



**UK Spending Review Announcement – Briefing for Members
COSLA Local Government Finance Team**

28 October 2021

UK Government publications

Budget page: <https://www.gov.uk/government/topical-events/autumn-budget-and-spending-review-2021>

Regions and nations fact sheets: <https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-regions-and-nations-factsheets>

SPICe: [UK Budget and Spending Review 2021 – key points and implications for Scotland – SPICe Spotlight | Solas air SPICe \(spice-spotlight.scot\)](#)

FoA: [UK autumn budget 2021 - implications for Scottish budget 2022/23 | FAI \(fraserofallander.org\)](#)

LGA: [Autumn Budget and Spending Review 2021: On-the-Day Briefing | Local Government Association](#)

Announcement	Comments
Revenue and Capital Implications	<ul style="list-style-type: none"> • Average increase of £4.6bn per year for Scotland compared to DEL baseline of £36.7bn. • £4.1bn Revenue and £0.5bn Capital. • “Scottish Government is also receiving additional £605m this year” – unsure if this is associated with Winter planning – “sufficient funding certainty to plan in-year spending and to provide additional future investments in areas such as health, social care and education”

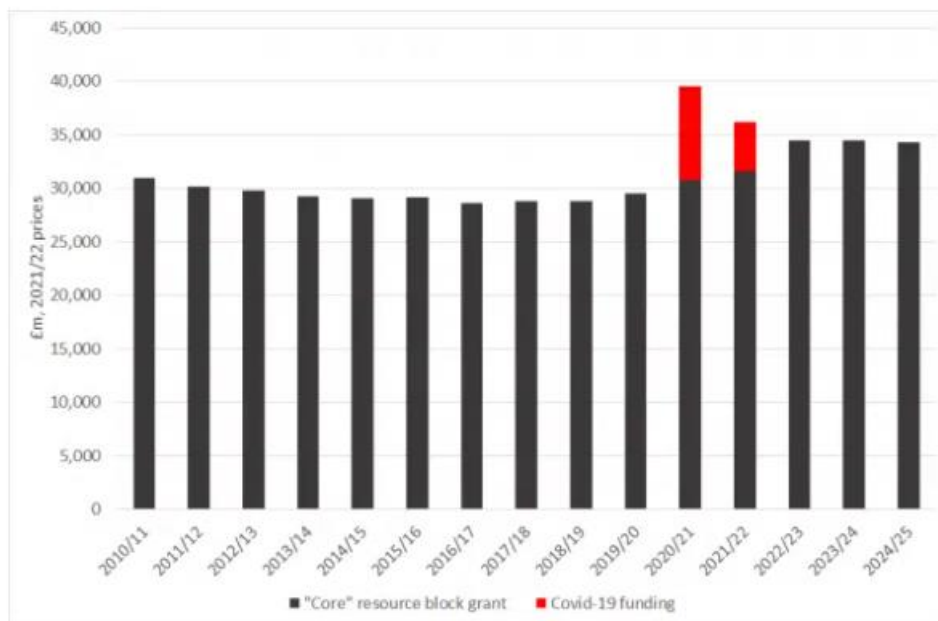
Budgets in Cash Terms for Scotland

DEL = Departmental Expenditure Limits

	Baseline 2021-22 (£b)	Plans 2022-23 (£b)	Plans 2023-24 (£b)	Plans 2024-25 (£b)
Resource DEL	31.6	35.0	35.7	36.3
Capital DEL	5.2	5.6	5.6	5.5
Total DEL	36.7	40.6	41.2	41.8
% increase		10.7%	1.48%	1.46%

In 21/22, there was £2.5b COVID funding for Scotland in the UK Budget- there is no specific line this year in relation to COVID. Fraser of Allander has produced the following graph, showing the outlook for the Scottish Block Grant.

