

Local Government Settlement 2021/22



#BUDGETREALITY (UPDATED 1 Feb 2021)

Based on Finance Circular 1/2021 issued on 1st February 2021

£ Local Government core budget

Revenue core budget: £94m (0.9%) increase

Capital core budget: No increase

REVENUE for 2021/22

Revenue announced: £11,003m

Cash increase presented as: £335m
(compared to 2020/21 base of £10,668m*)

Scottish Government commitments: £241m

Increase to Revenue budget: £94m (£335m - £241m)

*base is pre-COVID circular 2/2020, 10 March 2020

Scottish Government commitments (existing + as per Finance Circular 1/2021)

Early Learning and Childcare (1140)	£59m
Carers Act 2016	£28.5m
Living Wage in Social Care uplift	£34m*
Uprating of free personal and nursing care payments	£10.1m*
Specific grant support for Inter-Island Ferries	£7.7m
Additional funding for Discretionary Housing payment	£11.3m
Compensation for councils who choose to freeze their council tax at 2020-21 levels	£90m
Total of Scottish Government commitments	£241m

*COSLA has not yet had the opportunity to work through the calculations behind these figures.

NOTE: Within COSLA's Budget Reality issued on 28 Jan, policy commitments totaled £260m. However, Scottish Government has since confirmed that **£15m for Community mental Health and Wellbeing supports and services** and **£4m for Community Justice** will be paid out with the Local Government Settlement and that the Scottish Budget document (Table 5.15) will be updated accordingly. This therefore reduces the total in the table above by £19m.

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COSLA

CAPITAL for 2021/22

Capital announced:	£617m
Cash increase presented as:	£10m (compared to 20/21 base of £607m*)
Scottish Government commitments:	£10m
Increase to capital budget:	£0

*Scottish Gvt presented £778m capital in Circular but this included £121m for Early Learning and £50m for Heat Network early adopters so were excluded from base

Scottish Government commitments

Flooding

£10m

COSLA asks in “[Respect our communities: protect our funding](#)”

For CORE SETTLEMENT 2021/22

COSLA asked for:	£697m additional funding
Scottish Government announced:	£335m
Revenue shortfall against COSLA ask:	£362m

COSLA asked for:	£30m additional funding
Scottish Government announced:	£10m
Capital shortfall against COSLA ask:	£20m

For COVID IN 2021/22 (non-recurring)

COSLA asked for:	£770m additional funding*
Scottish Government announced:	£259m flexible funding
COVID shortfall against COSLA ask:	£511m

*based on COSLA’s full year COVID cost collection for 20/21