
Report To:	Inverclyde Council	Date:	2 March 2023
Report By:	Head of Legal & Democratic Services	Report No:	LS/026/23
Contact Officer:	Iain Strachan	Contact No:	01475 712147
Subject:	Addendum to Approval of the 2023/24 Budget, 2023/26 Capital Programme & Approval of the Level of Band D Council Tax for 2023/24		

1.0 PURPOSE AND CONSIDERATIONS

1.1 For Decision

For Information/Noting

1.2 The purpose of this report is to provide a copy of the response dated 22 February 2023 from the Deputy First Minister, John Swinney MSP, to the letter from Councillors McCabe, Robertson, McVey and Brooks dated 1 February 2023, and which is referred to at paragraph 3.7 of the main report.

2.0 RECOMMENDATION

2.1 The Council is asked to note the response from the Deputy First Minister.

Iain Strachan
Head of Legal & Democratic Services

An Leas-phrìomh Mhinistear agus Ath-shlànachadh
Cobhid
Deputy First Minister and Cabinet Secretary for Covid
Recovery
John Swinney MSP



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Your Reference: In response to 202200334337
Our ref: 202300341552

22 February 2023

Dear Stephen, Elizabeth, Tommy and Graeme,

Thank you for your letter of 16 January to the First Minister and for your 1 February response to my letter of 24 January, both on the 2023-24 Scottish Budget. The First Minister has asked me to thank you for your letter and to reply on her behalf. As the Minister with portfolio responsibility for Finance I am responding to your latest correspondence.

In my response of 24 January to your December letter (Our Reference – 202200334337) I detailed the 2023-24 budget settlement for Inverclyde Council and the Scottish Government's commitment to fiscal flexibility and partnership working. To avoid duplication, I will now respond in turn to the additional points raised in your most recent two letters.

Fiscal Flexibility

In response to one of the key requests from local government we have provided greater fiscal flexibility and revenue raising powers to councils. In 2023-24 local authorities have autonomy to allocate 93 per cent - £12.3 billion - of the funding provided by the Scottish Government, plus all locally raised income. The Scottish Government has also provided a series of further fiscal flexibilities to allow local government to respond to inflationary budget pressures.

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Details of these fiscal flexibilities for 2022-23 can be found in my letter of 1 November to COSLA outlining pay deal related revenue flexibilities and in a letter to all Directors of Finance of 6 December outlining pay deal related capital flexibilities. The details on fiscal flexibilities for 2023-24 were included in my budget letter of 15 December to COSLA. An update to these flexibilities was provided in the Cabinet Secretary for Education and Skills' recent letter to COSLA on teacher numbers of 8 February.

While we remain committed to providing greater fiscal flexibility to local government as outlined in the correspondence referenced above, Scottish Ministers must carefully balance national accountability with local flexibility. In the case of teacher numbers, we have clear commitments to improve Scottish education that include more teachers in our schools and protection of learning hours. I fully acknowledge that local councils are responsible for the recruitment and deployment of their teaching staff and that this is an important part of local democracy and accountability. However, our ambition to substantially eliminate the poverty related attainment gap is clear and I am firmly of the view that this will not be achieved by having fewer teachers and support staff in our schools nor a reduction of learning hours. It is for that reason that we have taken steps to ensure that the current level of teachers and support staff are maintained and to protect the current level of learning hours.

Council Tax

As you have acknowledged in your letter the Scottish Government has delivered upon a key request from local government by providing full flexibility over setting council tax rates. It is for Inverclyde Council to decide the appropriate level at which to set council tax rates. Alongside this flexibility, local authorities have a range of revenue raising powers that are not available to other public services including newly devolved powers over empty property relief and plans to develop legislation for a local visitor levy. In combination with the service concessions and fiscal flexibilities detailed above it therefore means that Inverclyde Council has a range of revenue raising options available aside from the 13% council tax increase outlined in your letter.

Amazon Warehouse in Gourock

Turning to the consultation at Amazon in Gourock, your letter correctly identifies that the Scottish Government will leave no stone unturned as we seek to influence an alternative outcome to Amazon's proposed site closure. We recognise the need to try and mitigate the need for job losses in one of Scotland's most challenged local economies. As you will be aware, the Minister for Business, Trade, Tourism and Enterprise, Ivan McKee, met with Amazon representatives, Scottish Enterprise and representatives from Inverclyde Council on Friday 27 January and that Amazon has been asked to work closely with Inverclyde Council and Scottish Enterprise to explore all available options.

The people affected by these developments are of course the immediate priority. In the unfortunate event that any individuals should face redundancy, the Scottish Government will do everything in our power to help those affected through our initiative for responding to redundancy situations, Partnership for Continuing Employment (PACE).

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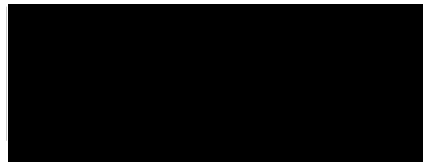
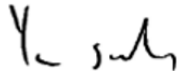
Green Freeports

We were grateful to have received the green freeport bid outlined in your letter. There were some very strong applications, but unfortunately only two bids could be taken forward. The Scottish and UK Governments jointly assessed the bids and selected the winners following the rigorous process set out in our joint bidding prospectus. We will be publishing a document with more information about the outcome of the assessment and selection process in due course.

I am aware that all bidders have been offered feedback discussions with officials which will provide opportunity to discuss the assessment of your individual bid in more detail. Officials from both Scottish and UK governments will also work with the unsuccessful bidders to consider how they can build on the plans set out in their bids to deliver jobs and growth in their regions outside the Green Freeports programme.

In particular, officials will discuss with the local authorities and your partners through Regional Economic Partnerships how targeted propositions could be developed. I am acutely aware both of the economic opportunities across the different regions covered by the applications, and of the challenges they are currently facing. The Scottish Government is already investing very significantly in the North East, in Clyde and in the Orkney Islands, and we will continue to do so.

I hope you find this response helpful.



JOHN SWINNEY

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