was reversed in the form of a rebate to residents).

Chart 2.9: Band D Council Tax Rate in 2024-25 by Local Authority

Source: CTAS



From 2007-08 to 2016-17, the Scottish Government and local government worked in partnership to freeze Council Tax rates each year. The one exception is Stirling, who reduced their Band D rate from £1,223 in 2007-08 to £1,209 in 2008-09, and subsequently to £1,197 in 2012-13. The Council Tax freeze caused the Scotland average Band D Council Tax rate to remain steady at £1,149 from 2007-08 to 2016-17 – a fall in real terms.

After nine years of the Council Tax freeze, the Scottish Government secured the agreement of local authorities to cap locally determined Council Tax increases to three per cent in cash terms in both 2017-18 and 2018-19. This continued into 2019-20 and 2021-22, when local government agreed Council Tax increases to be capped at three per cent in real terms, which was 4.79 per cent in cash terms in 2019-20 and 4.84 per cent in 2020-21. All 32 local authorities froze their Council Tax rates for 2021-22⁶.

For 2022-23, the overall increase was 2.98 per cent in cash terms, based on the Scotland Average Band D Council Tax Rate and there was a 5.2 per cent increase between 2022-23 and 2023-24. There was another national Council Tax freeze in 2024-25.

The average Council Tax bill per dwelling in 2024-25 was £1,310. This differs from the average Band D rate due to the distribution of dwellings across Council Tax bands, as can be seen in **Table 2.7** and **Chart 2.7**, and the application of discounts. **Table 2.10** shows how the average Council Tax bill for Scotland has changed each year from 2020-21⁷.

Table 2.10: Average Council Tax Bill per Dwelling from 2020-21 to 2024-25

Please note that the minor changes between years where Council Tax was frozen are due to a number of factors, including the distribution of dwellings across bands; discounts and exemptions; new construction and removal of demolished housing from the roll.

Source: CTAS, CTaxbase and LFR 12

Financial Year	Before CTR	After CTR
2020-21	£1,201	£1,053
2021-22	£1,198	£1,057
2022-23	£1,238	£1,096
2023-24	£1,302	£1,152
2024-25	£1,310	£1,160

⁶ See also [Council Tax Rates: Comparing Scotland to other UK nations - gov.scot](#).

⁷ A longer time series of Average Council Tax per dwelling 1996-97 to 2024-25 (before CTR) can be found at: [Council tax datasets - gov.scot \(www.gov.scot\)](#)

Table 2.11: CTR Funding and Reduction in Liability in 2024-25 by Local Authority, £ thousands

Source: CTR Extracts and LFR 12

Local Authority	CTR Funding from SG	Final total reduction in liability
Aberdeen City	11,057	12,628
Aberdeenshire	8,955	9,749
Angus	5,532	6,049
Argyll & Bute	5,454	5,953
City of Edinburgh	25,522	27,395
Clackmannanshire	3,734	4,190
Dumfries & Galloway	9,656	10,807
Dundee City	12,435	13,617
East Ayrshire	9,454	10,354
East Dunbartonshire	4,843	5,347
East Lothian	5,559	6,270
East Renfrewshire	4,053	4,400
Falkirk	8,947	10,058
Fife	21,196	23,873
Glasgow City	70,374	77,273
Highland	12,583	13,652
Inverclyde	6,733	7,917
Midlothian	4,904	5,876
Moray	3,908	4,335
Na h-Eileanan Siar	1,253	1,332
North Ayrshire	12,820	14,159
North Lanarkshire	23,583	26,258
Orkney Islands	963	990
Perth & Kinross	6,818	7,590
Renfrewshire	12,751	13,666
Scottish Borders	5,412	5,745
Shetland Islands	720	779
South Ayrshire	8,220	9,077
South Lanarkshire	21,095	23,613
Stirling	4,467	5,108
West Dunbartonshire	7,563	9,141
West Lothian	10,435	11,809
Scotland	351,000	389,010

2.3.1.5 Changes to Council Tax Liabilities

Not all dwellings are liable to pay the full rate of Council Tax. Discounts, exemptions and increased rates can be charged for certain types of dwellings, and the CTR scheme is available to support lower income households in meeting their Council Tax liabilities.

Table 2.12 summarises the range of discounts, exemptions and reductions available and the change in liability that applies to each type. Please note that, in some cases, more than one type of discount, exemption or reduction may apply. The examples given in **Table 2.12** are typical but not exhaustive. [A full explanation of Council Tax discounts and exemptions is available on the Scottish Government website.](#)

Table 2.12: Council Tax Discounts, Exemptions, Reductions and Increases

Please note that in 2013-14, local authorities gained the discretionary power to remove the discount for Second Homes / Long Term Empty, or set a Council Tax increase of 100% on 'Long Term Empty – More than 12 months' properties.

Type of Support	Typical dwellings that are eligible	Reduction in liability
Discounts		
Single Person Discount	Chargeable dwellings in which there is only one resident or only one resident is not disregarded.	25% discount
Second Homes	Chargeable dwellings which are no one's sole or main residence, but are furnished and lived in for at least 25 days during any 12 month period.	Up to 50% discount or an increase of up to 100% from April 2024 (actual change depends on local authority policy)
Short Term Empty – Less than 12 months (or 24 months for properties for sale or let)	Empty properties not meeting the criteria of a second home, or subject to a separate exemption.	10 - 50% discount (actual change depends on local authority policy)
Long Term Empty – More than 12 months (or 24 months for properties for sale or let)	Empty properties not meeting the criteria of a second home, or subject to a separate exemption.	Up to 50% discount or an increase of up to 100% (actual change depends on local authority policy)
Occupied entirely by disregarded adults	Chargeable dwellings occupied entirely by residents who are disregarded for a discount.	50% discount

Exemptions

Occupied	Dwellings occupied solely by any combination of students, care leavers, those with a severe mental impairment, school leavers or persons under the age of 18.	100% reduction
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Unoccupied	Dwellings which are empty and unfurnished for less than 6 months or empty and under repair for less than 12 months. Dwellings which are empty because their former residents have moved out for the purposes of receiving personal care by reason of old age, disablement or illness.	100% reduction
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Reductions

Disability reduction	Homes that have been adapted for a disabled person.	One CT Band, for example an eligible Band D property would be charged the Band C rate. Eligible Band A properties are charged 5/9 of the Band D rate.
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CTR (Passported)	In receipt of Pension Credit (Guarantee), Jobseeker's Allowance (income based), Employment and Support Allowance (income related) or Income Support.	100% reduction
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CTR (Not passported)	Low income household. Universal Credit (UC) replaces the above benefits that currently passport recipients to full CTR, with the exception of Pension Credit. UC also replaces Working Tax Credits, Child Tax Credits and Housing Benefit. UC is not a passporting benefit.	Up to 100% reduction (actual change is dependent on a means-test)
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Table 2.13 shows the number of dwellings eligible for Council Tax discounts and reductions. Of the 2.603 million chargeable dwellings in Scotland, 1.121 million were eligible for a discount in 2024-25. The most common type of discount was the Single Person Discount, with around two-fifths of chargeable dwellings entitled to the discount in 2024-25. The CTR scheme supports almost half a million dwellings, or around one-fifth of chargeable dwellings, in meeting their Council Tax liability. At September 2024, around 65 thousand dwellings (2.5 per cent) were classified as second homes or empty properties.

More recent data for September 2025 [Second Homes and Empty Properties in September 2025 - gov.scot](#) is available.

Table 2.13: Number of Dwellings in Receipt of Council Tax Discounts and Reductions at September from 2020-21 to 2024-25

Please note the following:

Some dwellings may be eligible for more than one type of support, in these cases, the dwelling will be counted under each type of support it is eligible for.

It is not possible for some local authorities to separately identify Second Homes and Long Term Empty dwellings. For these authorities, the total number of Second Homes and Long Term Empty dwellings has been recorded under Second Homes.

Source: CTaxbase and CTR Extract

Type of Support	2020-21	2021-22	2022-23	2023-24	2024-25
Disability reduction	14,009	13,988	14,096	14,686	15,082
Single Person Discount	1,004,557	1,025,094	1,037,962	1,048,186	1,054,874
Second Homes	24,466	23,890	24,287	24,061	21,606
Empty Properties	47,333	43,766	44,601	46,217	43,538
Occupied entirely by disregarded adults	1,500	1,460	1,434	1,462	1,495
Dwellings not subject to discount	1,445,031	1,446,423	1,454,073	1,461,802	1,480,941
Council Tax Reduction recipients	500,620	482,060	462,200	460,750	460,680
All chargeable dwellings	2,522,887	2,540,633	2,562,357	2,581,728	2,602,545

2.3.2 Non-Domestic Rates (NDR)

Non-Domestic Rates (NDR) are a property tax for which the occupier of a non-domestic property is generally statutorily liable. A non-domestic property is an individual property used for non-domestic purposes, such as business premises and third and public sector properties.

The principles of NDR were established in the Lands Valuation (Scotland) Act 1854. This Act also provided for the appointment of the [Scottish Assessors](#), who are responsible for determining the classification and valuation of non-domestic and domestic properties and are independent of both the Scottish Government and local authorities.

Non-domestic rates generated £3,146 million of net income in 2024-25, as shown in [Table 2.14](#). This is the total **contributable amount** of NDR income (NDRI). The contributable amount is equivalent to the gross amount paid by ratepayers, net of any reliefs which are funded by the Scottish Government. However, the contributable amount is **not** net of any reliefs funded by local authorities themselves, and so it differs from the amount collected from ratepayers (the collectable amount).

Each local authority reports their Provisional Contributable Amount (PCA) to the Scottish Government at the start of the year. This is included in the annual NDR account and published as part of the Scottish Government's overall annual accounts. The amount to be distributed to each authority as part of the annual local government finance settlement is known as the **distributable amount** and is set by the Scottish Government before the start of the financial year. In 2024-25, the distributable amount was set at £3,068 million – see [Chart 2.6](#) and [Table 2.14](#).

Table 2.14: NDR Contributable and Distributable Amounts from 2020-21 to 2024-25, £ millions

Please note that the NDR Contributable Amounts reflect the final, audited income figures collected by local authorities, except for 2022-23, 2023-24, and 2024-25 which are the Notified (provisional outturn) figures as the audits are not yet finalised for all councils. They are net of reliefs paid by Scottish Government, but gross of all local reliefs and top-ups to discretionary amounts paid by councils themselves.

Source: NDRI Audited Returns, Local Government Finance Circulars

NDR Type	2020-21	2021-22	2022-23	2023-24	2024-25
NDR contributable Amount	1,816	2,108	2,792	3,033	3,146
NDR distributable Amount	1,868	2,090	2,766	3,047	3,068

Local authorities retain all of the NDRI collected in their area. However, the contributable amount that they report is notionally pooled and then redistributed to councils as the distributable amount of NDRI, allocated to each local authority in proportion to each one's most recent prior year NDRI mid-year estimate. As the combined total of NDRI and General Revenue Grant (GRG) provided to local authorities is guaranteed by the Scottish Government, any decrease in the amount of NDRI collected is compensated for by a corresponding increase in GRG and vice versa. Any changes from the provisional contributable amount reported to the final outturn contributable amount in any year is accounted for in the calculation of future years' distributable amounts.

The distributable amount is based upon the forecast of the NDRI contributable amount made prior to the start of the year by the Scottish Fiscal Commission (SFC) and includes prior year adjustments. This is presented in Figure S2.11 in chapter 2 supplementary figures workbook of the SFC's publication '[Scotland's Economic and Fiscal Forecasts – December 2024](#)'. The distributable amount is therefore not likely to match exactly the NDRI received in any year, as shown in **Table 2.14**, nor the total eventual contributions to the pool for any year. Final contributions to the pool are generally based on councils' PCA, adjusted by the amount by which the previous year's final outturn differs from the previous year's PCA. Final contributions to the pool (and distributions to councils) are set out in the [non-domestic rating account](#).

2.3.3 Rateable Values

NDR bills are based on the **Rateable Value (RV)** of a property. The RV is based on a legally defined valuation and broadly corresponds to the notional rental value the property could achieve in the open market if it were vacant and available to let, taking account of the type and nature of the property. As such, it is not necessarily a reflection of the profitability, turnover or output of the ratepayer.

The RV of a non-domestic property is generally initially established when the property comes into existence, subject to rating exemptions (for instance, agricultural lands and buildings are exempt from rating). Rateable non-domestic properties and their corresponding RVs are listed on the valuation roll, which is maintained by the Scottish Assessors. RVs are periodically updated at non-domestic revaluations. The [latest revaluation](#) before 2024-25, assigning updated RVs to all non-domestic properties in Scotland, took effect in April 2023. Revaluations historically took place on a five-year cycle; however, there was a seven-year cycle following the 2010 revaluation and a six-year cycle following the 2017 revaluation, the latest revaluation having been delayed to 2023 due to the Covid-19 pandemic. Future revaluations will take place every three years, as recommended by the [Barclay Review](#), with the next one after the 2023 revaluation planned to take effect on 1 April 2026.

Table 2.15 shows the types of properties, and associated RV on the valuation roll, by property type as at 1 April 2024. The valuation roll is continually updated, and the NDRI for 2024-25 would not have been based solely on the snapshot of the valuation roll at April 2024. The composition of the valuation roll as at 1 April 2025 is also shown in **Table 2.14b**, **Table 2.15a** and **Chart 2.10a** in the associated Excel

file. The [latest valuation roll statistics](#) are available from the Scottish Assessors Association website.

As at 1 April 2024, there were 259,680 properties on the valuation roll, with a total RV of £7.7 billion, as shown in **Table 2.15**. Industrial subjects and shops were the most prevalent types of property on the valuation roll, making up 23 per cent and 21 per cent of the number of properties, and 18 per cent and 19 per cent of the total RV respectively. Offices are the next largest category in terms of numbers. Together, these three categories accounted for 62 per cent of properties on the valuation roll, and 51 per cent of total RV.

Table 2.15: NDR Properties at 1 April 2024 by Property Class

Please note, the number of properties includes properties with a zero rateable value.

Source: Scottish Assessors Valuation Roll

Category	Number of properties	% of Properties on Valuation Roll	Rateable Value, £ thousands	% of RV on Valuation Roll
Shops	54,827	21.1%	1,454,664	18.9%
Public houses and restaurants	3,597	1.4%	120,690	1.6%
Offices	44,428	17.1%	1,031,389	13.4%
Hotels	5,118	2.0%	289,933	3.8%
Industrial subjects	60,528	23.3%	1,406,556	18.3%
Leisure, entertainment, caravans, etc.	26,923	10.4%	347,776	4.5%
Garages and petrol stations	3,874	1.5%	77,940	1.0%
Cultural	1,356	0.5%	57,172	0.7%
Sporting subjects	12,984	5.0%	41,373	0.5%
Education and training	3,599	1.4%	631,248	8.2%
Public service subjects	9,344	3.6%	361,545	4.7%
Communications	360	0.1%	28,446	0.4%
Quarries, mines, etc.	654	0.3%	17,172	0.2%
Petrochemical	138	0.1%	122,003	1.6%
Religious	5,848	2.3%	62,713	0.8%
Health and medical	2,999	1.2%	240,745	3.1%
Other	17,325	6.7%	192,892	2.5%
Care facilities	3,057	1.2%	135,534	1.8%
Advertising	1,385	0.5%	13,009	0.2%
Statutory undertaking	1,336	0.5%	1,060,442	13.8%
All Non-Domestic Properties	259,680	100.0%	7,693,240	100.0%

Chart 2.10 provides a breakdown of properties on the valuation roll by local authority and RV band: up to and including £20,000; between £20,001 and up to and including £51,000; and above £51,000. These RV bands were significant in 2024-25 as £20,000 in RV was the cut-off for properties to be eligible for the Small Business Bonus Scheme (SBBS) (see [Chapter 2.3.6](#)) as well as the RV threshold where the 2023 Revaluation Transitional Relief cap changed; and £51,000 was the threshold above which the Intermediate Property Rate was applied. The accompanying table in the associated Excel file also provides separate figures for those in the RV bands: between £51,001 and up to and including £100,000; and above £100,000 (£100,000 being the threshold above which the Higher Property Rate was applied) (see [Chapter 2.3.4](#)).

