

Local Government Settlement 2023/24



#BUDGETREALITY

Re-issued 10 March 2023

As approved by the Scottish Parliament (Local Government Finance Order) on 1st March 2023.

£ Local Government Settlement

Revenue: £12,658m

Capital: £829m (including £120.6m for pay)

FINAL REVENUE FUNDING for 2023/24

Revenue funding for 23/24: £12,658m (after Budget Bill 2023)

Revenue funding for 22/23: £11,907*

Cash increase presented: £751m

(*£12bn in circular 1/2022 less one-off commitments; £88m (Child Bridging Payments and Interim Care funding) and £5m for LG contribution to Historic Child Abuse Redress Scheme)

Commitments

<u>Scottish Government Policy</u>	
Recurring funding for pay (agreed as part of 22/23 pay claim)	£140.0m
Local Heat and Energy Efficiency Strategies	£2.4m
Whole Family Wellbeing Support	£32.0m
Real Living Wage in Adult Social Care (raising rate to £10.90 per hour)	£100.0m
Free Personal and Nursing Care	£15.0m
Free School Meals – P6/7 expansion	£17.5m
Additional Discretionary Housing Payment (DHP) funding + admin	£5.7m
School Clothing Grants increase (in line with inflation)	£1.2m
Valuation Appeals Committee transfer	£0.6m
Local Government's contribution to Historical Child Abuse Redress Scheme	£6.0m
Teacher Funding (recurring cost of 21/22 pay offer)	£32.8m
Budget Bill Stage 3- Early Learning and Childcare Adjustment	£0.2m
Budget Bill Stage 3 – contribution to Pay claim 23/24 (non-teaching staff)	£100.0m
Budget Bill Stage 3 – contribution to Pay claim 22/23 and 23/24 (teachers)	£123.0m
SUB TOTAL	£576.4m
<u>Other</u>	
Devolution of Empty Property Relief to Local Government	£105.0m
SUB TOTAL	£105.0m
TOTAL COMMITMENTS	£681.4m

BUDGET REALITY = £69.6m cash increase, once all commitments are covered for 23/24

FINAL CAPITAL FUNDING for 2023/24

Capital funding for 23/24:	£829m (after Budget Bill 2023)
Capital funding for 22/23:	£626m*
Cash increase presented:	£203m

* £685m in circular 1/2022 less one off funding of £58m. £626m was also published in the [Capital Spending Review](#))

Commitments

Recurring funding for pay (as agreed as part of 22/23 pay claim)*	£120.6m
Expansion of Free School meals for P6 and P7 pupils	£80.0m
Coastal Change Adaptation Budget	£2.4m
TOTAL COMMITMENTS	£203m

BUDGET REALITY = 'FLAT CASH' CAPITAL FUNDING FOR COUNCILS

BUDGET FLEXIBILITIES

- No cap on Council Tax – full flexibility for all councils
- Commitment to look at ring-fenced and directed funding as part of partnership agreement between Local and Scottish Government

* Scottish Government will provide £120.6m capital in 22/23 and 23/24 for Local Government SJC Pay deal, which councils will use as revenue. From 24/25, it will move into revenue