

# Local Government Benchmarking Overview Report 2024-25



## Introduction

This is an annual report compiled by the Improvement Service for CoSLA. It examines the performance of Local Government services in the last year – but also makes a comparison over time. This is the 14<sup>th</sup> report.

The 2024/25 data reveal that long-term financial, workforce and demand pressures are disrupting performance gains built up over previous years, and several services are beginning to show signs of decline as pressures intensify.

Councils are described as working under “sustained financial, workforce and demand pressures that are now structural in nature.” These include; declining reserves and rising debt dependency, demographic pressures outstripping resources, reduced local flexibility due to ringfencing, significant risks in the Housing Revenue Account, and deteriorating assets, especially roads

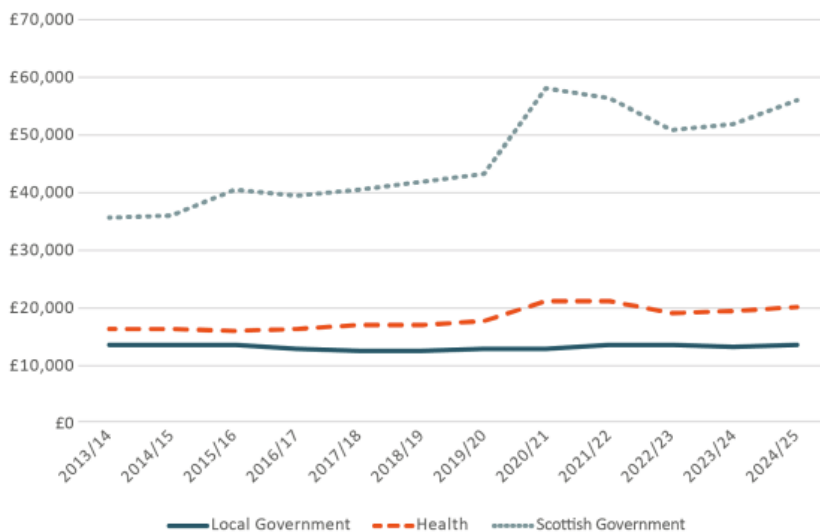
## Council funding by Scottish Government

The report does not mince words declaring that “Scottish Government funding for local government has not kept pace with inflation, demand, or growing policy commitments.” It is spelled out that in real terms, the spending power of councils has become “increasingly constrained, limiting the ability of councils to maintain service levels or invest in transformation.” Scottish Government funding for local government increased by 1.1% in real terms in 2024/25, and by 0.2% since 2013/14.

## KEY POINTS:

- **Pressures on local government; financial, demand and workforce are “disrupting performance” .**
- **Scottish Government funding for councils is not keeping pace with demand.**
- **Councils are facing a growing problem of recruitment and retention across many areas.**
- **Scottish Government is planning further cuts to local government over the next three years .**

Figure 1: Change over time in Scottish Government, Health and Local Government Revenue Budgets (£m)



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## Council funding (continued)

An increase in the amount of funding which is ringfenced for Scottish Government priorities is highlighted. Ringfenced and directed funding amounted to £3.2 billion in 2024/25 (24 per cent of the total revenue funding to councils). This is higher than the 21 per cent of funding that was directed in 2023/24.

The report considers the Scottish Government's Spending Review which outlines a bleak picture for local government. Unlike most other portfolios, Local Government is set to face not only a real terms reduction but an actual cash decrease, falling by £10 million between 2026/27 and 2028/29 (-0.07%). In real terms, the position is significantly worse: after adjusting for inflation, Local Government funding is projected to fall by 2.0% in 2027/28 and by 3.8% by 2028/29. Described as "a substantial erosion of spending power over the period."

Budgetary issues are of course having an impact as the report makes clear "Preventative and community focused services – such as culture and leisure, planning, roads, and environmental health – contribute to the conditions that support wellbeing, resilience, and local economic activity. Sustained reductions in these areas diminish the system's capacity to manage risk, maintain local outcomes, and contain future pressures. Over time, this can [can!] lead to higher levels of acute demand and increased costs for both local government and wider public services."

## Workforce issues

Workforce numbers have grown modestly over the past decade (+6% FTE), though this rise is mostly driven by ring fenced funding for social care and education rather than an expansion across services. Overall, staffing levels remain lower than twenty years ago (-9%). This leaves councils delivering services with fewer resources than in the early 2000s despite escalating and increasingly complex demand in many areas.

Recruitment and retention pressures remain acute across a wide range of statutory and specialist roles, with councils continuing to report critical shortages in social care (97% of councils), social workers (91%), planners (75%), mental health officers (75%), and environmental health officers (72%). These challenges are said to be driven by intense competition from other sectors (97%), shortages of skilled workers (90%), and pay related constraints (90%), alongside financial pressures that limit investment in apprenticeships and grow your own pathways (88%).

## Satisfaction with services

Perhaps unsurprisingly, the pressures outlined above are beginning to show up in how people think of council services. "Public satisfaction with council services continues to decline across almost all service areas, with parks and open spaces and refuse collection being the only exception." Some of the declines in satisfaction have, over time, become considerable. Compared to 2010/11 satisfaction with schools has dropped by 14.1%, Libraries by 17.5%, leisure facilities by 9.6%, and street cleaning by 17.3%. (see table on p75 of report)

## Conclusion

The report paints a bleak picture for service users and staff. Whilst ( rightly) critical of Scottish Government attitude towards local government the only advice given to councils is to engage in dialogue with communities about "local priorities" – ie offload responsibilities for cuts on the people who will be impacted.

Councillors should be local champions instead of – as is the case at the moment - administrators of cuts decided elsewhere. It is clear though that to change this situation will require p[ressure to be put upon them.

## Additional reading

- [local government benchmarking report 2024/25](#)
- [briefing on benchmarking report 2023/24](#)
- [briefing on local government workforce report](#)



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