Across Scotland, 81 per cent of non-domestic properties had an RV of up to £20,000. Ten per cent had a RV between £20,001 and up to and including £51,000. Nine per cent had a RV higher than £51,000, of which four per cent had an RV between £51,001 and £100,000 and five per cent had an RV above £100,000. The number of properties with a rateable value above £100,000 by local authority is provided alongside the data for Chart 2.10 in the associated Excel file.

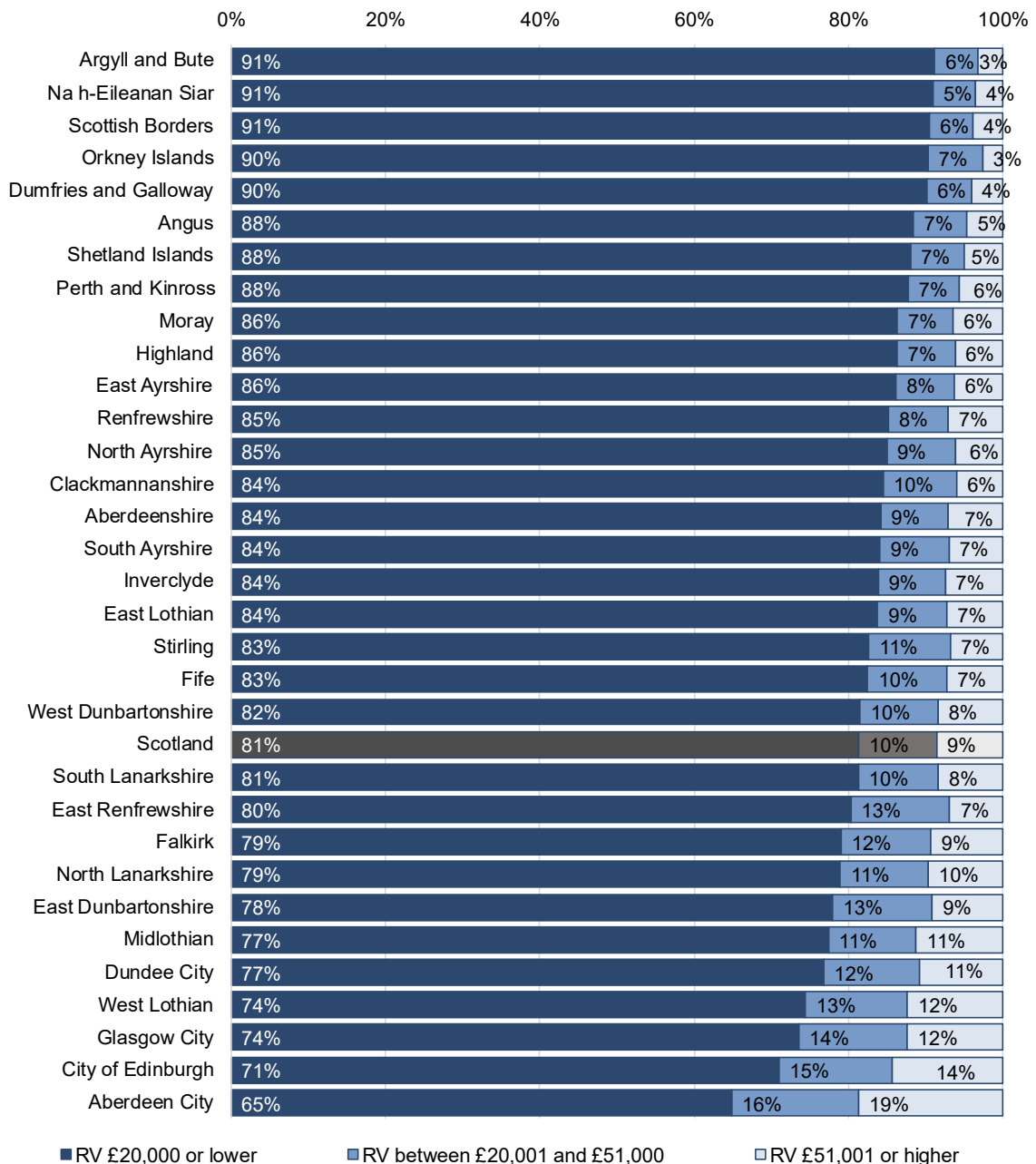
Chart 2.10: Proportion of NDR Properties at 1 April 2024 by Local Authority and Rateable Value Band

Please note the following:

The number of properties includes properties with a zero rateable value.

Percentages for all bands by local authority are available in the Chart 2.10 tab of the associated Excel file.

Source: Scottish Assessors Valuation Roll



2.3.4 NDR Bills

NDR bills are calculated using the RV of the property, multiplied by the tax rate set nationally and annually by Scottish Ministers, less any relief or exemption the property is in receipt of.

$$(\text{NDR Bill})_{\text{Property}} = (\text{RV})_{\text{Property}} \times (\text{Tax Rate})_{\text{National}} - (\text{Reliefs})_{\text{Property}}^9$$

The tax rate depends on the RV band into which the property falls. The rates and RV thresholds are set nationally by the Scottish Government, and for the financial year 2024-25 the **Basic Property Rate** (BPR) was set at 49.8p for every £1 of rateable value. Properties with a rateable value greater than £51,000 and less than or equal to £100,000 were liable for the **Intermediate Property Rate** (IPR) of 54.5p for every £1 of rateable value, and those with a rateable value above £100,000 were liable for the **Higher Property Rate** (HPR) of 55.9p per £1 of rateable value. **Table 2.16** sets the rates and corresponding RV thresholds in each year since 2020-21.

As NDR bills in Scotland are directly related to the RV of individual non-domestic properties, changes in the total RV occurring within a revaluation cycle i.e. between revaluation years, impact on the amount of NDR available for collection, subject to rates and reliefs, as shown in **Table 2.16**. The version of Table 2.16 in the associated Excel workbook also shows years prior to 2020-21. Changes in total RV are due to the net impact of several factors, including increases in the tax base from new properties or extensions of existing properties; and decreases as demolished properties are deleted from the valuation roll, or as the RV is reduced as a result of appeals. More information and statistics on revaluation appeals are available in [NDR Revaluation Appeals Statistics](#). The increase in RV between 2022-23 and 2023-24 will mainly be as a result of the revaluation.

Historically, inflation was a key driver of growth in NDRI, as changes in the BPR (or poundage as referred to in earlier years) had previously typically been tied to either the Retail Price Index (RPI) or the Consumer Price Index (CPI). However, in recent years this has not been the case; for 2019-20 Scottish Ministers set the BPR at 49.0p, a below-inflation increase from the year before, and for 2020-21 the rate was again increased by less than inflation, to 49.8p, although the increase was completely offset by a 1.6% universal relief which was automatically applied to all properties, as a response to the Covid-19 pandemic, effectively delivering a rate freeze for that year. For 2021-22 the rate was reduced to 49.0p, the same as in 2019-20, and in 2022-23 it was set at 49.8p, again a below-inflation increase compared to the year before. Following the 2023 revaluation, the BPR was kept at 49.8p, and was frozen again in 2024-25.

Some properties may receive reliefs or exemptions, which can reduce or completely remove their NDR liability. These are further discussed in [Chapter 2.3.6](#).

⁹ Following the 2023 revaluation the gross bills for some properties, where large RV increases have occurred, have been subject to annually increasing caps.

Table 2.16: NDR Income, Total Rateable Value and Rates from 2020-21 to 2024-25

Please note the following:

NDRI figures are contributable income and, as such, reflect the final, audited income figures collected by local authorities, except for 2022-23, 2023-24, and 2024-2025 which are the notified (provisional outturn) figures as the audits are not yet finalised for all councils. They are net of reliefs paid by Scottish Government, but gross of all local reliefs and top-ups to discretionary amounts paid by councils themselves.

Source: NDRI Audited Returns, NDRI Notified Returns, and Scottish Assessors Valuation Roll

Category	2020-21	2021-22	2022-23	2023-24	2024-25
NDRI, £ millions	1,816	2,108	2,792	3,033	3,146
Total Rateable Value at 1 April, £ millions	7,386	7,325	7,296	7,697	7,693
Basic Property Rate, pence	49.8	49.0	49.8	49.8	49.8
Intermediate Property Rate (IPR), pence	51.1	50.3	51.1	51.1	54.5
IPR threshold, £	51,000	51,000	51,000	51,000	51,000
LBS / Higher Property Rate (HPR), pence	52.4	51.6	52.4	52.4	55.9
LBS / HPR threshold, £	95,000	95,000	95,000	100,000	100,000

2.3.5 Rates Retention Schemes

The policy initiatives that directly link to the amount of NDR collected are: the **Non-domestic Rates Incentivisation Scheme (NDRIS)**, **Tax Incremental Financing (TIF)**, and **Green Freeports**.

NDRIS (formerly the Business Rates Incentivisation Scheme, BRIS) was introduced from April 2012 to incentivise local authorities to maximise existing NDRI and attract new economic growth. It allows all local authorities that exceed their annual NDR buoyancy target, the target percentage increase in their tax base, to benefit from receiving additional grant, equal to 50 per cent of any additional NDR income. In effect, this means that only 50 per cent of the additional NDR income attributable to the increased buoyancy is deducted from the GRG.

This increased funding is carried forward between revaluation years, with each year's increased funding being carried forward to the next year and added to any new retention awarded, assuming the previous year's income is maintained. In 2021-22, the total amount of additional funding received under this scheme was £1.6 million (relating to 2019-20 payment amounts). The BRIS scheme was suspended for the period 2020-21 to 2022-23, as reliefs introduced during the Covid-19 pandemic significantly decreased NDRI in all local authorities. It was re-introduced in 2023-24 following the 2023 revaluation. Local authorities collectively retained a total of £4.3 million NDRI through the scheme in 2024-2025 (relating to 2023-24 payments).

The Scottish Government is also piloting **TIF** which allows local authorities to fund public sector infrastructure, which unlocks private sector investment, contributing to sustainable and inclusive economic growth. This growth is funded from future incremental NDRI that is expected to be generated as a result of attracting more businesses into the area thanks to the upfront public sector enabling investment.

TIF is currently being piloted through secondary legislation under existing provisions of the Local Government Finance Act 1992 in four local authorities: Argyll & Bute, Falkirk, Fife and Glasgow. Of these four pilots, Argyll and Bute, Falkirk and Fife reported TIF income in 2023-24. They collectively retained a total of £4.4 million NDRI in 2024-2025.

Two **Green Freeports** – Forth Green Freeport, and Inverness and Cromarty Firth Green Freeport – were announced in January 2023, and will enable local councils to retain additional non-domestic rates income resulting from new or expanded properties in the designated areas.

No funds were retained under the Green Freeports scheme in 2024-25.

2.3.6 NDR Reliefs

There are a number of types of NDR relief that reduce the NDR bill for properties receiving it. More information on NDR reliefs in 2024-25 can be found in [Finance Circular 5/2024](#).

Table 2.17 shows the amount of relief provided for the main types of relief available for each year between 2020-21 and 2024-25. Local reliefs and the elements of discretionary reliefs funded by local authorities are not included.

The gross amount of relief funded by the Scottish Government has increased from £721.7 million in 2023-24 to £724.5 million in 2024-25.

2023 Revaluation Transitional Relief caps increases in gross NDR bills compared to those before the latest revaluation. It is awarded automatically to all properties, and in 2024-25 had a total value of £12.9 million. For 2024-25, increases compared to the gross bills before the 2023 revaluation were limited to 40.6% for properties with a rateable value up to £20,000; 87.5% for properties with rateable values between £20,001 and £100,000, and 140.6% for those with rateable values above £100,000.

The Small Business Transitional Relief (SBTR) awarded in 2024-25 capped the increase in net bills if, following the 2023 revaluation, properties:

- were no longer eligible for SBBS relief, or
- saw a reduction in eligibility for SBBS relief, or
- were no longer eligible for mandatory Rural relief.

In 2024-25, SBTR capped the increase in net bills at £1,200 compared to their net bill before the 2023 revaluation, and in total reduced NDR bills by £19.4 million.

Table 2.17: Amount of NDR Relief Provided from 2020-21 to 2024-25 by Relief Type, £ thousands

Please note the following:

Figures include mandatory and discretionary elements of relief where applicable, but exclude backdated relief payments and councils own contributions to reliefs.

'Other' includes Hardship Relief, Enterprise Areas Relief, District Heating Relief, Mobile Mast Relief, New Fibre Relief and Lighthouse Relief.

Empty Property Relief was devolved to councils and became a local relief from April 2023.

Retail Hospitality, Leisure and Aviation Relief was introduced in 2020-21. It continued in 2021-22 and became Retail, Hospitality and Leisure Relief in 2022-23.

Revaluation Transitional Relief includes both 2017 Transitional Reliefs and 2023 Revaluation Transitional Relief.

"n/a" is used for years prior to a relief being introduced or after a relief is discontinued.

Source: NDRI Audited Returns for all years expect for 2022-23, 2023-24 and 2024-25 which are from Notified (provisional outturn) returns

Relief Type	2020-21	2021-22	2022-23	2023-24	2024-25
Empty Property Relief	78,670	88,070	95,471	n/a	n/a
Charity Relief	223,189	214,028	215,900	231,026	247,225
Sports Club Relief	14,783	13,140	14,717	16,082	16,763
Disabled Rates Relief	64,266	63,810	63,459	68,300	72,363
Small Business Bonus Scheme	279,441	271,176	281,542	231,150	250,548
Religious Exemptions	27,402	27,481	27,812	29,632	30,446
Rural Relief	3,822	3,775	3,888	3,531	3,533
Renewable Energy Relief	6,439	8,010	8,062	8,500	10,155
New Start Relief	n/a	n/a	n/a	n/a	n/a
Fresh Start Relief	2,321	4,086	5,970	4,653	8,578
Revaluation Transitional Relief	36	13	169	68,278	12,923
Day Nursery Relief	9,601	9,762	10,095	9,836	11,431
Business Growth Accelerator (BGA) - Unoccupied New Build	2,973	2,304	1,905	3,775	990
BGA - New Occupied and Improved	10,519	12,978	22,416	21,161	27,237
Retail, Hospitality, Leisure (and Aviation) Relief	941,229	640,501	27,715	n/a	n/a
Small Business Transitional Relief	n/a	n/a	n/a	21,740	19,414
Parks Transitional Relief	n/a	n/a	n/a	1,502	877
Islands Hospitality Relief	n/a	n/a	n/a	n/a	4,817
1.6% Universal Relief	60,062	n/a	n/a	n/a	n/a
Other	1,609	1,568	2,276	2,490	7,189
Total Relief Provided	1,726,363	1,360,702	781,398	721,657	724,488

Chart 2.11 shows the values of reliefs awarded during 2024-25. The SBBS, Disabled Rates Relief, Religious Exemptions and Charity Reliefs together accounted for £600 million, or around 83 per cent of the total amount of reliefs awarded.

