You may recall that in my response of 8 February to your letter of 23 January which summarised the key issues the Committee wanted to draw to the Scottish Government’s attention, I promised to provide the Committee with a full list of the methodologies used to distribute local authority funding in 2019-20.

I had hoped to provide this information much earlier but the joint Scottish Government and COSLA Settlement and Distribution Group having been reviewing a number of the individual funding stream methodologies and I wanted to provide the Committee with an as up-to-date picture as possible. A copy of this information has also been passed to SPICe for reference purposes.

You will see that I have also provided a link to the 2019-20 Grant Aided Expenditure assessments which drive the majority of the funding allocations (Annex A). This part of the distribution process has always been provided on-line and it is the intention that this publication will be supplemented from 2020-21 to include the distributions of all of these additional funding streams in the attached workbook, in the same format as the individual service and sub-service Grant Aided Expenditure assessments.

I hope that the Committee will find this information useful.

DEREK MACKAY
AILEEN CAMPBELL
Grant Aided Expenditure - Latest GAEs

1. The Scottish Government’s Grant Aided Expenditure (GAE) assessments provide details of the underlying allocations which determine the distribution of the majority of funding across the 32 Scottish Local Authorities. The figures shown are as at Finance Circular 2/2019.

2. The vast majority of individual GAE totals (that is, the amount available for distribution between the 32 Local Authorities) remain at 2007-08 levels. This is in keeping with the practice introduced for the 2008-11 settlement. The underlying data used to allocate these totals has been updated and so the distribution of funds amongst Local Authorities has changed.

3. Any additional changes in funding resulting from subsequent Spending Reviews are distributed using the GAE (plus Special islands Needs Allowance (SINA)) total for each local authority as they are no longer earmarked for particular GAE assessments.

Green Book PDF and Excel Tables [Green Book 2019-20](#)

4. The published Grant Aided Expenditure (GAE) tables (known as The Green Book”) can also be accessed in Excel format. The Excel spreadsheets contain the formulas used for calculating the allocation shares.
   - [2019-20 GAE Calculations](#)
   - [2019-20 Green Book Annexes](#)
   - [Map of Scottish Local Authorities](#)

The Client Group Approach

5. GAE is a systematic means of allocating the pre-determined Spending Review funding totals equitably amongst local authorities, based on a ‘Client Group Approach’. This Client Group Approach is an evidence-based method used to estimate relative proportions for Local Authorities of individual GAE lines and does not determine the level of provision in absolute terms, nor its allocation between different services. A full description of the Client Group Approach is provided in Finance Circular 11/1992.

Non-GAE Funding

6. With effect from 2008 the quantum and distribution of all new funding streams for local authorities have been discussed and agreed with COSLA. As a result each new funding stream has its own bespoke distribution and the attached table provides, the name, the quantum, the distribution methodology and relevant comments relating to any potential review of these distributions. This is the first time these have been published and the intention is that for future years the Grant Aided Expenditure “Green Book” will be expanded to include these allocations as well.