



ALL SERVICE COMMITTEES
COMHAIRLE

25 FEBRUARY 2025
25 FEBRUARY 2025

BUDGET AND COUNCIL TAX SETTINGS 2025/26

Report by the Chief Executive and the Chief Financial Officer

PURPOSE

- 1.1 The purpose of the Report is to seek approval of the Comhairle's Budget for 2025/26 and recommends the Council Tax for 2025/26

EXECUTIVE SUMMARY

- 2.1 The development of this Budget has been overseen by the Budget and Strategy Board, which comprises Councillors from all Wards and all political groups, reporting to the Policy and Resources Committee, with all other Members invited to contribute through participation in Members' Seminars and an invitation to discuss and submit options regarding specific elements of the budget.
- 2.2 The Draft Settlement announced on 12 December 2024 at Appendix A to the Report, allocated the Comhairle revenue funding of £118.037m, an increase of £5.567m, compared with the initial 2024/25 Settlement. However, the Settlement includes funding of £4.661m for prior year commitments and Government priorities, with net changes of £0.440m within 2025/26, equating to a funding increase of £1.346m for core services.
- 2.3 In relation to Capital Funding, the Comhairle will receive £5.985m, compared to a headline figure of £8.297m in 2024/25. However, the 2024/25 Settlement included specific funding of £2m towards the expansion of free school meals, awarded following a bidding process. Recent years have seen a gradual reduction in the level of grant, and this has been reflected in the assumptions made in the development of the 2023-28 Capital Programme, as approved by the Policy and Resources Committee on 15 February 2023.
- 2.4 At its meeting on 23 January 2025, the Budget and Strategy Board approved £1.4m of savings proposals, as detailed at Appendix B to the Report, to be taken forward for consideration as part of the Budget.
- 2.5 Sections 6 and 7 of this report detail the main factors which have impacted on the costs and income included in the budget, and which, importantly, have enabled a balanced budget to be proposed for 2025/26.
- 2.6 The Second Quarter Revenue Monitoring showed that there were £4m of reserves available to support the Budget process, with this reducing to £2m if these Budget proposals are approved. However, this needs to be considered in the context of the underlying deficit and the continued uncertainty on pay awards and known budget pressures within certain service areas.
- 2.7 The IJB Budget is still to be finalised, but current indications are that there is a funding gap of around £4.4m forecast for 2025/26. With reserves depleted, this represents a material risk for both the Comhairle and NHS Eileanan Siar.
- 2.8-- It is recommended that, in light of the current financial risks, as detailed at paragraph 6.4 and in Appendix C to the Report, the level of uncommitted reserves be retained at £3.5m for 2025/26.

RECOMMENDATIONS

3.1 It is recommended that the Comhairle

- (a) agree to accept the 2025/26 Settlement from the Scottish Government as set out in the Finance Circular in Appendix A to the Report;
- (b) agree the Budget Strategy for 2025/26 as set out in Sections 5, 6 and 7 of the Report;
- (c) approve the draft Budgets for 2025/26 at Budget Item B of the Agenda;
- (d) agree the delegated Budget for Cùram is Slàinte nan Eilean Siar as detailed in Section 11 of the Report;
- (e) agree to a Council Tax increase of 8% (£1,394.01 for Band D properties);
- (f) note the capital allocation for 2025/26 and that progress with the Capital Programme will continue to be monitored quarterly through the Policy and Resources Committee;
- (g) note the financial risks in Appendix C to the Report and agree to maintain the level of uncommitted reserves at £3.5m;
- (h) agree that the Budget Board monitor progress with the implementation of Savings Plans;
- (i) note the preparation of a medium-term financial plan is currently being finalised; and
- (j) agree that a Budget Strategy update be provided to the June 2025 meeting of the Policy and Resources Committee

Contact Officer: Malcolm Burr, Chief Executive; Norman Macdonald, Chief Financial Officer

Appendix: Appendix A - Local Government Finance Settlement 2025/26 -
(12 December 2024)

Appendix B - Savings Proposals

Appendix C - Significant Financial Risks: February 2025

Background Papers: Budget and Council Tax Setting 2024/25 –
(Policy and Resources Committee February 2024)

Budget Strategy Update Reports –
(Budget and Strategy Board, October 2024, December 2024, January 2025)

Second Quarter Revenue Outturn Report –
(Policy and Resources, February 2025)

IMPLICATIONS

4.1 The following implications are applicable in terms of the Report.

Resource Implications	Implications/None
Financial	This Report is wholly concerned with financial matters and recommends how a balanced budget can be set by the Comhairle for 2025/26.
Legal	The Comhairle is under a legal duty to set a balanced budget. In doing so the Comhairle must observe proper accounting practices and make arrangements which secure best value. A local authority must maintain an appropriate balance between the quality of the performance of its functions; the cost to the authority of that performance; and the cost to persons of any service provided by it for them on a wholly or partly rechargeable basis. In maintaining that balance, a local authority shall have regard to efficiency, effectiveness, economy and the need to meet equal opportunity requirements.
Staffing	None of the recommendations in the Report have a direct impact on staffing, though the Comhairle's agreed business plans will result in workforce changes.
Assets and Property	None of the recommendations in the Report have a direct impact on assets and property, though the Comhairle's agreed business plans will result in changes to how assets and properties are utilised.
Strategic Implications	Implications/None
Risk	There are significant financial risks recognised in the Comhairle's budget and set out in Paragraph 6.4 and Appendix C to the Report.
Equalities	Initial Impact Assessments (IIA) have been undertaken for all the proposals, and these are provided as background papers. If the Budget is approved, some proposals will require additional IIA work and may require consultation to ensure full consideration of their effect on specific potentially affected groups.
Corporate Strategy	The Comhairle's Business Plans are designed to deliver the Comhairle's revised Corporate Recovery Strategy.
Environmental Impact	N/A
Consultation	Specific proposals may require consultation as part of the Integrated Impact Assessment process, as noted above.

FINANCIAL SETTLEMENT

- 5.1 The draft Local Government Financial Settlement for 2025/26 was published by the Scottish Government on 12 December 2024 and the headline figures showed an increase of £5.5m in funding for the Comhairle, when compared to the initial Settlement for 2024/25. However, this included funding already committed in the current year and for additional government priorities. Also included is £683k of funding for the Real Living Wage in Health and Social Care, which councils are expected to pass to Integration Joint Boards.
- 5.2 The Settlement included significant commitments in respect of the 2024/25 pay awards, teachers' pensions, the baselining of the Council Tax freeze funding and the inclusion of the Islands Cost Crisis Emergency Fund. Funding was also allocated to other Government initiatives, which are effectively ring fenced for these purposes. When these commitments are taken into account, there is an effective funding increase of £1.3m, as summarised in *Table 1* below.

	£'000	£'000
2024/25 Settlement as at March 2024		112,470
2024/25 Draft Settlement (Circ. 08/23)		118,037
Cash Increase		5,567
2024/25 Commitments now included in Settlement:		
Council Tax Freeze and Additional SG Funding	-1,008	
Pay Settlements and Teachers Pensions	-1,339	
Islands Cost Crisis Emergency Fund	-1,287	
Other Commitments	-1,027	
		-4,661
Funding previously included, still to be distributed		1,403
New Commitments		-963
Effective Increase		1,346

Table 1 – Summary of Effective Funding Increase in Financial Settlement

5.3 As in previous years the Settlement contains a package of measures, in return for the funding allocations set out in the Circular. The main elements are:

- £524.9m of funding, that was previously ring-fenced, being included in the General Grant (in reality, this funding is already committed within budgets, mainly within Education)
- An additional £289m of General Revenue Grant to support local priorities
- An additional £135m for Health and Social Care to be allocated to the IJB (Comhairle allocation £693k)
- An additional £69m in respect of teachers and support staff (not yet distributed)
- £40m to tackle the climate emergency

5.4 The provision of funding to compensate the public sector for the increase to Employers National Insurance Contributions, announced in the UK Budget, is ongoing and is discussed in more detail within this report. Scottish Government announced, on 4 February 2025, that an additional £144m would be allocated to Councils, representing 60% of the estimated cost to councils. The distribution of this funding is still to be finalised.

BUDGET ASSUMPTIONS AND RISKS

- 6.1 Following a period of very high inflation, which had a severe impact on all Council resources, the inflation statistics published on 15 February 2025 showed the Consumer Price Index (CPI) at 2.5%. This is still above the Government target of 2%, but at a more realistic level in terms of managing the budgets.
- 6.2 Due to funding constraints, the budget does not assume an inflationary increase on general supplies and services budgets, except for substantial expenditure area such as utilities. However, additional funding has been allocated to address known pressures in some areas. Fees and Charges are assumed to increase by 5%.
- 6.3 An assumption of 3% has been included for pay awards for staff and teachers, with these adjusted

to reflect the increase in Employers National Insurance Contributions from 1 April 2025, as announced in the UK Budget on 30 October 2024.

6.4 The Budget contains inherent financial risks and uncertainties, which will continue to be monitored and reported through regular reports to Committees. The Risk Registers will be presented to Committees in April 2025, along with the Business Plans. The most significant service risks include:

- Government Funding – like all Councils, the Comhairle is largely dependent on Government Funding for the provision of services, and unexpected reductions or conditions attached to funding have significant impacts across services.
- Employee Costs – the latest Pay Claims for 2025/26 are in the range of 6.5%, with additional conditions such as more annual leave and to trial a reduction in the working week, the current assumption in the budget is 3%. If there are any additional costs, not funded by Government, meeting these would require savings and cuts to core budgets.
- Inflationary Pressures – although CPI in January was down to 2.5%, which is more in line with the Bank of England target of 2%, international events impacting on the global economy could result in unforeseen increases in costs, as experienced in the last 2 years.
- IJB Budget pressures – the IJB is forecasting a significant budget deficit for 2025/26. In recent years, the deficit has been managed through underspends in specific areas and the use of reserves. The reserves will be largely depleted in the current year. As a partner organisation, there is a significant risk for the Comhairle in terms of funding a portion of any deficits.
- Winter Maintenance Budget – in recent years it has become evident that this budget is under-resourced and although overspends have been managed from underspends in other areas of the budget, the is position is not sustainable. Additional resources have been allocated to the budget in this budget and the previous in an effort to reduce the risk.
- Children’s Mainland Residential Placements – spend is dependent on individual needs and the number of placements can vary from year to year. Minor changes can have a significant impact as a placement can cost around £250k, depending on the type of care required.

