



## **REPORT TO ABERDEENSHIRE COUNCIL – 17 MARCH 2021**

### **REVENUE BUDGET 2021 – 2026**

#### **1. Reason for Report / Summary**

- 1.1 This report provides the financial information necessary to enable the Council to set its Revenue Budget for the financial years 2021-22 and provide indicative Revenue Budget figures for financial years 2022-23 to 2025-26.

#### **2. Recommendations**

**The Council is recommended to:**

- 2.1 **Agree the funding package from the Scottish Government in Appendix 1, subject to final parliamentary approval of the Scottish Government's budget, and receipt of an updated Settlement;**
- 2.2 **Agree the proposed changes to the 2021/22 indicative budget, provisionally agreed in March 2020, summarised in Appendix 2;**
- 2.3 **Agree the proposed revenue budget for 2021/22 and indicative revenue budgets for 2022/23 to 2025/26 on a provisional basis detailed in Appendix 3;**
- 2.4 **Note the financial risks set out in Appendix 4;**
- 2.5 **Agree that work continues to balance the future years of the revenue budget as part of the Medium-Term Financial Strategy (MTFS) development.**

#### **3. Purpose and Decision-Making Route**

- 3.1 The purpose of this report is to provide the information to enable Council to set a revenue budget for the financial year 2021/22 and indicative budgets for the following four years based upon available information.

#### **4. Discussion**

- 4.1 The Council has a responsibility to prepare and set a revenue budget for the forthcoming financial year. The budget should reflect the financial circumstances, planned expenditure, and predicted income for that year. Inherent in this approach is the acknowledgment, acceptance, and mitigation of risk as far as possible.
- 4.2 Aberdeenshire Council is well placed in terms of its approach to strategic financial planning as the Medium-Term Financial Strategy (MTFS) has for some time now presented a five-year revenue budget to Council for consideration.

- 4.3 In practical terms, and during the current challenging financial time, this means that savings identified in the current or future years should now be seen as savings within a five-year MTFS, capable of being accelerated or delayed as finances demand.
- 4.4 The 2021/22 indicative revenue budget was reported to Full Council in March 2020 and this together with the currently available information from the Scottish Government, enables a budget to be set today that takes account of the Council Priorities and the financial challenges that lie ahead.
- 4.5 A key element to producing an appropriate revenue budget in any financial year is the setting of Council Tax. On 11 February 2021 Council agreed to freeze the Council Tax and accept the funding offered by Scottish Government in return for doing so. This is reflected in the budgeted income in Appendix 4 in this report.
- 4.6 The revenue budget continues to be a statement, in financial terms, of the Council's Pillars and Strategic Priorities for an agreed scope and standard of service provision upon the Council's Pillars and Strategic Priorities and facilitates the delivery of these priorities.
- 4.7 This strategic approach to work across financial years and flex resources between years when necessary is not only fundamental when prioritising service delivery but also key when services are adapting, changing, and indeed stopping, during the COVID-19 pandemic.
- 4.8 On 16 February 2021 the Scottish Government announced additional funding of £275 million for loss of income and COVID-19 pressures. The Council's share of funding is usually around 4% which would result in an additional allocation of £11 million. The final amount is yet to be confirmed.
- 4.9 All Councils have been afforded the flexibility of a loans fund principal repayment holiday which will permit the Council to defer payments made to the loans fund in either 2020/21 or 2021/22 (but not both). Whilst this option will not be exercised in 2020/21, the option can be exercised in 21/22 but would require Council approval.

## **5. Revenue Budget Setting Process**

- 5.1 The revenue budget is the Council's priorities in financial form and demonstrates the Council's planned approach to the management of public funds for the period in question. The scale of public funds in question is significant at some £600 million per annum and therefore the corporate role and responsibility of Policy Committees and Directors is clearly important when an adaptive MTFS is pursued.
- 5.2 The purpose in highlighting the scale of funds available to Aberdeenshire Council is to reassure local communities that key public services can and will continue and that the budget reductions reported through this report, whilst important, must be seen in the context of the overall MTFS. Therefore, the delivery of services to an agreed scope and standard within agreed financial limits will continue.

- 5.3 The process for setting a revenue budget this cycle has focussed more on multiple years than a single year in keeping with the financial strategy reported to Council throughout the year. This has meant a clear integration across financial years from the current year's financial position through to a five-year MTFS.
- 5.4 The strategic and longer-term approach has resulted in proposed savings matching the initial scale of the deficit predicted at the start of this financial year, some £60 million. As the financial position continues to be updated throughout this financial year, the predicted deficit has been revised from £24 million to £21 million for 2020/21 and £22 million for 2021/22, reducing the overall total from £46 million to £43 million. As Council will appreciate, the final outturn position for the current year will be subject to revision until the annual accounts are completed. The reported pressure for 2021/22 is also likely to change as a direct consequence of current year conditions prevailing into this year.
- 5.5 The extent and impact of these changes is not known and therefore the latest figures still form the basis of preparing the proposed MTFS in this report. However, as this is a known and expected risk to the MTFS, it is necessary to set a budget for next year and future years within the wider MTFS which is adaptive.
- 5.6 The process for identifying savings has included a review of all services, corporate functions, new external funding, and confirmation of the use of technical accounting rules.
- 5.7 The proposed adaptive approach to strategic financial planning considers the financial implications of delivering services and enables the Council to respond when circumstances change materially. There is not a singular focus on cost reduction, rather cost control, which enables services to be delivered and adapted against the financial background and funding package available to Aberdeenshire Council as set out in the Local Government Finance Settlement.
- 5.8 The Strategic Leadership Team has been available to discuss all budget matters with Councillors and has met with Groups regularly. The same core information is provided to those who request it, which then enables specific political choices to be made regarding service delivery. A series of meetings have kept political Groups informed of all financial matters throughout the budget setting process.

## **6. Local Government Finance Settlement**

- 6.1 The Scottish Government announced the Local Government Finance Settlement on 28 January 2021. The UK Government announced its budget on 3 March 2021, with the Scottish Government expected to finalise their budget on 9 March 2021. If there are amendments to the Local Government Finance Settlement as has been experienced in previous years further advice and reports will be prepared for Council.

- 6.2 Aberdeenshire Council continues to adopt a position of a 'flat cash' settlement. Whilst it is acknowledged that it is unlikely to receive the same settlement year on year, the assumption does instil certainty when planning the scope and standard of service required. For 2021/22 the planned income based on 'flat cash' compared to the actual settlement to date is:

	£ million
Planned	457.429
Actual	476.406
Difference	18.977 or 4.15%

- 6.3 The Local Government Finance Settlement 2021-22 is attached as Appendix 1 to this report and includes several joint priorities which are expected to be carried out in return for the funding package. These include:

- Revenue funding to support the final element of the expansion in funded Early Learning and Childcare entitlement to 1,140 hours; £3.039m for Aberdeenshire
- Ongoing funding to maintain the pupil-teacher ratio nationally and secure places for all probationers who required one under the teacher induction scheme.
- Compensation for freeze on Council Tax; £4.715m for Aberdeenshire
- A requirement to allocate Integration authorities additional funding to their 2020/21 recurring budgets for social care services that are delegated. Meaning that local authority social care budgets to Integration Authorities must be £72.600 million greater than 2020/21 recurring budgets.

- 6.4 Whilst the Settlement position is welcomed, it must be borne in mind that this is compared to officers planned assumptions and is not compared to the need, cost or the climate of service interruptions currently being experienced in relation to service delivery. The report today requests approval of a multiyear revenue budget which has £21.127 million of reductions included, which far outweighs the marginal improvement described above.

- 6.5 Therefore, in summary, the Settlement when compared to the planned budget is:

	<b>2021/22 Planned Budget £'000</b>	<b>2021/22 Settlement £'000</b>	<b>2021/22 Movement £'000</b>
Revenue Support Grant	337,777	344,394	6,617
Business Rates	119,652	132,012	12,360
<b>Sub total</b>	<b>457,429</b>	<b>476,406</b>	<b>18,977</b>
Scottish Government funding to be confirmed	0	0	0
<b>Total</b>	<b>457,429</b>	<b>476,406</b>	<b>18,977</b>

- 6.6 In terms of Business Rates, figures within the Settlement are based upon the latest forecast of net income from non-domestic rates in 2021-22 and on council estimates of the amounts they will contribute to the Business Rates Pool from non-domestic rates in 2020-21. The distribution of Non-Domestic Rates Income for 2021-22 has been based on forecasts each Council estimates it will collect in this financial year. The Settlement letter states that, General Revenue Grant provides the guaranteed balance of funding.

## **7. Risk**

- 7.1 To prepare a budget for consideration and agreement several factors are involved. The revenue budget setting process for this cycle has been described earlier in the report with reference to the challenges caused by the current pandemic. A key theme throughout this financial year has been the acknowledgement of risk.
- 7.2 The awareness and acceptance of risk is an integral part of preparing a budget. However, risk is a daily reality at present and not just a potential scenario to respond to. Therefore, setting a budget in an environment of known, varying and significant risks has resulted in the adaptive budgeting approach. This enables officers to advise Councillors when risks materialise, a proposed course of action and the resultant impacts when resource allocation is undertaken within budgets and / or between years.
- 7.3 A range of unknowns will still be relevant over the budget period such as inflation, cost and supply of materials, availability of labour as well as the likelihood of unforeseen events occurring during that budget period. These risks have also been considered by SLT and discussed with political Groups. The potential implications and possible mitigations associated with the risks have also been discussed before figures have been included in the proposed revenue budget.
- 7.4 It is important to consider, challenge and accept risks facing the Council in the coming years, and these are listed in Appendix 4. Whilst this list is not exhaustive, it is representative of the major risks facing service delivery. By accepting risk, unnecessary changes in essential services can be avoided. Policy Committees will be advised of the occurrence or otherwise of risks as part of the performance information they receive and scrutinise.

## **8. Future Years (2021 – 2026)**

- 8.1 Settlement figures for future years are not available. The continuation of one-year settlements, increases the level of assumptions required to produce future budgets. Therefore, all savings identified within the MTFS process for future years are subject to change and movement between years. In addition, later years remain out of balance as further savings have not yet been asked for or applied.
- 8.2 Further detailed work is required and will continue on future years' budgets to re-examine assumptions relating to the scope and standard of service supporting the Council Priorities. This will continue to be part of the MTFS discussions between officers and councillors.

- 8.3 The Revenue Support Grant will continue to be predicted for future years at the same cash level. This is acknowledged as a risk. However, as mentioned earlier in the report, the adoption of a 'flat cash' position is a proportionate assumption in the circumstances.
- 8.4 As future years' budgets are out of balance, work will continue to consider options to balance these years.

## 9. Financial Summary

- 9.1 Aberdeenshire Council has a requirement to provide sufficient money to meet the total estimated expenses planned to be incurred, therefore Appendix 3 shows a proposed budget for 2021/22.
- 9.2 All budgets are continuously reviewed as part of the financial performance reporting process during each financial year. The reporting of financial information to each Policy Committee plus an overall report to Council is beneficial in terms of scrutiny, challenge and understanding and has enhanced the level of financial debate.
- 9.3 Due to the increased levels of risk identified, all risks in the proposed budget will require to be reviewed, monitored, and reported as the year progresses, and when more information becomes available.

