

Rùnaire a' Chaibineit airson Ionmhas  
Ceit Fhoirbheis BPA  
Cabinet Secretary for Finance  
Kate Forbes MSP



Scottish Government  
Riaghaltas na h-Alba  
gov.scot

T: 0300 244 4000  
E: [scottish.ministers@gov.scot](mailto:scottish.ministers@gov.scot)

Councillor Alison Evison  
COSLA President  
Verity House  
19 Haymarket Yards  
Edinburgh  
EH12 5BH

Copy to: The Leaders of all Scottish local authorities

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27 February 2020

Dear Alison

You and other Leaders have raised a number of points on the quantum of the local government finance settlement, including in our most recent meeting on 12 February. I have reflected on those points and also the very similar points raised by the Scottish Greens in my discussions with them to secure support for the Budget.

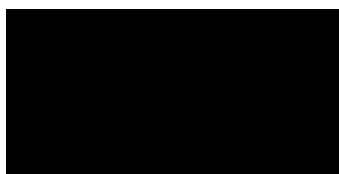
While we have invested £494 million of resource funding in local government and stand by our position this additional funding for early learning and childcare, education and social care are core functions of local government, I have heard calls from COSLA and other political parties for additional investment to ensure, in particular, that local authorities can contribute fully to our efforts to reduce child poverty and tackle the climate emergency. This has been my priority throughout these discussions and I have identified an additional £95 million of resource to meet this request. This funding is not ring-fenced and will be added to the core grant as part of the local government finance settlement. This will deliver a total increase in resource funding for local government in 2020-21 of £589 million.

In relation to capital spending, we are able to make a further funding available for projects that support our net-zero ambitions.

For local government I will allocate £15m to further support investment in cycling, walking and safer streets, and support further investment in energy efficiency through a mix of area based schemes and other existing programmes we will allocate £25 million to be discussed further with local government and other delivery partners.

I know local authorities along with the rest of the public sector are still facing some difficult financial challenges as a result of continuing UK Government austerity, but I hope you can recognise and welcome the significant package of additional measures I have confirmed.

Set out in the Appendix to this letter are details of the additional allocations to individual local authorities, through the normal formula distribution for the additional resource allocation of £95 million, to be spent at the discretion of local authorities, and allocations of the additional specific capital grant funding for Cycling, Walking and Safer Streets. These allocations are subject to Parliamentary approval of the final stages of the Budget Bill and associated Local Government Finance (Scotland) Order 2020.



**KATE FORBES**