

Local Government, Housing and Planning Committee

2nd Meeting, 2023 (Session 6)

Tuesday 17 January 2023

Evidence session on the Scottish Government Budget 2023-24

Introduction

1. The purpose of this paper is to provide information for the Committee's evidence session with the Cabinet Secretary for Social Justice, Housing and Local Government on the Scottish Government Budget 2023-24.
2. The Committee will take evidence from—
 - Shona Robison MSP, Cabinet Secretary for Social Justice, Housing and Local Government
3. The Scottish Government's Budget for 2023-24 can be accessed via the following link—

[Scottish Government Budget 2023-24](#)

Background

4. The focus of the Committee's session with the Cabinet Secretary and her officials will be on the allocation of funding for both local government and affordable housing.
5. The Committee's pre-Budget scrutiny this year focussed on funding for affordable housing, with the Committee sending the Cabinet Secretary a letter based on evidence sessions held in September. A copy of that letter can be accessed below:

[Correspondence from the Local Government, Housing and Planning Committee to the Cabinet Secretary for Social Justice, Housing and Local Government](#)

6. The Scottish Government's response was received by the Committee on 10 January and can be accessed below:

[Correspondence from the Cabinet Secretary for Social Justice, Housing and Local Government to the Local Government, Housing and Planning Committee](#)

7. The Committee will explore the Scottish Government's response as well as the funding for the affordable housing supply programme contained in the 2023-24 budget.

8. The Committee will also explore with the Cabinet Secretary the Scottish Government's allocation to local government for 2023-24. The Committee has been exploring issues around the funding of local government throughout the session, most recently at its meeting on 13 December when the Committee took evidence from local authority leaders, COSLA and SOLACE.

9. In that session the Committee focussed on the New Deal for Local Government. The Scottish Government published its Resource Spending Review in May 2022 which stated that "the Scottish Government will work closely with COSLA and SOLACE over the coming months to agree a new deal for Local Government in Scotland in advance of the next financial year which will—

- Build on the Review of Local Democracy and develop a deeper dialogue and debate on how Scottish and Local Government will work together to achieve better outcomes for people and communities.
- Seek to balance greater flexibility over financial arrangements for local government with increased accountability for the delivery of national priorities so that both partners can have certainty over inputs and outcomes alongside scope to innovate and improve the delivery of services to local communities.
- Explore greater scope for discretionary revenue-raising, such as the Visitor Levy and the newly created Workplace Parking Levy.
- Explore further with COSLA, Digital Office and Revenue Scotland how best to transform the digital administration of the Non-Domestic Rates system.
- Confirm that further flexibilities requested by COSLA will be made available to councils for existing service concession arrangements such as PFI or NPD funded projects; and
- Ensure these decisions are supported by a phased approach towards alignment with the CIPFA Code of Practice for Local Authority Accounting through a comprehensive Capital Accounting Review in partnership with COSLA, Audit Scotland and CIPFA."

10. The Scottish Government has maintained its commitment to the New Deal, writing to the Committee in November providing an update on progress on the various strands of work on the New Deal. The letter confirmed that "the Scottish Government will work closely with COSLA over the coming months to agree a new deal for Local Government in advance of the next financial year." The letter further confirms that the New Deal will include—

- A Partnership Agreement which provides the framework for policy specific agreements, based on a shared value-based overarching agreement on outcomes and accountability.

- A Fiscal Framework for local government, which is intended to establish agreed ways of working in the fiscal relationship, supporting greater transparency and accountability.
- It also encompasses the Local Governance Review and a commitment to establish a working group to explore effective deliberative engagement on sources of Local Government funding, including Council Tax.

11. The Committee will explore issues of relevance to the New Deal and in particular around the fiscal framework with the Cabinet Secretary.

Conclusion

12. The Committee is invited to consider the above in its evidence session with the Cabinet Secretary for Social Justice, Housing and Local Government.

**Clerks,
Local Government, Housing and Planning Committee**