## 10. Council Priorities, Implications and Risk

- 10.1 This report helps deliver all six of the Council's Strategic Priorities and the key principle that underpins them of responsible financial planning.
- 10.2 The table below shows whether risks and implications apply if the recommendations are agreed.

Subject	Yes	No	N/A
Financial	X		
Staffing	X		
Equalities	X		
Fairer Scotland Duty	X		
Town Centre First			X
Sustainability			X
Children and Young People's Rights and Wellbeing			X

### Staffing

- 10.3 The impact of the proposed budget savings will in some instances mean it is not possible for the Council to balance the revenue budget without reducing staffing numbers in certain services and activities. The staffing implications of the savings will be assessed to determine how these can be minimised.

- 10.4 The implementation of the proposed budget savings that impact on staff will be subject to comprehensive engagement and consultation with employees and the Trade Unions. In accordance with agreed policies and procedures, formal consultations and negotiations with the Trade Unions will take place in relation to proposed changes to staffing structures, Council policies, and terms & conditions of employment.
- 10.5 A comprehensive support programme has been developed to aid managers and employees. In addition, there will be a planned and co-ordinated approach to ensure employees are treated fairly and with dignity and compassion during this period.

#### Equalities

- 10.6 Equality Impact Assessments have been carried out as part of the development of the Revenue Budget proposals. A summary of the outcome of the Equality Impact Assessments has been prepared.
- 10.7 A summary and the full version of each Equality Impact Assessment, and detailed breakdown of impact to protected characteristics will be made available on Aberdeenshire Council's website following the budget day announcements.
- 10.8 Given that each separate decision made when setting the budget may impact on the lives of people with protected characteristics the importance of the cumulative impact on the decisions being taken is recognised.
- 10.9 Notwithstanding the impact on residents of Aberdeenshire, it is also recognised that reduction or changes within budgets may result in a reduction of employee numbers across some council services. Several proposals will require specific Equality Impact Assessments to be undertaken to identify the impacts which are currently unknown.
- 10.10 Given the make-up of the council's workforce is predominantly female, the impact of any staffing reductions could have an overall disproportionate impact on this protected characteristic. However, such reductions will be managed through the relevant council policies and procedures and opportunities to mitigate the impact will be sought through for example vacancy management and redeployment opportunities.
- 10.11 An impacts assessment of the anticipated or potential impact of each individual proposal has been undertaken by relevant lead officers and signed off by relevant heads of Service. Most proposals have a neutral impact on people with protected characteristics or socio-economic factors.
- 10.12 The following Risk has been identified as relevant to this matter on a Strategic Level: [Balancing the Books](#).

Actions being taken to mitigate these risks are set out in the report.

## **11. Scheme of Governance**

- 11.1 The Monitoring Officer within Business Services has been consulted in the preparation of this report and is satisfied that the report complies with the Scheme of Governance and relevant legislation.
- 11.2 The Council is able to consider and take a decision on this item in terms of the general provisions conferred by the [List of Committee Powers in Part 2A](#) of the Scheme of Governance. A decision on this item is linked to the approval of the annual estimates and setting the Council Budgets contained within Section A.8.1 of the List of Committee Powers in Part 2A of the Scheme of Governance.

**Mary Beattie**  
**Interim Head of Finance**

<b>Appendix 1</b>	Settlement Letter from the Scottish Government
<b>Appendix 2</b>	Budget Overview
<b>Appendix 3</b>	Revenue Budget 2021/22 to 2025/26
<b>Appendix 4</b>	Financial Risks



## APPENDIX 1

Local Government and Communities Directorate  
Local Government & Analytical Services Division



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**Local Government Finance Circular No 1/2021**

Chief Executives and Directors of Finance of  
Scottish Local Authorities

Chief Executive, Convention of Scottish Local  
Authorities (COSLA)

Our ref: A31631414  
1 February 2021

Dear Chief Executive/Director of Finance

**1. LOCAL GOVERNMENT FINANCE SETTLEMENT 2021-22**  
**2. NON-DOMESTIC RATES**

1. This Local Government Finance Circular provides details of the provisional total revenue and capital funding allocations for 2021-22, as well as the latest information on current known redeterminations for 2020-21. This Circular also provides details on a range of Non-Domestic Rates measures, including the proposed 2021-22 poundage and changes to certain reliefs.
2. The provisional total funding allocations form the basis for the annual consultation between the Scottish Government and COSLA ahead of the Local Government Finance (Scotland) Order 2021 being presented to the Scottish Parliament, which is currently scheduled for 10 March 2021.
3. We expect local authorities to inform COSLA, and for COSLA in turn to inform the Scottish Government by no later than 12 February 2021, if they think there are any discrepancies or changes required to these provisional allocations. Redistribution(s) to address any agreed discrepancies or changes will be undertaken within the total settlement allocations set out in this Circular and not through the provision of any additional resources by the Scottish Government. The allocations are therefore only provisional at this stage, with the final allocations not being confirmed until after the end of the consultation period and the publication of the Local Government Finance Circular which will follow the approval of the Local Government Finance (Scotland) Order 2021.
4. The Cabinet Secretary for Finance wrote to the COSLA President, copied to all Council Leaders on 28 January 2021, confirming the package of measures that make up the settlement to be provided to local government in return for the provisional funding allocations set out in this Circular. This Circular should be read in conjunction with that letter. The terms of this settlement have been negotiated through COSLA on behalf of all 32 of its member councils.

5. The Scottish Government will work in partnership with local government to implement the budget and the joint priorities in return for the full funding package worth £11.6 billion and includes;
- £59 million revenue to support the final tranche of increased funding for the expansion in funded Early Learning and Childcare (ELC) entitlement to 1,140 hours;
  - £90 million to compensate councils who choose to freeze council tax levels;
  - In addition to the £100 million available in 2020-21, a further £72.6 million to be transferred from the health portfolio to the Local Authorities in-year for investment in health and social care and mental health services that are delegated to Integration Authorities under the Public Bodies (Joint Working) (Scotland) Act 2014. This brings the total transferred from the health portfolio to support health and social care integration to £883.6 million in 2021-22. The additional £72.6 million for local government comprises a contribution to continued delivery of the real Living Wage (£34 million), uprating of free personal and nursing care payments (£10.1 million), implementation of the Carers Act in line with the Financial Memorandum of the Carers Bill (£28.5 million);
  - The ongoing £88 million to maintain the pupil:teacher ratio nationally and secure places for all probationers who require one under the teacher induction scheme;
  - Continued provision in support of Teachers Pay (£156 million) and Pensions (£97 million);
  - An additional £7.7 million support for inter-island ferries bringing the total to £19.2 million
  - £5.3 million for Barclay implementation costs; and
  - £10 million additional capital funding for Flood Risk schemes.
6. In addition to the funding set out in this Circular it should be noted that there are a number of further revenue and capital funding streams outwith the local government finance settlement for particular policy initiatives which benefit local government services. Table 5.15 in the Scottish Government's "Budget Document: 2021-22", which was published on 28 January 2021, provides further details of these funding streams.
7. The allocations have been arrived at using the standard agreed needs-based distribution methodology and updated indicators. We will share a separate note providing a full reconciliation of the changes between the 2020-21 and 2021-22 Budgets and between the 2021-22 Budget and the figures in this Circular. We will also provide full details of all the general revenue allocations.
8. The various parts and annexes to this Circular, listed below, provide more of the detail behind the calculations.

Part A: Local Government Finance Settlement – Revenue: 2021-22 and changes in 2020-21;  
Part B: Local Government Finance Settlement – Capital: 2021-22;  
Part C: Non-Domestic Rates for 2021-22.

The various Annexes included in this Circular are as follows:

Annex A: All Scotland Aggregated Funding Totals 2020-22;  
Annex B: Individual Revenue Allocations for 2021-22;  
Annex C: Revised Individual Revenue Allocations for 2020-21;  
Annex D: Explanatory Notes on the Revenue Distribution;  
Annex E: Estimates of Ring-Fenced Grant Revenue Funding for 2021-22;  
Annex F: Floor calculation for 2021-22;  
Annex G: Redeterminations of Individual Revenue funding for 2020-21;  
Annex H: 2008-22 Changes Column;  
Annex I: General Capital Grant and Specific Capital Grants 2021-22;  
Annex J: General Capital Grant – Flood Allocations Per Local Authority 2021-22;  
Annex K: Total Local Government Funding Settlement 2021-22.

**Part A: Local Government Finance Settlement - Revenue: 2021-22 and changes in 2020-21**

9. This Finance Circular sets out the provisional distribution of revenue funding allocations for 2021-22. **Annex A** of this Circular sets out the all-Scotland aggregate totals for 2020-22.
10. **Annexes B and C** set out the distribution of the total revenue funding allocation between councils and the allocation of the different elements (General Revenue Funding, Non-Domestic Rate Income and Ring-Fenced Revenue Grants) for each council for 2021-22 and 2020-21. The basis behind the grant distribution methodology is as recommended in the report from the Settlement and Distribution Group (SDG) and as agreed by COSLA Leaders and Scottish Ministers. The explanatory notes contained in **Annex D** explain the basis behind the calculation of the individual council grant allocations.
11. **Annex E** gives a breakdown of the provisional individual council shares of all the ring-fenced revenue grant allocations for 2021-22.
12. The calculation and effects of the main floor adjustment for 2021-22, which provided councils with a minimum increase in the funding used in the calculation of the main floor of 1.73%, is set out in **Annex F** of this Circular. The setting of the floor is in line with the revised arrangements agreed following the SDG review of the floor methodology during 2019.
13. This Circular confirms the continuation of the **85% funding floor** for 2021-22. The methodology compares total revenue funding plus local authorities estimated council tax income and any council whose total support under this method falls below 85% will be topped up to ensure that all councils receive 85% of the Scottish average total revenue support per head.
14. This Local Government Finance Circular provides details of current known 2020-21 redeterminations at **Annex G** for the General Revenue Grant, both core settlement and COVID-19 related. It should be noted that only the core settlement additions have been included in the revised 2020-21 settlement set out in Annex A. The COVID-19 related additional funding is a constantly changing position however the redetermination allocations for 2020-21 as at the end of February will be included in the Local Government Finance (Scotland) Order 2021. The distribution of the additional COVID-19 consequentials of £200 million for the lost income scheme in 2020-21 and £259 million for 2021-22 for general ongoing pandemic pressures will be included in the Local Government Finance (Scotland) Order 2021 and the accompanying Local Government Finance Circular once they have been agreed with COSLA.
15. **Annex H** summarises the column within the settlement titled 2008-22 Changes Column.

## **Part B: Local Government Finance Settlement – Capital Grants 2021-22**

16. In 2021-22 the Local Government Settlement provides capital grants totalling £617 million. This is made up of General Capital Grant totalling £478 million and Specific Grants totalling £139 million.
17. **Annex I** sets out the provisional distribution of the Settlement for capital per local authority for 2021-22. Capital grants which remain undistributed are identified as such. The methodologies used to calculate these provisional allocations have been agreed with COSLA.
18. The provisional distribution for the General Capital Grant includes allocations for flood schemes. The allocations for these schemes is set out in **Annex J**. Where schemes have slipped and the grant paid in a prior year exceeds the grant due the scheme will show a negative value which will reduce the total General Capital Grant payable to that Council.
19. **Annex K** summarises the Local Government Finance Settlement for 2021-22.

