

# Fair Funding for Councils

Scottish Conservative  
& Unionist Party

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# Foreword

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**We would enshrine into law fair funding for councils, ensuring that local authorities receive a set fraction of the Scottish Government Budget each year.**

While the SNP complain of Westminster austerity, they have been continually raiding council budgets to fund their pet projects. This has run down local services like roads, schools and rubbish collection.

We will introduce fair funding for our councils, so that they receive a set amount of the Scottish Government's budget each year. This will mirror the way that the Scottish Government receives funding from the UK Government.

The SNP have grabbed cash from our local authorities for years while they have been focused on another independence referendum. We will focus on rebuilding our communities from this pandemic by funding our councils and local services fairly.



# Background

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- **From 2007/8 to 2019/20 the local government funding as a percentage of SNP Government spending has fallen from 35.9 per cent to 33.1 per cent.** In 2019-20 funding to local authorities was £11.4 billion, with the Scottish Government budget being £34.4 billion. In 2007-8, funding to local authorities was £10.7 billion and the Scottish Government budget was £29.7 billion. (SPICe, Local Government Finance: facts and figures, 1999-2017, 10 March 2016, p13, [link](#); SPICe, Local Government Finance: Facts and Figures 2013-14 to 2020-21, 24 June 2020, p31, [link](#))
- **According to pre-Covid spending plans, the SNP Government planned to reduce funding for local government to just 30.7 per cent this year.** Plans were put in place for the grant to be £11.4 billion in 2020/21 against a Scottish Government budget of £37.3 billion.
- **And even before the pandemic began, the SNP planned to cut council budgets by more than £200 million.** COSLA revealed just weeks before the first lockdown that the SNP's budget deal with the Greens would lead to a cut of £200 million in council funding. COSLA said the deal failed 'to make any restoration of the significant cuts to Local Government core funding in previous years... this represents a 2 per cent or £205 million cut in real terms in revenue funding for Local Government.' (COSLA, 28 February 2020, [link](#))
- **Pre-pandemic figures show that thanks to SNP cuts, local authorities had a deficit of more than £50m in 2018-19.** The latest figures showed that local authorities across Scotland were met with a deficit of £53m in 2018-19 as a result of SNP cuts. This is up from £38.9m the previous year. (Scottish Government, Local Government Finance Statistics, p.2, 25 February 2020, [link](#); Scottish Government, Local Government Finance Statistics, p.11, 26 February 2019, [link](#))
- **At the same time as cutting funding, the SNP froze council tax from 2007-8 to 2016-17.** In 2017/18 and 2018/19 increases were capped at 3 per cent and in 2019/20 at 4.79 per cent. This year, council tax is worth 21.5 per cent of Scottish local authority revenue budgets. (SPICe, Local Government Finance: Facts and Figures 2013-14 to 2020-21, 24 June 2020, p31, [link](#))
- **In the last year alone, the SNP cut council's capital budgets by more than 30 per cent.** The total capital budget in 2020-21 was £334.8 million lower than it was in 2019-20, a fall of 30.9 per cent. (SPICe, Local Government Finance: Budget 2020-21 and provisional allocations to local authorities, p.11, 14 February 2020, [link](#))
- **The Barnett Formula ensures that the SNP Government receives a set amount of UK Government spending in any year.** This ensures that 9.71 per cent of spending on devolved areas in England is delivered as a



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Block Grant to the Scottish Government. In 2019/20 this was worth £34.4 billion of total Scottish Government spending of £35.4 billion. (House of Commons Library, The Barnett formula, 6 January 2020, p7, [link](#))

# Our Solution

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- **We would create a permanent financial settlement for councils, preventing the SNP Government from raiding their budgets.** This would require the Scottish Government to deliver a ring-fenced percentage of their budget to councils (The same proportion that existed in 2007). The capital/ revenue of this funding would be determined by the new fiscal framework.

