

Local Government Settlement 2022/23



#BUDGETREALITY

(issued 9 December 2021)

As announced by the Cabinet Secretary for Finance and the Economy, 9 Dec 2021

£ Local Government core budget

Revenue core budget: £11,794.8m (7.19% cash increase*)

Capital core budget: £679.5m (10.13% cash increase*)

*when compared to Local Government settlement for 21/22 (Finance circular 5/2021)

REVENUE FUNDING for 2022/23

Revenue funding announced: £11,794.8m

Cash increase presented as: £791.4m (compared to 2021/22 base of £11,003m*)

*circular 5/2021, less £40m provided for one-off pressures

Scottish Government commitments

Children and Young People (inc. additional teachers, music tuition, curricular charges, school clothing grants, increase in Pupil Equity Fund)	£180m
Health and Social Care (social care pay, carers act, free personal care, winter package)	£354m
Staff retention, and delivery of £10.50 per hour increase for adult social care commissioned services (with no funding for Local Government employees)	£200m
Scottish Child Bridging payments	£68m

Other known policy pressures

Council tax reduction regulation changes	£19m
Employers National Insurance Contribution increase (levy for Health & Social Care)	£70m
TOTAL POLICY COMMITMENTS AND PRESSURES	£891m

BUDGET REALITY = THIS BUDGET REPRESENTS A CUT OF £100m TO REVENUE FUNDING FOR COUNCILS (WHEN COMPARED TO 21/22)

(Cash increase presented (£791.4m) *less* commitments/pressures (£891m) = **£100m**)

NOTE: Revenue funding for Early Learning and Childcare expansion has been reduced by £15m in this year's revenue funding settlement, when compared to the final year of the multi year funding package for expansion (21/22)

CAPITAL FUNDING for 2022/23

Capital funding announced: £679.5m

Cash increase presented as: £62.6m

(compared to 21/22 base of **£617m***)

* circular 5/2021, less £12m for bridges

Scottish Government commitments

Free School Meal Expansion*	£30m
Local Bridge Maintenance Fund	£20m
Flood Risk Management	£11m
Coastal Protection	£1.6m
Total for Scottish Government commitments	£62.6m

BUDGET REALITY = THIS BUDGET REPRESENTS 'FLAT CASH' CAPITAL FUNDING FOR COUNCILS

Free School Meal Expansion

*although £30m has been provided this year, Local Government has estimated that over the next few years **£200m** will be required to deliver on Scottish Government's policy commitment of Free School Meals for all Primary School Children.

NOTE: Revenue funding for the expansion has **not yet** been included in the Local Government Settlement

BUDGET FLEXIBILITIES

- No cap on Council Tax
- Commitment to increase flexibility for employability funding
- Use of capital receipts to fund COVID impact & transformation projects in 22-23
- Extension of period for loans fund principal repayment holiday