

Local Government Finance Settlement 2010-2011

Briefing on ...

Local Government Finance Settlement 2010-11

Introduction

This briefing covers revenue funding allocations to local authorities for 2010-11.

The settlement

Finance Secretary John Swinney confirmed a package of nearly £12 billion for councils on 10 February. All local authorities have now agreed to continue the council tax freeze, entitling them, like last year, to a share of £70m funding. Mr Swinney also confirmed that councils will be able to borrow £65.4 million to help spread equal pay back pay costs over a longer period. Councils will share £5 million for repairing roads following the severe cold weather.

The table overleaf has individual revenue allocations for each council, totalling nearly £10.7 billion. It is compiled from Finance Circular 1/2010. www.scotland.gov.uk/Resource/Doc/919/0094629.pdf (They will also receive support for capital funding of more than £843 million.)

The Scottish Parliament Information Centre Briefing on the settlement (www.scottish.parliament.uk/business/research/briefings-10/SB10-12.pdf) says that overall adjusted revenue allocations in cash terms increase by 2.93% from £10.4 billion in 2009-10 to £10.7 billion in 2010-11. Perth & Kinross has the largest increase (5.19%) and Glasgow City has the lowest, at 1.65%.

In real terms, adjusted revenue allocations increase by 0.67%. Perth & Kinross goes up by 2.87%, while five councils, in real terms, receive a

decreased allocation. They are: East Dunbartonshire (-0.07%), Edinburgh City (-0.42%), Glasgow City (-0.59%), Inverclyde (-0.20%) and Shetland Islands Council (-0.56%). Adjusted capital allocations decline by -4.56% in cash terms, and -6.6% in real terms.

Overall adjusted combined revenue and capital allocations increase by 0.07%, but ten councils will see their allocations decline: Argyll & Bute, East Dunbartonshire, Edinburgh, Fife, Glasgow, Inverclyde, Midlothian, Moray, North Ayrshire and Shetland Islands.

'Real terms' budgeting needs to be treated with some caution. This is based on a government assumption that inflation will be 1.5%. The government's preferred measure of inflation, the CPI, is already at 3.5% and the RPI is at 3.7%. This means that the cuts are likely to be much greater than the figures above would indicate for every council.

Councils face increasing pressures to meet Concordat, efficiency savings and other commitments, greater demands on services, decreased charges and fees income and changes with the ending of most ring fenced funding, plus the effects of the council tax freeze and reduced small business rates. Deeper cuts are predicted for coming years.

UNISON's Stop the Cuts/Public Works campaign & analysis

UNISON Scotland's Public Works campaign was launched by the union's General Secretary Dave Prentis in Glasgow on 6 February. He condemned macho political posturing on cuts and stressed the importance of public spending to economic recovery.

Figures from branches show that local government is facing more than £300 million of cuts and nearly 5,000 jobs will go through voluntary redundancies, early retirement etc. A major Stop the Cuts march and rally will take place in Glasgow on Saturday 10 April.

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Local Government Finance Settlement 2010-11 Individual Revenue Allocations

Local Authority	Assumed Council Tax Contribution	General Revenue Funding	Share of £70m	Total 2010-11 Incl Ring-Fenced Grants* & Non-Domestic Rates
Aberdeen City	79.542	254.934	3.300	367.204
Aberdeenshire	92.695	316.320	3.533	435.271
Angus	39.062	164.336	1.391	219.556
Argyll & Bute	35.782	183.939	1.414	231.488
Clackmannanshire	17.369	76.264	0.648	101.271
Dumfries & Galloway	54.315	246.289	1.866	323.027
Dundee City	43.649	243.482	1.762	320.514
East Ayrshire	37.859	184.258	1.471	244.425
East Dunbartonshire	42.784	141.432	1.651	192.558
East Lothian	37.578	130.738	1.363	178.328
East Renfrewshire	36.896	140.176	1.388	182.851
Edinburgh, City of	185.505	569.111	6.898	816.288
Eilean Siar	8.638	101.628	0.294	115.895
Falkirk	52.168	218.525	1.831	295.158
Fife	125.481	507.872	4.690	690.629
Glasgow City	199.673	1,110.912	7.783	1,443.286
Highland	83.735	386.982	3.235	501.429
Inverclyde	26.018	142.097	1.040	184.431
Midlothian	27.743	121.491	1.107	162.346
Moray	29.645	128.054	1.142	173.026
North Ayrshire	46.192	219.991	1.733	288.547
North Lanarkshire	104.673	505.317	3.672	668.503
Orkney	6.953	64.891	0.231	74.785
Perth & Kinross	56.915	192.920	2.154	265.090
Renfrewshire	61.548	260.096	2.366	347.507
Scottish Borders	42.357	173.215	1.524	231.130
Shetland	7.246	86.289	0.256	98.691
South Ayrshire	43.435	160.149	1.664	215.982
South Lanarkshire	108.648	446.849	3.922	600.887
Stirling	33.611	137.469	1.373	183.103
West Dunbartonshire	31.520	167.013	1.208	216.582
West Lothian	57.365	234.051	2.090	318.580
Scotland	1,856.600	8,017.090	70	10,688.368

*Ring-Fenced Grants incl Determined to Succeed, Hostels, Gaelic, Police, Supported Employment.

Action for Branches

All branches should send in Cuts Impact Assessment Forms and should regularly update them with the latest information. Send CIA forms to f.montgomery@unison.co.uk

The scale of cuts proposed by most councils is significantly greater than the reduced allocations in this financial settlement, even allowing for other cost pressures. This may be partly explained by the part year impact of some cuts proposals. However, branches should look carefully at the claimed expenditure growth items, balances etc to be satisfied that they are justified in this financial climate. The guide to council finances in the cuts pack is a resource, together with support from your Regional Organiser.

Many branches are actively campaigning in defence of services and building links in their communities with service users. These campaigns should support the mobilisation of members and local community groups for the 10 April event.

Further Information

Public Works campaign materials, a Stop the Cuts toolkit and CIA forms are at:

www.unison-scotland.org.uk/publicworks

Briefing on Budget Cuts

www.unison-scotland.org.uk/briefings/222 BudgetCuts.pdf

