



What you need to know about the Scottish Budget 2019-20

Background

The Scottish Government's budget for 2019-20 was approved at Parliament on 21 February 2019. The budget and supporting documents are available on the [Scottish Parliament website](#).

It is important to note that following a change in reporting, staff budgets are now included within individual portfolios rather than separately. In some cases, it may look like a budget has increased since the previous year where this is really just the inclusion of staffing costs. More information on this is set out in [Annex G](#) of the budget document.

What's in the Budget?

Housing and Regeneration

The Budget allocates over £825 million for affordable housing delivery - an increase on the previous year as progress towards meeting the 50,000 affordable homes target continues at pace.

The increase in funding for affordable homes is welcome but this is not new money, £3 billion has already been committed to deliver 50,000 affordable homes over the life of the Parliament.

A new £50 million Town Centre Fund has been established.

Funding for adaptations

The budget for adaptations has been frozen at £10 million despite evidence of growing need. The population of people over the age of 75 in Scotland is projected to increase by 27% over the next 10 years and up to 79% by 2040.

Investing in adaptations can support people to stay independent in their own home for longer and save money for the NHS by preventing accidents and avoiding the need for more intensive care.

Recent [reports](#) of potential funding cuts for local Care and Repair services further highlight the fragile nature of the support available to people to live well at home and this needs to be urgently addressed by the Scottish Government.

Social Security

£52.3 million has been committed to mitigate the 'Bedroom Tax' - a slight increase on the previous year based on forecast need.

The budget for other Discretionary Housing Payments (DHPs) has remained static at £10.9 million and there is no change in the Scottish Welfare Fund (SWF) at £33.0 million despite increasing pressure on individuals as a result of other welfare reform measures such as Universal Credit, the overall benefit cap and Local Housing Allowance (LHA) restrictions.

Homelessness

The Budget commits the Scottish Government to make further allocations from the £50 million Ending Homelessness Together Fund to support local authorities' move towards rapid rehousing and other recommendations made by the Homelessness and Rough Sleeping Action Group (HARSAG).

Local authority funding and Council Tax

The Scottish Government presented this budget as an increase in local authority funding. However, local authority representative bodies such as [COSLA](#) suggested that spending commitments in areas such as education and health care amounted to a reduction to core budgets, warning of cuts to essential services and job losses.

Following amendments agreed with the Green Party, the Budget now includes greater cash generating powers for local authorities including the ability to increase Council Tax by 4.7% (up from 3%) provisions for a discretionary tourist levy and workplace parking levy.

LBTT changes

The Land and Buildings Transaction Tax (LBTT) surcharge for additional residential dwellings has been increased from 3% to 4%. This charge applies to the purchase of additional residential properties such as second homes and buy to let homes.

The surcharge was originally introduced to support first time buyers by discouraging the purchase of additional homes. It has been criticized for penalising private landlords and for exempting housing associations but not local authorities. This means that a strategic one off acquisition by a local authority will be subject to the extra charge.