6.5 Table 2 below gives an indication of the sensitivity of key budget assumptions to a 1% change:

Category of Cost	Assumption %	Increase %	Increased cost £000s
Council Tax	8.0	1.00	150
Inflation on running costs	Misc.	1.00	431
Pay Inflation teaching staff	3.0	1.00	261
Pay Inflation (non-teaching staff)	3.0	1.00	723

Table 2 – Key Budget Assumptions – Indication of 1% Change

BUDGET 2024/25

7.1 The 2024/25 Budget and Council Tax Setting Report indicated a forecast deficit of £6.6m in 2025/26, prior to the application of a Council Tax increase and the identification of savings. The additional pay award during the year, an element of which was not funded by the Government, and the ongoing revenue costs associated with the replacement of systems following the cyber-attack, increased this deficit to £7.1m.

- 7.2 As with all budget processes, the position constantly changes, and the following section details some of the main changes that have led to the current position, a shortfall of £5.9m, and a summary of how the balanced budget has been reached is shown in the table at Paragraph 7.
- 7.3 The development of the Budget has been overseen by the Budget and Strategy Board, with meetings held in October and December 2024 and in January 2025, supplemented by Members Seminars in September and November 2024. These were facilitated by Service Managers and Service Accountants and provided information on the costs and income across all Service areas and suggested potential areas of saving. The Seminars provided an opportunity for less formal discussion and debate and informed the identification of a range of savings options.
- 7.4 With budgets having been reduced significantly over recent years, the identification of savings is now at the stage where services previously deemed protected require to be considered for reductions. However, Corporate Management Team identified £1.4m of savings for consideration and these were approved by the Budget and Strategy Board on 23 January 2025, to be taken forward for consideration as part of the Budget.
- 7.5 Members will recall that when the current year Budget was set, Loans Fund data was still in the process of being rebuilt and the Budget was based on that of the previous year, with the knowledge that there were potential savings achievable. Savings of £0.5m are estimated on the principal repayment to the Loans Fund, with £361k of this also being maintained in 2025/26. The cash inflows from the Stornoway Port Authority loan interest continues to be applied to the Budget, as previously agreed.
- 7.6 In 2024/25, the Comhairle received £1m from the Islands Cost Crisis Emergency Fund, which was set up to compensate the island authorities for the higher costs associated with the delivery of services, whilst a review of the operation and quantum of the Special Islands Needs Allowance mechanism was undertaken. It was not clear if the funding was to be a one-off award, and the funds were allocated to known pressures. In 2025/26, this £1m has been included within the Settlement, and as there are no conditions attached to the funding, this has been applied to the Budget.
- 7.7 The UK Budget introduced increases to the Employers National Insurance Contributions, from 13.8% to 15% and reduced the payment threshold from £9,100 to £5,000. Initially, it was anticipated that funding would be provided to public sector organisations to totally offset these costs. However, with ongoing debate between the Scottish and UK Government on the quantum of the funding, it became clear that this was unlikely, with indications that the funding provided could be only 50% of costs. The estimated costs for the Comhairle are just under £1.5m and this has been included in the budget, together with an assumption of 50% being funded.
- 7.8 On 4 February, at Stage 1 of the Budget Debate, the Scottish Government announced a funding package of £144m for councils, which was presented as representing 60% of the total costs. The distribution of the funds has not been agreed at this stage but is likely to be based on a formula rather than actual costs.
- 7.9 The Comhairle will receive just under £1.9m from Crown Estate Round 6. A report to Policy and Resources Committee on 4 February 2025 approved the allocation of the funding, which included £287k to support community-based services, such as community waste recycling centres and grants for management of public conveniences, which could otherwise have been subject to service reductions. Appendix B to the Report provides the full list of services included.

7.10 Table 3 below shows a summary of the Budget and how the deficit has been addressed.

	£'000	£'000
Deficit Carried forward from 2024/25		1,947
Budget Changes		
Staff and Teachers pay (incl. NI Increase)	3,489	
Inflation and Growth in Budget	1,978	
ICCEF funding now included in general funding	-1,000	
Reduction in Loan Charges	-361	
		4,106
Revised Deficit		6,053
Addressing the Deficit		
Additional General Revenue Grant (after new commitments)	1,346	
Savings proposals	1,392	
Council Tax	1,315	
		4,053
Budget Shortfall/Use of Reserves		2,000

Table 3 – Budget Summary and Addressing of Deficit

COUNCIL TAX

- 8.1 As part of the Settlement, the Scottish Government ended the freeze on Council Tax, leaving councils to decide on the level at which it is set. Subsequent narrative has suggested that the level of funding provided in the Settlement should mean that councils would not require to implement large increases. However, although funding did increase, it was significantly short of what was required to address years of “flat-cash” settlements and previous freezes to Council Tax.
- 8.2 For the Comhairle, each 1% increase in Council Tax, prior to this budget proposal, generates around £135k of additional income, a minimal contribution when considered in the context of a £6m deficit. There are limited options, other than the further use of diminishing reserves and savings available to the Comhairle to achieve a balanced budget, therefore the level of income from Council Tax is a crucial element in maintaining services.
- 8.3 Whilst every effort has been made to limit the increase, an increase of 8% is proposed, which together with assumptions in respect of additional properties will generate over £1.2m of income, which would otherwise need to be achieved through savings. It is likely that above inflation increases will continue to be required in future years to compensate for funding shortfalls from previous Settlements and Council Tax freezes. Table 4 below shows the proposed charge at each Band.

Band	Total Properties	In Receipt of CTR	CT 2024/25	CT 2025/2026 + 8%	Annual Increase	Weekly Increase
A	4895	922	£ 860.50	£ 929.34	£ 68.84	£ 1.32
B	4003	458	£ 1,003.92	£ 1,084.23	£ 80.31	£ 1.54
C	2920	226	£ 1,147.33	£ 1,239.12	£ 91.79	£ 1.77
D	1911	80	£ 1,290.75	£ 1,394.01	£ 103.26	£ 1.99
E	1415	37	£ 1,695.90	£ 1,831.57	£ 135.67	£ 2.61
F	202	3	£ 2,097.47	£ 2,265.27	£ 167.80	£ 3.23
G	29	1	£ 2,527.72	£ 2,729.94	£ 202.22	£ 3.89
H	5	0	£ 3,162.34	£ 3,415.33	£ 252.99	£ 4.87

Table 4 – Proposed Council Tax Changes at Each Band

MEDIUM TERM FINANCES

- 9.1 Table 5 below shows a high-level summary of the expected changes in budgetary requirements over the next 3 years, and gives an indication of the possible shortfall in funding over the period and the challenges that lie ahead. Obviously, the position will continually change and the assumptions on, for example Council Tax, will be a political decision at that time and are therefore not included.

	2026/27 £'000	2027/28 £'000	2028/29 £'000
Deficit Carried forward	2,000	6,700	10,350
Pay Awards	2,200	1,800	2,300
Other Inflation	1,500	1,300	1,300
Demand/Growth	500	300	300
Reduced Investment Income	500	250	-
Revenue Grant (flat cash)	-	-	-
Cumulative Shortfall (excluding Council Tax Assumption)	6,700	10,350	14,250

Table 5 – Summary of Expected Changes in Budgetary Requirements from 2026/27 to 2028/29

Note: This is the cumulative position prior to the application of any Council Tax increase or implementation of budget savings

- 9.2 The cumulative budget shortfall over the 3 years is £14.2m, prior to the implementation of budget savings. Work on the 2026/27 Budget will commence early in the new financial year and will involve a more in-depth review of some service areas through the Transformation Plan, and a team has been set up to take this work forward, as reported to the Comhairle in February 2025.
- 9.3 A Medium-Term Financial Strategy, which builds on the work already done annually as part of the budget cycle, is currently being finalised and will be presented to the Comhairle in April 2025.

RESERVES

- 10.1 The Comhairle has a policy of holding a minimum of £3.5m of uncommitted reserves to mitigate against risks and unforeseen expenditure. In addition, the Second Quarter Revenue Monitoring showed that there were £4m of uncommitted reserves available which could be used to assist in the budget setting process.
- 10.2 The budget strategy over recent years has been to use a combination of Service savings and reserves to balance the budget. This planned use of reserves has allowed the impact of service reductions to be smoothed over a number of years.

- 10.3 The dependence on reserves to balance the budget places an additional strain on subsequent years, due to the underlying deficit being carried forward. This position is ultimately unsustainable as the level of reserves has been severely depleted in recent years due to the impact of unbudgeted inflationary pressures. The 2024/25 budget strategy achieved its aim of reducing the use of reserves to £2m and, whilst the aim for the current budget was to continue to reduce the dependence on reserves again, this has not been possible at this stage. The use of £2m to balance the budget leaves £2m to support the budget process in 2026/27.
- 10.4 A review of the earmarked reserves will be undertaken at the end of the financial year to identify any funds no longer required for specific purposes and which can be used to support the general revenue budget in 2026/27 and subsequent years.
- 10.5 It is proposed to retain £3.5m of uncommitted reserves, in recognition of the risk associated with pay awards, general inflation, IJB financial budgetary performance, and the realisation of savings.

HEALTH AND SOCIAL CARE

- 11.1 In relation to the Integration Joint Board (IJB), it is recommended that the base budget of £27.680m is adjusted for the ring-fenced funding of £693k included in the Settlement for Health and Social Care, in compliance with the terms of the Scottish Government Settlement offer. This gives a delegated budget of £28.373m.
- 11.2 The IJB Budget is still to be finalised but currently shows a funding gap of around £4.4m, which will need to be addressed through a financial strategy, including budget savings, both of which are still to be identified. Previous overspends have been met through the IJB Reserves but these are expected to be depleted in addressing the 2024/25 deficit. The IJB has been dependent on in-year underspends and unscheduled revenue allocations in recent years and there are accordingly risks to the Comhairle, as a parent body, in the IJB's structural deficit.

FORWARD STRATEGY

- 12.1 The underlying budget shortfall is ultimately unsustainable, reflective of the position across Local Government in Scotland. The Comhairle, at its meeting of 30 September 2022, agreed a Financial Strategy which consists of three elements:
- an ongoing political strategy involving both Scottish Government and COSLA;
 - phased use of reserves; and
 - identifying further savings.
- 12.2 The underlying deficit in 2025/26 is £2m and, depending on the level of pay awards and other inflationary pressures, this could increase to £7m in 2026/27. The retention of an adequate level of reserves, the ongoing review of Services and service delivery, together with the identification of recurring savings, are all essential elements in delivering a balanced budget, ensuring the continuation of services and advancing the Comhairle's policy commitments and aspirations.