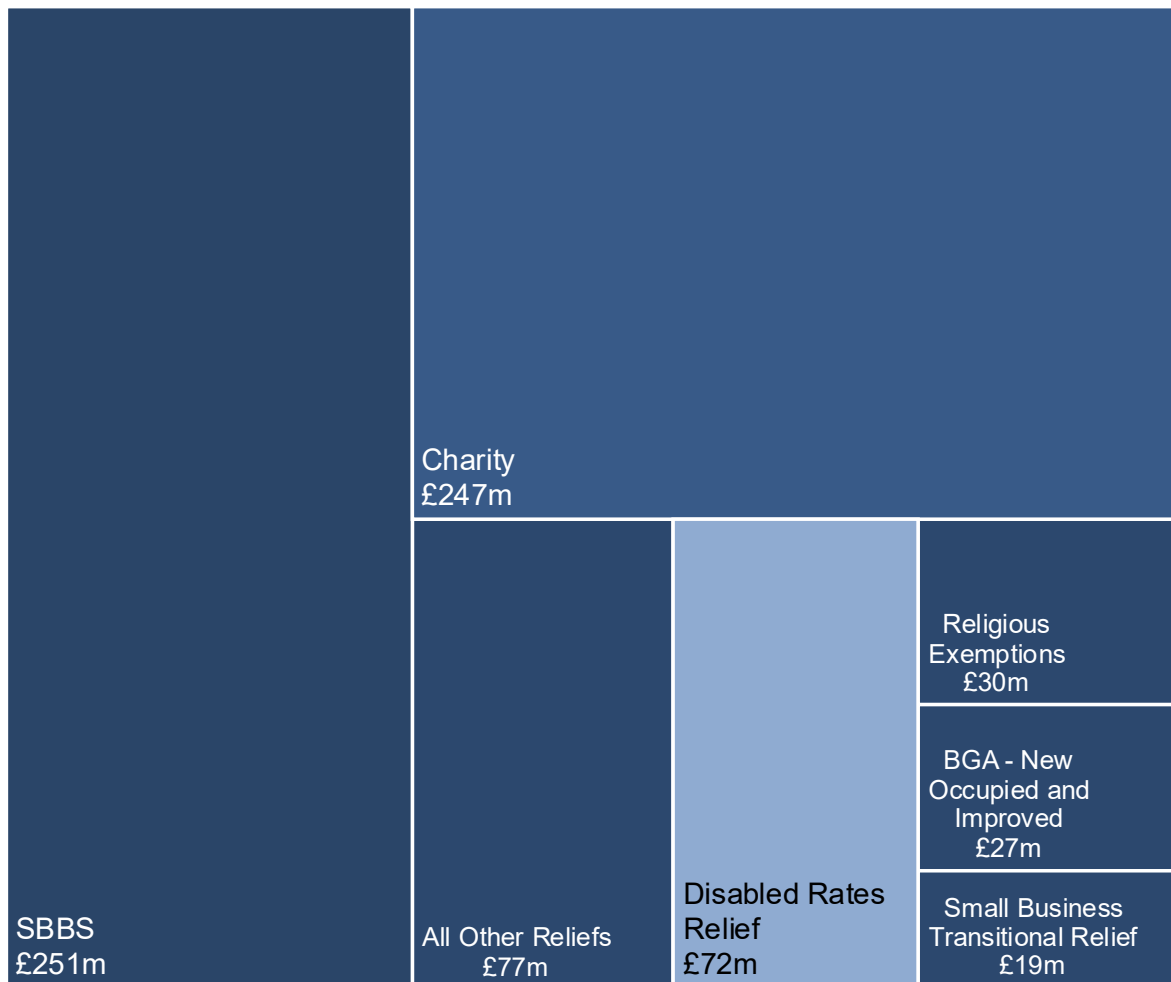
Chart 2.11: Value of NDR Reliefs in 2024-25, £ millions

Please note that NDR reliefs reflect the notified income figures collected by local authorities, because the final, audited income figures are not yet available.

Please note that 'Other' includes: Sports Club, Relief Rural Relief, Renewable Energy Relief, Fresh Start Relief, Revaluation Transitional Relief, Day Nursery Relief; BGA - Unoccupied New Build, Hardship Relief, Enterprise Areas, District Heating Relief, Mobile Mast Relief, New Fibre Relief and Lighthouse Relief.

The table makes use of following acronym: 'SBBS' is Small Business Bonus Scheme

Source: NDRI Notified Returns



2.4 Surplus / Deficit to be met from Reserves

A **surplus (-)** occurs when a local authority's revenue expenditure is **lower** than the amount of service income and general funding available to them. A surplus is added to a local authority's reserves and carried forward to the next year.

A **deficit (+)** occurs when a local authority's revenue expenditure is **higher** than the amount of service income and general funding available to them. Any deficit must be met from a local authority's reserves.

The HRA reserve is not permitted to show a deficit at the end of the financial year and if this occurs, local authorities are required to transfer funds from the General Fund to cover this deficit.

Table 2.18 sets out the movement in the General Fund and HRA reserves in 2024-25. At 1 April 2024, local authorities held a total of £3,382 million in their General Fund (including Harbour) and HRA reserves. In year:

- local authorities' income exceeded their revenue expenditure, resulting in a **deficit** of £318 million.
- local authorities transferred a total of net £2 million into the General Fund and HRA.
- local authorities' International Financial Reporting Standard (IFRS) 9 unrealised gains was negligible. IFRS 9 unrealised gains relate to the difference between the fair value of investments compared with their original cost. As the underlying investments have not yet been sold, the net gain is 'unrealised' and so is excluded from the revenue reserves balance as this gain is not available to fund future expenditure.

Table 2.18: Movement in Reserves in 2024-25, £ millions

Please note that balance figures exclude amounts relating to unrealised gains that have been included in revenue reserves applying under IFRS 9: Financial Instruments.

Source: LFR 24

Movement	General Fund	HRA	Total
Balance as at 1 April 2024	3,196	186	3,382
Add: Surplus (+) or Deficit (-) on provision of services <u>after</u> statutory adjustments	-319	1	-318
Add: Net movements in (+) or out (-) due to transfers between reserves	7	-5	2
Less: Increase (+) or decrease (-) in IFRS 9 unrealised gains	1	0	1
Balance as at 31 March 2024	2,883	182	3,065

This meant that, overall, the General Fund and HRA **decreased** by £317 million in year, giving a total balance of £3,065 million at 31 March 2025. More information on local authorities' reserves is provided in [Chapter 4.1](#).

3. Capital Expenditure and Financing

Capital expenditure is expenditure that creates an asset, it includes the initial costs of acquisition and construction, and costs incurred subsequently to add to, replace part of, or service the asset. Subsequent costs arising from day-to-day services of an asset, known as repairs and maintenance, is **not** capital expenditure. Capital expenditure purchases or constructs the buildings and infrastructure necessary to provide services, such as schools, care homes, flood defences, roads, vehicles, plant and machinery. Due to the nature of capital expenditure, it can fluctuate substantially between years.

Capital expenditure also includes grants a local authority provides to a third party to fund capital expenditure of the third party; direct expenditure on a third parties' assets; and loans to third parties to support capital investment of a third party.

Capital expenditure can be financed by one or more of the following:

- capital grants and contributions;
- borrowing or credit arrangements;
- contributions from capital or revenue reserve funds;
- capital receipts from the sale of assets.

[Chapter 4.1](#) provides more information on local authorities' capital reserve funds.

3.1 Capital Expenditure

In 2024-25, total capital expenditure was £4,659 million, an increase of 26.7 per cent, or £982 million, from 2023-24. This includes expenditure on the Housing Revenue Account.

Capital expenditure in 2024-25 is impacted by IFRS 16, the International Financial Reporting Standard for leases. It replaces older standards to create a single model for lessees, requiring most leases over 12 months to appear on the balance sheet as a Right-of-Use (ROU) Asset and a Lease Liability. This brings most lease obligations onto the balance sheet, increasing transparency, though it allows exemptions for short-term leases and low-value assets. The mandatory implementation date for IFRS 16 was 1 April 2024.

Chart 3.1 shows the split of capital expenditure into these six categories in 2024-25. The majority of capital expenditure, £3,297 million or 71 per cent, related to new construction, conversions & enhancements to existing buildings.

Chart 3.1: Capital Expenditure in 2024-25 by Expenditure Type, £ millions

Please note, 'Third party capital projects funded from capital grant' and 'Revenue expenditure funded from borrowing' are also included in authorities' revenue figures.

Source: LFR CR

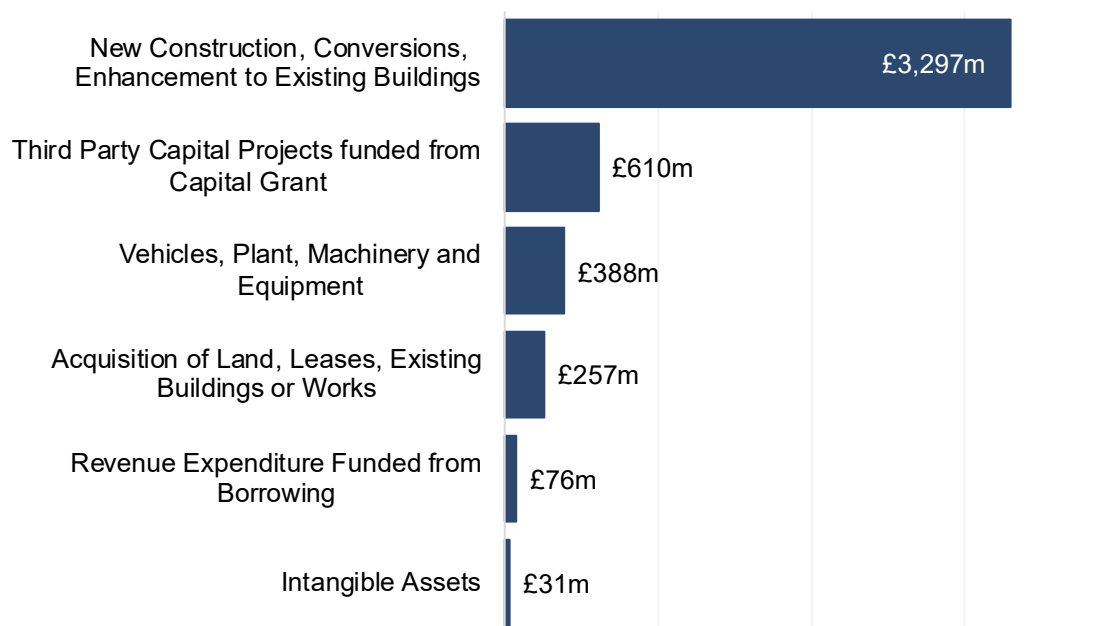


Table 3.1 shows a breakdown of capital expenditure between 2020-21 and 2024-25. New construction, conversions and enhancements to existing building has consistently accounted for the majority of capital expenditure over this period. This type of capital expenditure has increased by 13.2 per cent, or £385 million, between 2023-24 and 2024-25.

All categories have increased between 2023-24 and 2024-25, with the exception of Third Party Capital Projects funded from Capital Grant, which decreased from £289 million to £257 million.

Acquisition of land, existing buildings or works has increased from £180 million in 2023-24 to £610 million 2024-25. This included a £102 million increase in Education, a £167 million increase in “Other Services” as a result of IFRS 16 implementation and a £141 million increase in HRA.

Table 3.1: Capital Expenditure from 2020-21 to 2024-25 by Expenditure Type, £ millions

Please note, ‘Revenue expenditure funded from capital grant and borrowing’ is also included in authorities’ revenue figures.

Source: LFR CR

Expenditure Type	2020-21	2021-22	2022-23	2023-24	2024-25
Acquisition of land, existing buildings or works	66	151	207	180	610
New construction, conversions & enhancements to existing buildings	2,013	2,623	2,959	2,912	3,297
Vehicles, plant, machinery & equipment	232	222	293	246	388
Intangible assets	20	30	4	24	31
Third Party Capital Projects funded from Capital Grant	240	286	284	289	257
Revenue Expenditure Funded from Borrowing: Third Party Capital Grants	14	26	20	20	22
Revenue Expenditure Funded from Borrowing: Consented Borrowing	19	4	18	9	55
Total Capital Expenditure	2,604	3,341	3,785	3,678	4,659

3.1.1 Capital Expenditure by Service

Chart 3.2 shows capital expenditure in 2024-25 by service. HRA had the largest share of expenditure at £1,286 million, followed by Education (£1,169 million) and Other (£624 million). Other includes Central Services (£198 million), Other Services (£343 million), Social Work (£59 million) and Trading Services (£25 million).

Chart 3.2: Capital Expenditure in 2024-25 by Service, £ millions

Please note, 'Other' includes Central Services, Other Services, Social Work and Trading Services.

Source: LFR CR

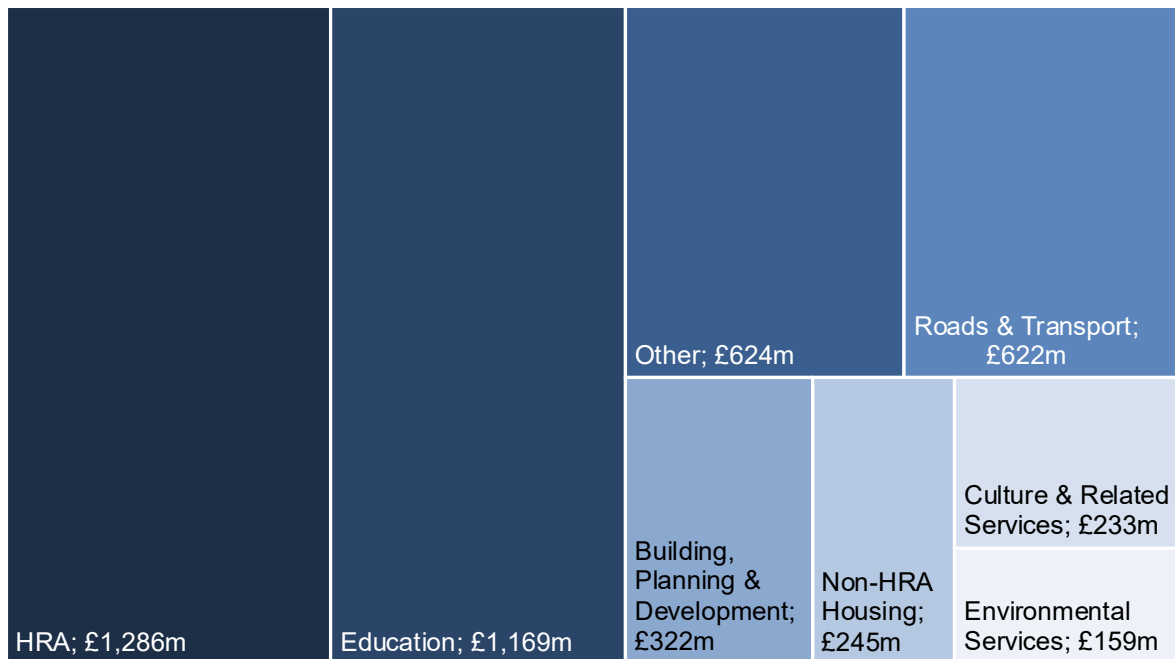
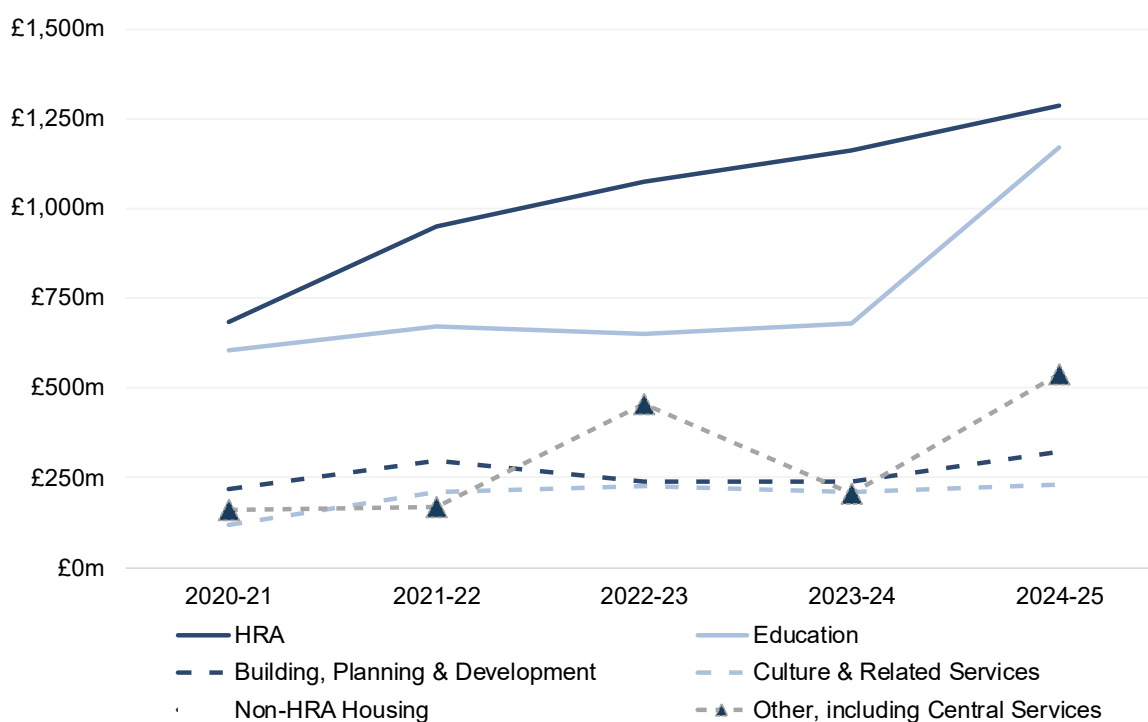


Chart 3.3 shows capital expenditure for 2020-21 to 2024-25 for the six services with the highest capital expenditure in 2024-25. Education increased by 72.3 per cent (£491 million) and this reflects the rollout of the [Learning Estate Investment Programme](#). Other, including Central Services increased by 162.8% (£335 million) and this is likely to be due to the mandatory implementation of IFRS 16 as at 1 April 2024. HRA capital expenditure increased by 10.7 per cent (£124 million). Building, Planning and Development increased by 34.3% (£82 million). Capital expenditure increased for Non-HRA Housing (15.7 per cent, £33 million). Finally, Culture and Related Services increased by 11.4% (£24 million). Not shown in the chart, Roads & Transport decreased by 12.8 per cent (£91 million);

Chart 3.3: Capital Expenditure from 2020-21 to 2024-25 by Service, £ millions

This chart excludes expenditure for Environmental Services; Social Work and Trading Services which, combined, accounted for 5 per cent of total capital expenditure in 2024-25.