## **Part C: Non-Domestic Rates for 2021-22**

20. The Distributable Amount of Non-Domestic Rates Income for 2021-22 has been provisionally set at £2,631 million. This figure uses the latest forecast of net income from non-domestic rates in 2021-22 and also draws on council estimates of the amounts they will contribute to the Non-Domestic Rating Account (the 'Pool') in 2020-21. The figure incorporates the Scottish Fiscal Commission's estimate of the contributable amount and includes a calculation of gross income; expected losses from appeals; estimated expenditure on mandatory and other reliefs; write-offs and provision of bad debt together; and estimated changes due to prior year adjustments. The distribution of Non-Domestic Rates Income for 2021-22 has been based on the amount each Council estimates it will collect (based on the 2020-21 mid-year estimates provided by councils). General Revenue Grant provides the guaranteed balance of funding. This method of allocation provides a clear presentation of the Non-Domestic Rates Income per council and transparency in the make-up of council funding.
21. The 2021-22 Non-Domestic Basic Property Rate ('poundage') is provisionally set at 49 pence, which will deliver the lowest poundage rate anywhere in the UK. Two additional rates are levied on properties with a rateable value over £51,000 (50.3 pence) and £95,000 (51.6 pence) respectively.
22. The Scottish Budget 2021-22 also introduces the following policies:
  - The rateable value upper threshold in order to qualify for Fresh Start Relief will be increased from £65,000 to £95,000 to match the Higher Property Rate threshold. This relief encourages the re-use of empty property by offering 100% relief for up to twelve months to properties that have been empty for six months or more;
  - 100% relief for at least three months for properties in the retail, hospitality, leisure (RHL) and aviation sectors. This will be application-based in order to ensure that this support goes only to those who require it.
  - Business Growth Accelerator (BGA) relief will be expanded to property improvements where there has been a concurrent change of use to incentivise the re-use of existing assets. This component of BGA ensures that any increases in NDR due to improvements to or the expansion of existing properties will not take effect until 12 months after those changes are made to the property;
  - 100% BGA relief in relation to unoccupied new-builds, which is currently available until 12 months after the property is first occupied regardless of how long it is unoccupied, will continue to be available for up to three years on those properties from the point at which it is first received;

- 100% Day Nursery Relief for all standalone nurseries in the public, private and charitable sectors will be extended to 30 June 2023;
- The current 60% hydro relief, in order to provide investor certainty and respond to the findings of the Tretton Review of Small Scale Hydro Plant and Machinery will be time-limited to 31 March 2032 as will the 50% District heating Relief; and
- Where district heating networks are powered by renewables, as part of the Heat in Building Strategy, the District Heating Relief will be expanded to offer 90% relief instead of 50% for new District Heating networks. This will be available to 31 March 2024.

23. The Scottish Budget 2021-22 maintains the following reliefs which are set annually:

- Small Business Bonus Scheme relief, which has lifted over 117,000 properties out of rates altogether as at 1 July 2020; and
- Transitional Relief, which caps annual rates bill increases at 12.5% in real terms for Aberdeen City and Aberdeenshire offices and for all but the very largest hospitality properties across Scotland.

24. The following reliefs will also be maintained: charitable rates relief, disabled rates relief, empty property relief, Enterprise Areas relief, hardship relief, mobile masts relief, new fibre relief, renewable energy relief, reverse vending machine relief, rural relief, sports club relief and stud farms relief. Discretionary sports club relief will be subject to statutory guidance, subject to parliament, from 1 April 2021, to ensure that it supports affordable community-based facilities, as recommended by the independent Barclay Review of non-domestic rates.

25. The Barclay Review recommended that: “To counter a known avoidance tactic for second homes, owners or occupiers of self-catering properties must prove an intention let for 140 days in the year and evidence of actual letting for 70 days.” Due to COVID-19 however, the implementation of this policy has been delayed to 1 April 2022 at which point 70 days of letting will have to be evidenced in the previous financial year (i.e. the first year this will apply will be 2021-22). Councils will have discretion in the event of exceptional and unforeseen circumstances to vary this number of days.

26. NDR reliefs, like other subsidy or support measures, may be subject to the conditions set out in the EU-UK Trade and Cooperation Agreement, which in certain cases limits sectoral public subsidisation to 325,000 Special Drawing Rights (equivalent to approximately £350,000) over any period of three fiscal years. This will apply to the reliefs that would previously have been covered by the EU State aid *de minimis* rules. RHL relief is provisionally being awarded as ‘no aid’ although this, and the position in relation to the Aviation relief, will be confirmed following the conclusion of the UK Budget. The final policy design will take into account the UK Government’s own position on any RHL relief and related Barnett consequential payments accruing to the Scottish Government.

27. Councils may also offer their own local reliefs under the Community Empowerment (Scotland) Act 2015.

28. Details on the Business Rates Incentivisation Scheme (BRIS) will be confirmed shortly.

### **Enquiries relating to this Circular**

29. It should be noted that figures in this Circular may be marginally different due to roundings. Local authorities should note that if they have any substantive specific enquiries relating to this Circular these should, in the first instance, be addressed through COSLA. We have given an undertaking to respond to these queries as quickly as possible. Contact details for COSLA are:

Sarah Watters  
0131 474 9329 [Sarah@cosla.gov.uk](mailto:Sarah@cosla.gov.uk)

Any other queries should be addressed to the following:

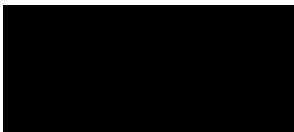
Local Government Revenue Settlement and BRIS.  
Bill Stitt [Bill.Stitt@gov.scot](mailto:Bill.Stitt@gov.scot)

Local Government Finance Settlement (Capital)  
Craig Inglis [Craig.Inglis@gov.scot](mailto:Craig.Inglis@gov.scot)

Non-Domestic Rates  
Ian Storrie [Ian.Storrie@gov.scot](mailto:Ian.Storrie@gov.scot)

30. This Circular, along with the supporting tables will be made available through the Local Government section of the Scottish Government website at:  
<https://www.gov.scot/publications/local-government-finance-circulars-index/>

Yours faithfully

A black rectangular box redacting the signature of Brenda Campbell.

**Brenda Campbell**  
Deputy Director, Local Government & Analytical Services Division

	2020-21 £ million	2021-22 £ million
<b>Revenue Funding</b>		
General Resource Grant	8,099.439	7,596.311
Non Domestic Rate Income	1,868.030	2,631.000
Specific Revenue Grants	709.750	776.081
<b>Total Revenue</b>	<b>10,677.219</b>	<b>11,003.392</b>
less Teachers' Induction Scheme	0.000	37.600
less Discretionary Housing Payments	11.949	35.369
less Mental Health Officer Shortfall (paid direct)	0.500	0.000
less Gaelic	0.014	0.163
less Barclay Implementation	0.378	0.000
less Customer First Top-up	0.446	1.410
less Support for Ferries	0.046	0.000
less School Child Burials	0.000	0.600
 Distributable Revenue Funding	 <b>10,663.886</b>	 <b>10,928.250</b>
<b>Capital Funding</b>		
General Capital Grant	467.937	467.937
Specific Capital Grants	294.877	133.777
Distributed to SPT	15.327	15.327
<b>Total Capital</b>	<b>778.141</b>	<b>617.041</b>
<b>Total Funding</b>	<b>11,455.360</b>	<b>11,620.433</b>
<b>2020-21 RECONCILIATION FROM FINANCE CIRCULAR 4/2020</b>		
<b>General Resource Grant Circular 4/2020</b>	<b>8,090.033</b>	
Teachers Induction Scheme	6.967	
Dundee to Stanstead Airlink	1.267	
Spatial Planning - Improvement Service	0.120	
Education Psychologists payment	0.252	
EU Brexit Funding	0.800	
<b>Revised General Resource Grant Circular 1/2021</b>	<b>8,099.439</b>	

## INDIVIDUAL REVENUE ALLOCATIONS 2021-22

	Expenditure					Funding							
	1	2	3	4	5	6	7	8	9	10	11	12	13
	Updated Service Provision	2008-22 Changes	Loan Charges/ PPP/ LPFS	Main Floor	Total Estimated Expenditure	Assumed Council Tax contribution	Total Ring-fenced Grants	Non Domestic Rates	General Revenue Funding	Total	85% floor	Council Tax Freeze	Revised Total
£million	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	431.819	15.667	18.624	-0.354	465.755	93.989	32.243	255.450	84.072	371.766	0.000	4.206	375.972
Aberdeenshire	552.794	21.301	19.474	-7.332	586.237	111.729	34.455	132.012	308.040	474.508	0.000	4.715	479.223
Angus	251.361	9.637	11.591	-3.419	269.170	43.972	13.854	24.883	186.460	225.198	0.000	1.727	226.925
Argyll & Bute	218.644	7.854	9.313	15.222	251.033	39.450	12.302	31.559	167.722	211.583	0.000	1.762	213.345
Clackmannanshire	116.207	4.088	4.747	-0.594	124.449	19.547	7.444	17.184	80.274	104.902	0.000	0.829	105.731
Dumfries & Galloway	345.789	12.974	15.653	-2.800	371.616	59.355	16.943	48.881	246.437	312.261	0.000	2.364	314.625
Dundee City	349.600	12.222	5.967	5.215	373.004	47.379	24.863	33.763	266.999	325.625	0.000	2.123	327.748
East Ayrshire	281.196	10.120	10.101	-3.872	297.545	42.537	18.747	22.093	214.168	255.008	0.000	1.903	256.911
East Dunbartonshire	245.700	9.176	4.100	-2.425	256.550	50.689	13.291	16.812	175.758	205.861	0.000	2.153	208.014
East Lothian	228.708	8.550	3.813	-1.947	239.123	46.349	14.743	27.286	150.745	192.774	0.000	1.948	194.722
East Renfrewshire	221.436	8.667	9.164	-1.799	237.469	43.195	8.506	9.107	176.662	194.274	0.000	1.802	196.076
Edinburgh, City of	967.534	34.955	23.755	10.499	1,036.743	222.915	61.959	237.666	514.203	813.828	8.409	9.615	831.852
Eilean Siar	83.975	3.383	7.071	16.347	110.776	9.544	4.497	7.751	88.984	101.232	0.000	0.372	101.604
Falkirk	344.523	12.761	19.582	-4.157	372.709	59.394	24.798	76.507	212.010	313.315	0.000	2.358	315.673
Fife	808.837	30.195	31.534	-11.004	859.562	140.079	51.131	170.905	497.447	719.483	0.000	5.829	725.312
Glasgow City	1,424.373	49.479	90.881	4.170	1,568.903	215.650	94.552	281.746	976.955	1,353.253	0.000	9.671	1,362.924
Highland	549.019	20.526	31.353	-1.010	599.889	97.845	33.620	134.656	333.769	502.044	0.000	4.231	506.275
Inverclyde	188.198	6.603	10.359	3.047	208.207	27.533	12.454	15.130	153.090	180.674	0.000	1.198	181.872
Midlothian	204.928	7.449	6.450	-0.001	218.826	36.786	16.548	23.680	141.812	182.040	0.000	1.663	183.703
Moray	199.853	7.609	8.484	-2.731	213.215	34.539	13.091	51.912	113.673	178.676	0.000	1.482	180.158
North Ayrshire	324.672	11.468	6.918	8.508	351.567	49.870	20.980	35.902	244.814	301.697	0.000	2.182	303.879
North Lanarkshire	775.679	28.097	10.197	-10.308	803.665	117.132	51.025	106.283	529.225	686.533	0.000	4.640	691.173
Orkney Islands	82.784	3.090	5.824	-1.204	90.493	8.146	10.593	12.321	59.432	82.347	0.000	0.319	82.666
Perth & Kinross	324.050	12.303	12.247	-4.225	344.375	65.922	16.920	43.889	217.645	278.453	0.000	2.817	281.271
Renfrewshire	399.881	14.284	7.979	-3.013	419.131	70.931	28.742	102.801	216.656	348.200	0.000	3.019	351.219
Scottish Borders	260.105	9.809	12.894	-3.539	279.268	47.999	15.168	33.571	182.531	231.269	0.000	1.955	233.224
Shetland Islands	89.690	3.347	7.162	4.984	105.183	8.234	14.307	33.598	49.043	96.949	0.000	0.323	97.272
South Ayrshire	254.407	9.373	9.199	-3.381	269.597	48.033	13.388	29.404	178.772	221.564	0.000	2.102	223.666
South Lanarkshire	705.958	26.119	10.285	3.745	746.107	125.178	43.734	401.967	175.228	620.929	0.000	4.882	625.811
Stirling	209.668	7.703	11.112	-2.572	225.911	38.914	14.233	34.188	138.576	186.997	0.000	1.690	188.687
West Dunbartonshire	223.057	7.648	3.726	5.350	239.780	33.812	14.097	102.481	89.390	205.968	0.000	1.423	207.391
West Lothian	394.024	14.854	12.669	-5.401	416.147	65.519	22.689	75.611	252.327	350.628	0.000	2.699	353.327
<b>Scotland</b>	<b>12,058.469</b>	<b>441.310</b>	<b>452.228</b>	<b>0.000</b>	<b>12,952.007</b>	<b>2,122.166</b>	<b>775.918</b>	<b>2,631.000</b>	<b>7,422.923</b>	<b>10,829.841</b>	<b>8.409</b>	<b>90.000</b>	<b>10,928.250</b>