INTEGRATED IMPACT ASSESSMENT

- 13.1 The budget proposals set out a range of saving proposals which have been subject to an initial Integrated Impact Assessment (IIA). The IIA takes full account of equalities assessment but also includes a wider range of concerns including the Fairer Scotland Assessment which is necessary for all policies that have a strategic element and outcome.

- 13.2 The IIAs undertaken as part of the development of the budget highlight that some proposals, if approved, will require to have further assessment of potential impacts on groups of people with protected characteristics and are likely to be subject to consultation. This extended process ensures that the relevant Service, and the Comhairle, continue to build understanding of how proposals could impact on people or communities, and how to mitigate against impacts.

CONCLUSION

- 14.1 The Comhairle's prudent Budget and Financial Strategy in recent years has provided it with the capacity to respond as effectively as possible to previous and significant real-term reductions, to manage its structural deficit and to achieve modest benefit from the increase in this year's Settlement. The Comhairle is therefore able to agree a budget for 2025/26 with recourse to the minimum possible level of additional savings. The use of reserves has also been limited, in a necessary effort to address the underlying deficit, and to ensure the retention of reserves for future years.
- 14.2 Greater than ever uncertainty around costs, due to inflationary pressures, particularly on pay, the prospect of "flat-cash" Settlements, despite a more favourable Settlement on this occasion, together with an underlying Budget deficit, leaves the Comhairle with difficult policy and service choices in the forthcoming financial year. Work on the draft Budget for 2026/27 will accordingly begin early in the financial year.

Directorate for Local Government
Local Government & Analytical Services Division



Email: ellen.leaver@gov.scot

Local Government Finance Circular No. 10/2024

Chief Executives and Directors of Finance of
Scottish Local Authorities

Chief Executive, Convention of Scottish Local
Authorities (COSLA)

Our ref: A51219904
12 December 2024

Dear Chief Executive/Director of Finance

LOCAL GOVERNMENT FINANCE SETTLEMENT 2025-26 NON-DOMESTIC RATES

1. This Local Government Finance Circular provides details of the provisional total revenue and capital funding allocations for 2025-26, as well as the latest information on current known redeterminations for 2024-25. This Circular also provides details on a range of Non-Domestic Rates measures, including the proposed 2025-26 rates and changes to certain reliefs.
2. These provisional total funding allocations form the basis for the annual consultation between the Scottish Government and COSLA ahead of the Local Government Finance (Scotland) Order 2025 being presented to the Scottish Parliament. This is currently scheduled for the end of February 2025.
3. We expect local authorities to inform COSLA, and for COSLA in turn to inform the Scottish Government by no later than 17 January 2025, if they think there are any discrepancies or changes required to these provisional allocations. Redistribution(s) to address any agreed discrepancies or changes will be undertaken within the total settlement allocations set out in this Circular and not through the provision of any additional resources by the Scottish Government. The allocations are therefore provisional only at this stage, with the final allocations not being confirmed until after the end of the consultation period and the publication of the Local Government Finance Circular which will follow the approval of the Local Government Finance (Scotland) Order 2025.
4. The Cabinet Secretary for Finance and Local Government wrote to the COSLA President, copied to all Council Leaders on 4 December 2024, and the First Minister wrote similarly on 9 December 2024, confirming the package of measures that make up the settlement to be provided to local government. This Circular should be read in conjunction with those letters. The terms of this settlement have been discussed with COSLA on behalf of all 32 of its member councils.
5. The Scottish Government will work in partnership with local government to implement the budget and the joint priorities in return for the full funding package worth £15 billion and includes:

- a further £524.9 million of funding has now been baselined as General Revenue Grant, as part of our commitment under the Verity House Agreement to review ring-fenced funding;
 - Additional General Revenue Grant of £289 million to support local priorities;
 - An additional £15 million to support the expansion of Free School Meals;
 - £125 million for adult social care workers in commissioned services;
 - £10 million to support provision of Free Personal and Nursing care;
 - An additional £25.7 million to improve pay for early learning and childcare workers;
 - An additional £41 million investment to maintain or restore teacher numbers to 2023 levels;
 - An additional £28 million for additional support for learning;
 - £33 million to support development of people working in children’s social work;
 - £40 million to tackle the climate emergency;
 - An additional £10 million to improve play parks for children; and
 - An additional £8.6 million resource and £20 million capital to improve inter-island connectivity.
6. In addition to the funding set out in this Circular it should be noted that there are a number of further revenue and capital funding streams outwith the local government finance settlement for particular policy initiatives which deliver on shared priorities and support local government services. [Table 4.15 in the Scottish Government’s “Budget Document: 2025-26”](#), which was published on 4 December 2024, provides provisional details of these funding streams but as with previous years, the actual sums payable will be notified by the relevant policy team at the earliest opportunity.
 7. The allocations have been arrived at using the standard agreed needs-based distribution methodology and updated indicators. The funding floor has been set at 0.75% below the average, at an increase of 1.95%.
 8. Any undistributed sums will be allocated in the standard way following consideration by the Settlement and Distribution Group. We have shared a separate note with COSLA and Directors of Finance providing a full reconciliation of the changes between the 2024-25 and 2025-26 Budgets. We have also provided full details of all the revenue and capital allocations.
 9. The various parts and annexes to this Circular, listed below, provide more of the detail behind the calculations.

- Part A: Local Government Finance Settlement – Revenue: 2025-26 and changes in 2024-25;
 Part B: Local Government Finance Settlement – Capital: 2024-26;
 Part C: Non-Domestic Rates for 2025-26.

The various Annexes included in this Circular are as follows:

- Annex A: All Scotland Aggregated Funding Totals 2024-26;
- Annex B: Individual Revenue Allocations for 2025-26;
- Annex C: Revised Individual Revenue Allocations for 2024-25;
- Annex D: Explanatory Notes on the Revenue Distribution;
- Annex E: Estimates of Ring-Fenced Grant Revenue Funding for 2025-26;
- Annex F: Floor calculation for 2025-26;
- Annex G: Redeterminations of Individual Revenue funding for 2024-25;
- Annex H: 2008-26 Changes Column;
- Annex I: General Capital Grant and Specific Capital Grants 2025-26;
- Annex J: General Capital Grant – Flood Allocations Per Local Authority 2025-26;
- Annex K: Updated General Capital Grant 2024-25; and
- Annex L: Total Local Government Funding Settlement 2025-26

Part A: Local Government Finance Settlement - Revenue: 2025-26 and changes in 2024-25

10. This Finance Circular sets out the provisional distribution of revenue funding allocations for 2025-26. **Annex A** of this Circular sets out the all-Scotland aggregate totals for 2024-25 and 2025-26.
11. **Annexes B and C** set out the distribution of the total revenue funding allocation between councils and the allocation of the different elements (General Revenue Grant Funding, Non-Domestic Rate Income and Specific Revenue Grants) for each council for 2025-26 and 2024-25 respectively. The explanatory notes contained in **Annex D** explain the basis behind the calculation of the individual council grant allocations.
12. **Annex E** gives a breakdown of the provisional individual council shares of all the ring-fenced revenue grant allocations for 2025-26. The provisional total for specific grant included in the circular is £24.5 million higher than was published in the 2025-26 Scottish Government Budget due to the in-year transfer from the General Revenue Grant to the Support for Inter Island Connectivity specific grant for £13.760 million. The variance of £10.6 million for Pupil Equity funding was included in table 4.12 of the Scottish Budget (Local Government Attainment Grants) and will also be transferred in-year.
13. The calculation and effects of the main floor adjustment for 2025-26, which provided councils with a minimum increase in the funding used in the calculation of the main floor of 1.95%, is set out in **Annex F** of this Circular. The setting of the floor is in line with the revised arrangements agreed following the SDG review of the floor methodology during 2018 with the percentage set at 0.75% below the average.
14. This Circular confirms the continuation of the **85% funding floor** for 2025-26. The methodology compares total revenue funding plus local authorities' assumed council tax income and any council whose total support under this method falls below 85% will be topped up to ensure that all councils receive 85% of the Scottish average total revenue support per head. As all 32 local authorities now exceed 85% of the Scottish average, no additional funding has been provided.
15. This Local Government Finance Circular provides details of current known 2024-25 redeterminations at **Annex G** for the General Revenue Grant.
16. **Annex H** summarises the column within the settlement titled 2008-26 Changes Column.

Part B: Local Government Finance Settlement – Capital Grants 2024-26

17. In 2025-26 the Local Government Settlement provides capital grants totalling £777.172 million. This is made up of General Capital Grant totalling £581.000 million and Specific Capital Grants totalling £196.172 million.
18. **Annex I** sets out the provisional distribution of the Settlement for capital per local authority for 2025-26. The methodologies used to calculate these provisional allocations have been agreed with COSLA. Capital grants which remain undistributed are identified as such.
19. The provisional distribution for the General Capital Grant includes allocations for flood risk management schemes. The allocations for these schemes are set out in **Annex J**. Where schemes have slipped and the grant paid in a prior year exceeds the grant due to the council, the scheme will show a negative value which will reduce the total General Capital Grant payable to that Council as shown in Annex I.
20. **Annex K** provides a breakdown of the updated 2024-25 General Capital Grant allocations by local authority.

21. **Annex L** summarises the Local Government Finance Settlement for 2025-26

Part C: Non-Domestic Rates for 2025-26

22. The Distributable Amount of Non-Domestic Rates Income for 2025-26 has been provisionally set at £3,114 million. This figure uses the latest forecast of net income from non-domestic rates in 2025-26 and also draws on council estimates of the amounts they will contribute to the Non-Domestic Rating Account (the 'Pool') in 2024-25. The figure incorporates the Scottish Fiscal Commission's estimate of the contributable amount and includes a calculation of gross income; expected losses from appeals; estimated expenditure on mandatory and other reliefs; write-offs and provision of bad debt together; and estimated changes due to prior year adjustments. The distribution of Non-Domestic Rates Income for 2025-26 has been based on the amount each Council estimates that it will collect (based on the 2024-25 mid-year estimates provided by councils). General Revenue Grant provides the guaranteed balance of funding. This method of allocation provides a clear presentation of the Non-Domestic Rates Income per council and transparency in the make-up of council funding.

23. The 2025-26 Non-Domestic Basic Property Rate ('poundage') is provisionally set at 49.8 pence, the same rate as last year. The Intermediate Property Rate (levied on properties with a rateable value from £51,001 to £100,000) and Higher Property Rate (levied on properties with a rateable value over £100,000) will increase by inflation to 55.4 pence and 56.8 pence respectively.

24. A new 40% non-domestic rates relief will be available in 2025-26 for hospitality premises (including Grassroots Music Venues with a capacity of up to 1,500) liable for the Basic Property Rate, those with a rateable value up to and including £51,000. This relief is capped at £110,000 per ratepayer.