Source: LFR CR



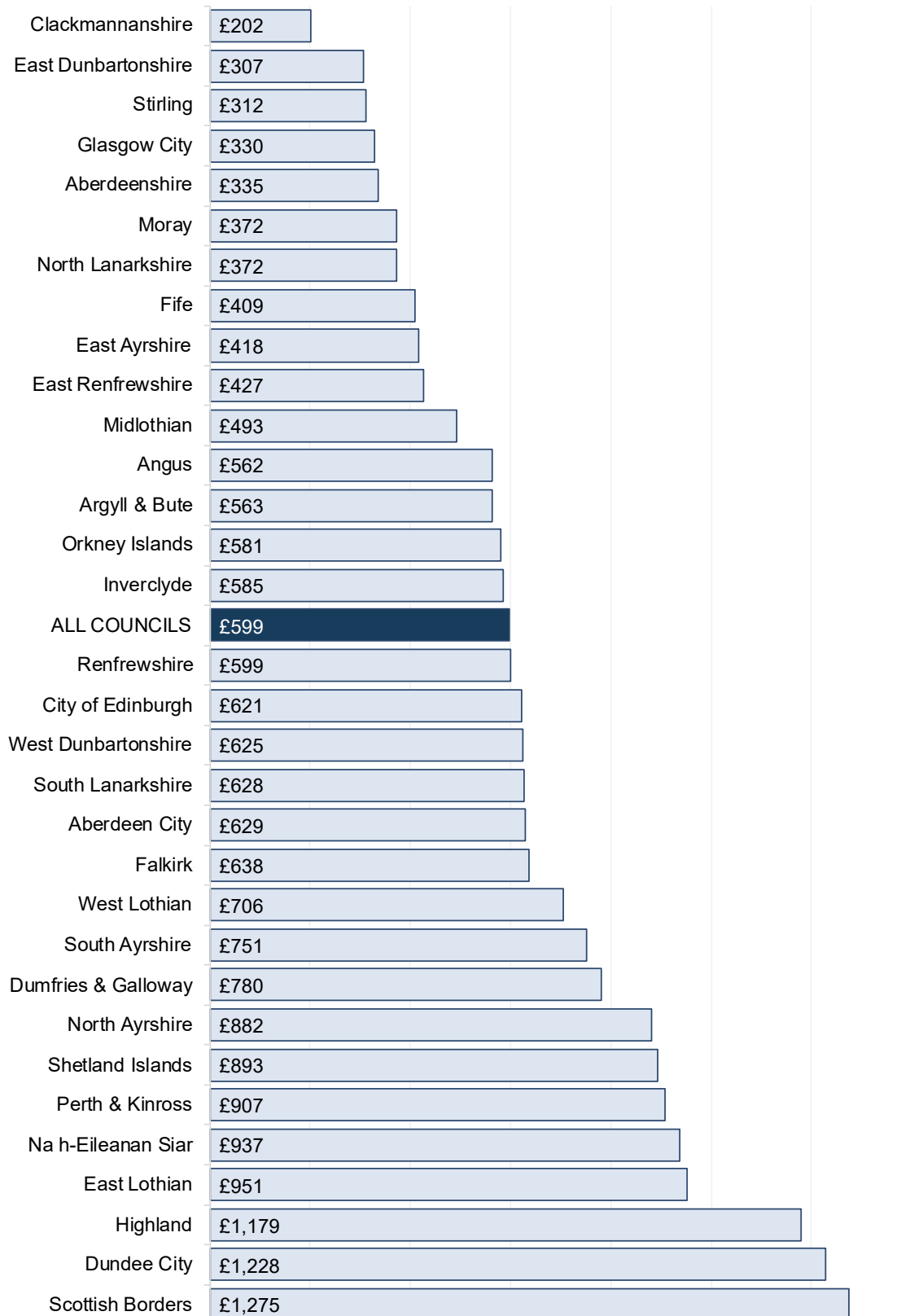
3.1.2 General Fund Capital Expenditure by Council

In any given year, capital expenditure per person varies substantially between local authority areas. This will in part reflect the different priorities of local authorities, however it also reflects differences in the timing of capital projects. Expenditure on capital projects can be highly variable as some projects can be high-value and infrequent, and expenditure per head in local authority areas will move, possibly substantially, from year to year as projects begin or wind down.

Chart 3.4 shows capital expenditure on General Fund services per person by council. In 2024-25, the average capital expenditure per person across all councils was £599, an increase from £451 per person in 2023-24. Spend per person ranged from £202 per person in Clackmannanshire to £1,275 per person in Scottish Borders.

Chart 3.4: General Fund Capital Expenditure in 2024-25 by Council, £ per person

Source: LFR CR, National Records of Scotland Mid-2024 population estimates



3.2 Capital Financing

Chart 3.5 shows how local authorities financed their capital expenditure in 2024-25. This includes expenditure on the Housing Revenue Account. The two main sources of financing were Borrowing from the Loans Fund, £2,101 million, and Grants & Contributions, £1,479 million, which together accounted for 77 per cent of all capital financing in 2024-25.

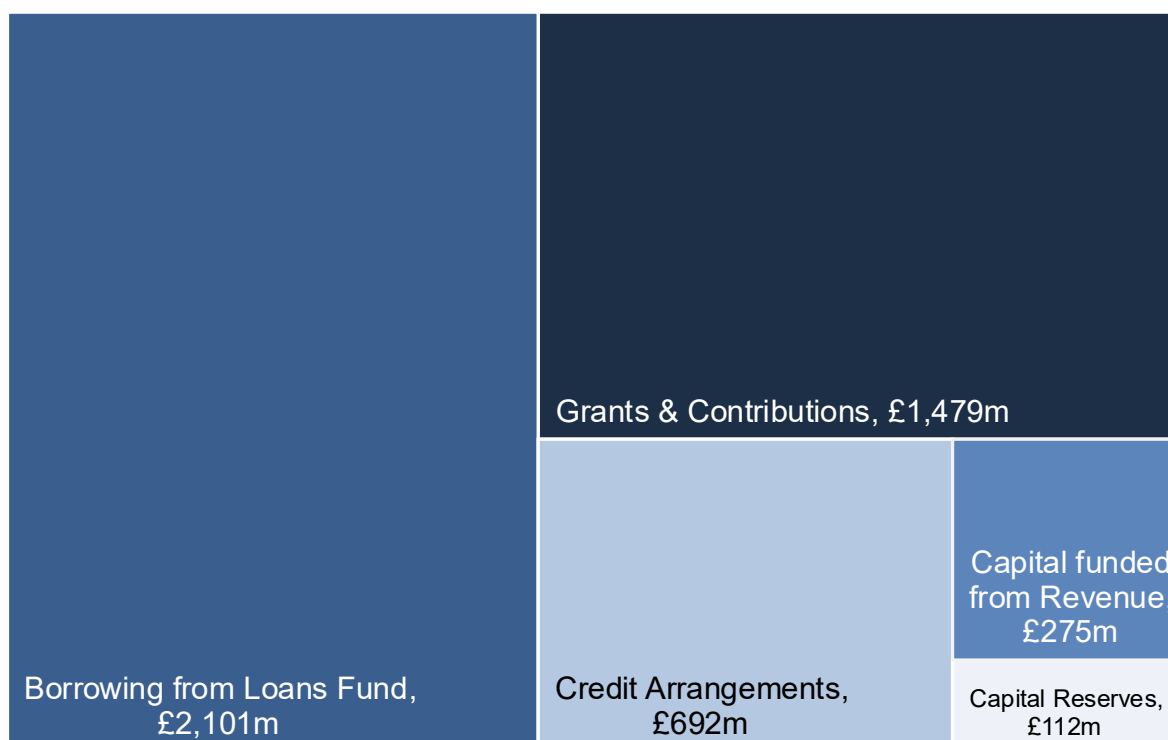
Capital **grants and contributions** are provided to local authorities to fund capital investment. This includes grants and contributions received from the Scottish and UK Governments; other government agencies and Non-Departmental Public Bodies (NDPBs); other local authorities; and private developers. The Scottish Government provides two types of capital grant funding to local authorities – a General Capital Grant (GCG) and a number of specific capital grants. The General Capital Grant accounted for just over two-fifths of grants and contributions in 2024-25¹⁰.

More information on **borrowing** is provided in [Chapter 3.3](#) and more information on the **Loans Fund** is provided in [Chapter 5.1.1](#).

Chart 3.5: Capital Financing in 2024-25 by Source, £ millions

Please note that ‘Borrowing from Loans Fund’ and ‘Grants & Contributions’ include amounts used to fund grant to third-party capital projects which will also be included in the revenue figures.

Source: LFR CR



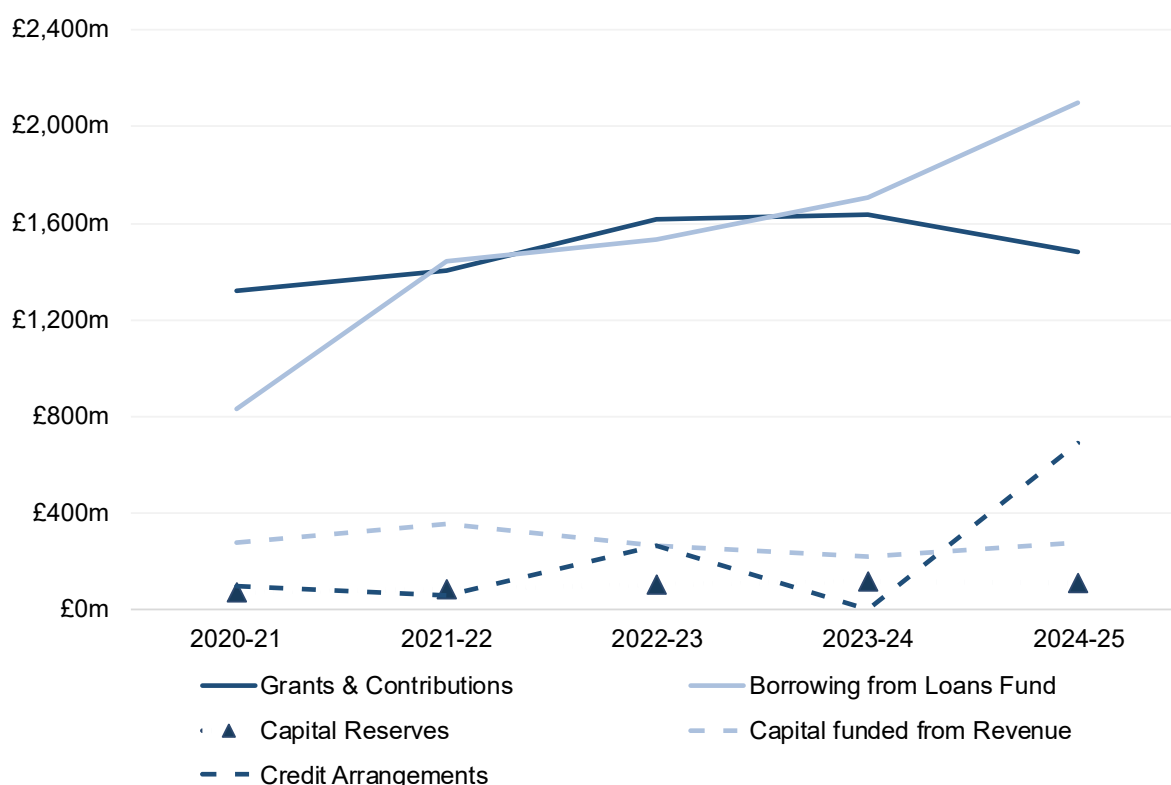
¹⁰ From [Finance Circular 10/2024 Annex K](#), the General Capital Grant totalled £611.796 million.

Chart 3.6 shows capital financing by type from 2020-21 to 2024-25. Except for Grants & Contributions and Capital Reserves, all types of financing have increased between 2023-24 and 2024-25. Borrowing from the Loans Fund and Grants & Contributions continue to be the main sources of capital financing.

Chart 3.6: Capital Financing from 2020-21 to 2024-25 by Source, £ millions

Please note that ‘Borrowing from Loans Fund’ and ‘Grants & Contributions’ include amounts used to fund grants to third-party capital projects which will also be included in the revenue figures.

Source: LFR CR



Financing from credit arrangements saw a marked increase during 2024-25 of around £690 million. This is a consequence of IFRS 16 where these assets are now recognised on the balance sheet.

The increase in credit arrangements during 2022-2023 is partly as a result of Glasgow City Council securing £200 million in credit arrangements as part of a sale and leaseback arranged to fund its £200 million equal pay settlement. The properties involved included Kelvingrove Art Gallery, Kelvin Hall, the Gallery of Modern Art and the City Chambers¹¹.

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<https://www.glasgow.gov.uk/councillorsandcommittees/viewSelectedDocument.asp?c=P62AFQDNZLUT81Z32U>

3.3 Borrowing and Credit Arrangements

Local authorities can borrow to fund capital expenditure, either through the borrowing of money or by way of a credit arrangement, such as a lease. The cost of repaying debt, including the interest costs, is expenditure to the revenue accounts. The costs of servicing debt in 2024-25 are provided in **Table 2.5**, which shows the cost of repayments and interest payable.

The Local Government (Scotland) Act 1973 provides councils with a general power to borrow money. Other local authorities' powers are set out in legislation specific to that authority. The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 sets out the purposes for which a local authority may borrow.

Table 3.2 provides a summary of borrowing and credit arrangements in 2024-25. Local authorities financed £2,101 million of capital expenditure from borrowing in 2024-25. From **Chart 3.6**, this was an increase of 23.2 per cent, £396 million, compared to 2023-24.

In 2024-25, local authorities recorded credit arrangements, recognising debt of £692 million, an increase of £690 million, from 2023-24. This increase is the consequence of IFRS 16 which means these assets are now recognised on the balance sheet. This is likely to be a one-off change and captures transactions which may have occurred prior to 2024-25.

Table 3.2: Borrowing and Credit Arrangement Summary for 2024-25, £ million

Please note that 'Advances for Capital Expenditure' includes borrowing from the Loans Fund used to fund grants to third party capital projects which will also be included in the revenue figures.