	Expenditure					Funding						
	1	2	3	4	5	6	7	8	9	10	11	12
£million	Updated Service Provision	2008-21 Changes	Loan Charges/ PPP/ LPFS	Main Floor	Total Estimated Expenditure	Assumed Council Tax contribution	Total Ring-fenced Grants	Non Domestic Rates	General Revenue Funding	Total	85% floor	Revised Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	427.617	7.175	19.356	4.104	458.252	92.923	29.712	164.415	171.202	365.329	0.000	365.329
Aberdeenshire	547.316	9.812	20.110	-4.905	572.333	111.237	31.314	80.112	349.670	461.096	0.000	461.096
Angus	250.425	4.440	11.864	-2.303	264.426	43.727	12.732	17.768	190.199	220.699	0.000	220.699
Argyll & Bute	219.689	3.655	9.589	15.399	248.332	39.424	11.710	23.284	173.914	208.908	0.000	208.908
Clackmannanshire	116.419	1.899	4.899	-0.228	122.989	19.424	6.765	10.757	86.043	103.565	0.000	103.565
Dumfries & Galloway	347.897	6.042	16.180	-3.241	366.878	59.097	15.684	35.659	256.438	307.781	0.000	307.781
Dundee City	352.397	5.671	10.101	1.485	369.654	47.386	23.007	32.888	266.373	322.268	0.000	322.268
East Ayrshire	281.056	4.651	10.492	-2.614	293.585	42.374	17.494	17.651	216.066	251.211	0.000	251.211
East Dunbartonshire	247.723	4.252	4.239	-0.453	255.761	50.351	12.093	15.238	178.079	205.410	0.000	205.410
East Lothian	227.863	3.939	3.942	-0.243	235.501	45.393	13.474	18.274	158.360	190.108	0.000	190.108
East Renfrewshire	225.095	4.029	9.308	-0.764	237.668	42.848	7.783	9.961	177.076	194.820	0.000	194.820
Edinburgh, City of	962.124	15.963	24.345	11.100	1,013.532	220.931	56.996	238.922	496.683	792.601	8.400	801.001
Eilean Siar	83.591	1.566	7.318	17.044	109.519	9.527	4.348	5.562	90.082	99.992	0.000	99.992
Falkirk	346.485	5.906	20.046	-3.102	369.335	59.070	22.958	46.281	241.026	310.265	0.000	310.265
Fife	805.910	13.910	32.471	-7.390	844.901	138.906	47.392	111.709	546.894	705.995	0.000	705.995
Glasgow City	1,433.729	22.844	100.918	-4.806	1,552.685	214.097	88.125	238.445	1,012.018	1,338.588	0.000	1,338.588
Highland	554.257	9.688	32.451	-5.254	591.142	97.121	30.701	92.297	371.023	494.021	0.000	494.021
Inverclyde	190.456	3.057	10.725	1.784	206.022	27.503	11.524	13.118	153.877	178.519	0.000	178.519
Midlothian	204.732	3.431	9.589	-1.790	215.962	36.145	15.145	19.587	145.085	179.817	0.000	179.817
Moray	197.517	3.482	8.774	-1.587	208.186	34.269	11.933	29.008	132.976	173.917	0.000	173.917
North Ayrshire	330.596	5.405	10.637	0.428	347.066	49.583	19.587	25.017	252.879	297.483	0.000	297.483
North Lanarkshire	778.115	12.988	10.540	-6.944	794.699	116.408	47.369	71.360	559.562	678.291	0.000	678.291
Orkney Islands	79.365	1.429	6.043	-0.502	86.335	8.069	8.005	7.019	63.242	78.266	0.000	78.266
Perth & Kinross	321.334	5.625	12.641	-2.841	336.759	65.424	15.515	37.876	217.944	271.335	0.000	271.335
Renfrewshire	402.450	6.662	8.254	-3.511	413.855	69.989	26.453	73.841	243.572	343.866	0.000	343.866
Scottish Borders	257.051	4.490	13.384	-2.266	272.659	47.965	13.888	23.388	187.418	224.694	0.000	224.694
Shetland Islands	84.260	1.586	7.765	4.634	98.245	8.210	8.199	17.182	64.654	90.035	0.000	90.035
South Ayrshire	254.744	4.300	9.494	-1.638	266.900	48.135	12.384	28.601	177.780	218.765	0.000	218.765
South Lanarkshire	710.505	12.160	10.630	3.349	736.644	123.887	40.140	226.179	346.438	612.757	0.000	612.757
Stirling	210.286	3.583	11.430	-1.890	223.409	38.774	13.039	28.626	142.970	184.635	0.000	184.635
West Dunbartonshire	227.127	3.594	3.851	2.588	237.160	33.400	13.138	55.963	134.659	203.760	0.000	203.760
West Lothian	394.956	6.885	13.047	-3.643	411.245	64.554	21.083	52.042	273.566	346.691	0.000	346.691
<b>Scotland</b>	<b>12,073.085</b>	<b>204.119</b>	<b>484.433</b>	<b>0.000</b>	<b>12,761.637</b>	<b>2,106.151</b>	<b>709.690</b>	<b>1,868.030</b>	<b>8,077.766</b>	<b>10,655.486</b>	<b>8.400</b>	<b>10,663.886</b>

The explanation of each of the columns within the tables at Annex B is as follows:

**Column 1** – represents the updated on-going service provision and includes the following combined information: (i) the updated Grant Aided Expenditure (GAE) assessments; (ii) the revised Special Islands Needs Allowance (SINA); (iii) each council's individual share of the on-going revenue grants which have been rolled up into the core local government finance settlement; (iv) each council's share of all the baselined redeterminations since Spending Review 2007; and the previous loan charge adjustment.

**Column 2** – is the new combined total, non-ring-fenced, changes in general provision resulting from Spending Reviews 2007, 2010, 2011, 2013, 2015 and budget revisions for 2016 - 2021 allocated pro-rata to each council's share of GAE plus SINA.

**Column 3** – represents the updated share of the loan charges support for outstanding debt and the same level of on-going PPP level playing field support. The methodology for calculating Loan Charge Support (LCS) and support for Public Private Partnership (PPP) projects (level playing field projects only (LPFS) is set out on Annex H of Finance Circular 2/2011.

**Column 4** – is the main floor adjustment which has been calculated using the revised methodology agreed following the 2018 review.

**Column 5** – this is the net revenue expenditure recognised by the Scottish Government and represents the sum of columns 1 to 4.

**Column 6** – is the assumption of the amount of Total Estimated Expenditure to be funded from the council tax. Any changes are as a result of buoyancy or projected numbers of properties, as well as the estimated additional council tax income to be collected and retained by each local authority as a result of the changes to bands E to H.

**Column 7** – is each council's estimated share of the on-going Ring-Fenced Grants for Gaelic, Pupil Equity Fund, Criminal Justice Social Work, Early Learning and Childcare, and Inter-Island Ferries.

**Column 8** – is each council's share of the estimated non-domestic rate income which has been distributed proportionately on the basis of council's 2020-21 mid-year income.

**Column 9** – is the balance of funding provided by means of general revenue funding and is calculated by deducting columns 6, 7 and 8 from the Total Estimated Expenditure in column 5.

**Column 10** – represents the total revenue funding available to each council in 2021-22.

**Column 11** – is the 85% floor adjustment which has been calculated to meet the Scottish Government's commitment to ensure that no Local Authority receives less than 85% of the Scottish average per head in terms of revenue support.

**Columns 12** – is the funding available to compensate councils who choose to freeze their council tax at 2020-21 levels.

**Column 13** - is the revised total funding including all the changes and the 85% funding floor adjustments.

Local Authority	Gaelic	Pupil Equity Fund	Criminal Justice Social Work	Early Learning and Childcare Expansion	Support for Ferries
	£m	£m	£m	£m	£m
Aberdeen City	0.088	3.051	3.953	25.151	0.000
Aberdeenshire	0.000	2.854	2.817	28.785	0.000
Angus	0.022	2.142	1.628	10.062	0.000
Argyll & Bute	0.365	1.305	0.984	9.093	0.554
Clackmannanshire	0.002	1.498	1.117	4.827	0.000
Dumfries & Galloway	0.000	2.815	2.521	11.607	0.000
Dundee City	0.000	4.971	3.551	16.341	0.000
East Ayrshire	0.144	3.435	2.108	13.059	0.000
East Dunbartonshire	0.066	1.632	0.791	10.802	0.000
East Lothian	0.008	1.512	1.068	12.154	0.000
East Renfrewshire	0.013	1.327	0.614	6.551	0.000
Edinburgh, City of	0.320	7.125	7.984	46.529	0.000
Eilean Siar	0.965	0.287	0.294	2.951	0.000
Falkirk	0.014	3.589	2.684	18.510	0.000
Fife	0.010	9.690	6.105	35.327	0.000
Glasgow City	0.540	21.773	15.519	56.720	0.000
Highland	0.905	3.931	3.239	25.545	0.000
Inverclyde	0.070	2.350	1.300	8.734	0.000
Midlothian	0.008	2.167	1.251	13.122	0.000
Moray	0.000	1.368	1.291	10.432	0.000
North Ayrshire	0.090	4.215	2.662	14.013	0.000
North Lanarkshire	0.260	8.935	5.345	36.485	0.000
Orkney Islands	0.000	0.233	0.235	2.270	7.855
Perth & Kinross	0.105	1.666	1.831	13.317	0.000
Renfrewshire	0.000	4.276	2.583	21.883	0.000
Scottish Borders	0.001	1.764	1.256	12.146	0.000
Shetland Islands	0.000	0.223	0.252	3.048	10.784
South Ayrshire	0.015	2.352	1.729	9.292	0.000
South Lanarkshire	0.170	8.103	4.412	31.049	0.000
Stirling	0.115	1.391	1.239	11.488	0.000
West Dunbartonshire	0.015	3.105	1.631	9.346	0.000
West Lothian	0.008	4.913	2.455	15.313	0.000
<b>Scotland</b>	<b>4.319</b>	<b>120.000</b>	<b>86.450</b>	<b>545.956</b>	<b>19.193</b>

Note: These figures are provisional and represent the current best estimates.