25. A 100% non-domestic rates relief will continue to be available in 2025-26 for properties in the hospitality sectors on islands, as defined by the Islands (Scotland) Act 2018, and prescribed remote areas (Cape Wrath, Knoydart and Scoraig), capped at £110,000 per ratepayer.

26. The Scottish Budget 2024-25 announced that Enterprise Areas relief would be phased out over 2024-25 and 2025-26 as set out in the table below. This relief will end on 31 March 2026.

Enterprise Areas Relief

Rateable Value	Relief available		
	2023-24	2024-25	2025-26
£120,000 or less	100%	66.7%	33.3%
£120,001 to £240,000	50%	33.3%	16.7%
£240,001 to £480,000	25%	16.7%	8.3%
£480,001 to £1,200,000	10%	6.7%	3.3%
£1,200,001 to £2,400,000	5%	3.3%	1.7%
Over £2,400,000	2.5%	1.7%	0.8%

27. The Scottish Budget 2023-24 introduced the following transitional reliefs for the 2023 revaluation and these will continue to apply in the 2025-26 financial year:

- A Revaluation Transitional Relief to protect those most affected by revaluation with bills capped as per the table below. The cumulative multipliers for small, medium and large properties respectively are therefore 1.933, 3.281 and 5.113 in 2025-26.

Year-on-year Scottish Transitional Relief caps (%)

Rateable Value	2023-24	2024-25	2025-26
----------------	---------	---------	---------

Small (up to £20,000)	12.5	25	37.5
Medium (£20,001 to £100,000)	25	50	75
Large (Over £100,000)	37.5	75	112.5

- A Small Business Transitional Relief: those losing or seeing a reduction in these reliefs (including due to the eligibility changes introduced for Small Business Bonus Scheme relief) on 1 April 2023 the maximum increase in the rates liability relative to 31 March 2023 were capped at £600 in 2023-24, rising to £1,200 in 2024-25 and £1,800 in 2025-26.
28. The following reliefs will be maintained: business growth accelerator relief, charitable rates relief, day nursery relief, disabled rates relief, fresh start relief, hardship relief, hydro relief, new fibre relief, renewable energy relief, rural relief, small business bonus scheme relief, sports club relief and stud farms relief.
 29. Empty Property Relief was devolved to local authorities on 1 April 2023 covering all relief and rates exemptions for fully unoccupied properties including listed buildings, properties where the owner is in administration, etc. Partly unoccupied properties that the council requests be apportioned by the assessor will be liable for rates on the occupied portion only. Councils may offer their own local reliefs under the Community Empowerment (Scotland) Act 2015 including to empty properties.
 30. The Retail, Hospitality and Leisure relief which was previously available from 1 April 2020 to 30 June 2022 will close on 31 March 2025. After this date, no retrospective applications for this relief can be accepted.
 31. NDR reliefs, like other subsidy or support measures, may be subject to the Subsidy Control Act 2022.
 32. Information on the Non-Domestic Rates Incentivisation Scheme (NDRIS) will be set out in a future circular
 33. The Scottish Government is committed to a fair and transparent non-domestic rates system that is not undermined by avoidance tactics and we appreciate the efforts of the local authorities using the powers within the Non-Domestic Rates (Miscellaneous Anti-Avoidance Measures) (Scotland) Regulations 2023 to tackle known anti-avoidance practices. With effect from 1 April 2025, local authorities can retain 50 per cent of the non-domestic rates revenue received as a consequence of using these powers to tackle avoidance. We will liaise with councils and the Institute of Revenues, Rating and Valuation regarding the arrangements for reporting this.
 34. Since 2019-20, the Scottish Government has provided Local Government Revenue Funding to support the additional costs met by Scottish Assessors in respect of the implementation of the recommendations of the Barclay Review of Non-Domestic Rates. Local authorities are expected to continue to pass on the allocated quantum for this to Assessors, including any increment in line with the 2025-26 settlement.

Enquiries relating to this Circular

35. It should be noted that figures in this Circular may be marginally different from final allocations due to roundings. Local authorities should note that if they have any substantive specific enquiries relating to this Circular these should, in the first instance, be addressed through COSLA. We have given an undertaking to respond to these queries as quickly as possible. Contact details for COSLA are:

Mirren Kelly mirren.kelly@cosla.gov.uk

Any other queries should be addressed to the following:

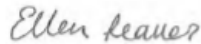
Local Government Revenue and Capital Settlement. Craig Inglis
Craig.Inglis@gov.scot

Non-Domestic Rates. Anouk Berthier Anouk.Berthier@gov.scot

36. This Circular, along with the supporting tables will be made available through the Local Government section of the Scottish Government website at:

<https://www.gov.scot/publications/local-government-finance-circulars-index/>

Yours faithfully



Ellen Leaver
Director, Local Government

ALL SCOTLAND AGGREGATED FUNDING TOTALS

ANNEX A

	2024-25	2025-26
	£ million	£ million
Revenue Funding		
General Resource Grant	10,338.364	10,872.221
Non Domestic Rate Income	3,068.000	3,114.000
Specific Revenue Grants	263.055	271.903
Total Revenue	13,669.419	14,258.124
<i>less</i> Redress Top-Slice	0.000	9.000
<i>less</i> Valuation Committee	0.583	0.883
<i>less</i> National Dog Database	0.053	0.053
<i>less</i> SSSC Fees	0.000	2.200
<i>less</i> Climate Intelligence Service	0.900	0.900
Net Total Revenue	13,667.883	14,245.088
<i>less</i> Teachers' Induction Scheme	0.000	37.600
<i>less</i> Discretionary Housing Payments	16.519	99.200
<i>less</i> Gaelic	0.103	0.100
<i>less</i> Inter Island Connectivity	0.000	0.512
<i>less</i> Criminal Justice Social Work	0.000	86.450
<i>less</i> Customer First Top-up	0.010	0.000
<i>less</i> Scottish Disability Assistance	0.000	3.149
<i>less</i> Social Care	0.000	0.000
<i>less</i> Additional Support for Learning	0.000	28.000
<i>less</i> Teacher Support	0.000	186.500
<i>less</i> Local government Pay Contribution	0.000	0.000
<i>less</i> Teachers Pay Contribution	0.000	0.000
<i>Total Undistributed Revenue Funding</i>	<i>16.632</i>	<i>441.511</i>
Distributable Revenue Funding	13,651.251	13,803.577
Capital Funding		
General Capital Grant	611.796	581.000
Specific Capital Grants	121.172	183.772
Distributed to SPT	0.000	12.400
Total Capital	732.968	777.172
Total Funding	14,402.387	15,035.296

2024-25 RECONCILIATION FROM FINANCE CIRCULAR 2/2024		
General Resource Grant Circular 2/2024	9,927.845	
No-one Left Behind	2.500	
Council tax Freeze	147.269	
62.7m Additional Funding	62.700	
Pay - Children's Services	19.862	
Island cost of living	5.000	
Climate Intelligence Service	1.373	
SNCT Pay Offer	29.000	
Ed Psych Refund	0.400	
Teacher Pensions	86.224	
King's Theatre	0.092	
Scottish Welfare Fund	20.000	
LG Pay	24.500	
School Milk	1.000	
Ukraine	3.400	
Green Freeport	0.800	
Teacher Induction	4.349	
Temporary Accomodation	2.000	
Verity House Resource	0.050	
General Resource Grant Circular 10/2024	10,338.364	-
General Capital Grant Circular 2/2024	534.837	
MoD Forthside	5.000	
Active Travel	35.000	
Landfill Ban Compliance	1.500	
Free School Meals	48.000	
Ferries	3.000	
LG Pay	53.000	
King's Theatre	0.459	
Undistributed	-69.000	
General Capital Grant Circular 10/2024	611.796	

INDIVIDUAL REVENUE ALLOCATIONS 2025-26

ANNEX B

£million	Expenditure				Funding							
	1	2	3	4	5	6	7	8	9	10	11	12
	Updated Service Provision	2008-25 Changes	Loan Charges/ PPP/ LPFS	Main Floor	Total Estimated Expenditure	Assumed Council Tax contribution	Total Ring-fenced Grants	Non Domestic Rates	General Revenue Funding	Total	85% floor	Revised Total
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	524.735	65.348	6.096	-3.956	592.224	97.320	3.359	200.361	291.184	494.904	0.000	494.904
Aberdeenshire	639.470	79.577	16.930	-4.938	731.039	115.726	3.240	130.389	481.684	615.313	0.000	615.313
Angus	288.708	35.932	10.425	-2.274	332.792	44.956	2.315	28.346	257.174	287.836	0.000	287.836
Argyll & Bute	250.434	31.143	8.209	10.164	299.951	40.418	4.539	42.809	212.185	259.534	0.000	259.534
Clackmannanshire	134.589	16.753	4.138	-1.058	154.422	19.878	1.670	19.834	113.040	134.544	0.000	134.544
Dumfries & Galloway	397.442	49.439	13.545	-3.160	457.267	60.104	3.270	64.534	329.359	397.163	0.000	397.163
Dundee City	394.459	49.130	5.149	0.258	448.996	50.092	5.107	71.406	322.391	398.904	0.000	398.904
East Ayrshire	323.859	40.323	4.082	-1.990	366.273	43.982	3.987	33.087	285.217	322.291	0.000	322.291
East Dunbartonshire	289.070	35.998	3.542	-2.160	326.450	51.599	1.825	26.697	246.328	274.850	0.000	274.850
East Lothian	273.627	34.071	3.298	-2.064	308.932	50.687	1.826	60.072	196.348	258.246	0.000	258.246
East Renfrewshire	266.795	33.227	8.587	-2.042	306.567	45.199	1.551	15.871	243.947	261.368	0.000	261.368
Edinburgh, City of	1,127.683	140.448	21.397	4.215	1,293.744	234.700	8.240	400.788	650.016	1,059.044	0.000	1,059.044
Eilean Siar	91.007	11.302	6.083	19.490	127.882	9.845	1.310	9.387	107.340	118.038	0.000	118.038
Falkirk	391.286	48.724	4.901	-3.028	441.883	60.883	3.975	82.693	294.331	380.999	0.000	380.999
Fife	934.704	116.406	27.416	-7.414	1,071.111	143.573	10.478	171.721	745.340	927.538	0.000	927.538
Glasgow City	1,639.632	204.261	33.972	24.945	1,902.809	223.690	23.789	402.292	1,253.038	1,679.119	0.000	1,679.119
Highland	621.337	77.289	25.626	-1.927	722.325	101.373	6.721	167.986	446.245	620.952	0.000	620.952
Inverclyde	216.294	26.931	8.895	-1.753	250.368	27.868	2.650	20.806	199.043	222.499	0.000	222.499
Midlothian	244.506	30.448	5.998	-1.868	279.083	40.483	2.444	36.433	199.724	238.601	0.000	238.601
Moray	231.243	28.774	7.324	-1.831	265.510	35.911	1.485	58.035	170.080	229.599	0.000	229.599
North Ayrshire	370.253	46.105	5.125	4.940	426.423	51.113	4.290	44.123	326.897	375.310	0.000	375.310
North Lanarkshire	878.226	109.390	8.824	-6.897	989.543	119.819	9.943	122.759	737.022	869.724	0.000	869.724
Orkney Islands	99.615	12.390	2.726	-0.276	114.455	8.462	21.054	11.759	73.181	105.994	0.000	105.994
Perth & Kinross	381.204	47.447	7.326	-2.887	433.090	68.847	1.967	63.537	298.739	364.242	0.000	364.242
Renfrewshire	464.660	57.871	6.881	-3.588	525.824	73.600	4.718	108.844	338.663	452.225	0.000	452.225
Scottish Borders	298.797	37.170	5.204	0.094	341.264	49.057	1.948	43.024	247.235	292.207	0.000	292.207
Shetland Islands	107.548	13.378	4.663	1.801	127.391	8.475	24.934	26.492	67.490	118.916	0.000	118.916
South Ayrshire	297.583	37.047	8.020	-2.316	340.334	48.820	2.624	49.811	239.079	291.514	0.000	291.514
South Lanarkshire	830.814	103.470	8.902	-6.415	936.770	130.938	9.133	371.110	425.590	805.832	0.000	805.832
Stirling	237.399	29.547	9.845	-1.850	274.941	40.588	1.568	46.246	186.540	234.354	0.000	234.354
West Dunbartonshire	249.229	31.036	3.175	3.447	286.887	34.039	3.408	84.737	164.703	252.848	0.000	252.848
West Lothian	463.400	57.712	11.159	-3.663	528.608	69.540	5.473	98.011	355.585	459.069	0.000	459.069
Scotland	13,959.607	1,738.088	307.463	0.000	16,005.159	2,201.582	184.841	3,114.000	10,504.736	13,803.577	0.000	13,803.577