Source: LFR CR

Category	General Fund	HRA	Total
Advances for Capital Expenditure	1,185	862	2,047
Advances for Consented Borrowing	55	0	55
Total Loans Fund Borrowing	1,240	862	2,101
Credit Arrangements	692	0	692
Total Borrowing and Credit Arrangements	1,932	862	2,794

Trends for borrowing from the Loans Fund and credit arrangements between 2020-21 and 2024-25 are shown in **Chart 3.6** and discussed in [Chapter 3.2](#).

3.4 Capital Receipts

Capital receipts is the term used to recognise income from the sale or disposal of an asset, such as land or council housing. As shown in **Table 3.3**, local authorities generated £90 million in capital receipts in 2024-25. This is a decrease of £34 million compared to 2023-24. The larger figure 2023-24 is due to Glasgow City Council's sale and leaseback transactions (see [Chapter 3.2](#))

Table 3.3: Capital Receipts raised in 2020-21 to 2024-25, £ millions

Source: LFR CR

Category	2020-21	2021-22	2022-23	2023-24	2024-25
General Fund	68	44	292	89	77
HRA	25	22	32	36	12
Total	93	67	324	124	90

Capital receipts may only be used to fund capital expenditure or for a purpose specified by statute, or statutory guidance. Local authorities can also hold capital receipts in a capital reserve for future use. This means the value of capital receipts raised in year may not equal the amount used in year. **Table 3.4** sets out how capital receipts were used in 2024-25.

Table 3.4: Use of capital receipts in 2024-25, £ millions

Source: LFR CR

Use	General Fund	HRA	Total
Fund capital expenditure	51	18	69
Repay debt	24	0	25
Fund transformation projects	0	0	0
Fund premiums incurred on refinancing	0	0	0
Fund deferred premiums	0	0	0
Fund impact of Covid-19	0	0	0
Total capital receipts used in year	76	18	94

Local authorities used a total of £94 million capital receipts in 2024-25, the entirety of which were used to fund capital expenditure and repay debt, which accounted for 74 and 26 per cent of capital receipts used respectively.

4. Reserves and Fixed Assets

4.1 Reserves

Usable reserves reflect a local authority's accumulation of surplus income that can be used to finance future revenue or capital expenditure on services. **Chart 4.1** shows the total usable reserves at 31 March 2025, by fund.

Chart 4.1: Usable Reserves at 31 March 2025, £ millions

Please note that 'Other' revenue reserves includes the Insurance Fund.

Source: LFR 23



The **General Fund** is the principal usable revenue reserve of the local authority. Any **deficit** in a local authority's revenue accounts is met from their General Fund, and any **surplus** is added to the General Fund reserve. The General Fund therefore reflects a local authority's accumulation of surplus income that can be used to finance future revenue expenditure on services or to fund future capital expenditure.

The Orkney County Council Act 1974 and the Zetland County Council Act 1974 require Orkney and Shetland to also hold a **Harbour Account**, a separate account and reserve fund specifically for harbour undertakings. Orkney and Shetland are also able to transfer money between their General Fund and their Harbour Accounts. In this chapter Harbour Account figures are presented separately, however they are included within General Fund figures in other chapters within this publication.

Where a council has housing stock, the accumulation of surplus income relating to housing is separately identified in their **Housing Revenue Account (HRA)**.

In addition to the General Fund a local authority may also hold other statutory usable revenue reserves, such as a **Renewal and Repairs Fund**, an **Insurance Fund**, or other reserves specific to a local authority as permitted by legislation. Amounts will be transferred to and from the General Fund to these reserves.

Local authorities hold two **capital reserves** – the Capital Fund / Capital Receipts Reserve and a Capital Grants and Receipts Unapplied Account.

The Capital Fund and Capital Receipts Reserve were previously identified separately but are now treated as a single reserve. The **Capital Fund / Capital Receipts Reserve** may be used for the purpose of meeting the cost of capital expenditure and for the repayment of principal on loans, but not any interest on loans.

The **Capital Grants Unapplied Account** holds capital grant that has been received but not yet used to fund capital expenditure, or capital receipts held pending their funding of specific expenditure as permitted by Scottish Ministers.

Local authorities also hold a number of **unusable reserves**, that is reserves which are not backed by cash resources and cannot be used to fund services. Unusable reserves include a Revaluation Reserve, where increases in the value of fixed assets are recorded. This reserve is not usable as an increase in value of an asset will not be realised until the asset is sold. Other unusable reserves include sums deferred or set aside as statutory adjustments which are used to ensure the Annual Accounts of a local authority reconcile to statutory requirements. As these are unusable reserves, they are not discussed in this publication. However this data is collected as part of the Local Financial Returns and is available in the published LFR 23 workbook. A summary of the movement in each unusable reserve in 2024-25, together with a timeseries back to March 2019, is also provided in the 'SLGFS 2024-25 – Additional Analysis – Reserves' supporting Excel file.

A change in accounting practice in 2018-19 (IFRS 9) resulted in unrealised gains in the value of investments held by local authorities being included in the General Fund / HRA / Harbour reserve balances, rather than in an unusable reserve as before. This gain is unrealised as the investment is still held and any gain will only be realised if the investment is sold. The unrealised gain is therefore required to be earmarked and is not available to fund future revenue expenditure or to fund capital investment. The value of usable reserves presented in this publication therefore **exclude** any IFRS 9 unrealised gains held as part of the General Fund / HRA balances.

Table 4.1 sets out the movements across all reserves in 2024-25. Figures relating to the General Fund (including Harbour Account figures) and HRA were also presented in [Chapter 2.4](#).

Local authorities had a decrease of £328 million in their revenue reserves, and a decrease of £15 million in their capital reserves in 2024-25. This means local authorities' usable reserves decreased by £342 million overall, from £4,274 million at 1 April 2024 to £3,931 million at 31 March 2025.

Table 4.1: Movements in Usable Reserves in 2024-25, £ millions

Please note that level of reserves held at 1 April and 31 March exclude amounts relating to unrealised gains that are included in revenue reserves in statutory Annual Accounts applying IFRS 9: Financial Instruments.

Source: LFR 23

Usable Reserve	Level of reserves held at 1 April 2024	Net increase (+) or decrease (-) in year	Level of reserves held at 31 March 2025
General Fund	2,908	-302	2,606
Housing Revenue Account	186	-4	182
Harbour Account	288	-11	277
Renewal and Repairs	153	-10	143
Insurance Fund	88	-2	85
Other Statutory Funds	2	2	4
Total Revenue Reserves	3,625	-328	3,297
Capital Fund / Capital Receipts	505	-22	482
Capital Grants and Receipts Unapplied	144	7	152
Total Capital Reserves	649	-15	634
Total Usable Reserves	4,274	-342	3,931

The majority of the decrease in usable reserves relates to a decrease in the General Fund of £302 million between 1 April 2024 and 31 March 2025.

As part of the annual budget setting process, the Scottish Government commits to providing a level of funding to Councils in the form of general and specific revenue and capital grants.

Specific revenue grants must be used to meet a specific Scottish Government priority and any unused specific grant can only be carried forward with the consent of the Scottish Ministers. General Capital Grant must be spent in the year received and any unspent General Capital Grant is required to be returned to the Scottish Government at the end of the financial year and may not be held in reserves. In both cases therefore, if this funding is not otherwise utilised within the financial year by the Scottish Government, then it will be reported within reserves as part of the Scottish Government Consolidated Accounts. If consent is provided to carry forward a specific revenue grant this will be disclosed in the local authority's annual accounts as an earmarked reserve.

Earmarked reserves are held for a specific purpose, the majority of which will be fully committed to existing spend programmes and represent the extent to which resources are received or generated in advance of the actual spend.

Local authorities are able to **earmark**, or set aside, part of their General Fund reserves for future use for a specific purpose. At 31 March 2025, local authorities' had earmarked 84.7 per cent, or £2,206 million of the £2,606 million General Fund reserves¹². These figures exclude amounts relating to unrealised gains that are included in revenue reserves in statutory Annual Accounts applying IFRS 9: Financial Instruments.

Councils may hold an additional unearmarked amount to mitigate financial risk. This amount equated to £400 million as at 31 March 2025, or 1.5% of Gross Service Expenditure (£25,852 million).

¹² See Table K in Scottish Local Government Finance Statistics (SLGFS) 2024-25 - Additional Analysis – Reserves, available in the supporting documents for this publication.

Table 4.2 sets out the level of reserves held across all local authorities in Scotland at 31 March 2021 to 31 March 2025.

Table 4.2: Level of Usable Reserves held at 31 March 2021 to 31 March 2025, £ millions

Please note the following:

Figures exclude amounts relating to unrealised gains that are included in revenue reserves in statutory Annual Accounts applying IFRS: Financial Instruments.

Figures for 31 March 2024 may not match the 1 April 2024 figures shown in Table 4.1 due to restatements in local authorities' accounts between years.

Figures for 31 March 2023 and 31 March 2024 may differ from previous publications due to audited accounts being submitted after SLGFS 2023-24 was published. These figures have been revised for this publication. See the [introduction](#) for more information.

Source: LFR 23

Usable Reserve	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25
General Fund	2,274	2,687	2,873	2,893	2,606
HRA	248	215	209	189	182
Harbour Account	328	331	307	288	277
Renewal and Repairs	177	190	166	153	143
Insurance Fund	99	95	91	88	85
Other Statutory Funds	14	9	6	2	4
Total Revenue Reserves	3,141	3,527	3,652	3,612	3,297
Capital Fund / Capital Receipts	464	461	511	504	482
Capital Grants and Receipts Unapplied	227	175	370	145	152
Total Capital Reserves	691	636	882	649	634
Total Usable Reserves	3,832	4,163	4,534	4,260	3,931

4.2 Fixed Assets

Capital expenditure creates local authority assets. At 31 March 2025, the value of local authority fixed assets was £58,597 million, an increase of 3.9 per cent, or £2,202 million, from 31 March 2024. The value of local authority fixed assets from 31 March 2021 to 31 March 2025 is shown in **Table 4.3**.

Table 4.3: Value of Fixed Assets at 31 March 2021 to 31 March 2025, £ millions

Source: LFR CR

Fixed Asset Type	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	% change between 31 March 2024 and 31 March 2025
Operational assets	47,766	50,822	52,332	53,321	55,289	3.7%
Non-operational assets	2,384	2,336	2,609	2,947	3,162	7.3%
Intangible assets	85	103	115	128	147	14.8%
Total Assets	50,234	53,261	55,056	56,395	58,597	3.9%

Operational assets are assets a local authority can use when providing services, such as a school, council houses, vehicles etc. Almost all of local authorities' fixed assets are operational assets (94.4 per cent of total assets) and the value of these has increased by 3.7 per cent, or £1,969 million, from 31 March 2024 to 31 March 2025.

Non-operational assets are assets that a local authority cannot currently utilise, for example an asset that is still under construction or an asset that is being held for disposal. **Intangible assets** are non-physical assets, such as computer software. Non-operational assets and intangible assets together accounted for 5.6 per cent of local authorities' total fixed assets as at 31 March 2025.

5. Debt and Prudential Indicators

5.1 Debt

When a local authority borrows money or uses a credit arrangement to finance capital expenditure a debt liability is created that the local authority has to repay from future revenues. A local authority is required to make loans fund advances in respect of capital expenditure it has determined should be met from borrowing. Loans fund advances are repaid in future years.

Table 5.1 provides a summary of local authorities' debt at 31 March 2025. **Total debt** across local authorities at 31 March 2025 was £25,296 million, an increase of 10.2 per cent or £2,347 million, from 31 March 2024. Some of this increase in debt will be due to the implementation of IFRS 16.

Table 5.1: Total Debt at 31 March 2025, £ millions

Source: LFR CR

Debt Type	General Fund	HRA	Total
Loans Fund Advances outstanding	14,746	6,271	21,017
Credit Arrangements	4,278	1	4,280
Total Debt	19,024	6,273	25,296

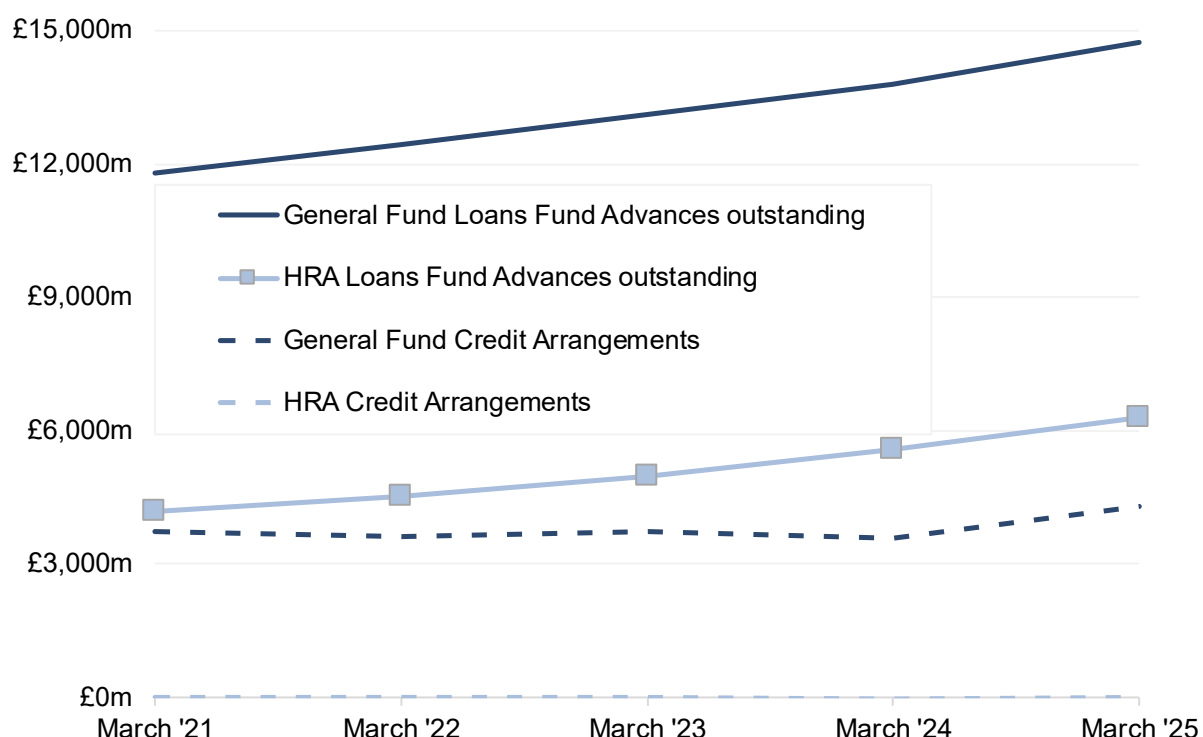
Total General Fund debt equated to £3,430 per person, an increase of £273 (8.7 per cent) from £3,156 per person compared to 31 March 2024. Total HRA debt equated to £19,362 per HRA dwelling, an increase of £1,950 (11.2 per cent) from £17,411 per HRA dwelling compared to 31 March 2024.

Chart 5.1 shows total debt at 31 March 2021 to 31 March 2025 by type of debt and split by General Fund and HRA. Total debt has increased by 28.4 per cent, or £5,590 million, over this five-year period. The split of total debt across the four categories shown has remained fairly consistent across this period with General Fund borrowing accounting for around three-fifths of total debt; HRA borrowing accounting for just under one-quarter; and General Fund credit arrangements accounting for just under one-fifth of total debt.

More information on the Loans Fund and credit arrangements, as shown in **Table 5.1** and **Chart 5.1**, are provided in [Chapters 5.1.1](#) and [5.1.2](#).

Chart 5.1: Total Debt at 31 March 2021 to 31 March 2025, £ millions

Source: LFR CR



5.1.1 Loans Fund

The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 require a local authority to maintain a Loans Fund. Advances are made from the Loans Fund to record the amount of expenditure a local authority has determined should be met from borrowing, as permitted by legislation. The repayments made to the Loans Fund are the amount to be met in each financial year from a local authorities' revenue accounts.

