

From Cllr Shona Morrison (COSLA President), Cllr Steven Heddle (COSLA Vice-President), and Cllr Katie Hagmann (COSLA Resources Spokesperson)



17 October 2024

Rt Hon. Rachel Reeves MP, Chancellor of the Exchequer
HM Treasury
1 Horse Guards
London
SW1A 2HQ
By email: Action.Chancellor@HMTreasury.gov.uk

Copied to: The Rt Hon Ian Murray MP, Secretary of State for Scotland
Shona Robison MSP, Cabinet Secretary for Finance and Local Government

Dear Chancellor

Scottish Local Government and the UK Budget

We are writing to you on behalf of Scottish Local Government ahead of the UK Autumn Budget due to take place on Wednesday 30 October.

Local Government across the UK plays a vital role at the heart of our communities. In Scotland, this includes vital core services such as education, care, and children's services, as well as key community resources from libraries and leisure facilities to day centres for older adults and youth work initiatives. However, Scotland's councils are facing unprecedented financial pressures. Our thirty-two councils have a current combined funding gap of £585 million, projected to rise to £780 million by 2026/27. As such, Scotland's councils face many of the same challenges highlighted by colleagues in a recent letter sent to you by the Local Government Association. This is clearly unsustainable and is leading to increasingly difficult choices for our councils in meeting their legal obligation to balance budgets.

We are calling for the UK Government to provide additional funding to the Scottish Government which in turn will allow our councils to meet these pressures and secure vital jobs and services. This is particularly important for capital funding. The combined impact of rising construction and borrowing costs has limited councils' ability to invest in vital infrastructure, such as social housing. Around 250,000 people are currently on waiting lists for social housing in Scotland and over half of our councils are struggling to meet statutory duties to address homelessness. Meanwhile, work towards ensuring that our communities are well prepared to meet the challenges and opportunities posed by climate change and the Just Transition to Net Zero are increasingly constrained by an inability to provide much-needed capital investment.

It is imperative that the UK Government works closely with both Local and Scottish Government to provide much-needed additional investment. The provision of additional investment could unlock a myriad of benefits for both local and national economies. As set out by Shona Robison MSP, Cabinet Secretary for Finance and Local Government, in a

letter addressed to you on 24 September 2024, this investment is required at both a national and local level. It is only through the provision of such funding that we will be able to meet the joint goals of Local, Scottish and the UK Government. If we want to tackle poverty, achieve a Just Transition to Net Zero, and deliver sustainable public services, the UK Government's Autumn Budget must reflect this critical need for additional investment in local service provision.

Yours sincerely,



Cllr Shona Morrison
COLSA President



Cllr Steven Heddle
COSLA Vice President



Cllr Katie Hagmann
COSLA Resources Spokesperson