REVISED INDIVIDUAL REVENUE ALLOCATIONS 2024-25

ANNEX C

	Expenditure				Funding							
	1	2	3	4	5	6	7	8	9	10	11	12
	Updated Service Provision	2008-24 Changes	Loan Charges/ PPP/ LPFS	Main Floor	Total Estimated Expenditure	Assumed Council Tax contribution	Total Ring-fenced Grants	Non Domestic Rates	General Revenue Funding	Total	85% floor	Revised Total
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	522.678	47.764	6.512	-5.308	571.646	95.529	7.310	208.768	260.039	476.117	0.000	476.117
Aberdeenshire	652.983	58.636	17.566	-6.626	722.559	114.985	6.057	131.630	469.887	607.574	0.000	607.574
Angus	293.903	26.503	10.699	-3.083	328.023	44.929	3.944	29.304	249.846	283.094	0.000	283.094
Argyll & Bute	251.923	22.679	8.485	13.141	296.228	40.185	4.526	41.334	210.183	256.043	0.000	256.043
Clackmannanshire	137.197	12.321	4.290	-1.420	152.388	19.821	2.783	19.659	110.125	132.567	0.000	132.567
Dumfries & Galloway	405.353	36.590	14.072	-3.425	452.589	59.912	5.794	63.708	323.175	392.677	0.000	392.677
Dundee City	405.471	36.588	5.353	1.757	449.169	49.028	8.653	73.695	317.793	400.141	0.000	400.141
East Ayrshire	333.984	30.044	4.242	-1.554	366.717	43.656	6.094	33.530	283.437	323.060	0.000	323.060
East Dunbartonshire	292.101	26.230	3.682	-2.894	319.119	51.391	2.587	25.901	239.240	267.728	0.000	267.728
East Lothian	276.956	24.872	3.427	-2.734	302.521	49.467	2.891	59.925	190.238	253.054	0.000	253.054
East Renfrewshire	270.573	24.079	8.732	-2.722	300.662	44.944	2.161	15.941	237.615	255.717	0.000	255.717
Edinburgh, City of	1,145.796	103.553	21.986	10.548	1,281.882	230.587	16.210	407.645	627.440	1,051.295	0.000	1,051.295
Eilean Siar	93.871	8.377	6.330	18.321	126.899	9.770	1.600	9.722	105.808	117.130	0.000	117.130
Falkirk	402.664	36.077	13.735	-1.388	451.088	60.119	6.660	72.962	310.947	390.569	0.000	390.569
Fife	946.634	86.038	28.359	-10.061	1,050.971	142.757	16.585	143.471	748.558	908.614	0.000	908.614
Glasgow City	1,692.841	152.416	34.734	30.881	1,910.871	220.895	39.274	386.817	1,263.885	1,689.976	0.000	1,689.976
Highland	629.738	56.944	28.057	-0.702	714.037	100.393	9.428	160.345	443.471	613.244	0.000	613.244
Inverclyde	218.136	19.894	9.261	-0.569	246.721	27.843	3.944	20.298	195.037	219.279	0.000	219.279
Midlothian	247.030	22.142	6.111	-2.419	272.864	39.605	3.681	34.944	194.634	233.260	0.000	233.260
Moray	236.559	21.216	7.614	-1.727	263.661	35.576	2.777	67.225	158.083	228.085	0.000	228.085
North Ayrshire	381.682	34.387	5.327	4.937	426.333	50.720	6.917	43.129	325.567	375.614	0.000	375.614
North Lanarkshire	886.746	81.240	9.167	-9.327	967.826	119.476	15.290	120.743	712.317	848.350	0.000	848.350
Orkney Islands	96.274	8.659	5.035	-0.969	108.999	8.458	16.314	12.176	72.052	100.541	0.000	100.541
Perth & Kinross	385.317	34.723	11.066	-3.884	427.223	68.150	3.806	64.717	290.549	359.072	0.000	359.072
Renfrewshire	472.456	42.439	7.155	-4.778	517.272	73.089	7.301	107.505	329.377	444.182	0.000	444.182
Scottish Borders	305.964	27.526	9.016	-3.219	339.286	48.946	3.205	42.222	244.913	290.340	0.000	290.340
Shetland Islands	107.180	9.660	5.037	3.307	125.183	8.364	23.588	27.348	65.883	116.819	0.000	116.819
South Ayrshire	304.254	27.345	8.315	-3.170	336.745	48.688	4.359	46.075	237.623	288.057	0.000	288.057
South Lanarkshire	843.057	75.844	9.248	-8.556	919.593	129.649	13.542	366.059	410.343	789.944	0.000	789.944
Stirling	243.468	21.816	10.161	-2.525	272.921	40.286	2.802	47.768	182.065	232.636	0.000	232.636
West Dunbartonshire	256.283	23.075	3.300	5.073	287.730	33.845	5.041	87.481	161.363	253.886	0.000	253.886
West Lothian	472.322	42.233	11.537	-4.906	521.187	68.603	7.930	95.953	348.700	452.583	0.000	452.583
Scotland	14,211.393	1,281.912	337.611	0.000	15,830.916	2,179.665	263.055	3,068.000	10,320.196	13,651.251	0.000	13,651.251

The explanation of each of the columns within the tables at Annex B is as follows:

Column 1 – represents the updated on-going service provision and includes the following combined information: (i) the updated Grant Aided Expenditure (GAE) assessments; (ii) the revised Special Islands Needs Allowance (SINA); (iii) each council's individual share of the on-going revenue grants which have been rolled up into the core local government finance settlement; (iv) each council's share of all the baselined redeterminations since Spending Review 2007; and the previous loan charge adjustment.

Column 2 – is the new combined total, non-ring-fenced, changes in general provision resulting from Spending Reviews 2007, 2010, 2011, 2013, 2015 and budget revisions for 2016 - 2026 allocated pro-rata to each council's share of TEE as agreed with the Settlement and Distribution Group (SDG).

Column 3 – represents the updated share of the loan charges support for outstanding debt and the same level of on-going PPP level playing field support. The methodology for calculating Loan Charge Support (LCS) and support for Public Private Partnership (PPP) projects (level playing field projects only (LPFS) is set out on Annex H of Finance Circular 2/2011.

Column 4 – is the main floor adjustment which has been calculated using the revised methodology agreed following the 2018 review.

Column 5 – this is the net revenue expenditure recognised by the Scottish Government and represents the sum of columns 1 to 4.

Column 6 – is the assumption of the amount of Total Estimated Expenditure to be funded from the council tax. Any changes are as a result of buoyancy or projected numbers of properties, as well as the estimated additional council tax income to be collected and retained by each local authority as a result of the changes to bands E to H.

Column 7 – is each council's estimated share of the on-going Ring-Fenced Grants for Gaelic, Pupil Equity Fund (PEF), and Inter-Island Connectivity.

Column 8 – is each council's share of the estimated non-domestic rate income which has been distributed proportionately on the basis of council's 2024-25 mid-year income.

Column 9 – is the balance of funding provided by means of general revenue funding and is calculated by deducting columns 6, 7 and 8 from the Total Estimated Expenditure in column 5.

Column 10 – represents the total revenue funding available to each council in 2025-26.

Column 11 – is the 85% floor adjustment which has been calculated to meet the Scottish Government's commitment to ensure that no Local Authority receives less than 85% of the Scottish average per head in terms of revenue support.

Column 12 - is the revised total funding including all the changes and the 85% funding floor adjustments.

Local Authority	Gaelic	Pupil Equity Fund	Inter Island Connectivity
	£m	£m	£m
Aberdeen City	0.095	3.264	0.000
Aberdeenshire	0.000	3.240	0.000
Angus	0.006	2.310	0.000
Argyll & Bute	0.365	1.364	2.810
Clackmannanshire	0.007	1.663	0.000
Dumfries & Galloway	0.000	3.270	0.000
Dundee City	0.000	5.107	0.000
East Ayrshire	0.144	3.843	0.000
East Dunbartonshire	0.073	1.752	0.000
East Lothian	0.010	1.816	0.000
East Renfrewshire	0.062	1.489	0.000
Edinburgh, City of	0.325	7.915	0.000
Eilean Siar	0.970	0.340	0.000
Falkirk	0.013	3.962	0.000
Fife	0.012	10.466	0.000
Glasgow City	0.565	23.224	0.000
Highland	0.915	4.285	1.521
Inverclyde	0.065	2.585	0.000
Midlothian	0.008	2.436	0.000
Moray	0.002	1.482	0.000
North Ayrshire	0.093	4.197	0.000
North Lanarkshire	0.265	9.678	0.000
Orkney Islands	0.000	0.250	20.804
Perth & Kinross	0.103	1.864	0.000
Renfrewshire	0.055	4.663	0.000
Scottish Borders	0.001	1.948	0.000
Shetland Islands	0.000	0.255	24.679
South Ayrshire	0.009	2.614	0.000
South Lanarkshire	0.170	8.963	0.000
Stirling	0.115	1.453	0.000
West Dunbartonshire	0.027	3.381	0.000
West Lothian	0.008	5.465	0.000
Scotland	4.482	130.545	49.814

Notes: These figures represent the best estimates used in the calculation of the 2025-26 local government finance settlement, including the calculation of the Floors. The actual sums payable will be notified to the relevant Policy Team.

