

Local Government, Housing and Planning Committee
Tuesday 8 October 2024
27th Meeting, 2024 (Session 6)

Pre-Budget Scrutiny: Sustainability of local government finance

1. The purpose of this paper is to provide information to inform the Committee's evidence taking as part of its pre-budget scrutiny for 2025-26.
2. The Committee previously agreed that the primary focus of this work would be on the sustainability of local government finances, particularly around the funding of council infrastructure through debt, reserves and capital investment.
3. The Committee will take evidence at today's meeting from two panels of witnesses as follows—

Panel One

- Cllr Katie Hagmann, COSLA Resources Spokesperson;
- Paul Manning, Chair, Solace Scotland and Chief Executive, South Lanarkshire Council
- Jamie Robertson, Chair, CIPFA Directors of Finance and Director of Finance, East Dunbartonshire Council; and
- Jonathan Belford, Vice Chair, CIPFA Directors of Finance and Chief Financial Officer, Aberdeen City Council

Panel Two

- Cabinet Secretary for Finance and Local Government;
- Ellen Leaver, Acting Director for Local Government, Scottish Government; and
- Ian Storrie, Head of Local Government Finance, Scottish Government.

4. COSLA, Solace and CIPFA Directors of Finance Section have provided [a joint written submission](#).

Previous evidence taking

5. The Committee took evidence from the Accounts Commission, the National Audit Office and the Local Government Information Unit at its meeting on 24 September. The meeting papers and official report can be accessed via the following link: [Local Government, Housing and Planning Committee 25th Meeting, 2024 | Scottish Parliament Website](#)
6. The Committee then took evidence from the following panel of witnesses on 1 October—

- Professor David Heald, Emeritus Professor, Adam Smith Business School, University of Glasgow
 - Bill Howat and Keith Yates, both retired Chief Executives of Scottish Councils and members of the Mercat Group; and
 - Alison Payne, Research Director, Reform Scotland.
7. The meeting papers and official report can be accessed via the following link: [Local Government, Housing and Planning Committee 26th Meeting, 2024 | Scottish Parliament Website](#)

Briefing materials and next steps

8. The Committee issued a call for views to help inform its pre-budget scrutiny at the start of summer recess. Nine submissions were received and can be accessed on the [Committee's website](#) under "correspondence".
9. SPICe has published a briefing to support the Committee in its pre-budget scrutiny: [Local Government Finance: Facts and Figures 2024](#).
10. The Finance and Public Administration Committee published its [Guidance for Committees on the Budget Process 2025-26](#) on 10 June. It recommends taking "a strategic year-round approach to budget scrutiny, allowing parliamentary committees to build up an evidence base over time on the impact of spending in their portfolio areas." Committees are invited to report their findings to their respective Ministers by letter or report, at least six weeks before the Scottish Government's Budget is published.
11. Whilst the publication date of the budget is currently unconfirmed, the expectation is that pre-budget letters or reports would be published around the end of October/start of November 2024.
12. Today's evidence sessions will conclude the Committee's evidence taking as part of its pre-budget scrutiny. The Committee is then expected to consider draft correspondence to the Cabinet Secretary on 29 October and publish that correspondence shortly thereafter.

Conclusion

13. The Committee is invited to consider the above information in its evidence session with COSLA and the Cabinet Secretary for Finance and Local Government.

Clerks to the Committee October 2024