The value of a Loans Fund will **increase** whenever an advance is made for expenditure incurred, or loans made, in any financial year. The value of a Loans Fund will **decrease** when Loans Fund Advances are repaid by making a charge to the General Fund or HRA. The balance on a Loans Fund at 31 March each year represents the amount of past expenditure a local authority has liability to fund from its future revenue budgets.

A local authority will borrow externally to fund the advances made from the Loans Fund. The balance on the Loans Fund should be similar to the value of external borrowing but there may be legitimate differences between the two values. Local authorities may borrow internally, that is use cash reserves, rather than borrowing externally, or may borrow in advance of incurring the actual expenditure to take advantage of favourable interest rates.

Table 5.2 provides a summary of local authorities' Loans Funds in 2024-25. The overall value of the Loans Fund across all local authorities at 31 March 2025 was £21,017 million, an increase of 8.4 per cent, or £1,629 million, from 1 April 2024.

Table 5.2: Loans Funds Advances Outstanding in 2024-25, £ millions

Please note that these figures only reflect local authorities' own debt and exclude amounts relating to lending to other statutory bodies.

Source: LFR CR

Movement	General Fund	HRA	Total
Loans Fund Advances outstanding at 1 April	13,818	5,570	19,388
Add: New advances from the Loans Fund	1,240	862	2,101
Less: Repayments made in year	312	160	473
Less: Transfer in (+) or out (-) of assets	0	0	0
Loans Fund Advances outstanding at 31 March	14,746	6,271	21,017

5.1.2 Credit Arrangements

Credit arrangements, such as finance leases, Private Finance Initiatives (PFI) and Public Private Partnerships (PPP) including the Scottish Non-Profit Distributing (NPD) model, are not charged to the Loans Fund. However they are a form of borrowing and so are included in the total debt figures.

Table 5.3 provides a summary of local authorities' credit arrangements in 2024-25. The overall value of credit arrangements outstanding across all local authorities at 31 March 2025 was £4,280 million, an increase of 19.2 per cent, or £690 million, from 1 April 2024. This increase is the consequence of IFRS 16 which means these credit arrangements are now recognised on the balance sheet. This is likely to be a one-off change and captures transactions which may have occurred prior to 2024-25.

Table 5.3: Credit Arrangements in 2024-25, £ millions

Source: LFR CR

Movement	General Fund	HRA	Total
Credit Arrangements brought forward at 1 April	3,707	1	3,708
Add: New Credit Arrangements in year	692	0	692
Less: Repayments made in year	121	0	121
Credit Arrangements outstanding at 31 March	4,278	1	4,280

5.2 Prudential Indicators

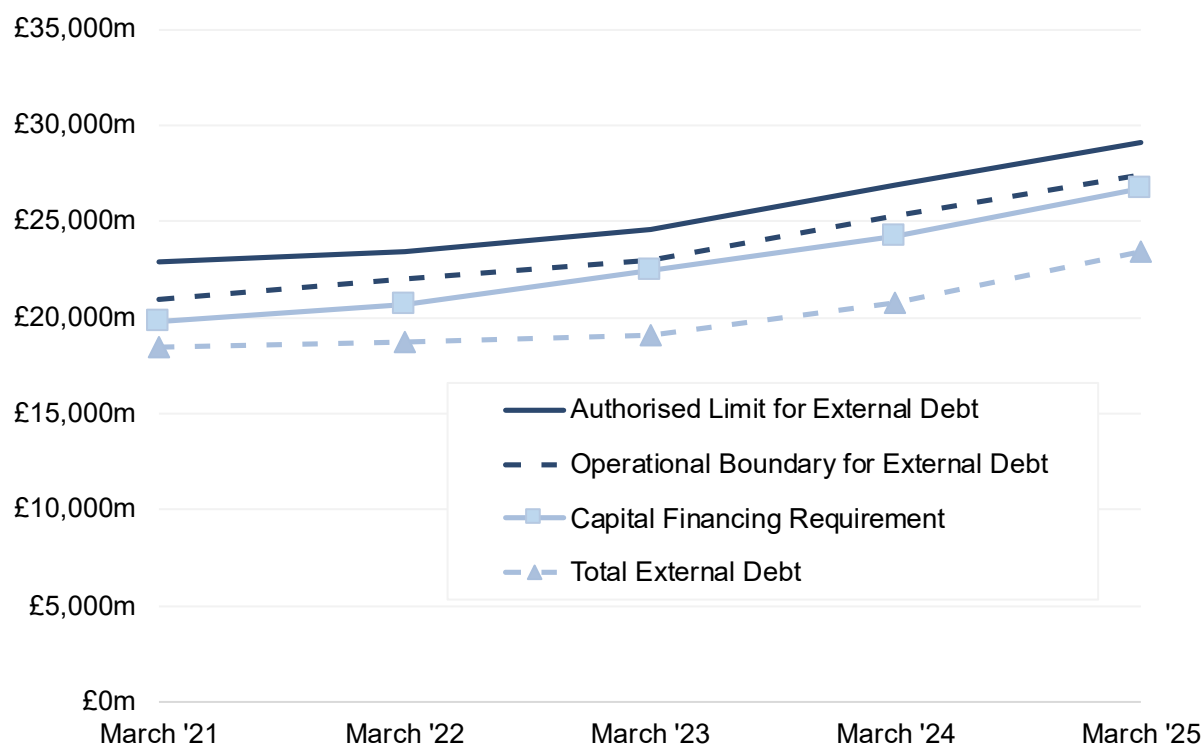
The Chartered Institute of Public Finance & Accountancy (CIPFA) Prudential Code sets out a framework for a local authority to demonstrate its capital investment plans are affordable, prudent and sustainable. A number of prudential indicators are set and monitored against three year capital expenditure plans. Further, the Local Government in Scotland Act 2003 places a local authority under a statutory duty to set their own maximum capital expenditure limits and they must be set with regard to the Prudential Code. The key prudential indicators are:

- Capital Financing Requirement
- Total External Debt
- Operational Boundary
- Authorised Limit

Chart 5.2 shows the change in prudential indicators between 31 March 2021 and 31 March 2025. More information on the individual indicators is provided in the remainder of this chapter.

Chart 5.2: Prudential Indicators at 31 March 2021 to 31 March 2025, £ millions

Source: LFR CR



5.2.1 Capital Financing Requirement (CFR)

The **Capital Financing Requirement (CFR)** represents the amount of capital expenditure a local authority has determined should be met from borrowing or funded from a credit arrangement, with the repayment of the debt met from future local authority budgets.

The CFR will increase each year by the amount of new capital expenditure to be financed by borrowing or credit arrangements, and will decrease by the amounts repaid. The CFR represents an authority's underlying need to borrow money.

Table 5.4 shows the CFR calculation for 2024-25. The CFR increased from £24,468 million at 1 April 2024 to £26,668 million at 31 March 2025 (+£2,200 million, +9.0 per cent). This means that local authorities had a higher amount of new capital expenditure to be financed by borrowing than amounts repaid in 2024-25. This increase in CFR was reflected across both the General Fund and HRA.

The increase in the CFR is the consequence of IFRS 16 which means these credit arrangements are now recognised on the balance sheet. This is likely to be a one-off change and captures transactions which may have occurred prior to 2024-25.

Table 5.4: Capital Financing Requirement in 2024-25, £ millions

Please note that these figures exclude amounts relating to lending to other statutory bodies.

Source: LFR CR

Movement	General Fund	HRA	Total
Capital Financing Requirement at 1 April	18,809	5,659	24,468
Add: Capital expenditure financed by borrowing	1,240	862	2,101
Add: Capital expenditure financed by credit arrangements	692	0	692
Less: Loans Fund repayments	312	160	473
Less: Credit Arrangements repayments	121	0	121
Add: Transfer of assets in (-) / out (+)	-60	60	0
Capital Financing Requirement at 31 March	20,247	6,420	26,668

Chart 5.2 shows that local authorities' CFR has increased over the last five years which reflects the increase in local authority borrowing over this period, and the implementation of IFRS 16.

5.2.2 Total External Debt

Total External Debt reflects local authorities' gross external borrowing and other long term liabilities. This may be **less than the CFR** where an authority has chosen to utilise cash reserves rather than borrow externally. Total External Debt may be **more than the CFR** where a local authority has chosen to borrow in advance of actual capital expenditure; however the Prudential Code limits borrowing in advance to the CFR amount plus up to two years planned capital expenditure to be funded from borrowing.

Table 5.5 shows that total external debt at 31 March 2025 was £23,448 million. Around four-fifths (81.7 per cent) of total external debt related to external borrowing, with the remainder relating to credit arrangements outstanding.

Table 5.5: Total External Debt at 31 March 2021 to 31 March 2025, £ millions

Please note that these figures reflect actual gross external debt as calculated for comparison to the Capital Financing Requirement as per the Prudential Code.

Source: LFR CR

Category	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25
Actual external borrowing	14,731	15,076	15,336	17,142	19,169
Credit arrangements outstanding	3,734	3,608	3,714	3,589	4,280
Total External Debt	18,465	18,684	19,051	20,731	23,448
Capital Financing Requirement (CFR)	19,775	20,707	22,456	24,247	26,668
Total External Debt as a percentage of CFR	93.4%	90.2%	84.8%	85.5%	87.9%

As shown in **Chart 5.2**, the CFR continues to remain above total external debt. This means that local authorities continue to be under-borrowed, that is they are utilising internal cash reserves rather than borrowing externally. At 31 March 2025, total external debt was 87.9 per cent of the CFR, an increase on the previous year, but below the five-year average (88.4 per cent).

5.2.3 Operational Boundary and Authorised Limit

The **Operational Boundary** is based on local authorities' capital spending plans and should reflect the most likely, or prudent, but not worst-case scenario for borrowing. In general, it is not significant if an authority breaches the operational boundary for a short period, however a sustained or regular trend above would be significant. At 31 March 2025, the Operational Boundary was £27,377 million across local authorities.

The **Authorised Limit** represents the maximum amount that the authority may borrow and is set at a level that reflects capital expenditure plans but includes headroom to allow for unusual cash movements, i.e. treasury management. The Authorised Limit across all local authorities was £29,076 million at 31 March 2025.

As shown in **Chart 5.2**, neither the operational boundary nor the authorised limit have been breached in the last five years. This means that local authorities' borrowing has consistently remained below these limits.

6. Pensions

Expenditure and income from local authority pension funds are entirely separate from the expenditure and income of the authorities' themselves. In accordance with Regulations 9 and 65 of the Local Government Pension Scheme (Scotland) Regulations 2014, expenditure on pensions, lump sums and the costs of managing the pension are paid from the Pension Fund. Income from employer and employee contributions is paid into this fund, which then generates investment income.

Expenditure and income figures should not be used to gauge the health of a pension fund, as the ratio of expenditure to income will depend on a number of factors, including age of the fund and whether it is open or closed to new members. The relative financial health of the pension scheme is gauged through the three-yearly actuarial valuations carried out on each of the funds.

Table 6.1 shows the movement in net assets of the local government pension funds in 2024-25. The **opening net assets of the pension funds** at 1 April 2024 was £65,775 million. This increased by 2.0 per cent, or £1,309 million, over the year such that the **closing net assets** at 31 March 2025 was £67,085 million. The majority of this increase was driven by a total net return on investment in year of £2,422 million – this is discussed in more detail in [Chapter 6.4](#).

Table 6.1: Movement in net assets of pensions funds in 2024-25, £ millions

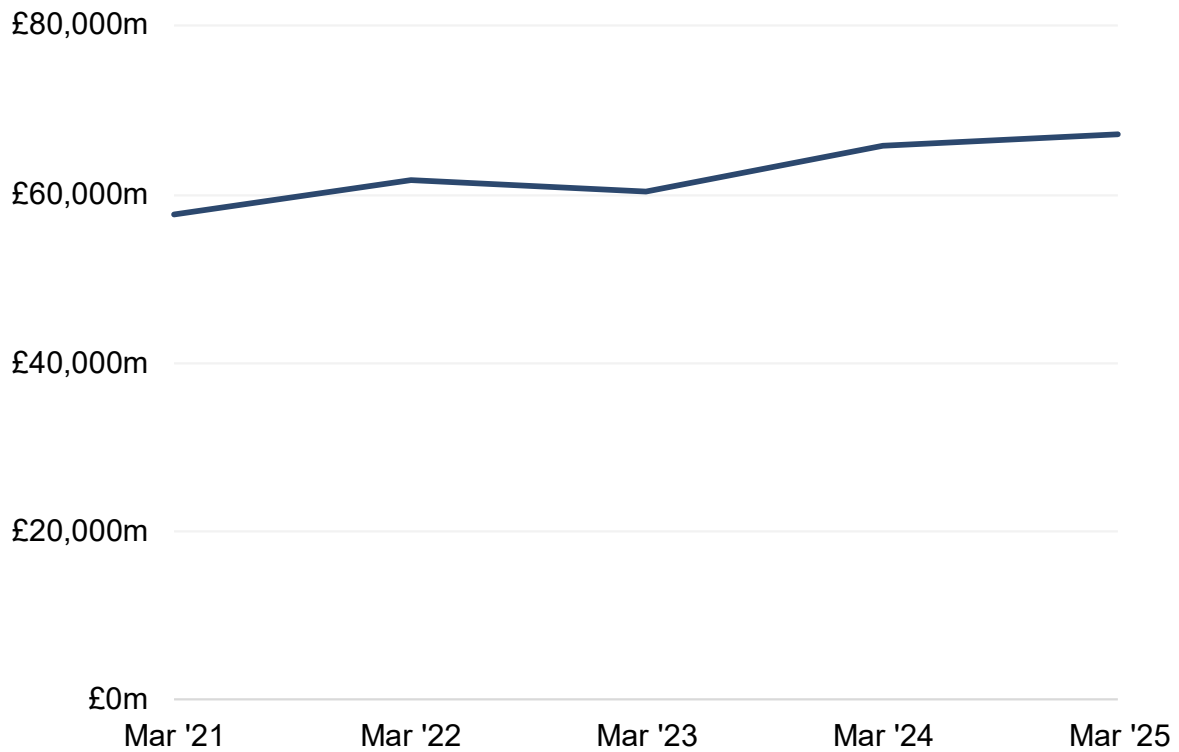
Source: LFR 24

Movement	2024-25
Opening net assets of the fund at 1 April	65,775
Add: Contributions receivable	1,353
Less: Benefits payable	2,104
Less: Payments to and on account of leavers	20
Net additions (+) / withdrawals (-) from dealings with members	-771
Less: Management expenses	347
Add: Net return on investments	2,422
Less: Revaluation of insurance buy-in contract	-6
Net increase (+) / decrease (-) in the fund in year	1,309
Closing net assets of the fund at 31 March	67,085

Chart 6.1 shows the closing net asset position of local government pension funds from 31 March 2021 through to 31 March 2025. Over the five-year period, closing net assets have increased by 16.4 per cent, or £9,431 million, from £57,654 million at 31 March 2021 to £67,085 million at 31 March 2025.