Local Authority	Grant Without Floor	Change Without Floor	Floor Change	Grant With Floor	Change With Floor
	£m	%	£m	£m	%
Midlothian	220.550	5.29%	-1.868	218.682	4.40%
East Renfrewshire	241.069	5.22%	-2.042	239.028	4.32%
Aberdeen City	467.026	5.00%	-3.956	463.071	4.11%
West Lothian	432.524	4.97%	-3.663	428.860	4.08%
Clackmannanshire	124.881	4.90%	-1.058	123.823	4.01%
Renfrewshire	423.587	4.85%	-3.588	419.999	3.96%
South Lanarkshire	757.431	4.79%	-6.415	751.016	3.90%
East Dunbartonshire	255.023	4.71%	-2.160	252.863	3.83%
East Lothian	243.696	4.44%	-2.064	241.632	3.56%
South Ayrshire	273.466	3.81%	-2.316	271.149	2.93%
Angus	268.432	3.80%	-2.274	266.158	2.92%
Fife	875.329	3.78%	-7.414	867.915	2.90%
North Lanarkshire	814.335	3.72%	-6.897	807.438	2.84%
Perth & Kinross	340.794	3.64%	-2.887	337.908	2.77%
Aberdeenshire	583.019	3.47%	-4.938	578.081	2.60%
Dumfries & Galloway	373.036	3.42%	-3.160	369.876	2.55%
Stirling	218.403	3.38%	-1.850	216.553	2.51%
Moray	216.194	3.23%	-1.831	214.363	2.36%
Inverclyde	206.958	3.22%	-1.753	205.205	2.35%
Falkirk	357.495	2.85%	-3.028	354.467	1.98%
Argyll & Bute	226.216	-2.43%	10.164	236.381	1.95%
Dundee City	368.768	1.88%	0.258	369.027	1.95%
East Ayrshire	302.509	2.62%	-1.990	300.519	1.95%
Edinburgh (City of)	974.804	1.51%	4.215	979.019	1.95%
Eilean Siar	91.481	-15.96%	19.490	110.972	1.95%
Glasgow City	1,550.615	0.34%	24.945	1,575.560	1.95%
Highland	580.075	2.29%	-1.927	578.148	1.95%
North Ayrshire	344.617	0.51%	4.940	349.557	1.95%
Orkney Islands	79.981	2.30%	-0.276	79.705	1.95%
Scottish Borders	273.476	1.91%	0.094	273.570	1.95%
Shetland Islands	88.292	-0.09%	1.801	90.093	1.95%
West Dunbartonshire	228.367	0.43%	3.447	231.814	1.95%
	12,802.449		0.000	12,802.449	

The annual change in the Grant for Floor Funding was 2.70% and as a result of the floor being set at -0.75% below this annual change the minimum increase in the Grant for floor was set at 1.95%

REDETERMINATIONS OF INDIVIDUAL REVENUE FUNDING 2024-25 – GENERAL

ANNEX G

GENERAL FUNDING	No-one Left Behind	Council tax Freeze	62.7m Additional Funding	Pay - Children's Services	Island cost of living	Climate Intelligence Service	Building Standards Hub	SNCT Pay Offer	Ed Psych Refund	Teacher Pensions
Aberdeen City	0.077	6.978	2.336	0.673	0.000	0.003	-0.028	0.994	0.012	2.782
Aberdeenshire	0.082	7.963	2.868	0.683	0.000	0.004	-0.057	1.471	0.021	4.243
Angus	0.069	2.841	1.296	0.378	0.000	0.002	-0.022	0.630	0.008	1.886
Argyll & Bute	0.063	2.860	1.109	0.243	0.705	0.002	-0.026	0.456	0.008	1.389
Clackmannanshire	0.060	1.307	0.603	0.208	0.000	0.001	-0.006	0.299	0.006	0.928
Dumfries & Galloway	0.079	3.747	1.790	0.479	0.000	0.003	-0.032	0.755	0.007	2.408
Dundee City	0.078	3.413	1.790	0.658	0.000	0.003	-0.022	0.770	0.013	2.367
East Ayrshire	0.075	3.041	1.469	0.495	0.000	0.002	-0.019	0.649	0.013	2.065
East Dunbartonshire	0.060	3.570	1.283	0.302	0.000	0.002	-0.032	0.756	0.010	2.185
East Lothian	0.066	3.404	1.217	0.358	0.000	0.002	-0.023	0.560	0.008	1.735
East Renfrewshire	0.060	3.148	1.178	0.290	0.000	0.002	-0.023	0.757	0.011	2.106
Edinburgh, City of	0.104	16.110	5.065	1.541	0.000	0.007	-0.110	2.022	0.027	5.814
Eilean Siar	0.054	0.598	0.410	0.068	1.287	0.001	-0.008	0.169	0.002	0.596
Falkirk	0.078	3.845	1.765	0.587	0.000	0.003	-0.023	0.905	0.009	2.593
Fife	0.118	9.337	4.208	1.407	0.000	0.006	0.924	1.983	0.023	5.459
Glasgow City	0.191	15.447	7.455	3.097	0.000	0.011	-0.073	3.041	0.045	8.699
Highland	0.088	6.865	2.785	0.734	0.525	0.004	-0.062	1.258	0.019	3.834
Inverclyde	0.063	1.871	0.973	0.313	0.000	0.001	-0.009	0.415	0.008	1.267
Midlothian	0.066	2.870	1.083	0.377	0.000	0.002	-0.017	0.583	0.008	1.657
Moray	0.065	2.485	1.038	0.296	0.000	0.002	-0.022	0.515	0.006	1.615
North Ayrshire	0.079	3.453	1.682	0.569	0.286	0.002	-0.022	0.765	0.010	2.378
North Lanarkshire	0.116	7.366	3.974	1.499	0.000	1.289	-0.036	1.983	0.029	6.128
Orkney	0.053	0.565	0.424	0.059	1.089	0.001	-0.007	0.139	0.002	0.548
Perth & Kinross	0.072	4.739	1.698	0.443	0.000	0.002	-0.036	0.760	0.010	2.258
Renfrewshire	0.078	4.897	2.076	0.692	0.000	0.003	-0.029	0.943	0.013	2.992
Scottish Borders	0.069	3.220	1.346	0.344	0.000	0.002	-0.031	0.575	0.007	1.864
Shetland	0.053	0.519	0.472	0.057	1.108	0.001	-0.005	0.181	0.002	0.585
South Ayrshire	0.068	3.311	1.338	0.369	0.000	0.002	-0.029	0.630	0.008	1.796
South Lanarkshire	0.102	7.869	3.710	1.212	0.000	0.005	-0.051	1.892	0.024	5.497
Stirling	0.062	2.923	1.067	0.266	0.000	0.002	-0.023	0.524	0.009	1.674
West Dunbartonshire	0.068	2.219	1.129	0.415	0.000	0.002	-0.010	0.505	0.009	1.655
West Lothian	0.083	4.486	2.066	0.750	0.000	0.003	-0.033	1.116	0.011	3.222
Scotland	2.500	147.269	62.700	19.862	5.000	1.373	0.000	29.000	0.400	86.224

REDETERMINATIONS OF INDIVIDUAL REVENUE FUNDING 2024-25 – GENERAL

ANNEX G

GENERAL FUNDING	King's Theatre	Scottish Welfare Fund	LG Pay	Teacher numbers	School Milk	Ukraine	Green Freeport	Teacher Induction	Temporary Accom	Customer First Top Up	Verity House Resource	Total £m
Aberdeen City	0.000	0.599	-6.112	5.210	0.037	0.063	0.000	1.805	0.015	0.000	0.000	15.444
Aberdeenshire	0.000	0.505	3.545	7.349	0.059	0.163	0.000	0.899	0.015	0.000	0.000	29.812
Angus	0.000	0.359	1.602	3.039	0.022	0.053	0.000	0.093	0.015	0.000	0.000	12.272
Argyll & Bute	0.000	0.258	1.371	2.125	0.015	0.091	0.000	0.031	0.015	0.000	0.000	10.713
Clackmannanshire	0.000	0.223	0.745	1.399	0.010	0.053	0.000	0.439	0.015	0.000	0.000	6.288
Dumfries & Galloway	0.000	0.522	2.212	3.902	0.027	0.068	0.000	0.355	0.015	0.000	0.000	16.337
Dundee City	0.000	0.745	2.212	4.032	0.025	0.198	0.000	0.674	0.015	0.000	0.000	16.971
East Ayrshire	0.000	0.566	1.816	3.315	0.024	0.065	0.000	1.269	0.015	0.000	0.000	14.861
East Dunbartonshire	0.000	0.236	-1.414	3.388	0.023	0.053	0.000	3.092	0.015	0.000	0.000	13.530
East Lothian	0.000	0.327	1.504	2.952	0.023	0.053	0.000	0.582	0.015	0.000	0.000	12.782
East Renfrewshire	0.000	0.196	1.456	3.396	0.024	0.053	0.000	2.198	0.015	0.000	0.000	14.867
Edinburgh, City of	0.092	1.362	1.260	10.658	0.074	0.153	0.000	1.283	0.743	0.000	0.000	46.206
Eilean Siar	0.000	0.081	0.506	0.718	0.005	0.053	0.000	0.106	0.015	0.000	0.000	4.660
Falkirk	0.000	0.551	2.181	4.430	0.029	0.098	0.400	2.045	0.015	0.000	0.000	19.510
Fife	0.000	1.355	-4.798	10.165	0.068	0.163	0.000	2.452	0.091	0.000	0.000	32.963
Glasgow City	0.000	3.659	9.215	16.499	0.099	0.220	0.000	6.654	0.576	0.000	0.000	74.835
Highland	0.000	0.700	0.443	6.163	0.046	0.071	0.400	0.403	0.015	0.000	0.000	24.292
Inverclyde	0.000	0.426	-1.797	2.120	0.013	0.106	0.000	1.046	0.015	0.000	0.000	6.833
Midlothian	0.000	0.297	1.339	2.785	0.022	0.138	0.000	0.643	0.015	0.000	0.000	11.867
Moray	0.000	0.248	1.283	2.440	0.019	0.053	0.000	1.011	0.015	0.000	0.000	11.068
North Ayrshire	0.000	0.705	2.079	3.753	0.023	0.075	0.000	0.626	0.015	0.000	0.000	16.478
North Lanarkshire	0.000	1.555	-15.088	9.870	0.067	0.078	0.000	3.883	0.015	1.400	0.050	24.178
Orkney	0.000	0.046	0.523	0.634	0.004	0.053	0.000	0.034	0.015	0.000	0.000	4.181
Perth & Kinross	0.000	0.368	2.099	3.625	0.028	0.129	0.000	0.137	0.015	0.000	0.000	16.348
Renfrewshire	0.000	0.705	2.566	4.801	0.033	0.247	0.000	1.776	0.015	0.000	0.000	21.809
Scottish Borders	0.000	0.330	1.664	2.893	0.021	0.077	0.000	0.929	0.015	0.000	0.000	13.325
Shetland	0.000	0.039	0.584	0.746	0.005	0.053	0.000	0.054	0.015	0.000	0.000	4.471
South Ayrshire	0.000	0.421	1.653	2.947	0.020	0.101	0.000	1.108	0.015	0.000	0.000	13.759
South Lanarkshire	0.000	1.243	4.585	9.379	0.063	0.218	0.000	1.818	0.085	0.000	0.000	37.653
Stirling	0.000	0.249	1.319	2.562	0.017	0.053	0.000	0.929	0.015	0.000	0.000	11.647
West Dunbartonshire	0.000	0.481	1.395	2.595	0.016	0.205	0.000	0.528	0.015	0.000	0.000	11.225
West Lothian	0.000	0.639	2.553	5.613	0.039	0.141	0.000	3.048	0.099	0.000	0.000	23.835
Scotland	0.092	20.000	24.500	145.500	1.000	3.400	0.800	41.949	2.000	1.400	0.050	595.019

