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Copy to Local Authority Leaders

26 May 2020

COVID-19 – ADDITIONAL FUNDING SUPPORT FOR LOCAL GOVERNMENT

Dear Cllr [REDACTED]

I refer to Cllr [REDACTED]'s letter of 19 May, and thank you for confirming Leaders' view that the allocation of the consequential funding for local government should be based on the normal formula distribution for the local government finance settlement.

As I have recognised previously, and I am very happy to say again, I am in great admiration of the way in which local government has mobilised to support their local communities and businesses in the crisis. I am sure that as we move forward into the recovery phase we can build on that continued support at a local level. I also hope that we can focus on working constructively together as we seek to address the significant challenges ahead.

I have made clear on a number of occasions the Scottish Government is committed to deploying the additional funding in a way that is helpful to supporting local government and the COVID-19 response. Now that the cost collection exercise has concluded, I am therefore pleased to confirm that, in line with Leaders' views, the allocation of the remaining local government consequentials will be based on the normal distribution formula Grant Aided Expenditure (GAE) plus Special Islands Needs Allowance (SINA). Details of the allocations, which will be added to the General Revenue Grants payments to local authorities as soon as possible, are set out in the Annex to this letter.

In addition to the funding and package of measures set out in my letter of 5 May that we have already committed I am sure you will recognise that this amounts to over £300 million and is a significant overall package of financial support for local government in Scotland. This package is now also supplemented by the initial funding confirmed by Ms Freeman on 12 May of £50 million to support the immediate challenges in the social care sector, which will be provided through Integration Authorities, with further work being undertaken across Partnerships to fully understand the financial implications of responding to COVID-19.

Tha Ministearan na h-Alba, an luchd-comhairleachaidh sònraichte agus an Rùnaire
Maireannach fo chumhachan Achd Coiteachaidh (Alba) 2016. Faicibh www.lobbying.scot

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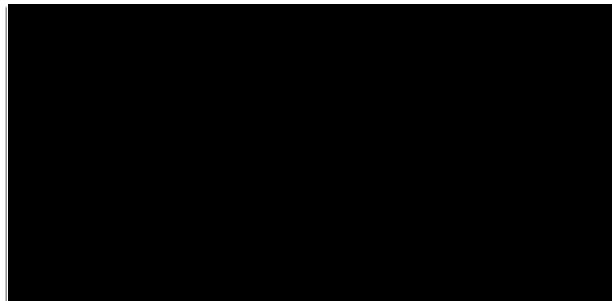


I note that COSLA view the cost collection exercise as an ongoing process. While having a full picture of the overall costs to local government will undoubtedly be helpful, I would stress again the points I made to Cllr Macgregor in our meeting on 7th May, that, we have now allocated all the additional consequentials at our disposal and more.

We will of course make further representation to UKG on the need for further funding and flexibility and would welcome any support COSLA can provide in this respect, however my sense is that the provision of further resources will be limited. Indeed UKG have already said that the current consequentials are estimates and may be revisited and that they will seek savings from Departments to offset some of the costs of the COVID response, which could result in negative consequentials for the Scottish Government.

I am of course willing to work with you going forward on how we can address any further funding pressures, this includes any costs associated with the strategic framework for the reopening of schools and early learning and childcare provision that has been developed jointly with the Scottish Government and local government. However, if there is not further funding made available to the Scottish Government from the UK Government, it will be extremely challenging to offer further funding to local government.

I will be happy to prioritise any request for a further meeting and look forward to working constructively with you in those further discussions.



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COVID-19 – ADDITIONAL FUNDING SUPPORT FOR LOCAL GOVERNMENT

(£ million)

Local Authority	Allocation
Aberdeen City	5.448
Aberdeenshire	7.451
Angus	3.371
Argyll & Bute	2.776
Clackmannanshire	1.442
Dumfries & Galloway	4.588
Dundee City	4.307
East Ayrshire	3.532
East Dunbartonshire	3.229
East Lothian	2.991
East Renfrewshire	3.059
Edinburgh, City of	12.122
Eilean Siar	1.189
Falkirk	4.485
Fife	10.563
Glasgow City	17.347
Highland	7.357
Inverclyde	2.321
Midlothian	2.606
Moray	2.644
North Ayrshire	4.104
North Lanarkshire	9.863
Orkney Islands	1.085
Perth & Kinross	4.272
Renfrewshire	5.059
Scottish Borders	3.409
Shetland Islands	1.204
South Ayrshire	3.265
South Lanarkshire	9.234
Stirling	2.720
West Dunbartonshire	2.729
West Lothian	5.228
Scotland total	155.000

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