Chart 6.1: Closing Net Assets of the Pension Funds at 31 March 2021 to 31 March 2025, £ millions

Source: LFR 24

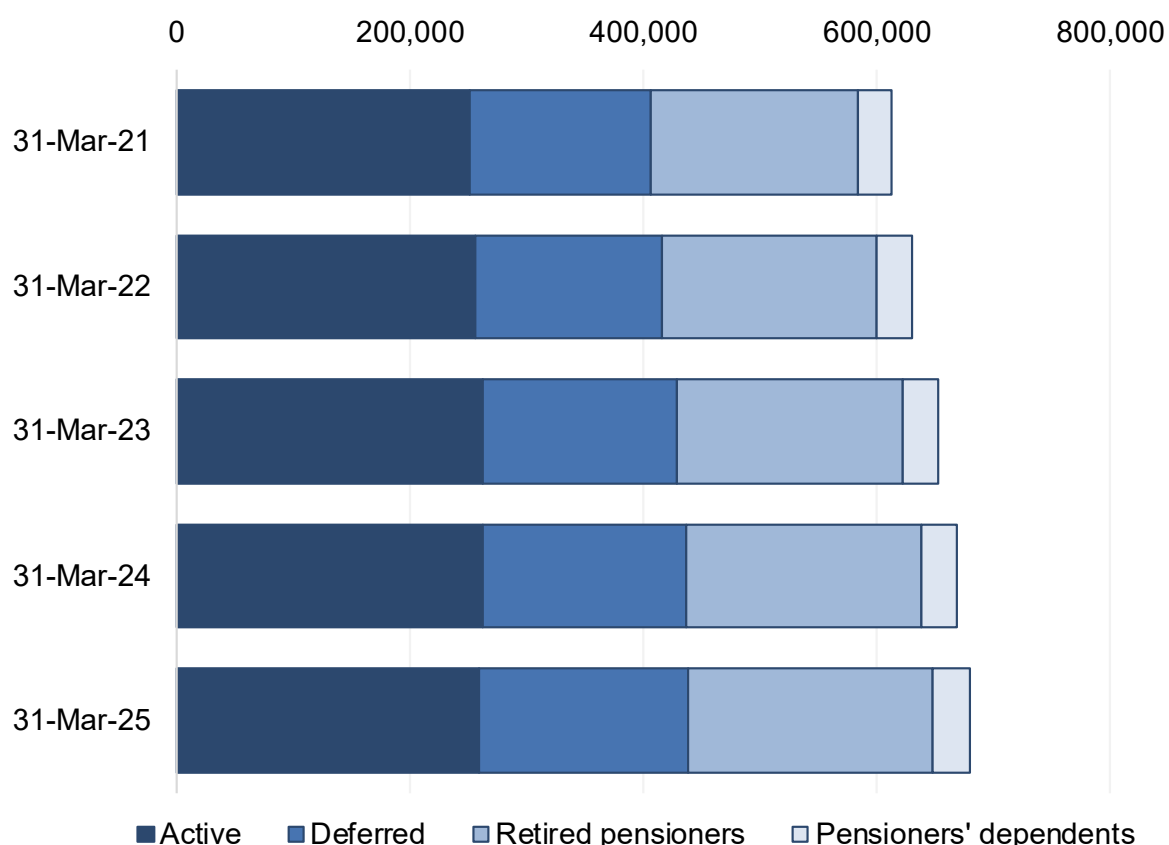


6.1 Members, contributions and benefits

Chart 6.2 shows the number of members enrolled in local government pension schemes between 2020-21 and 2024-25 by type of member. At 31 March 2025, there were a total of 681,174 members enrolled in these pension schemes, an increase of 11.1 per cent, or 67,979 members, from 31 March 2021.

Chart 6.2: Number of members at 31 March 2021 to 31 March 2025 by type

Source: LFR 24



The split of types of member has remained broadly consistent across the five-year period shown. **Active** members, that is members who are actively contributing to the pension fund, have been the largest category of members across all five years, accounting for just under two-fifths (38.0 per cent) of the total membership in 2024-25. **Deferred members**, that is members who are no longer active but are not yet claiming their pension, made up around a quarter (26.3 per cent) of the total in 2024-25. **Retired pensioners** have been the second largest group across all five years, accounting for 31.0 per cent of the total in 2024-25. **Pensioners' dependants** are the smallest group and make up only 4.7 per cent.

6.2 Contributions from Members

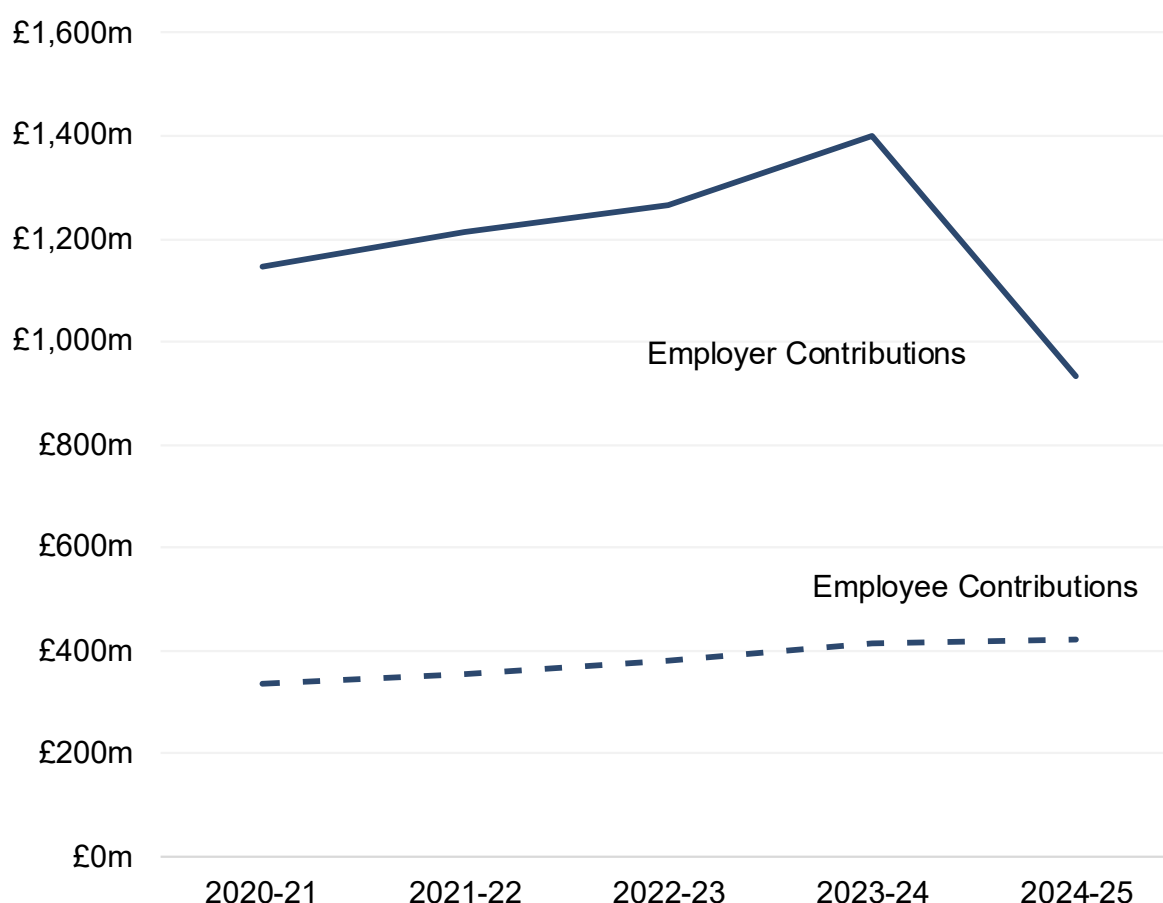
Contributions from employees and employers represent payments for pensionable service accrued during the year which will be paid out as part of an overall pension at a future date. These contributions can be thought of as income to the pension fund and are dependent on the number of contributing employees, both full time and part time.

Contributions from employees are fixed at a set percentage of pay, depending on level of salary. Contribution rates from employers are variable and are reviewed on a triennial basis, with actuaries determining the contribution rates for the following three years. This means contributions from employees and employers tend to remain stable over time, as shown in **Chart 6.3**.

Chart 6.3: Contributions received from 2020-21 to 2024-25, £ millions

Please note that contributions include those from other employing authorities.

Source: LFR 24



In 2024-25, **total contributions** provided £1,353 million of income, a decrease of 25.0 per cent, or £459 million, from 2023-24. Of this, employer pension contributions decreased by 33% or £465 million. The reason for this drop was because a number of pension schemes reported strong funding positions following triennial actuarial valuations. As a result, these funds could afford to reduce employer contribution

rates. For example, Strathclyde Pension Fund cut employer contribution rates from 19.3% (of pensionable pay) to 6.5% in April 2025.

Just over two-thirds of total contributions (69.0 per cent or £934 million) came from **employers**, with the remainder coming from **employees**. Historically, the proportion has been around 77 per cent of contributions coming from employers.

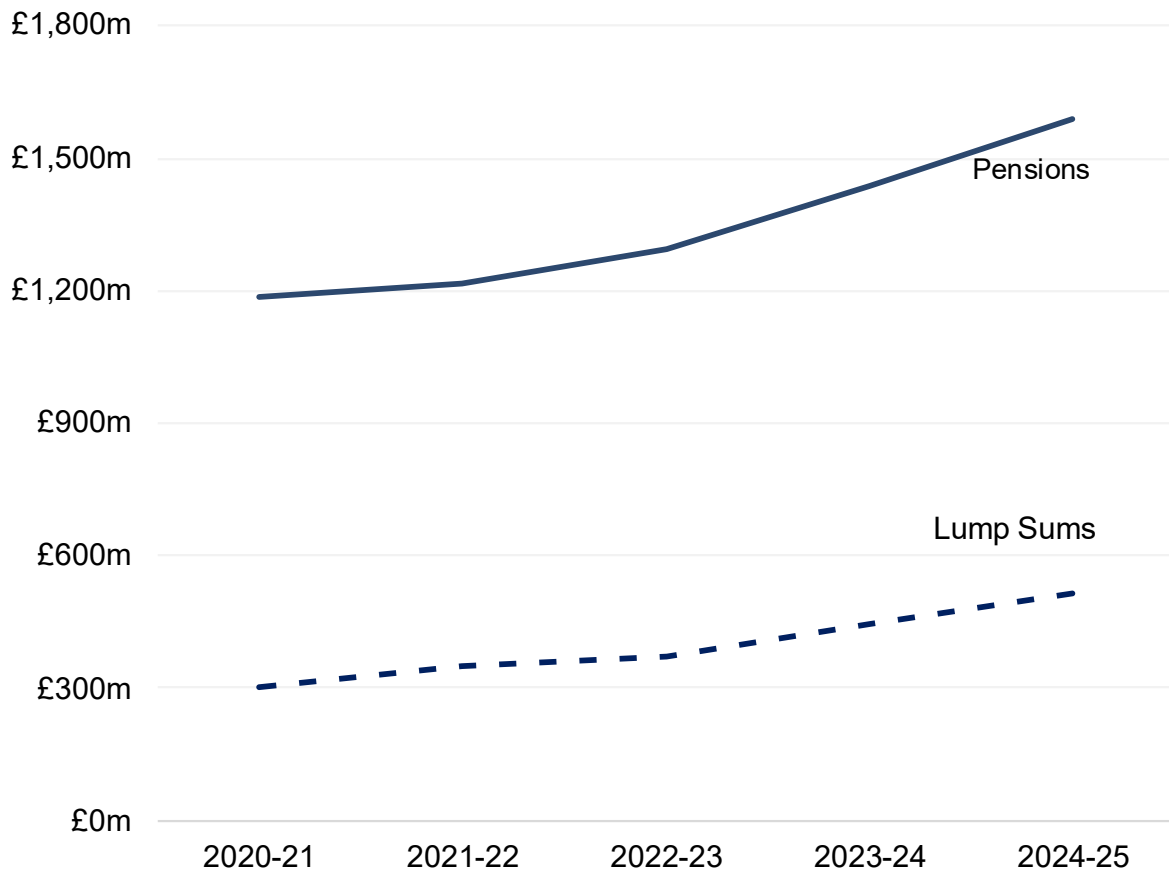
6.3 Benefits Paid to Members

Benefits paid to members include pension payments to retirees or dependents, as well as lump sum payments made to members on retirement or upon death. Benefits paid may also include payments made for injuries, however these figures are often zero or of small value.

Chart 6.4 shows the pensions and lump sum payments made to members over the last five years. Total **pensions** paid out in 2024-25 was £1,590 million. This has increased year on year since 2020-21. Total **lump sums** paid out in 2024-25 was £514 million.

Chart 6.4: Pensions and Lump Sums paid out from 2020-21 to 2024-25, £ millions

Source: LFR 24



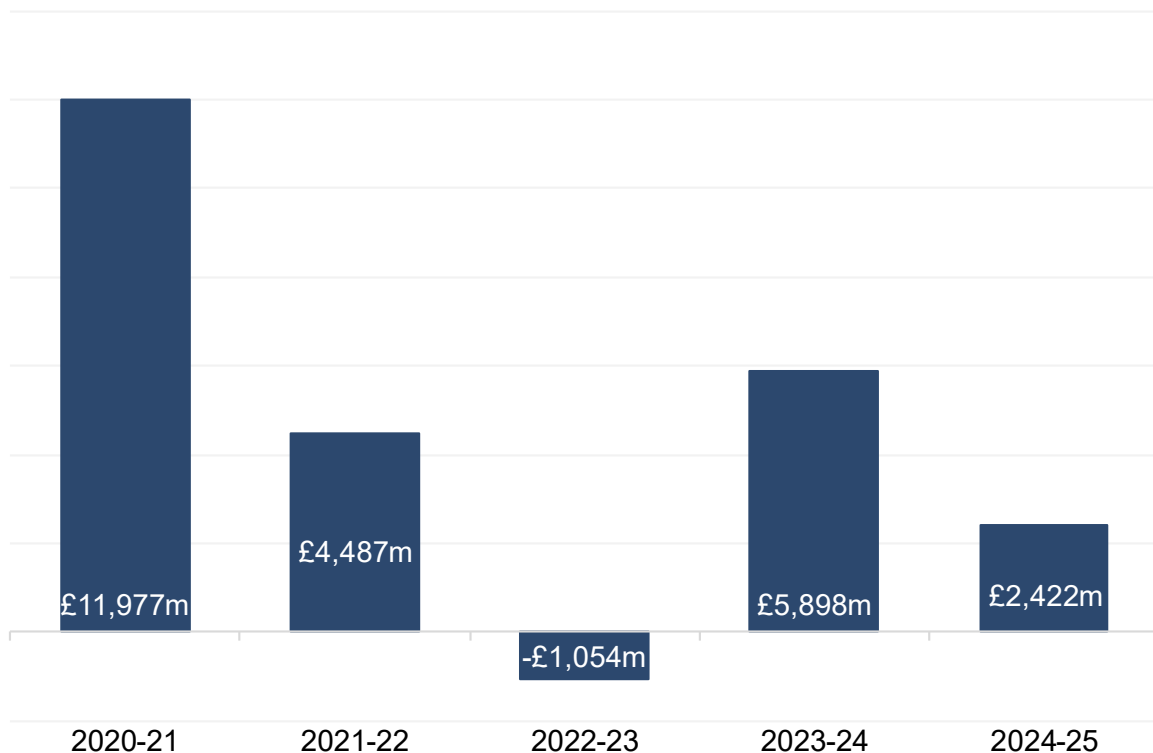
6.4 Net Return on Investments

Pension funds invest in financial markets and other assets. These investments are generally managed separately to the administration of contributions and benefits of the scheme. A pension fund's net return on investment reflects income and expenditure incurred directly relating to the investment, as well as any changes in the market value of the investment, in year. This figure does **not** include expenses paid to manage the investment. Therefore, the net return on investment is volatile and is directly influenced by investment conditions; for example, changes in financial markets.

Chart 6.5 shows the net return on investment from 2020-21 to 2024-25. In 2024-25, net return on investment was £2,422 million, a reduction from £5,898 million in 2023-24. The variation in net return on investment between years reflects the volatility of this figure.