Local Authority	2025-26 GAE plus SINA	Percentage Shares	2008-25 Changes	2008-24 Changes	Movement in Changes
	£m	£m	£m	£m	£m
Aberdeen City	523.697	3.760	65.348	47.764	17.585
Aberdeenshire	637.726	4.578	79.577	58.636	20.941
Angus	287.956	2.067	35.932	26.503	9.429
Argyll & Bute	249.581	1.792	31.143	22.679	8.464
Clackmannanshire	134.256	0.964	16.753	12.321	4.432
Dumfries & Galloway	396.203	2.844	49.439	36.590	12.850
Dundee City	393.723	2.827	49.130	36.588	12.541
East Ayrshire	323.142	2.320	40.323	30.044	10.278
East Dunbartonshire	288.486	2.071	35.998	26.230	9.768
East Lothian	273.046	1.960	34.071	24.872	9.199
East Renfrewshire	266.279	1.912	33.227	24.079	9.148
Edinburgh, City of	1,125.543	8.081	140.448	103.553	36.896
Eilean Siar	90.574	0.650	11.302	8.377	2.925
Falkirk	390.473	2.803	48.724	36.077	12.647
Fife	932.866	6.697	116.406	86.038	30.367
Glasgow City	1,636.929	11.752	204.261	152.416	51.844
Highland	619.388	4.447	77.289	56.944	20.345
Inverclyde	215.824	1.549	26.931	19.894	7.037
Midlothian	244.007	1.752	30.448	22.142	8.306
Moray	230.595	1.656	28.774	21.216	7.559
North Ayrshire	369.484	2.653	46.105	34.387	11.718
North Lanarkshire	876.641	6.294	109.390	81.240	28.150
Orkney	99.291	0.713	12.390	8.659	3.731
Perth & Kinross	380.234	2.730	47.447	34.723	12.723
Renfrewshire	463.777	3.330	57.871	42.439	15.433
Scottish Borders	297.874	2.139	37.170	27.526	9.644
Shetland	107.214	0.770	13.378	9.660	3.719
South Ayrshire	296.894	2.131	37.047	27.345	9.702
South Lanarkshire	829.202	5.953	103.470	75.844	27.626
Stirling	236.785	1.700	29.547	21.816	7.731
West Dunbartonshire	248.719	1.786	31.036	23.075	7.961
West Lothian	462.501	3.320	57.712	42.233	15.479
Scotland	13,928.909	100.000	1,738.088	1,281.912	456.177

TOTAL CAPITAL FUNDING 2025-26

ANNEX I

2025-26 Authority	Capital Settlement			Strathclyde Partnership	Specific Capital Grants					
	General Capital Grant	Specific Grants	Total Capital Grants		Vacant and Derelict Land	T MDF	Cycling Walking & Safer Streets	Inter Island Connectivity	Climate emergency	Total
Aberdeen City	21.047	0.993	22.040	0.000	0.000	0.000	0.993	0.000	0.000	0.993
Aberdeenshire	28.764	1.152	29.916	0.000	0.000	0.000	1.152	0.000	0.000	1.152
Angus	10.309	0.500	10.809	0.000	0.000	0.000	0.500	0.000	0.000	0.500
Argyll & Bute	11.951	0.383	12.334	0.000	0.000	0.000	0.383	0.000	0.000	0.383
Clackmannanshire	4.566	0.226	4.792	0.000	0.000	0.000	0.226	0.000	0.000	0.226
Dumfries & Galloway	46.676	0.635	47.311	0.000	0.000	0.000	0.635	0.000	0.000	0.635
Dundee City	14.166	0.655	14.821	0.000	0.000	0.000	0.655	0.000	0.000	0.655
East Ayrshire	9.196	0.526	9.722	0.000	0.000	0.000	0.526	0.000	0.000	0.526
East Dunbartonshire	8.036	0.476	8.512	0.000	0.000	0.000	0.476	0.000	0.000	0.476
East Lothian	-6.110	0.496	-5.614	0.000	0.000	0.000	0.496	0.000	0.000	0.496
East Renfrewshire	7.199	0.430	7.629	0.000	0.000	0.000	0.430	0.000	0.000	0.430
Edinburgh, City of	42.884	30.231	73.115	0.000	0.000	27.950	2.281	0.000	0.000	30.231
Eilean Siar	5.871	0.114	5.985	0.000	0.000	0.000	0.114	0.000	0.000	0.114
Falkirk	11.772	0.691	12.463	0.000	0.000	0.000	0.691	0.000	0.000	0.691
Fife	28.869	3.335	32.204	0.000	1.708	0.000	1.627	0.000	0.000	3.335
Glasgow City	52.488	68.956	121.444	0.000	1.907	64.295	2.754	0.000	0.000	68.956
Highland	26.352	1.030	27.382	0.000	0.000	0.000	1.030	0.000	0.000	1.030
Inverclyde	6.312	0.341	6.653	0.000	0.000	0.000	0.341	0.000	0.000	0.341
Midlothian	7.780	0.428	8.208	0.000	0.000	0.000	0.428	0.000	0.000	0.428
Moray	8.820	0.413	9.233	0.000	0.000	0.000	0.413	0.000	0.000	0.413
North Ayrshire	8.656	2.143	10.799	0.000	1.561	0.000	0.582	0.000	0.000	2.143
North Lanarkshire	23.687	3.386	27.073	0.000	1.896	0.000	1.490	0.000	0.000	3.386
Orkney Islands	5.336	10.096	15.432	0.000	0.000	0.000	0.096	10.000	0.000	10.096
Perth & Kinross	18.261	0.665	18.926	0.000	0.000	0.000	0.665	0.000	0.000	0.665
Renfrewshire	12.324	0.813	13.137	0.000	0.000	0.000	0.813	0.000	0.000	0.813
Scottish Borders	11.692	0.508	12.200	0.000	0.000	0.000	0.508	0.000	0.000	0.508
Shetland Islands	5.251	10.100	15.351	0.000	0.000	0.000	0.100	10.000	0.000	10.100
South Ayrshire	8.709	0.487	9.196	0.000	0.000	0.000	0.487	0.000	0.000	0.487
South Lanarkshire	21.686	1.967	23.653	0.000	0.528	0.000	1.439	0.000	0.000	1.967
Stirling	5.980	0.408	6.388	0.000	0.000	0.000	0.408	0.000	0.000	0.408
West Dunbartonshire	17.931	0.387	18.318	0.000	0.000	0.000	0.387	0.000	0.000	0.387
West Lothian	13.039	0.801	13.840	0.000	0.000	0.000	0.801	0.000	0.000	0.801
Undistributed	81.500	40.000	121.500	0.000	0.000	0.000	0.000	0.000	40.000	40.000
Councils Total	581.000	183.772	764.772	0.000	7.600	92.245	23.927	20.000	40.000	183.772
Strathclyde Partnership for Transport	0.000	12.400	12.400	12.400	0.000	0.000	0.000	0.000	0.000	12.400
	581.000	196.172	777.172	12.400	7.600	92.245	23.927	20.000	40.000	196.172

Council	Flood Scheme	Total 2025-26 £m
Aberdeenshire Council	Stonehaven	5.753
Aberdeenshire Council	Huntly	0.000
Angus Council	Arbroath	0.000
Argyll & Bute Council	Campbeltown	0.941
Comhairle nan Eilean Siar	South Fords	0.000
Dumfries & Galloway Council	Dumfries/ River Nith/ Whitesands FPS	31.485
Dumfries & Galloway Council	Stranraer work item 4 &6	0.131
Dumfries & Galloway Council	Langholm	0.000
Dumfries & Galloway Council	Newton Stewart/ River Cree	-0.616
Dundee City Council	Broughty Ferry	0.000
Dundee City Council	Dundee	0.000
East Ayrshire Council	New Cumnock	0.000
East Dunbartonshire Council	Park Burn	0.000
East Lothian Council	Musselburgh	-15.878
East Lothian Council	Haddington	0.600
Falkirk Council	Grangemouth FPS	0.000
Fife Council	Kinness Burn	0.960
Glasgow City Council	White Cart Water Phase 3	0.000
Glasgow City Council	Camlachie Burn	0.000
Highland Council	Smithton and Culloden	-0.029
Highland Council	Caol and Lochyside	0.151
Highland Council	Drumnadrochit	-0.029
Inverclyde Council	Inverclyde FPS - Glenmosston Burn	0.000
Inverclyde Council	Inverclyde FPS - Coves Burn	0.000
Inverclyde Council	Inverclyde FPS - Bouverie Burn	0.000
Inverclyde Council	Quarrier's Village	0.000
Moray Council	Newmill	0.000
North Ayrshire Council	Millport Coastal	-3.200
North Ayrshire Council	Upper Garnock FPS	0.000
North Ayrshire Council	Mill Burn Millport	0.994
Orkney Islands Council	Kirkwall	0.000
Perth & Kinross Council	Comrie	8.109
Perth & Kinross Council	Milnathort	0.000
Perth & Kinross Council	South Kinross	-4.152
Perth & Kinross Council	Scone	0.333
Scottish Borders Council	Hawick	0.000
Stirling Council	Bridge of Allan	-5.011
Stirling Council	Stirling	0.000
Stirling Council	Callander	2.113
West Dunbartonshire Council	Gruggies Burn	10.944
	Total	33.600

