

Local Government 2022-23 Provisional Outturn and 2023-24 Budget Estimates



Overview

Figures showing provisional expenditure totals for 2022-23 and budget estimates for 2023-24 for local government in Scotland have been published. The Scottish Government statistical publication has a range of detailed financial information, including for each council in Scotland.

The report shows that net revenue expenditure on local authority services in 2022-23 was provisionally reported as £13,741 million. It is budgeted for 2023-24 as £13,891 million. Capital expenditure by councils was provisionally £3,825 million in 2022-23 and is budgeted as £4,927 million in 2023-24. Provisional general funding of £14,186 million was reported for 2022-23, with £14,594 million budgeted in 2023-24. Reserves are being reduced, although the report does not detail the range of reasons, which will include immense financial pressures on local government budgets. General Fund reserves at 31 March 2023 were provisionally £2,671 million. These are budgeted to fall to £2,384 million at 31 March 2024.

The figures for all 32 councils are published in the Local Government 2022-23 Provisional Outturn and 2023-24 Budget Estimates. It also includes the provisional outturn and budget estimates across the ten Valuation Joint Boards, seven Regional Transport Partnerships and the Tay Road Bridge Joint Board. The report presents this information alongside the Scottish Local Government Finance Statistics (SLGFS) figures from 2019-20 to 2021-22, with notes on what to be aware of when making comparisons between the SLGFS figures, provisional outturn and budget estimates. Figures are presented in cash terms, which means they have not been adjusted for inflation.

“Local authorities were asked to provide figures for additional gross expenditure directly incurred due to COVID-19 in order to give some indication of the impact of COVID-19 in each year. Compared to additional COVID-19 expenditure of £604 million in 2020-21 and £375 million in 2021-22, local authorities reported a provisional figure of £158 million in 2022-23 and budgeted for £50 million of additional COVID-19 expenditure in 2023-24. This reflects that whilst there is still continued additional expenditure relating to COVID-19 in both 2022-23 and 2023-24, local authorities expect this to reduce.”

KEY POINTS:

- Report gives detailed finance figures for local government
- Education and social work continue to be the highest net revenue expenditure services in 2022-23 and 2023-24
- Reserves are being reduced: General Fund reserves at 31 March 23 of £2,671 million are budgeted to be £2,384 million at 31 March 24
- Across all local authorities, the provisional outturn figures give a deficit of £451 million for 2022-23. Covid funding is part of the analysis of deficit figures
- Branches can find detailed information about their local authorities in the supporting documents



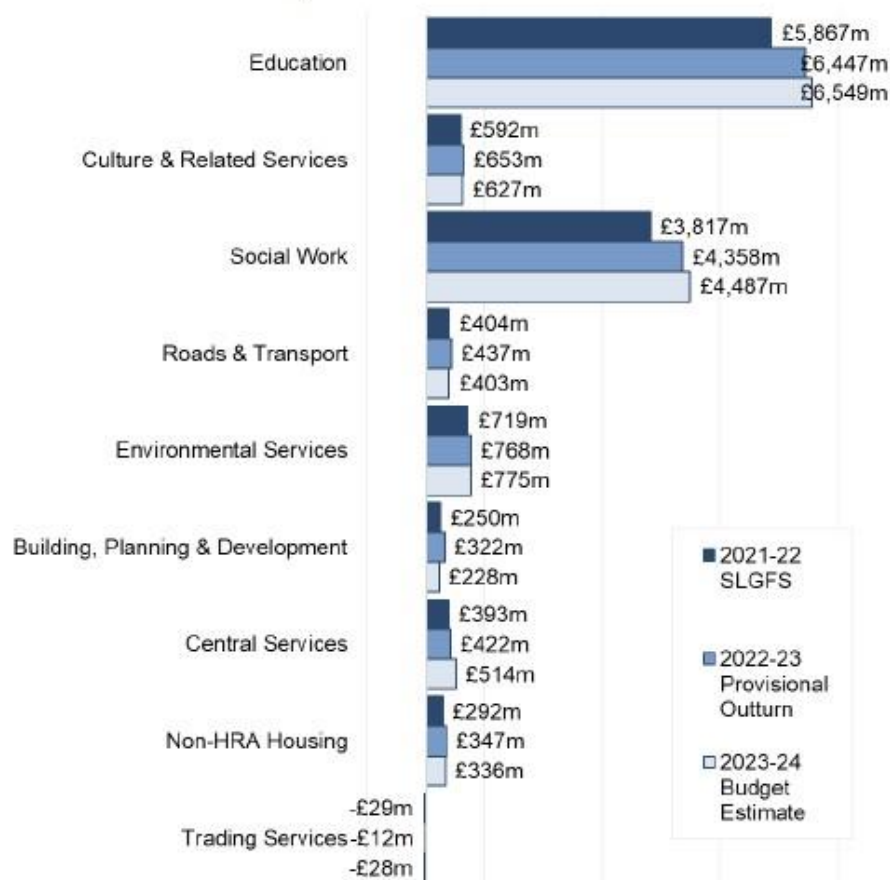
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Figure 2 from the report looks at net revenue expenditure:

Figure 2: Net Revenue Expenditure for 2021-22 to 2023-24 by Service, £ millions

Source: POBE 2023 Return, LFR 00



NB: The report notes that local authorities also incur some revenue expenditure and income not attributable to specific services, such as interest paid or received, or statutory repayment of debts. It says that local authorities' provisional outturn and budget estimates for other expenditure and income is £896 million and £1,058 million respectively.

Across all local authorities, the provisional outturn figures give a deficit of £451 million for 2022-23. The report says this is a notable change "from the significant surplus of £347 million seen in 2021-22." That was largely attributed to unspent additional COVID-19 funding from the Scottish Government, carried forward in local authorities' General Fund reserves for use in future years. The deficit figures of £451 million for 2022-23 and £355 million for 2023-24 "reflect local authorities using some of these reserves built up through the COVID-19 pandemic." The General Fund reserves of £2,671 million were a decrease from £3,150 million at 31 March 2022. The report notes that, for context, "General Fund reserve balances (including the Harbour Account) were £1,584 million on 31 March 2020. Therefore, whilst reserve balances remain above pre-pandemic levels for Scotland, these are beginning to be brought down."

Further reading: Branches may be interested in detailed financial figures provided for each local authority in the various supporting documents, including levels of reserves.

Additional reading

- Local Government 2022-23 Provisional Outturn and 2023-24 Budget Estimates with links to supporting documents <https://www.gov.scot/publications/local-government-2022-23-provisional-outturn-2023-24-budget-estimates/documents/>
- Recent UNISON Local Government finance briefings <https://unison-scotland.org/wp-content/uploads/LG-Overview-Report-Policy-Briefing-126-2023.pdf>
- <https://unison-scotland.org/wp-content/uploads/E-brief-Loc-Gov-Finance-23-24-and-Stats-21-22-March-23.pdf>
- <https://unison-scotland.org/wp-content/uploads/Local-Government-23-24-Finance-e-briefing-8-Feb-23.pdf>



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