Chart 6.5: Net return on investments from 2020-21 to 2024-25, £ millions

Source: LFR 24



7. Data Sources

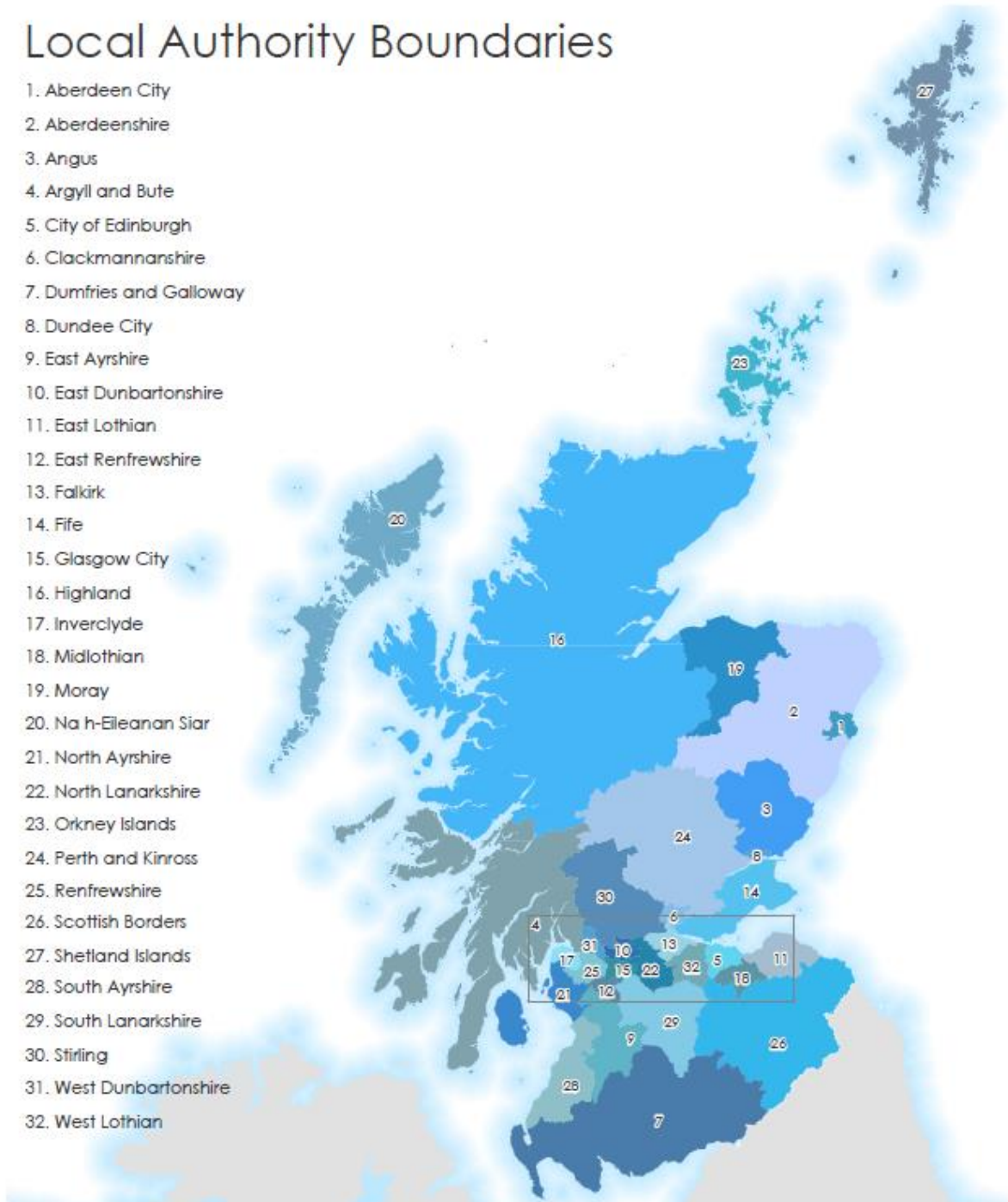
This publication contains data from a range of sources. Information on these data sources is provided in this chapter along with links to relevant web pages for further information.

- The [Local Financial Returns \(LFRs\)](#) are a series of detailed returns that collect final, audited expenditure, income, reserves and pension figures for all local authorities in Scotland on an annual basis. The LFRs are the main data source for this publication. The full 2024-25 LFR workbooks, which provide all the source data by local authority, have been made available alongside this publication.
- The [Council Tax Receipts Return \(CTRR\)](#) monitors collection levels relating to council tax and community charge from all councils in Scotland on an annual basis. It collects information on the amounts billed and received, and to which year the payment refers.
- The [Council Tax Base \(CTaxbase\)](#) figures give the number of properties in each council tax band in each council area, including those with exemptions and discounts.
- The [Council Tax Assumptions \(CTAS\) return](#) asks councils to set out the assumptions used in setting their Band D council tax levels, and discounts provided for second homes and long-term empty properties.
- Local authorities are asked to provide individual [Council Tax Reduction \(CTR\) record level extracts](#) on a monthly basis. Local authorities are asked to extract their data on a specified date which means the extract provides a snapshot for each month.
- The [Non-Domestic Rates Income \(NDRI\) returns](#) collect data on the amount of NDR income each year. For this there is a cycle of four returns to collect estimates and then final amounts of NDRI – the Provisional Contributable Amount (PCA); Mid-Year Estimates (MYE); Notified; and Audited.
- The [Scottish Assessors Valuation Roll](#) is a public document that contains an entry for all non-domestic properties except those specifically excluded by law.
- [Local Government Finance Circulars](#) provide financial advice and guidance to local government, including details of local government settlements.
- [Population estimates time series data](#) for Scotland and its 32 council areas are produced by National Records for Scotland (NRS) on an annual basis.
- [Annual Housing Revenue Account \(HRA\) statistics](#) provide an estimate of the number of HRA dwellings.

8. Annex A: Local Authority Boundaries

Local Authority Boundaries

1. Aberdeen City
2. Aberdeenshire
3. Angus
4. Argyll and Bute
5. City of Edinburgh
6. Clackmannanshire
7. Dumfries and Galloway
8. Dundee City
9. East Ayrshire
10. East Dunbartonshire
11. East Lothian
12. East Renfrewshire
13. Falkirk
14. Fife
15. Glasgow City
16. Highland
17. Inverclyde
18. Midlothian
19. Moray
20. Na h-Eileanan Siar
21. North Ayrshire
22. North Lanarkshire
23. Orkney Islands
24. Perth and Kinross
25. Renfrewshire
26. Scottish Borders
27. Shetland Islands
28. South Ayrshire
29. South Lanarkshire
30. Stirling
31. West Dunbartonshire
32. West Lothian



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Ordnance Survey (OS Licence number
100024655).

Scale: 1:2,930,000

Scottish Government GI Science & Analysis Team, May
2021. R534221.sl



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9. Annex B: Local Authority Joint Board Membership

Please note that Helensburgh and Lomond are part of SPT, while the rest of Argyll & Bute is part of HITRANS.

Council	Valuation Joint Board (VJB)	Regional Transport Partnership (RTP)
Aberdeen City	Grampian	NESTRANS
Aberdeenshire	Grampian	NESTRANS
Angus	Tayside	TACTRAN
Argyll & Bute	Dunbartonshire & Argyll & Bute	SPT / HITRANS
City of Edinburgh	Lothian	SESTRAN
Clackmannanshire	Central	SESTRAN
Dumfries & Galloway	Dumfries & Galloway	SWESTRANS
Dundee City	Tayside	TACTRAN
East Ayrshire	Ayrshire	SPT
East Dunbartonshire	Dunbartonshire & Argyll & Bute	SPT
East Lothian	Lothian	SESTRAN
East Renfrewshire	Renfrewshire	SPT
Falkirk	Central	SESTRAN
Fife	Fife	SESTRAN
Glasgow City	Glasgow	SPT
Highland	Highland & Western Isles	HITRANS
Inverclyde	Renfrewshire	SPT
Midlothian	Lothian	SESTRAN
Moray	Grampian	HITRANS
Na h-Eileanan Siar	Highland & Western Isles	HITRANS
North Ayrshire	Ayrshire	SPT
North Lanarkshire	Lanarkshire	SPT
Orkney Islands	Orkney & Shetland	HITRANS
Perth & Kinross	Tayside	TACTRAN
Renfrewshire	Renfrewshire	SPT
Scottish Borders	Borders	SESTRAN
Shetland Islands	Orkney & Shetland	ZetTrans
South Ayrshire	Ayrshire	SPT
South Lanarkshire	Lanarkshire	SPT
Stirling	Central	TACTRAN
West Dunbartonshire	Dunbartonshire & Argyll & Bute	SPT
West Lothian	Lothian	SESTRAN

10. Annex C: Calculation of GRG for SLGFS 2024-25

The General Revenue Grant (GRG) for SLGFS 2024-25 is derived as follows. A breakdown by Local Authority can also be found in Annex C of Scottish Local Government Finance Statistics (SLGFS) 2024-25 - Publication Tables.

Council	Value £m	Notes
Finance Circular 1/2025		
General Revenue Funding	10,343.4	Annex C: Col K
Add: 85% Floor	0.0	Annex C: Col M
Add: Council Tax Freeze		Not applicable
GRG Subtotal 1	10,343.4	
Total GRG in SLGFS 2024-25	10,343.4	

Note: Totals may not sum exactly due to rounding.

11. Annex D: Local Authority Status of Accounts for 2024-25

Links checked 16 January 2025

Local Authority	Status of 2024-25 Accounts	Annual Audited Accounts URL
Aberdeen City	Audited	https://www.aberdeencity.gov.uk/services/council-and-democracy/financial-information-and-procurement/annual-accounts
Aberdeenshire	Unaudited	http://publications.aberdeenshire.gov.uk/dataset/annual-accounts
Angus	Audited	https://www.angus.gov.uk/council_and_democracy/council_information/annual_accounts
Argyll and Bute	Unaudited	https://www.argyll-bute.gov.uk/council-and-government/financial-statements
City of Edinburgh	Audited	https://www.edinburgh.gov.uk/budget-finance/audited-annual-accounts
Clackmannanshire	Not published	https://www.clacks.gov.uk/site/documents/finance/statementofaccounts/
Dumfries and Galloway	Audited	https://www.dumgal.gov.uk/article/15137/Annual-accounts
Dundee City	Audited	https://www.dundee.gov.uk/service-area/corporate-services/corporate-finance/publications
East Ayrshire	Audited	https://www.east-ayrshire.gov.uk/CouncilAndGovernment/About-the-Council/Information-and-statistics/CouncilPerformanceIndicators/AnnualAccounts.aspx
East Dunbartonshire	Not published	https://www.eastdunbarton.gov.uk/about/our-council/about-the-council/annual-accounts/
East Lothian	Audited	https://www.eastlothian.gov.uk/downloads/210603/performance_and_spending
East Renfrewshire	Audited	https://www.eastrenfrewshire.gov.uk/how-we-spend-money
Falkirk	Audited	https://www.falkirk.gov.uk/budgets-spending-and-performance/annual-accounts
Fife	Audited	https://www.fife.gov.uk/kb/docs/articles/about-your-council2/budgets-and-finance/annual-accounts

Glasgow City	Unaudited	https://www.glasgow.gov.uk/annual
Highland	Audited	https://www.highland.gov.uk/annualaccounts
Inverclyde	Audited	https://www.inverclyde.gov.uk/council-and-government/performance/financial-statements
Midlothian	Audited	https://www.midlothian.gov.uk/downloads/download/11/statement_of_accounts
Moray	Audited	http://www.moray.gov.uk/moray_standard/page_44100.html
Na h-Eileanan Siar	Unaudited	https://www.cne-siar.gov.uk/council-and-committees/budgets-and-finance
North Ayrshire	Audited	https://www.north-ayrshire.gov.uk/council-voting-elections/performance-and-spending/budgets-and-finance
North Lanarkshire	Audited	https://www.northlanarkshire.gov.uk/your-council/facts-and-figures/annual-accounts/current-and-previous-years-annual-accounts
Orkney Islands	Unaudited	https://www.orkney.gov.uk/your-council/finances-services/budgets-and-accounting/statement-of-accounts/
Perth and Kinross	Audited	https://www.pkc.gov.uk/article/15499/Annual-accounts
Renfrewshire	Audited	http://www.renfrewshire.gov.uk/article/2292/Annual-Accounts-and-Key-Facts-and-Figures
Scottish Borders	Audited	https://www.scotborders.gov.uk/info/20059/budgets_and_finance/190/annual_accounts
Shetland Islands	Audited	https://www.shetland.gov.uk/budget-finance/audited-annual-accounts
South Ayrshire	Audited	https://www.south-ayrshire.gov.uk/sac-annual-accounts
South Lanarkshire	Audited	https://www.southlanarkshire.gov.uk/downloads/download/284/annual_report_and_accounts
Stirling	Unaudited	https://www.stirling.gov.uk/council-and-committees/performance-and-statistics/annual-account-documents/
West Dunbartonshire	Unaudited	https://www.west-dunbarton.gov.uk/council/our-performance/service-performance/financial-performance/
West Lothian	Audited	https://www.westlothian.gov.uk/article/33032/Finance-Information
Ayrshire VJB	Audited	https://www.ayrshire-vjb.gov.uk/article/37832/Search?q=accounts
Central VJB	Unaudited	https://www.clacks.gov.uk/site/documents/finance/statementofaccounts/

Dunbartonshire & Argyll & Bute VJB	Audited	https://www.west-dunbarton.gov.uk/council/our-performance/service-performance/financial-performance/
Grampian VJB	Unaudited	https://www.grampian-vjb.gov.uk/?s=annual+accounts
Highland & Western Isles VJB	Audited	https://www.highland.gov.uk/downloads/download/595/highland and western isles valuation joint board - annual reports
Lanarkshire VJB	Audited	https://www.lanarkshire-vjb.gov.uk/downloads/6/public performanceaccounts
Lothian VJB	Audited	https://www.lothian-vjb.gov.uk/equalities/
Orkney & Shetland VJB	Audited	http://www.orkney-shetland-vjb.co.uk/THE%20BOARD.html
Renfrewshire VJB	Audited	https://www.renfrewshire-vjb.gov.uk/performance
Tayside VJB	Audited	https://www.tayside-vjb.gov.uk/accounts/
Tay Road Bridge	Audited	https://www.tayroadbridge.co.uk/board-business/board-documents
HITRANS	Audited	https://hitrans.org.uk/Corporate/Documents
NESTRANS	Audited	https://www.nestrans.org.uk/about-nestrans/organisation/documents-statement-of-accounts/
SESTRAN	Audited	https://sestran.gov.uk/publications-all/
SWESTRANS	Audited	https://www.swestrans.org.uk/strategies-publications-and-accounts/swestrans-audited-annual-accounts
SPT	Audited	https://www.spt.co.uk/about-us/who-we-are/documents/finance/
TACTRAN	Audited	https://tactran.gov.uk/about/tactran-final-accounts/
ZetTrans	Audited	https://www.zettrans.org.uk/about/reports
Dumfries & Galloway PF	Audited	https://www.dumfriesandgalloway.gov.uk/council-elections/pensions/dumfries-galloway-pension-fund#lgd-guides_title#lgd-guides_title
Falkirk PF	Audited	https://www.falkirk.gov.uk/budgets-spending-and-performance/annual-accounts
Fife PF	Audited	https://www.fife.gov.uk/kb/docs/articles/about-your-council2/budgets-and-finance/annual-accounts
Highland PF	Audited	https://www.highland.gov.uk/downloads/download/714/pension fund accounts

Lothian PF	Audited	https://www.lpf.org.uk/publications-and-reports/
North East Scotland PF	Audited	https://www.nespf.org.uk/about/annual-report/
Orkney Islands PF	Audited	https://www.orkney.gov.uk/your-council/finances-services/budgets-and-accounting/pension-fund-annual-reports/
Scottish Borders PF	Audited	https://www.scotborders.gov.uk/budgets-finance/annual-accounts
Scottish Homes PF	Audited	https://www.lpf.org.uk/publications-and-reports/
Shetland Islands PF	Audited	https://www.shetland.gov.uk/budget-finance/audited-annual-accounts
Strathclyde PF	Audited	https://www.spfo.org.uk/article/4619/Annual-reports
Tayside PF	Audited	https://www.dundee.gov.uk/service-area/corporate-services/corporate-finance

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Correspondence and Enquiries

For enquiries about this publication, please contact:

Local Government Finance Statistics Team

Email: lgfstats@gov.scot

For general enquiries about Scottish Government statistics, please contact:

Office of the Chief Statistician

Telephone: 0131 244 0442

Email: statistics.enquiries@gov.scot

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