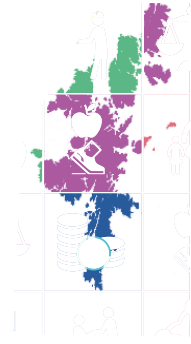


Invest in



Local Capital

#FundLocallyBenefitNationally



In 2025/26, The Scottish Government Must:



Provide **£872m in capital funding** to Local Government, including an additional **£163m** to meet the costs of inflation since 2020



Restore in full the **£163m** cut to the Affordable Housing Supply Programme since 2023/24

The value of total Local Government assets currently sits at around **£55 billion**, ranging from key community services and facilities such as schools, community buildings, and social housing, to key infrastructure projects such as our roads and public transport.

However, over recent years the **Scottish Government** has failed to provide **adequate funding** for our councils to **invest in, maintain, or decarbonise** the Local Government estate, jeopardising the future of key community assets and vital local infrastructure.

2024/25 Budget

£54m cut
to Local Government core capital budget in 2024/25 and **cuts to specific capital grant programmes**

The Impact

Efforts to tackle the housing emergency and meet statutory duties relating to homelessness prevention increasingly damaged by a **£163m** cut to **Affordable Housing Supply Programme** since 2023/24

Councils increasingly unable to deliver regular, reliable, and affordable public transport due to cuts to programmes such as the **Bus Partnership Fund**

Ability to deliver place-based regeneration to deprived and disadvantaged communities further damaged by **£25m** cut to the **Regeneration Capital Grant Fund**

Increasing numbers of **culture and leisure facilities** are at **risk of closure** across Scotland, including 147 swimming pools, due to cuts to core capital budgets, with potentially significant negative impacts on health and wellbeing.

Reduced capital funding harms the ability of Local Government to tackle the climate emergency and meet net zero targets through the **decarbonisation** of estates and energy efficiency improvements.

Councils further constrained in their ability to meet the financial challenges posed by the presence of RAAC in vital community assets.

Our councils are also facing **struggling to meet ongoing costs** associated with maintaining existing assets over the course of their lifetime. As such, it is crucial that Local Government also receives sustainable revenue funding.

Example



Between 2017/18 and 2022/23, the cost of maintaining local authority roads per km increased to **£12,844** – a **9.1%** increase.

The Impact of Capital Cuts

Cuts to capital budgets

Investment in new local assets slows down

Councils increase short-term borrowing

Deteriorating or closed local assets are not replaced long-term

Negative impacts on individual and community health and wellbeing

Increased downstream costs to public sector partners across Scotland

Example

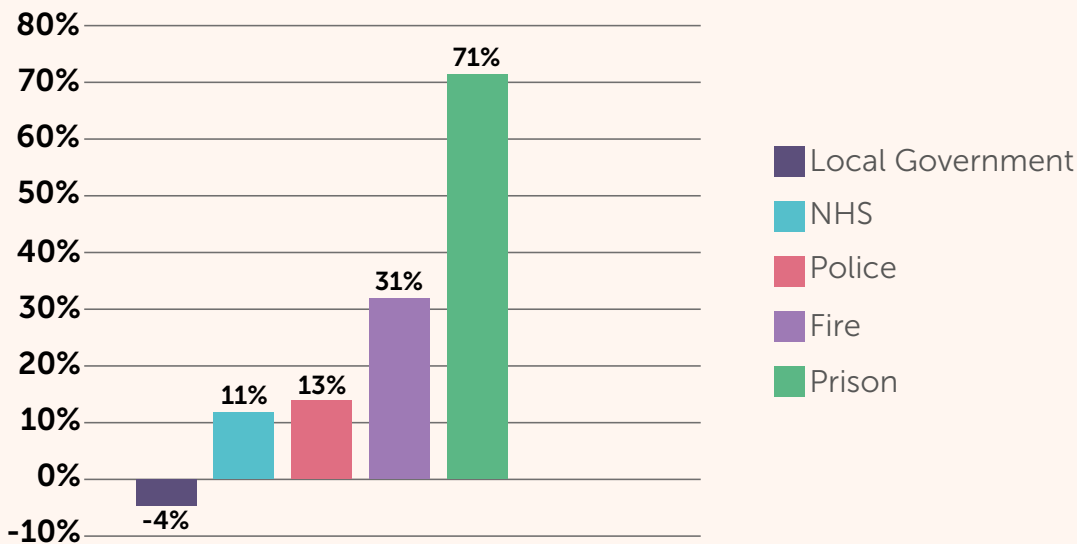
As part of their 2025/26 local budget consultation, one council is asking residents for views on:



- mothballing local schools based on pupil numbers
- reducing the number of council-run leisure facilities
- shrinking the number of household waste recycling centres
- transferring or closing council-operated community halls

Cuts to Local Government capital budgets worsen outcomes for individuals, communities, and the whole of Scotland

Capital Funding % Change 2023/24 to 2024/25



When adjusted for funding provided for pay, Local Government's capital funding fell by 4% between 2023/24 and 2024/25 – far below that provided to our public sector partners



To maximise the benefits to our communities, and to meet local and national targets, it is crucial that Local Government receives £872m capital funding in 2025/26

Local Government is close to **tipping point** – if we want our councils to continue to provide the vital community services and facilities that we all benefit from over the course of a normal day, there can be more no flat cash settlements or budget cuts.

Local Government must receive a fair and flexible funding settlement.



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