



**Christina McKelvie MSP**  
Member of the Scottish Parliament  
for Hamilton, Larkhall and Stonehouse



Cllr. Joe Fagan  
Leader of South Lanarkshire Council

Wednesday, 26 February 2025

Via email to: [Joe.Fagan@southlanarkshire.gov.uk](mailto:Joe.Fagan@southlanarkshire.gov.uk)

**Our Ref: CM4960**

Dear Joe

### **Budget**

Thank you for your prompt response regarding Larkhall Leisure Centre. I am pleased to see the positive impact of the additional Scottish Government funding on this vital community asset. This investment aligns with the Scottish Government's commitment to prioritising and investing in communities, even amidst current budgetary constraints.

We believe that by focusing on clear priorities and collaborative partnerships, we can significantly improve lives. As the local MSP, I am proud to be part of a Scottish Government that champions a "wellbeing economy," striving to build an economic system that prioritises the collective wellbeing of present and future generations.

Regarding a wellbeing economy, I am particularly pleased to see South Lanarkshire Council is one of three places in Scotland chosen to work with CHES (Collaboration for Health Equality in Scotland). This excellent initiative builds upon the work of the Scottish Government at a National level. The Scottish Government's Place and Wellbeing Programme sits within the Care and Wellbeing Portfolio and uses the Marmot framework to address health inequalities.

As you know, the Scottish Government's primary funding source is the block grant from the UK government. The UK government's tax and spending decisions, via the Barnett formula, have an outsized influence on the funds available to the devolved governments. The Scottish Government's funding is therefore dependent on UK government departmental allocations. While all devolved governments face difficult financial choices, the Scottish Government's priorities allow us to allocate resources effectively for the benefit of the people of Scotland. For example, Scotland maintains the highest per capita spending on health and education, and the highest per capita number of doctors, nurses, teachers, and care workers among the four nations.

The Scottish Budget for 2025/26 proposes real terms increase in funding for local authorities, with a record settlement of over £15 billion. This settlement includes both capital grants for asset development and core revenue funding, enabling councils to address local needs. The Verity House Agreement further strengthens the collaborative approach between local and national government, promoting closer working relationships to deliver shared priorities for communities across Scotland. Local government plays a crucial role in leveraging the strengths and assets of individuals and communities. South Lanarkshire Council is at the

forefront of implementing actions that will contribute to the successful achievement of Scottish Government priorities. This collaborative approach emphasises building on community assets rather than solely focusing on perceived deficits.

The Scottish Government budget also mitigates the impact of certain UK government policies, including:

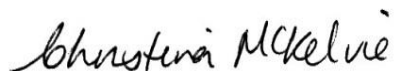
- **National Insurance Contributions (NICs):** The Scottish Government is allocating an additional £144 million to mitigate the increased employer NICs costs imposed by the UK government, addressing the potential impact on public sector employees and funded organisations. Unfortunately, as you will know the decision by the UK Government to use the Barnett Formula to fund reimbursement of the public sector for this tax has left Scotland and Wales losing out due to their proportionately larger public sectors.
- **Winter Fuel Payment:** To counteract the UK government's decision to means-test the Winter Fuel Payment, the Scottish Government intends to provide Winter Heating Assistance (Pension Age), ensuring continued support for pensioners.
- **Two-Child Limit in Universal Credit:** The Scottish Government will continue to mitigate the effects of the UK government's two-child limit in Universal Credit, targeting support to reduce child poverty.

I urge you, as Leader of South Lanarkshire Council, to utilise this increased funding to deliver on the council's vision to 'improve the lives and prospects of everyone in South Lanarkshire.' I am particularly concerned about the potential impact of potential cuts to essential public services, such as community grant funding and music tuition for our young people in schools.

At yesterday's "Marmot" launch my team noted that Professor Marmot talked specifically about the positive social impact for young people of music programmes like the one proposed as a saving. I would urge you to consider the impact these proposed cuts would have on meeting the Marmot principles 1 and 2.

I believe that with careful planning and effective use of the increased funding, the council can avoid these detrimental cuts and prioritise the needs of all residents. I look forward to continuing to work with you to ensure the best outcomes for the people of South Lanarkshire.

Yours Sincerely,



**Christina McKelvie MSP**  
For Hamilton, Larkhall and Stonehouse