The actual allocation of these specific revenue grants will be notified to the relevant local authorities in due course by the relevant Policy Team

Local Authority	Grant Without Floor	Change Without Floor	Floor Change	Grant With Floor	Change With Floor
	£m	%	£m	£m	%
Scottish Borders	204.621	5.02%	-3.539	201.083	3.20%
Aberdeenshire	423.946	4.94%	-7.332	416.614	3.12%
Orkney	69.631	4.69%	-1.204	68.427	2.88%
Moray	157.884	4.64%	-2.731	155.154	2.83%
Perth & Kinross	244.272	4.49%	-4.225	240.047	2.69%
Fife	636.224	4.32%	-11.004	625.221	2.52%
Angus	197.679	4.04%	-3.419	194.260	2.24%
North Lanarkshire	596.004	3.92%	-10.308	585.696	2.13%
East Ayrshire	223.851	3.88%	-3.872	219.980	2.08%
West Lothian	312.272	3.78%	-5.401	306.871	1.98%
South Ayrshire	195.506	3.58%	-3.381	192.125	1.78%
Aberdeen City	317.734	1.85%	-0.354	317.379	1.73%
Falkirk	265.309	3.35%	-4.157	261.152	1.73%
Renfrewshire	297.654	2.77%	-3.013	294.641	1.73%
Dumfries & Galloway	273.818	2.78%	-2.800	271.018	1.73%
Stirling	160.788	3.39%	-2.572	158.216	1.73%
East Dunbartonshire	178.940	3.13%	-2.425	176.515	1.73%
East Lothian	168.231	2.92%	-1.947	166.284	1.73%
East Renfrewshire	171.384	2.81%	-1.799	169.586	1.73%
Highland	439.138	1.97%	-1.010	438.129	1.73%
Clackmannanshire	89.127	2.41%	-0.594	88.533	1.73%
Midlothian	150.383	1.73%	-0.001	150.382	1.73%
Inverclyde	150.696	-0.28%	3.047	153.743	1.73%
South Lanarkshire	529.587	1.02%	3.745	533.332	1.73%
Glasgow City	1,163.299	1.37%	4.170	1,167.468	1.73%
Shetland	75.885	-4.54%	4.984	80.869	1.73%
Dundee City	269.927	-0.20%	5.215	275.142	1.73%
West Dunbartonshire	167.306	-1.42%	5.350	172.656	1.73%
North Ayrshire	250.762	-1.61%	8.508	259.270	1.73%
Edinburgh, City of	677.794	0.18%	10.499	688.293	1.73%
Argyll & Bute	165.416	-6.84%	15.222	180.638	1.73%
Eilean Siar	75.790	-16.46%	16.347	92.137	1.73%
<b>Scotland</b>	<b>9,300.860</b>	<b>1.98%</b>	<b>0.000</b>	<b>9,300.860</b>	<b>1.98%</b>

The annual change in the Grant for Floor Funding was 1.98% and as a result of the floor being set at -0.25 below this annual change the minimum increase in the Grant for floor was set at 1.73%

# REDETERMINATIONS OF INDIVIDUAL REVENUE FUNDING 2020-21 - GENERAL

GENERAL	Teachers for Ethnic Minorities Correction	Rapid Rehousing Transition Grant Correction	Customer First - Additional Funding	Dundee to Stansted	Education Psychologists payment	Teacher Induction Scheme	EU Brexit Funding	Spatial Planning - Improvement Service	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	-0.015	0.002	0.000	0.000	0.009	0.732	0.025	0.000	0.753
Aberdeenshire	-0.004	-0.006	0.000	0.000	0.018	0.873	0.025	0.000	0.906
Angus	-0.001	-0.004	0.000	0.000	0.009	0.486	0.025	0.000	0.515
Argyll & Bute	-0.002	-0.002	0.000	0.000	0.000	0.112	0.025	0.000	0.133
Clackmannanshire	0.004	-0.005	0.000	0.000	0.000	0.535	0.025	0.000	0.559
Dumfries & Galloway	0.000	0.000	0.000	0.000	0.000	0.995	0.025	0.000	1.020
Dundee City	0.002	0.011	0.000	1.267	0.009	0.866	0.025	0.000	2.180
East Ayrshire	0.001	-0.001	0.000	0.000	0.009	1.250	0.025	0.000	1.284
East Dunbartonshire	-0.001	-0.001	0.000	0.000	0.009	3.231	0.025	0.000	3.263
East Lothian	-0.003	-0.010	0.000	0.000	0.000	0.857	0.025	0.000	0.869
East Renfrewshire	0.001	-0.002	0.000	0.000	0.009	3.505	0.025	0.000	3.538
Edinburgh, City of	-0.007	0.024	0.000	0.000	0.035	1.348	0.025	0.000	1.425
Eilean Siar	-0.003	0.000	0.000	0.000	0.000	0.160	0.025	0.000	0.182
Falkirk	0.004	-0.025	0.000	0.000	0.009	2.031	0.025	0.000	2.044
Fife	0.031	-0.009	0.000	0.000	0.018	3.541	0.025	0.000	3.606
Glasgow City	-0.003	0.033	0.000	0.000	0.018	5.410	0.025	0.000	5.483
Highland	-0.001	0.006	0.000	0.000	0.009	0.975	0.025	0.000	1.014
Inverclyde	0.002	-0.001	0.000	0.000	0.009	0.884	0.025	0.000	0.919
Midlothian	0.002	0.003	0.000	0.000	0.009	0.859	0.025	0.000	0.898
Moray	0.000	-0.008	0.000	0.000	0.000	0.329	0.025	0.000	0.346
North Ayrshire	0.000	0.001	0.000	0.000	0.009	0.747	0.025	0.000	0.782
North Lanarkshire	-0.008	-0.019	0.964	0.000	0.009	4.111	0.025	0.120	5.202
Orkney	0.000	0.000	0.000	0.000	0.000	0.059	0.025	0.000	0.084
Perth & Kinross	0.001	0.002	0.000	0.000	0.009	0.293	0.025	0.000	0.330
Renfrewshire	-0.001	0.004	0.000	0.000	0.009	1.945	0.025	0.000	1.982
Scottish Borders	0.002	0.005	0.000	0.000	0.000	0.631	0.025	0.000	0.663
Shetland	0.001	0.000	0.000	0.000	0.001	0.048	0.025	0.000	0.075
South Ayrshire	0.001	0.004	0.000	0.000	0.000	1.338	0.025	0.000	1.368
South Lanarkshire	0.000	0.013	0.000	0.000	0.009	2.355	0.025	0.000	2.402
Stirling	0.000	-0.008	0.000	0.000	0.009	1.154	0.025	0.000	1.180
West Dunbartonshire	0.001	-0.005	0.000	0.000	0.009	0.727	0.025	0.000	0.757
West Lothian	-0.004	-0.002	0.000	0.000	0.009	2.182	0.025	0.000	2.210
<b>Scotland</b>	<b>0.000</b>	<b>0.000</b>	<b>0.964</b>	<b>1.267</b>	<b>0.252</b>	<b>44.567</b>	<b>0.800</b>	<b>0.120</b>	<b>47.970</b>

## REDETERMINATIONS OF INDIVIDUAL REVENUE FUNDING 2020-21 - COVID

<b>COVID-19</b>	Associated with COVID 19	Local Authority Hardship Fund	Scottish Welfare Fund Top Up	Food Fund	Registrars of Death	Community Justice CPP Transitional Funding Extra	Council Tax Reduction Scheme Additional Support	Extra Environmental Health Officers	Test & Protect Combined	Winter Plan - RRTP
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	5.448	1.758	0.596	0.802	0.025	0.013	0.630	0.044	0.095	0.223
Aberdeenshire	7.452	2.404	0.497	1.023	0.029	0.013	0.920	0.059	0.114	0.155
Angus	3.372	1.088	0.383	0.602	0.013	0.012	0.340	0.024	0.064	0.100
Argyll & Bute	2.776	0.895	0.293	0.440	0.009	0.012	0.490	0.043	0.047	0.065
Clackmannanshire	1.444	0.465	0.243	0.312	0.006	0.012	0.280	0.019	0.027	0.072
Dumfries & Galloway	4.588	1.480	0.579	0.890	0.016	0.013	0.730	0.046	0.089	0.112
Dundee City	4.308	1.389	0.809	1.152	0.016	0.013	0.900	0.026	0.095	0.175
East Ayrshire	3.532	1.139	0.631	0.838	0.013	0.013	0.650	0.020	0.075	0.089
East Dunbartonshire	3.228	1.042	0.251	0.436	0.012	0.012	0.390	0.019	0.043	0.061
East Lothian	2.992	0.965	0.334	0.447	0.012	0.012	0.380	0.019	0.048	0.105
East Renfrewshire	3.060	0.987	0.221	0.348	0.010	0.012	0.330	0.019	0.036	0.045
Edinburgh, City of	12.121	3.910	1.531	1.651	0.057	0.013	2.430	0.103	0.201	0.563
Eilean Siar	1.189	0.384	0.094	0.147	0.003	0.012	0.060	0.019	0.016	0.018
Falkirk	4.484	1.447	0.615	0.878	0.018	0.013	0.480	0.024	0.081	0.132
Fife	10.564	3.407	1.514	2.254	0.041	0.013	1.190	0.063	0.210	0.335
Glasgow City	17.348	5.596	4.076	4.799	0.069	0.013	5.090	0.123	0.407	0.772
Highland	7.356	2.373	0.738	1.199	0.026	0.013	1.180	0.090	0.124	0.187
Inverclyde	2.320	0.749	0.447	0.565	0.009	0.012	0.290	0.019	0.049	0.028
Midlothian	2.605	0.840	0.326	0.446	0.010	0.012	0.280	0.019	0.044	0.085
Moray	2.644	0.853	0.261	0.448	0.011	0.012	0.330	0.023	0.046	0.058
North Ayrshire	4.104	1.324	0.785	1.038	0.015	0.013	0.690	0.024	0.086	0.130
North Lanarkshire	9.864	3.181	1.744	2.114	0.038	0.013	1.710	0.046	0.188	0.290
Orkney	1.084	0.350	0.049	0.099	0.002	0.012	0.100	0.019	0.011	0.017
Perth & Kinross	4.272	1.378	0.410	0.621	0.017	0.013	0.350	0.043	0.070	0.133
Renfrewshire	5.060	1.632	0.782	1.063	0.020	0.013	1.240	0.044	0.097	0.116
Scottish Borders	3.408	1.100	0.365	0.576	0.013	0.012	0.550	0.038	0.061	0.105
Shetland	1.204	0.388	0.044	0.104	0.003	0.012	0.050	0.019	0.013	0.017
South Ayrshire	3.264	1.053	0.474	0.625	0.012	0.012	0.340	0.024	0.062	0.110
South Lanarkshire	9.233	2.978	1.389	1.937	0.035	0.013	1.310	0.048	0.177	0.282
Stirling	2.720	0.878	0.275	0.417	0.010	0.012	0.260	0.027	0.044	0.069
West Dunbartonshire	2.728	0.880	0.532	0.684	0.010	0.012	0.270	0.019	0.058	0.156
West Lothian	5.228	1.687	0.712	1.045	0.020	0.013	0.760	0.029	0.096	0.195
Undistributed	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Scotland</b>	<b>155.000</b>	<b>50.000</b>	<b>22.000</b>	<b>30.000</b>	<b>0.600</b>	<b>0.400</b>	<b>25.000</b>	<b>1.200</b>	<b>2.872</b>	<b>5.000</b>