2024-25 General Capital Grant	Circular 2/2024	MoD Forthside	Active Travel	Landfill Ban Compliance	Free School Meals	Ferries	LG Pay	King Theatre	2024-25 Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	17.518	0.000	1.557	0.000	0.000	0.000	9.000	0.000	28.075
Aberdeenshire	20.522	0.000	1.232	0.000	0.309	0.000	0.000	0.000	22.063
Angus	9.542	0.000	0.642	0.000	0.056	0.000	0.000	0.000	10.240
Argyll & Bute	9.256	0.000	0.395	1.500	0.000	0.000	0.000	0.000	11.151
Clackmannanshire	4.169	0.000	0.359	0.000	0.256	0.000	0.000	0.000	4.784
Dumfries & Galloway	4.251	0.000	0.721	0.000	3.865	0.000	0.000	0.000	8.837
Dundee City	12.689	0.000	1.084	0.000	0.156	0.000	0.000	0.000	13.929
East Ayrshire	7.588	0.000	0.745	0.000	0.132	0.000	0.000	0.000	8.465
East Dunbartonshire	7.033	0.000	0.746	0.000	0.045	0.000	3.000	0.000	10.824
East Lothian	25.788	0.000	0.691	0.000	0.083	0.000	0.000	0.000	26.562
East Renfrewshire	5.399	0.000	0.672	0.000	1.741	0.000	0.000	0.000	7.812
Edinburgh, City of	35.612	0.000	3.632	0.000	0.798	0.000	5.000	0.459	45.501
Eilean Siar	6.061	0.000	0.200	0.000	2.036	0.000	0.000	0.000	8.297
Falkirk	9.791	0.000	1.099	0.000	2.954	0.000	0.000	0.000	13.844
Fife	25.744	0.000	2.307	0.000	9.139	0.000	10.000	0.000	47.190
Glasgow City	47.842	0.000	4.605	0.000	12.999	0.000	0.000	0.000	65.446
Highland	23.347	0.000	1.168	0.000	0.101	0.000	3.000	0.000	27.616
Inverclyde	6.022	0.000	0.538	0.000	0.513	0.000	3.000	0.000	10.073
Midlothian	6.986	0.000	0.655	0.000	0.026	0.000	0.000	0.000	7.667
Moray	7.959	0.000	0.434	0.000	0.092	0.000	0.000	0.000	8.485
North Ayrshire	9.607	0.000	0.907	0.000	0.000	0.000	0.000	0.000	10.514
North Lanarkshire	22.270	0.000	2.434	0.000	0.479	0.000	20.000	0.000	45.183
Orkney	4.915	0.000	0.200	0.000	0.025	3.000	0.000	0.000	8.140
Perth & Kinross	25.567	0.000	0.739	0.000	2.325	0.000	0.000	0.000	28.631
Renfrewshire	11.530	0.000	1.305	0.000	1.292	0.000	0.000	0.000	14.127
Scottish Borders	10.412	0.000	0.545	0.000	0.900	0.000	0.000	0.000	11.857
Shetland	4.992	0.000	0.200	0.000	0.000	0.000	0.000	0.000	5.192
South Ayrshire	8.244	0.000	0.688	0.000	1.158	0.000	0.000	0.000	10.090
South Lanarkshire	20.156	0.000	2.122	0.000	0.331	0.000	0.000	0.000	22.609
Stirling	20.348	5.000	0.508	0.000	0.000	0.000	0.000	0.000	25.856
West Dunbartonshire	3.789	0.000	0.646	0.000	1.190	0.000	0.000	0.000	5.625
West Lothian	10.888	0.000	1.224	0.000	4.999	0.000	0.000	0.000	17.111
Undistributed	89.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.000
Scotland	534.837	5.000	35.000	1.500	48.000	3.000	53.000	0.459	611.796

Local Authority	Ring-Fenced Grants	Non Domestic Rates	General Revenue Funding	Total 2025-26 Revenue	General Capital Grant	Specific Grant	Total 2025-26 Capital	2025-26 Local Government Finance Settlement
	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	3.359	200.361	291.184	494.904	21.047	0.993	22.040	516.944
Aberdeenshire	3.240	130.389	481.684	615.313	28.764	1.152	29.916	645.229
Angus	2.315	28.346	257.174	287.836	10.309	0.500	10.809	298.645
Argyll & Bute	4.539	42.809	212.185	259.534	11.951	0.383	12.334	271.868
Clackmannanshire	1.670	19.834	113.040	134.544	4.566	0.226	4.792	139.336
Dumfries & Galloway	3.270	64.534	329.359	397.163	46.676	0.635	47.311	444.474
Dundee City	5.107	71.406	322.391	398.904	14.166	0.655	14.821	413.725
East Ayrshire	3.987	33.087	285.217	322.291	9.196	0.526	9.722	332.013
East Dunbartonshire	1.825	26.697	246.328	274.850	8.036	0.476	8.512	283.362
East Lothian	1.826	60.072	196.348	258.246	-6.110	0.496	-5.614	252.632
East Renfrewshire	1.551	15.871	243.947	261.368	7.199	0.430	7.629	268.997
Edinburgh, City of	8.240	400.788	650.016	1,059.044	42.884	30.231	73.115	1,132.159
Eilean Siar	1.310	9.387	107.340	118.038	5.871	0.114	5.985	124.023
Falkirk	3.975	82.693	294.331	380.999	11.772	0.691	12.463	393.462
Fife	10.478	171.721	745.340	927.538	28.869	3.335	32.204	959.742
Glasgow City	23.789	402.292	1,253.038	1,679.119	52.488	68.956	121.444	1,800.563
Highland	6.721	167.986	446.245	620.952	26.352	1.030	27.382	648.334
Inverclyde	2.650	20.806	199.043	222.499	6.312	0.341	6.653	229.152
Midlothian	2.444	36.433	199.724	238.601	7.780	0.428	8.208	246.809
Moray	1.485	58.035	170.080	229.599	8.820	0.413	9.233	238.832
North Ayrshire	4.290	44.123	326.897	375.310	8.656	2.143	10.799	386.109
North Lanarkshire	9.943	122.759	737.022	869.724	23.687	3.386	27.073	896.797
Orkney	21.054	11.759	73.181	105.994	5.336	10.096	15.432	121.426
Perth & Kinross	1.967	63.537	298.739	364.242	18.261	0.665	18.926	383.168
Renfrewshire	4.718	108.844	338.663	452.225	12.324	0.813	13.137	465.362
Scottish Borders	1.948	43.024	247.235	292.207	11.692	0.508	12.200	304.407
Shetland	24.934	26.492	67.490	118.916	5.251	10.100	15.351	134.267
South Ayrshire	2.624	49.811	239.079	291.514	8.709	0.487	9.196	300.710
South Lanarkshire	9.133	371.110	425.590	805.832	21.686	1.967	23.653	829.485
Stirling	1.568	46.246	186.540	234.354	5.980	0.408	6.388	240.742
West Dunbartonshire	3.408	84.737	164.703	252.848	17.931	0.387	18.318	271.166
West Lothian	5.473	98.011	355.585	459.069	13.039	0.801	13.840	472.909
Strathclyde Passenger Transport	-	-	-	-	-	12.400	12.400	12.400
Undistributed	87.062	0.000	354.449	441.511	81.500	40.000	121.500	563.011
Scotland	271.903	3,114.000	10,859.185	14,245.088	581.000	196.172	777.172	15,022.260

Significant Financial Risks: February 2025

Service	Risk / Pressure	Added	Amended	Scale	Probability	Planned and Potential Mitigation strategies
Revenue						
Health & Social Care	Increasing service demand due to: demographic; high cost packages; mainland placements; and transitions from children's services	Feb 2008	Feb 2025	£4.4m	High	Integration Joint Board Strategic Plan
	Necessary savings delayed or not realised	Feb 2020	Feb 2024	£2m	High	Governance Structure Financial Monitoring
Children's Services	Increasing number of high-cost cases (including mainland placements).	Feb 2008	Feb 2024	£1m	Medium	Strategies to provide care on island Budget provision increased in line with demand
Business Plan Savings	Implementation of Business Plans is delayed or projected savings not realised.	Feb 2021		£1-3m	Medium	
Inflationary Pressures	Rising energy costs and implications for energy related operations.	Feb 2008	Feb 2022	£0.5-£1m	High	Budget Board Financial Monitoring
	Rapid increase in general inflation, potentially due to Brexit, impacts on cost-of-service delivery in year	Feb 2017	Feb 2022	£1-2m	High	
	Pay award exceeds budgetary provision.	Feb 2010	Feb 2023	£1m-£2m	High	Energy saving measures & Carbon Management
Severe Weather	Additional costs of Winter Maintenance and essential repairs due to damage.	Feb 2010	Feb 2024	£1-2m		Revised Winter Maintenance Policy Winter Maintenance Reserve
Capital						
Programme Management	Project overspends	Feb 2008	Feb 2025	£1-3m	Medium	Dedicated management of major projects, Improved Monitoring
Funding	Insufficient funding for development, maintaining of existing assets	Feb 2008	Feb 2023	£3-5m	Medium	Reduction in size of programme Introduction of Asset Management Strategy
Others						
Reduction in Funding	Reduction in revenue funding	Feb 2010	Feb 2025	£2-3m	High	Early start on long term financial planning Engage in review process through COSLA
	Reduction in capital funding	Feb 2010	Feb 2025	£1-5m	High	
Change in funding	Floor Mechanism review	Feb 2008	Feb 2024	£18m	Medium	Engage in review process through COSLA Political engagement.
Financial Environment	Loss of investments	Feb 2013	Feb 2025	£5-40m	Low	Effective Treasury Management