

Local Authority Financial Settlement 2014-15

Introduction

The Scottish Government has published the Local government finance settlement for 2014/15. This sets out the allocation of Scottish Government grants to each council. It is important because some 80% of council finance comes from this source and given the ongoing Council tax freeze, councils have very few alternative sources of finance. This allocation is provisional but there is unlikely to be any significant difference with the final order that is likely to be debated in Parliament in February 2014.

The picture varies slightly depending on authority, but the overall picture is not a happy one. Revenue funding is expected to drop £281m in straight cash terms in real terms this represents considerably more.

As in previous years Councils face financial penalties should they breach the Scottish Government's Council Tax freeze policy. Funding for this measure has been maintained at the same level as last year (£70m) and so represents a real terms cut.

The Council Tax freeze supports wealthy homeowners at the expense of those who rely most on council services. They are faced with increasing charges or service cuts to pay for this.

Business rates increases are being capped at 2% in order to remain lower than the rest of the UK.

Councils are despite, reduced funding, still expected to adhere to Single Outcome agreements.

KEY POINTS:

- **Local Authority funding is being cut**
- **Councils face the choice of freezing Council Tax or having funds withdrawn by The Scottish Government**
- **Business rates are being held down in order to remain lower than those charged in England..**



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2014-15	Expenditure					Funding							ANNEX C		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
£million	Updated Service Provision	2008-15 Changes	Loan Charges/ PPP/ LPFS	Main Floor	Total Estimated Expenditure	Assumed Council Tax contribution	Revised Ring-fenced Grants*	Non Domestic Rates	General Revenue Funding	Total	New 85% floor	Fin Circ 1/2013	Changes to Fin Circ 1/2013	Revised Total	Share of 2014-15 Package Holdback
Aberdeen City	399.228	29.573	24.350	-1.764	451.387	83.563	0.603	193.738	150.711	345.052	2.054	313.452	2.034	315.486	3.275
Aberdeenshire	473.486	36.892	24.459	-2.170	532.667	99.105	0.084	86.371	329.847	416.302	0.000	392.209	3.386	395.595	3.558
Angus	225.181	17.284	13.869	-1.049	255.285	40.696	0.045	28.187	177.209	205.441	0.000	192.841	1.418	194.259	1.396
Argyll & Bute	213.741	15.533	11.637	15.750	256.661	36.329	0.383	31.171	179.548	211.102	0.000	197.767	1.095	198.862	1.423
Clackmannanshire	105.570	7.712	5.984	-0.474	118.792	18.362	0.000	12.988	83.621	96.609	0.000	90.109	0.737	90.846	0.667
Dumfries & Galloway	325.809	24.733	21.375	-1.534	370.383	55.704	0.070	48.739	251.758	300.567	0.000	279.370	1.981	281.351	1.874
Dundee City	321.055	23.319	20.989	-1.517	363.846	45.515	0.107	59.025	242.178	301.310	0.000	273.423	1.699	275.122	1.743
East Ayrshire	246.427	18.309	13.637	-1.148	277.225	39.751	0.459	31.230	196.067	227.756	0.000	212.844	1.294	214.138	1.492
East Dunbartonshire	209.355	15.385	10.532	-0.907	234.365	43.366	0.074	25.037	159.232	184.343	0.000	173.331	1.279	174.610	1.616
East Lothian	191.527	14.393	13.086	-0.875	218.131	39.833	0.000	25.310	145.723	171.033	0.000	161.534	1.279	162.813	1.402
East Renfrewshire	189.493	14.232	15.064	-0.862	217.927	36.626	0.156	15.234	160.852	176.242	0.000	168.235	1.032	169.267	1.355
Edinburgh, City of	868.802	63.593	61.889	-3.780	990.504	193.589	0.545	366.101	382.528	749.174	22.946	707.329	5.348	712.677	6.996