## REDETERMINATIONS OF INDIVIDUAL REVENUE FUNDING 2020-21 - COVID

Additional UKG Consequential (Confirmed)	Children and young people's mental health	Business Support Grant Admin	Education Recovery Funding	Additional Education - Teachers	Additional Education - Digital inclusion	Additional Education - Home Learning Support Fund	Winter Hardship £100 payments & admin (80% of £16m)	January Free School Meal provision	<b>Total</b>	Lost Income Scheme
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1.722	0.576	0.464	0.605	0.785	0.209	0.302	0.317	0.174	14.787	0.000
2.356	0.791	0.628	1.257	1.190	0.599	0.304	0.342	0.187	20.319	0.000
1.066	0.326	0.256	0.478	0.528	0.211	0.204	0.224	0.123	9.414	0.000
0.877	0.246	0.458	0.390	0.369	0.179	0.135	0.132	0.072	7.927	0.000
0.456	0.139	0.080	0.176	0.238	0.092	0.110	0.131	0.072	4.373	0.000
1.450	0.433	0.484	0.684	0.697	0.367	0.296	0.336	0.184	13.473	0.000
1.361	0.445	0.279	0.490	0.732	0.311	0.304	0.560	0.307	13.671	0.000
1.116	0.332	0.215	0.444	0.599	0.301	0.289	0.372	0.204	10.873	0.000
1.021	0.268	0.116	0.424	0.555	0.133	0.125	0.172	0.094	8.401	0.000
0.946	0.294	0.180	0.403	0.482	0.196	0.181	0.169	0.092	8.257	0.000
0.967	0.261	0.087	0.426	0.542	0.101	0.122	0.139	0.076	7.788	0.000
3.832	1.343	1.095	1.307	1.700	0.387	0.596	0.641	0.351	33.832	0.000
0.376	0.089	0.134	0.172	0.125	0.072	0.036	0.034	0.018	2.997	0.000
1.418	0.419	0.255	0.569	0.774	0.269	0.302	0.402	0.220	12.801	0.000
3.339	1.047	0.671	1.356	1.821	0.753	0.789	1.044	0.572	30.983	0.000
5.484	1.737	1.305	1.917	2.881	1.285	1.669	2.345	1.285	58.200	0.000
2.326	0.712	0.960	1.162	1.086	0.562	0.400	0.421	0.231	21.146	0.000
0.734	0.202	0.115	0.263	0.401	0.177	0.139	0.316	0.173	7.007	0.000
0.824	0.248	0.145	0.352	0.450	0.165	0.163	0.200	0.110	7.325	0.000
0.836	0.275	0.246	0.371	0.404	0.200	0.156	0.144	0.079	7.396	0.000
1.297	0.370	0.255	0.497	0.672	0.256	0.320	0.399	0.219	12.495	0.000
3.118	0.938	0.493	1.242	1.770	0.661	0.773	0.985	0.540	29.710	0.000
0.343	0.070	0.124	0.135	0.105	0.058	0.034	0.023	0.013	2.647	0.000
1.350	0.414	0.462	0.592	0.602	0.291	0.230	0.187	0.103	11.539	0.000
1.599	0.454	0.472	0.599	0.850	0.293	0.307	0.466	0.255	15.363	0.000
1.078	0.329	0.406	0.506	0.497	0.253	0.205	0.180	0.099	9.781	0.000
0.381	0.083	0.113	0.165	0.119	0.072	0.023	0.028	0.015	2.851	0.000
1.032	0.283	0.255	0.398	0.505	0.214	0.203	0.244	0.134	9.244	0.000
2.919	0.841	0.507	1.206	1.624	0.603	0.579	0.891	0.488	27.059	0.000
0.860	0.293	0.285	0.380	0.430	0.183	0.138	0.144	0.079	7.504	0.000
0.863	0.233	0.143	0.327	0.493	0.200	0.204	0.361	0.198	8.371	0.000
1.653	0.511	0.313	0.708	0.974	0.347	0.362	0.531	0.291	15.476	0.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.120	0.000	3.120	200.000
<b>49.000</b>	<b>15.000</b>	<b>12.000</b>	<b>20.000</b>	<b>25.000</b>	<b>10.000</b>	<b>10.000</b>	<b>16.000</b>	<b>7.058</b>	<b>456.130</b>	<b>200.000</b>

Local Authority	2021-22 GAE plus SINA	Percentage Shares	2008-22 Changes	2008-21 Changes	Movement in Changes
	£m	£m	£m	£m	£m
Aberdeen City	306.743	3.55	15.667	7.175	8.492
Aberdeenshire	417.049	4.83	21.301	9.812	11.489
Angus	188.678	2.18	9.637	4.440	5.197
Argyll & Bute	153.775	1.78	7.854	3.655	4.199
Clackmannanshire	80.047	0.93	4.088	1.899	2.189
Dumfries & Galloway	254.015	2.94	12.974	6.042	6.932
Dundee City	239.296	2.77	12.222	5.671	6.551
East Ayrshire	198.135	2.29	10.120	4.651	5.469
East Dunbartonshire	179.653	2.08	9.176	4.252	4.924
East Lothian	167.396	1.94	8.550	3.939	4.611
East Renfrewshire	169.700	1.96	8.667	4.029	4.638
Edinburgh, City of	684.383	7.92	34.955	15.963	18.992
Eilean Siar	66.234	0.77	3.383	1.566	1.817
Falkirk	249.848	2.89	12.761	5.906	6.855
Fife	591.193	6.84	30.195	13.910	16.285
Glasgow City	968.754	11.21	49.479	22.844	26.635
Highland	401.885	4.65	20.526	9.688	10.838
Inverclyde	129.282	1.50	6.603	3.057	3.546
Midlothian	145.843	1.69	7.449	3.431	4.018
Moray	148.978	1.72	7.609	3.482	4.127
North Ayrshire	224.540	2.60	11.468	5.405	6.063
North Lanarkshire	550.112	6.37	28.097	12.988	15.109
Orkney	60.490	0.70	3.090	1.429	1.661
Perth & Kinross	240.883	2.79	12.303	5.625	6.678
Renfrewshire	279.667	3.24	14.284	6.662	7.622
Scottish Borders	192.047	2.22	9.809	4.490	5.319
Shetland	65.522	0.76	3.347	1.586	1.761
South Ayrshire	183.506	2.12	9.373	4.300	5.073
South Lanarkshire	511.379	5.92	26.119	12.160	13.959
Stirling	150.814	1.75	7.703	3.583	4.120
West Dunbartonshire	149.743	1.73	7.648	3.594	4.054
West Lothian	290.836	3.37	14.854	6.885	7.969
<b>Scotland</b>	<b>8640.426</b>	<b>100.000</b>	<b>441.310</b>	<b>204.119</b>	<b>237.191</b>



2021-22	Capital Settlement 2021-22			Specific grants to be paid in 2021-22				
£m	General Capital Grant	Specific Grants	Total Capital Grants	Strathclyde Partnership	Vacant and Derelict Land	TMDF	Cycling Walking & Safer Streets	Total
Aberdeen City	18.519	1.001	19.520	0.000	0.000	0.000	1.001	1.001
Aberdeenshire	23.028	1.144	24.172	0.000	0.000	0.000	1.144	1.144
Angus	10.625	0.509	11.134	0.000	0.000	0.000	0.509	0.509
Argyll & Bute	9.937	0.376	10.313	0.000	0.000	0.000	0.376	0.376
Clackmannanshire	4.322	0.226	4.548	0.000	0.000	0.000	0.226	0.226
Dumfries & Galloway	15.147	0.652	15.799	0.000	0.000	0.000	0.652	0.652
Dundee City	13.847	0.654	14.501	0.000	0.000	0.000	0.654	0.654
East Ayrshire	10.759	0.534	11.293	0.000	0.000	0.000	0.534	0.534
East Dunbartonshire	7.508	0.476	7.984	0.000	0.000	0.000	0.476	0.476
East Lothian	8.494	0.469	8.963	0.000	0.000	0.000	0.469	0.469
East Renfrewshire	5.655	0.418	6.073	0.000	0.000	0.000	0.418	0.418
Edinburgh, City of	38.490	30.249	68.739	0.000	0.000	27.950	2.299	30.249
Eilean Siar	6.412	0.117	6.529	0.000	0.000	0.000	0.117	0.117
Falkirk	24.154	0.705	24.859	0.000	0.000	0.000	0.705	0.705
Fife	25.013	3.087	28.100	0.000	1.451	0.000	1.636	3.087
Glasgow City	49.884	69.227	119.111	0.000	2.159	64.295	2.773	69.227
Highland	24.884	1.033	25.917	0.000	0.000	0.000	1.033	1.033
Inverclyde	6.326	0.341	6.667	0.000	0.000	0.000	0.341	0.341
Midlothian	7.190	0.405	7.595	0.000	0.000	0.000	0.405	0.405
Moray	8.224	0.420	8.644	0.000	0.000	0.000	0.420	0.420
North Ayrshire	-1.861	1.910	0.049	0.000	1.320	0.000	0.590	1.910
North Lanarkshire	20.730	3.433	24.163	0.000	1.938	0.000	1.495	3.433
Orkney Islands	5.119	0.098	5.217	0.000	0.000	0.000	0.098	0.098
Perth & Kinross	25.311	0.665	25.976	0.000	0.000	0.000	0.665	0.665
Renfrewshire	12.126	0.784	12.910	0.000	0.000	0.000	0.784	0.784
Scottish Borders	31.643	0.506	32.149	0.000	0.000	0.000	0.506	0.506
Shetland Islands	5.191	0.100	5.291	0.000	0.000	0.000	0.100	0.100
South Ayrshire	8.539	0.493	9.032	0.000	0.000	0.000	0.493	0.493
South Lanarkshire	21.480	2.141	23.621	0.000	0.737	0.000	1.404	2.141
Stirling	8.380	0.413	8.793	0.000	0.000	0.000	0.413	0.413
West Dunbartonshire	1.023	0.389	1.412	0.000	0.000	0.000	0.389	0.389
West Lothian	11.838	0.802	12.640	0.000	0.000	0.000	0.802	0.802
Undistributed	10.000	0.000	10.000	0.000	0.000	0.000	0.000	0.000
<b>Councils Total</b>	<b>477.937</b>	<b>123.777</b>	<b>601.714</b>	<b>0.000</b>	<b>7.605</b>	<b>92.245</b>	<b>23.927</b>	<b>123.777</b>
Strathclyde Partnership for Transport		15.327	15.327	15.327	0.000	0.000	0.000	15.327
<b>Grand Total</b>	<b>477.937</b>	<b>139.104</b>	<b>617.041</b>	<b>15.327</b>	<b>7.605</b>	<b>92.245</b>	<b>23.927</b>	<b>139.104</b>