Chart 2: Outlook for the Scottish resource block grant



Commentary from SPICe Blog

The Budget documentation states that Scotland will receive “an additional £4.6 billion per year on average through the Barnett formula over the SR21 period, on top of its annual baseline funding of £36.7 billion.”

What this means in practice is that the total unadjusted Scottish block grant will increase from £36.7 billion (excluding COVID funding) in the current year (2021-22) to £41.8 billion by the final year of the Spending Review period (2024-25).

This equates to a 2.4% real terms increase over the Spending Review period. However, as the table above shows, this is quite front loaded with big real terms increases next year (+7.7%), followed by two years of the Scottish Budget standing still in real terms.

Overall, Resource DEL for Scotland will increase by **10.7%** (cash terms) between 21/22 and 22/23

The Chancellor has set out plans for Local Government **in England**, which show an increase in Resource DEL from £8.5b in 21/22 to £11.7b in 22/23 (a 37.6% increase), with further uplifts planned for years 2 and 3.

Commenting on the English and Welsh position, the LGA has said “We are pleased that today’s Spending Review has provided new government grant funding of £1.6 billion per annum (total £4.8bn over the period) for councils over the next three years to support vital local services. This will help meet some - but not all - of the extra cost and demand pressures they face just to provide services at today’s levels.”

Whilst the implications for Scottish Local Government will emerge as a result of the funding position for Scottish Government and the Scottish Budget on 9th December, it is clear that there is a substantial increase to LG funding in England. This includes funding for Health and Social Care funded by the National Insurance levy and the reduction in Non-Domestic Rates announced by the Chancellor.

Levelling Up Funds

<p>Levelling Up Fund – Areas to note</p>	<p>8 LUF announcements; 9 unsuccessful– see list below. £172m for Scotland.</p> <p>The total UK announcement for the first round of LUF is £1.7bn so the Scottish share is marginally above the share which could have been received through the Barnett formula.</p> <p>6 Community Ownership announcements - £1.07m – see list below</p> <p>Phone calls to successful LAs yesterday. Confirmation letters to LAs be shared with COSLA.</p> <p>CRF announcement not expected until Friday. Announcements of funding should be for all 32 LAs.</p> <p>No announcement today on further rounds of LUF, however should be earlier announcements than first round.</p> <p>Our understanding of further announcements is: COF – likely to be Dec. LUF - unsure but expect before end of year. Unsuccessful LUFs can bid again. Shared Prosperity Fund (SPF) - prospectus likely in Nov/ Dec. This has been delayed as DLUHC has been "listening" through UK officer taskforce.</p> <p>No further rounds of CRF (that was preparation for SPF)</p>
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Community Ownership Fund

Project Name	Applicant	LA	Award
Whithorn ReBuild Renewing the Old Town Hall	The Whitehorn Trust	Dumfries and Galloway	£300,000
New Galloway Town Hall SOS Save Our Space	Local Initiatives in New Galloway	Dumfries and Galloway	£175,000
The Old Forge Community Benefit Society: a community owned pub	The Old Forge Community Benefit Society Limited	Highlands	£219,096
Rannoch Hub	Rannoch Community Trust (RCT)	Perth and Kinross	£250,000
Callander Visitor Information Centre	Callander Community Development Trust (CCDT)	Stirling	£124,843
			£1,068,939

Levelling Up Fund

Name	LA	Bid Value
Aberdeen City Centre Master Plan	Aberdeen City	£20,000,000
Granton Gas Holder	City of Edinburgh	£16,482,845
Westfield Roundabout	Falkirk	£20,000,000
Infrastructure Improvements on B714	North Ayrshire	£23,693,443
Artizan Shopping Centre, Glencairn House & Connecting Dunbarton	West Dunbartonshire	£19,900,000
AMIDS South	Renfrewshire	£38,725,218
Pollock Stables and Sawmill	Glasgow City	£13,050,500
Inverness Zero Carbon Cultural Regeneration	Highlands	£19,856,253
		£171,708,259