Eilean Siar	80.569	6.364	15.709	14.842	117.484	9.312	0.991	7.084	97.673	105.748	0.000	101.332	0.383	101.715	0.293
Falkirk	306.906	23.044	23.159	-1.420	351.689	54.055	1.131	74.713	209.286	285.130	0.000	264.768	1.343	266.111	1.833
Fife	718.465	54.778	39.834	-3.376	809.701	129.240	0.496	159.529	490.355	650.380	0.000	603.237	4.302	607.539	4.637
Glasgow City	1359.514	97.771	130.020	-6.497	1580.808	202.435	1.038	365.048	927.129	1293.215	0.000	1172.017	7.029	1179.046	7.694
Highland	503.587	38.721	40.541	-2.425	580.424	89.337	0.951	124.890	344.352	470.193	0.000	435.437	3.133	438.570	3.294
Inverclyde	178.828	12.699	13.576	0.254	205.357	26.087	0.548	22.832	147.969	171.349	0.000	157.816	0.638	158.454	1.015
Midlothian	166.049	12.504	11.254	-0.763	189.044	29.842	0.000	29.172	123.045	152.217	0.000	143.579	1.050	144.629	1.134
Moray	175.068	13.459	10.939	-0.833	198.633	31.054	0.450	33.552	125.775	159.777	0.000	148.247	1.111	149.358	1.134
North Ayrshire	291.924	21.315	17.510	-1.352	329.397	47.262	0.521	40.417	229.614	270.552	0.000	251.838	1.532	253.370	1.753
North Lanarkshire	682.367	50.490	15.030	11.290	759.177	108.072	0.289	119.447	504.078	623.814	0.000	585.037	6.111	591.148	3.785
Orkney Islands	66.790	5.280	7.497	-0.371	79.196	7.407	0.000	9.657	60.704	70.361	0.000	67.405	0.291	67.696	0.244
Perth & Kinross	289.020	21.855	15.486	-1.286	325.075	59.615	0.415	55.718	198.005	254.138	0.000	237.334	1.883	239.217	2.150
Renfrewshire	355.294	25.911	11.152	1.140	393.497	62.528	0.484	106.898	207.656	315.038	0.000	291.784	1.985	293.769	2.329
Scottish Borders	234.439	18.047	16.771	-1.112	268.145	44.104	0.004	31.183	182.632	213.819	0.000	197.176	1.489	198.665	1.529
Shetland Islands	81.797	6.631	11.498	-0.415	99.511	7.701	1.261	17.699	71.124	90.084	0.000	86.273	0.352	86.625	0.248
South Ayrshire	228.775	17.055	11.954	-1.026	256.758	44.126	0.209	43.370	160.201	203.780	0.000	189.815	1.143	190.958	1.643
South Lanarkshire	629.707	47.170	34.792	-2.918	708.751	111.444	1.538	298.920	272.997	573.455	0.000	538.502	3.525	542.027	3.870
Stirling	185.865	13.827	13.659	-0.849	212.502	34.489	0.610	32.764	136.778	170.152	0.000	157.941	0.730	158.671	1.341
West Dunbartonshire	210.167	14.779	12.075	-0.944	236.077	31.628	0.020	78.978	114.823	193.821	0.000	175.929	1.174	177.103	1.190
West Lothian	343.399	26.099	15.901	-1.609	383.790	58.423	0.000	88.998	221.333	310.331	0.000	290.048	2.311	292.359	2.087
Scotland	10858.204	808.757	705.228	0.000	12372.189	1920.600	13.482	2664.000	7284.803	9962.285	25.000	9257.961	64.097	9322.058	70.000

* The ring-fenced funding has been reduced so the total distributable will be £1m lower than shown.

UNISON Scotland response

UNISON Scotland's response to the financial settlement is to highlight the damage these cuts will have on essential services and the local economy.

The main Scottish Government priority is the Council Tax freeze. This undermines local democracy and the shortfall is increasingly being made up by charges for services. This disproportionately hits low income households who rely on council services, yet it is the wealthiest who gain most from this real terms tax cut.

Action for Branches

Local government branches will wish to identify the allocations for their council from the tables attached to the circular and reflect this data in budget discussions with councils.

The Scottish Government circular detailing the financial settlement for the council can be viewed at

<http://www.scotland.gov.uk/Topics/Government/local-government/17999/11203/LGFCircular2013>



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