Council	Flood Scheme	Total 2021-22 £m
Aberdeenshire Council	Stonehaven	1.246
Aberdeenshire Council	Huntly	0.000
Angus Council	Arbroath	0.259
Argyll & Bute Council	Campbeltown	0.125
Comhairle nan Eilean Siar	South Fords	0.000
Dumfries & Galloway Council	Dumfries/ River Nith/ Whitesands FPS	-0.036
Dumfries & Galloway Council	Stranraer work item 4 &6	0.120
Dumfries & Galloway Council	Langholm	-0.006
Dumfries & Galloway Council	Newton Stewart/ River Cree	-0.016
Dundee City Council	Broughty Ferry	0.000
Dundee City Council	Dundee	0.000
East Ayrshire Council	New Cumnock	0.991
East Dunbartonshire Council	Park Burn	0.000
East Lothian Council	Musselburgh	0.359
East Lothian Council	Haddington	0.023
Falkirk Council	Grangemouth FPS	13.783
Fife Council	Kinness Burn	0.192
Glasgow City Council	White Cart Water Phase 3	0.000
Glasgow City Council	Camlachie Burn	0.000
Highland Council	Smithton and Culloden	-2.213
Highland Council	Caol and Lochyside	1.095
Highland Council	Drumnadrochit	0.661
Inverclyde Council	Inverclyde FPS - Glenmosston Burn	0.000
Inverclyde Council	Inverclyde FPS - Coves Burn	0.000
Inverclyde Council	Inverclyde FPS - Bouverie Burn	0.000
Inverclyde Council	Quarrier's Village	0.000
Moray Council	Newmill	0.000
North Ayrshire Council	Millport Coastal	-9.613
North Ayrshire Council	Upper Garnock FPS	-0.782
North Ayrshire Council	Mill Burn Millport	-0.733
Orkney Islands Council	Kirkwall	0.000
Perth & Kinross Council	Comrie	10.945
Perth & Kinross Council	Milnathort	1.416
Perth & Kinross Council	South Kinross	0.123
Perth & Kinross Council	Scone	0.419
Scottish Borders Council	Hawick	20.588
Stirling Council	Bridge of Allan	0.515
Stirling Council	Stirling	-0.007
Stirling Council	Callander	-0.093
West Dunbartonshire Council	Gruggies Burn	-5.760
	<b>Total</b>	<b>33.601</b>

## TOTAL LOCAL GOVERNMENT FUNDING SETTLEMENT 2021-22

Local Authority	Ring-Fenced Grants	Non Domestic Rates	General Revenue Funding	Total 2021-22 Revenue	General Capital Grant	Specific Grant	Total 2021-22 Capital	2021-22 Local Government Finance Settlement
	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	32.243	255.450	88.278	375.972	18.519	1.001	19.520	395.492
Aberdeenshire	34.455	132.012	312.756	479.223	23.028	1.144	24.172	503.395
Angus	13.854	24.883	188.187	226.925	10.625	0.509	11.134	238.059
Argyll & Bute	12.302	31.559	169.485	213.345	9.937	0.376	10.313	223.658
Clackmannanshire	7.444	17.184	81.103	105.731	4.322	0.226	4.548	110.279
Dumfries & Galloway	16.943	48.881	248.801	314.625	15.147	0.652	15.799	330.424
Dundee City	24.863	33.763	269.122	327.748	13.847	0.654	14.501	342.249
East Ayrshire	18.747	22.093	216.071	256.911	10.759	0.534	11.293	268.204
East Dunbartonshire	13.291	16.812	177.911	208.014	7.508	0.476	7.984	215.998
East Lothian	14.743	27.286	152.694	194.722	8.494	0.469	8.963	203.685
East Renfrewshire	8.506	9.107	178.464	196.076	5.655	0.418	6.073	202.149
Edinburgh, City of	61.959	237.666	532.227	831.852	38.490	30.249	68.739	900.591
Eilean Siar	4.497	7.751	89.356	101.604	6.412	0.117	6.529	108.133
Falkirk	24.798	76.507	214.368	315.673	24.154	0.705	24.859	340.532
Fife	51.131	170.905	503.275	725.312	25.013	3.087	28.100	753.412
Glasgow City	94.552	281.746	986.626	1,362.924	49.884	69.227	119.111	1,482.035
Highland	33.620	134.656	338.000	506.275	24.884	1.033	25.917	532.192
Inverclyde	12.454	15.130	154.288	181.872	6.326	0.341	6.667	188.539
Midlothian	16.548	23.680	143.475	183.703	7.190	0.405	7.595	191.298
Moray	13.091	51.912	115.155	180.158	8.224	0.420	8.644	188.802
North Ayrshire	20.980	35.902	246.996	303.879	- 1.861	1.910	0.049	303.928
North Lanarkshire	51.025	106.283	533.865	691.173	20.730	3.433	24.163	715.336
Orkney	10.593	12.321	59.752	82.666	5.119	0.098	5.217	87.883
Perth & Kinross	16.920	43.889	220.462	281.271	25.311	0.665	25.976	307.247
Renfrewshire	28.742	102.801	219.676	351.219	12.126	0.784	12.910	364.129
Scottish Borders	15.168	33.571	184.485	233.224	31.643	0.506	32.149	265.373
Shetland	14.307	33.598	49.366	97.272	5.191	0.100	5.291	102.563
South Ayrshire	13.388	29.404	180.874	223.666	8.539	0.493	9.032	232.698
South Lanarkshire	43.734	401.967	180.110	625.811	21.480	2.141	23.621	649.432
Stirling	14.233	34.188	140.266	188.687	8.380	0.413	8.793	197.480
West Dunbartonshire	14.097	102.481	90.813	207.391	1.023	0.389	1.412	208.803
West Lothian	22.689	75.611	255.026	353.327	11.838	0.802	12.640	365.967
Undistributed	0.163	0.000	74.979	75.142	10.000	0.000	10.000	85.142
Strathclyde Passenger Transport	0.000	0.000	0.000	0.000	0.000	15.327	15.327	15.327
Scotland	776.081	2,631.000	7,596.311	11,003.392	477.937	139.104	617.041	11,620.433

## Appendix 2

### Budget Overview

	<u>21/22</u> <u>£(000)</u>
<b>2021/22 Deficit Position as per Full Council March 2020</b>	<b>22,498</b>
Budgetary pressures	1,397
<b>2021/22 Budgetary Pressures</b>	<b><u>23,895</u></b>
<b>Balanced by</b>	
<b><u>MTFS Efficiencies and Savings</u></b>	
Service Efficiencies and Savings	(9,628)
<u>Cross Council</u>	
Capital Plan	(1,000)
Workforce	(1,000)
Voluntary Severance	(3,000)
Procurement	(2,000)
	<u>(7,000)</u>
Treasury Management	(3,499)
Bad Debt Provision	(1,000)
	<u>(4,499)</u>
	<u>(21,127)</u>
<b><u>Additional Funding in draft Settlement</u></b>	
RSG	(1,901)
Business Rates	(12,360)
CT Freeze payment	(4,715)
	<u>(18,977)</u>
<b>MTFS allocation TBA</b>	<b>16,209</b>
	<b><u>(23,895)</u></b>

**ABERDEENSHIRE COUNCIL REVENUE BUDGET 2021-26**

Appendix 3

	BASE BUDGET 2021/22 £000	BASE BUDGET 2022/23 £000	BASE BUDGET 2023/24 £000	BASE BUDGET 2024/25 £000	BASE BUDGET 2025/26 £000
<b>EDUCATION &amp; CHILDREN'S SERVICES</b>					
01 Admin & Management	8,064	8,291	8,524	8,764	9,011
02 Area Managers - Banff & Buchan and Garioch	791	813	835	858	882
03 Early Years - Nurseries	19,083	19,231	19,593	19,963	19,963
04 Early Year - Central Costs	20,395	20,971	21,350	21,737	21,737
05 Out of School Care	(247)	(246)	(245)	(244)	(244)
06 Primary	111,605	114,383	117,237	120,172	123,180
07 Secondary	108,190	110,796	113,472	116,222	119,039
08 Special	31,076	31,882	32,710	33,562	34,436
09 Community Learning & Development	3,858	3,962	4,069	4,179	4,292
10 Active Schools	185	208	232	256	282
11 Catering - General	1,299	1,258	1,278	1,299	1,320
12 Catering - Primary & Early Years	3,669	3,789	3,859	3,930	3,930
13 Catering - Secondary & Vending	1,032	1,041	1,046	1,051	1,051
14 Catering - Special	98	101	102	104	104
15 Catering - Support Staff	468	481	488	496	496
16 Children - Community Care	13,067	13,414	13,739	14,072	14,413
17 Children - Self Directed Support	1,667	1,675	1,716	1,758	1,758
18 Children - Family Placement	8,330	8,457	8,586	8,718	8,852
19 Children - Residential Care	2,191	2,254	2,319	2,386	2,455
20 Children - Out of Authority Placements	11,952	12,079	12,207	12,337	12,468
	346,773	354,839	363,117	371,620	379,425
<b>Live Life Aberdeenshire</b>					
21 Arts Development	487	501	516	531	546
22 Macduff Aquarium	170	172	174	175	176
23 Grant Aid	102	104	106	108	110
24 Libraries	4,169	4,280	4,394	4,511	4,631
25 Museums	650	662	674	686	698
26 Outdoor and Adventurous Activities	181	187	192	198	204
27 Halls	363	368	374	379	384
28 Sport & Leisure	3,841	3,909	3,979	4,050	4,122
	9,963	10,183	10,409	10,638	10,871
29 Expenditure to be funded from borrowing	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
<b>EDUCATION &amp; CHILDREN'S SERVICES TOTAL</b>	<b>354,736</b>	<b>363,022</b>	<b>371,526</b>	<b>380,258</b>	<b>388,296</b>
<b>30 INTEGRATION JOINT BOARD</b>	<b>120,833</b>	<b>124,458</b>	<b>128,192</b>	<b>132,038</b>	<b>135,999</b>
<b>INFRASTRUCTURE SERVICES</b>					
31 Support Services	-	-	-	-	-
<b>Planning</b>					
32 Planning Administration	-	-	-	-	-
33 Building Standards	(184)	(195)	(207)	(219)	(232)
34 Development Management	1,270	1,301	1,332	1,364	1,397
35 Policy, Information & Delivery	983	1,007	1,032	1,057	1,083
36 Environment	2,026	2,073	2,121	2,171	2,223
	4,095	4,186	4,278	4,373	4,471
<b>Economic Development &amp; Protective Services</b>					
37 Economic Development	4,086	4,165	4,246	4,329	4,414
38 Protective Services Administration	-	-	-	-	-
39 Consumer Protection	893	917	942	968	995
40 Animal Welfare	297	304	312	320	328
41 Public Analyst	263	266	269	272	275
42 Environmental Health	1,918	1,978	2,039	2,102	2,167
	7,457	7,630	7,808	7,991	8,179
<b>Roads, Landscape Services &amp; Waste Management</b>					
43 Roads Administration & Management	(864)	(911)	(960)	(1,011)	(1,065)
44 Flood Management	205	213	221	229	237
45 Harbours	677	675	672	669	666
46 Roads Maintenance - Expenditure & Income	12,457	12,541	12,625	12,708	12,792
47 Winter Maintenance - Expenditure	4,868	4,919	4,971	5,023	5,076
48 Other Recoverable Works - Roads	-	-	-	-	-
49 Highways	(1,606)	(2,023)	(2,457)	(2,907)	(3,439)
50 Quarries	(1,008)	(1,141)	(1,280)	(1,424)	(1,584)
51 Landscape Services - Administration	(21)	(20)	(19)	(18)	(17)
52 Burial Grounds	(322)	(364)	(408)	(455)	(507)
53 Parks & Open Spaces	5,659	5,718	5,779	5,839	5,899
54 Grounds Maintenance	(355)	(356)	(356)	(356)	(356)
55 Waste Management	-	-	-	-	-
56 Waste Collection	6,889	7,041	7,198	7,357	7,519
57 Waste Disposal	16,196	16,378	16,564	16,749	16,936
58 Street Cleansing	2,700	2,766	2,835	2,904	2,974
	45,477	45,438	45,383	45,305	45,131

