

Cabinet Secretary for Finance, Economy and Fair Work
Derek Mackay MSP



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Cabinet Secretary for Communities and Local
Government
Aileen Campbell MSP

James Dornan MSP
Convenor
Local Government and Communities Committee
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The Scottish Parliament
Edinburgh
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8 February 2019

Dear James,

Thank you for your letter of 23 January addressed to the Cabinet Secretary for Finance, Economy and Fair Work and the Cabinet Secretary for Communities and Local Government in which you summarised the key issues the Committee would like to draw to the Scottish Government's attention.

We very much appreciate you setting out the Committee's views and inviting responses on the local government finance settlement and housing adaptations.

We have set out a response to each of the specific requests for information you made in your letter in Annex A and we would welcome the opportunity to be able to meet with the Committee and discuss these issues at a later date if required.

DEREK MACKAY

AILEEN CAMPBELL

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Transparency – Local Government Funding (Derek Mackay)

I note the Committee's call for greater transparency in how the annual local government finance settlement is presented in the Budget document and I note the Committee has welcomed the steps we have taken to present the full funding position in recent years.

As you are aware we now present all the funding that the Scottish Government provides to local government (summarised in Table 6.09 and set out in more detail in Tables 6.10, 6.14 and 6.15) and as you have acknowledged any specific grant funding is set out in Table 6.11. On the question of "protected" or "non-discretionary" funding that is a matter for each individual local authority to decide upon but what we have, and will continue to do, is set out a description of the funding elements of the overall funding package that are linked to identifiable policy initiatives that we expect those elements of funding to be spent on (Page 75).

Having said that it is for individual local authorities to determine how they achieve those policy initiatives and how much of the available funding that they need to spend to achieve the required outcome. As a result it is not possible for the Scottish Government to separate out those elements of the overall funding total that can be described as "protected" or "discretionary" other than the specific grant funding which is already clearly identified.

To compare annual local government finance settlements by excluding the ring-fenced funding (as SPICe did this year at the request of individual MSPs) does not paint a complete picture as this is real money to spend on real core services, as COSLA themselves agreed, such as the Early Learning and Childcare Expansion and the Pupil Equity Funding. Unfortunately, I do not see there is anything the Scottish Government can do to stop such analysis other than to continue to point out the fundamental flaws in such an approach.

We will however continue to review the presentation of the local government funding position for future Budget documents in an effort to further improve both the transparency and the ease of understanding for the Committee and other external commentators.

Funding Methodology – Local Government (Derek Mackay)

Subject to Parliamentary approval of the Local Government Finance (Scotland) Order 2019 on 7 March, a full list of the methodologies used to distribute local authorities funding in 2019-20 will be shared with the committee by the end of March 2019. Scottish Government officials will liaise with clerks to ensure the information is presented as clearly as possible.

Nature and Timescale of Review - Housing Adaptations (Aileen Campbell)

As I said at the Committee's meeting on 9 January, we are grateful to the committee for its continued interest in our work on housing adaptations. This work has a practical focus, identifying barriers and potential areas for development within existing regulations, guidance and practice relating to adaptations. Officials will work actively with stakeholders to support Integration Joint Boards and their partners to improve arrangements at local level in the planning and delivery of the adaptations and ensure the person centred, tenure neutral approach to housing adaptations that both Ministers and the Committee want to see right

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across the country. We expect this work to continue to progress over the course of the calendar year and complete by the end of 2019.

Scoping the Full Extent of Claims – Housing Adaptations (Aileen Campbell)

In taking forward the work I have already outlined, officials will engage closely with stakeholders including those listed in your letter and seek further evidence and views. We will continue to keep the Committee apprised of progress.

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