**ABERDEENSHIRE COUNCIL REVENUE BUDGET 2021-26**

Appendix 3

		BASE BUDGET 2021/22 £000	BASE BUDGET 2022/23 £000	BASE BUDGET 2023/24 £000	BASE BUDGET 2024/25 £000	BASE BUDGET 2025/26 £000
	<b>Transportation</b>					
59	Transportation	7,369	7,423	7,478	7,532	7,588
60	Car Parks	(93)	(95)	(97)	(100)	(102)
61	Internal Transport	-	-	-	-	-
62	Vehicle Maintenance Services	(24)	(86)	(150)	(217)	(314)
		7,252	7,243	7,231	7,216	7,172
	<b>General Fund Housing</b>					
63	Affordable Housing	258	265	272	279	286
64	Homeless Persons	3,496	3,522	3,548	3,573	3,598
65	Improvement and Repairs Grants	885	884	883	881	879
66	Gypsies / Travellers	155	158	161	164	167
67	Sheltered Housing Support	443	442	441	440	439
68	Community Safety	355	365	376	387	398
		5,592	5,636	5,681	5,724	5,767
69	Area Managers - Kincardine, Mearns & Marr	895	920	945	971	997
70	Expenditure funded from borrowing	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)
	<b>INFRASTRUCTURE SERVICES TOTAL</b>	<b>63,767</b>	<b>64,052</b>	<b>64,325</b>	<b>64,579</b>	<b>64,717</b>
	<b>BUSINESS SERVICES</b>					
71	Chief Executive	345	355	365	376	387
72	Councillors' Remuneration & Expenses	2,291	2,354	2,419	2,486	2,555
73	Business Services Directorate	1,164	1,199	1,235	1,272	1,310
74	Finance	8,173	8,632	9,154	9,684	10,245
75	Internal Audit	402	420	439	458	478
76	Customer and Digital	12,393	12,705	13,024	13,352	13,688
77	Community Planning	69	138	138	138	138
78	Legal and People	7,541	7,801	8,013	8,231	8,455
79	Miscellaneous Licensing	(13)	(19)	(25)	(31)	(38)
80	GVJB	2,160	2,181	2,202	2,224	2,246
81	Printing	536	542	547	551	555
82	Procurement	887	887	887	887	887
83	Woodhill House	1,899	1,909	1,918	1,927	1,936
84	Office Accommodation	2,122	2,147	2,172	2,198	2,224
85	Building Cleaning	-	-	-	-	-
86	Public Conveniences	527	532	537	542	547
87	Operational Buildings	-	-	-	-	-
88	Estates	(3,261)	(3,372)	(3,486)	(3,604)	(3,726)
89	Corporate Estates	154	155	156	157	158
90	Property Construction Services	(1,501)	(1,557)	(1,614)	(1,672)	(1,732)
91	Building Repairs and Maintenance Fund	5,916	5,973	6,031	6,089	6,148
92	Area Managers - Buchan and Formartine	805	827	850	873	897
93	Tackling Poverty and Inequalities	1,048	992	1,005	1,018	1,031
94	Charges to HRA, Capital and Others	(3,287)	(3,287)	(3,287)	(3,287)	(3,287)
	<b>BUSINESS SERVICES TOTAL</b>	<b>40,370</b>	<b>41,514</b>	<b>42,680</b>	<b>43,869</b>	<b>45,102</b>
	<b>OTHER EXPENDITURE</b>					
95	Capital Financing Charges & Interest on Revenue Balances	34,697	38,196	38,196	38,196	38,196
	<b>OTHER EXPENDITURE TOTAL</b>	<b>34,697</b>	<b>38,196</b>	<b>38,196</b>	<b>38,196</b>	<b>38,196</b>
	<b>TOTAL REVENUE EXPENDITURE ALL SERVICES</b>	<b>614,403</b>	<b>631,242</b>	<b>644,919</b>	<b>658,940</b>	<b>672,310</b>
97	Transfer to/(from) Reserves	1,578	-	-	-	-
98	MTFS	8,470	-	-	-	-
	<b>TOTAL REVENUE EXPENDITURE</b>	<b>624,451</b>	<b>631,242</b>	<b>644,919</b>	<b>658,940</b>	<b>672,310</b>
99	Revenue Support Grant	(339,679)	(339,679)	(339,679)	(339,679)	(339,679)
99a	Council Tax Freeze	(4,715)	-	-	-	-
100	Business Rates	(132,012)	(119,652)	(119,652)	(119,652)	(119,652)
101	Council Tax	(148,045)	(148,045)	(148,045)	(148,045)	(148,045)
	<b>TOTAL INCOME</b>	<b>(624,451)</b>	<b>(607,376)</b>	<b>(607,376)</b>	<b>(607,376)</b>	<b>(607,376)</b>
	<b>NET EXPENDITURE/(INCOME)</b>	<b>0</b>	<b>23,866</b>	<b>37,543</b>	<b>51,564</b>	<b>64,934</b>

## Appendix 4

### 1. Financial Risks

- 1.1 The identification and acceptance of risk is a normal part of the budget process. Budget assumptions will carry a degree of financial risk which may result in a budget variation if information or circumstances supporting that assumption change.
- 1.2 Several financial risks have been identified during the preparation of the proposed revenue budget. The following list captures key risks and is not exhaustive. Key risks include:

(1) Grant Settlement

A one-year Settlement has again been received for this budget process. The benefits of a multi-year Settlement continue to be expressed to enhance the accuracy of future years' service delivery and budget setting.

(2) Pay Award

The Scottish Government announced a public sector pay award of :-

- £750 (minimum 3%) for those earning £25,000 or below
- 1% for those earning between £25,000 and £80,000
- A capped increase of £800 for those above £80,000

Whilst this does not apply to Local Government Employees and Teachers it is expected that the above agreement will inform any national pay discussions for 21/22. The pay inflation reflected in the budget assumptions is 3%, these are officer assumptions and are in no way intended to influence the ongoing pay negotiations. A pay settlement of more than 3% will cause in year budgetary pressures which will necessitate remedial action to accommodate.

(3) Staff Costs

As part of the Medium-Term Financial Strategy, Directors have reviewed staff budgets to identify the potential for savings, for non-filling of vacant posts and the scope for structures to be reviewed compared with any impact on service delivery.

All services, particularly Education & Children's Services are likely to face additional pressures on their staffing budgets due to budget decisions, recruitment plans and demographics when compared to the base budget position. The staffing implications are reflected in the report.

In anticipation of the consequences of the budget position leading to a reduction in the number of posts, action has already been taken to manage vacancies, reduce levels of overtime and the number of agency staff. Several steps will be taken to minimise the number of compulsory redundancies including reviewing all temporary contracts, voluntary

severance in areas where services are being reduced and seeking voluntary reduction in contracted hours as well as redeployment and reskilling. In recognition of current and future budget pressures the Council is also in the process of undertaking a planned voluntary severance exercise.

(4) Early Learning & Childcare

Aberdeenshire Council is committed to meeting the expansion of this area of service provision and the entitlement to 1,140 hours. In order to do this a rigorous review of a realistic timeline for delivering this initiative has resulted in a re profiling of the expenditure. Officers continue to deliver this initiative across the period rather than against financial years. This key initiative will continue to be closely monitored.

(5) Treasury Management

Treasury Management involves identifying and accepting a number of risks and assumptions. These include interest rates for borrowing and investing, financial market conditions, the timing of borrowing, levels of cash balances and the timing of the delivery of the Capital Plan. Complementing this is the need to assess the level of cash balances held with the requirement to borrow short or long term and when the Council will need resources to fund the Capital Plan. Uncertainty in the financial markets, particularly with interest rates, means that adverse movements will impact on the overall Loans Fund budget.

(6) Demographic Changes

The demographics of Aberdeenshire continue to show a general rise in population with a specific increase in age profile of the population. The associated challenges of providing care for a rising population where people live with multiple and complex conditions, an increase in pupil numbers and early years' childcare as well as changes due to learning disability clients and child placements are well known. These have been expressed once again during this budget process. This demographic pattern can result in rising demand for services without the immediacy of corresponding increases in grant.

(7) Aberdeenshire Health & Social Care Partnership

Aberdeenshire Council and NHS Grampian share the financial responsibility for funding the Partnership. Aberdeenshire Council's budget assumes that all funds specifically identified for the Partnership are passed on in full. This budget continues to have specific and significant demographic challenges. Considerable work has been undertaken to minimise and mitigate this risk by setting an appropriate budget, with current forecasts indicating that the Partnership is on course to report a within budget position.

(8) Council Tax

Whilst the Council Tax charges remain unchanged for 21/22 within the current economic climate there is a risk of non-collection.



(9) Inflation

The budget has been prepared on the basis that known contracted inflation will be part of the budget, whereas a general inflation provision has been removed. Should this not be possible and if the anticipated levels of inflation increase then this may cause additional pressure on the revenue budget.

(10) Reserves

For a number of years, the General Fund Reserve has been set at £9 million. A review of reserves is undertaken as part of the Medium Term Financial Strategy process to ensure that total reserves are reflective of current circumstances. Reserves are closely monitored throughout each financial year. A separate report on Reserves is included within the Medium-Term Financial Strategy.

(11) Contingent Liabilities

These are issues that, whilst not certain and/or quantifiable at this time, may result in financial liabilities in the future. The Council's exposure to these types of liabilities is reviewed formally annually as part of the Annual Accounts however each year it is important in setting the budget to acknowledge the potential for additional cost to arise that has not yet been quantified.

(12) COVID-19 specific impacts on service expenditure/income loss and savings delivery

The on-going impact of the COVID-19 pandemic poses significant financial risks – increased service expenditure and loss of income from Live Life Aberdeenshire. The continued effects of the pandemic may also affect directorates ability to deliver approved savings and manage on-going pressures to the extent assumed. The financial impact of COVID-19 has been well documented in previous reports to Full Council. However, what is less certain is the long term wider societal and economic impacts of the pandemic and how these may translate in terms of service pressures and future settlements.

(13) EU Exit

The UK left the European Union on 31 December 2020. There remains uncertainty in relation to the impact of the UK exit from the EU on the operation of the Council, for example the cost of goods and services, the availability of workforce.

- 1.3 All of these risks and others within the budget will be monitored and managed in order to identify any issues and address these at an early stage.