

REPORT TO ABERDEENSHIRE COUNCIL – 9 MARCH 2022

REVENUE BUDGET 2022-27

1 Executive Summary/Recommendations

1.1 This report provides details of the proposed Revenue Budget for the financial year 2022/23 and indicative budgets for financial years 2023/24 to 2026/27. The proposed budget includes a Council Tax rise of 3% which was agreed by Council on 23 February 2022. The proposed budget also contains the revenue assumptions associated with the proposed Capital Plan which is included within today's Council agenda.

1.2 The Council is recommended to:

1.2.1 **Agree the funding package from the Scottish Government in Appendix 2, subject to Parliamentary approval of the Scottish Government Budget;**

1.2.2 **Agree the proposed revenue budget for 2022/23 as detailed in Appendix 3, including the proposed savings and planned use of reserves;**

1.2.3 **Agree the indicative revenue budgets for 2023/24 to 2026/27 as detailed in Appendix 4;**

1.2.4 **Note the financial risks associated with this budget as set out in Appendix 5**

1.2.5 **Agree that work continues to balance the future years revenue budgets as part of the Medium-Term Financial Strategy (MTFS).**

2 Decision Making Route

2.1 The Council is required to set a balanced revenue budget for the 2022/23 financial year. The budget must reflect the planned expenditure and anticipated income for the year, and should consider all known financial resources available, including the Local Government Finance Settlement offered by Scottish Government for 2022/23, the assumed Council Tax rise, and the balances available in Reserves.

2.2 To ensure the adequacy of resources to deliver the Council priorities in 2022/23, a full review of all budgetary requirements and anticipated income levels was undertaken by budget holders. All changes to existing budget levels were peer challenged before final review and approval by the Strategic Leadership Team.

- 2.3 Savings and efficiencies have been identified both council wide and by individual services to allow for a balanced budget position.

3 Discussion

- 3.1 The ongoing exceptional operating environment which has been created by the Covid-19 pandemic continues to provide significant challenges to the Council. The past two years have seen unprecedented pressures on our ability to deliver services and generate income, despite funding provided by the Scottish Government. In addition, the Council will experience further budget pressures arising from rising inflation, commodity, and energy prices as well as increases to staffing costs following the increase in employers National Insurance contributions which takes effect from 1 April 2022.
- 3.2 These challenges have reduced the ability to generate sufficient efficiencies or increases to income and charges, therefore, to continue to deliver the Council's priorities to the agreed scope and standard of service and deliver a balanced budget for 2022/23, necessitates the use of reserves.

Local Government Settlement

- 3.3 The budget has been set within the context of the draft Local Government Finance Settlement for 2022/23 which was issued by Scottish Government in December 2021 (**Appendix 2**) and is currently progressing through Parliament with the intention to be passed by the beginning of March 2022. This settlement may be subject to change until the Bill is passed by Parliament.
- 3.4 The Local Government Settlement includes:
- £887.8 million funding across Scotland for Health and Social Care, including £174.5 million for the delivery of the real Living Wage; £15 million for uprating of free personal and nursing care payments; £20.4 million for implementation of the Carers Act; £124 million to provide care at home; £20 million for Interim Care and £200 million to support investment.
 - £145 million for Additional Teachers and Support Staff.
 - Funding for 100-day commitments including the removal of Core Curriculum and Music Tuition charges and expanding the School Clothing Grants.

3.5 The Settlement allocation for Aberdeenshire Council is detailed below:

	Base Budget	Settlement	Movement
	2022/23	2022/23	
	£m	£m	£m
Revenue Support Grant	339.900	327.288	(12.612)
Non-Domestic Rates	104.867	138.786	33.919
Specific Grants (excl Community Justice)	31.639	30.745	(0.894)
Total General Revenue Funding	476.406	496.819	20.413
<i>Earmarked Funding:</i>			
Funding for Teachers			(7.288)
Funding for HSCP			(15.088)
Decrease in Funding			(1.963)
Reduction in Specific Grants Expenditure			0.894
Net Decrease in Funding			(1.069)
Share of Additional £120 million			5.514
Overall Increase in Funding			4.445

3.6 The Council, in setting its current year budget also sets a further four indicative years budgets. It is custom and practice that a prudent flat cash value is used when reflecting the estimated General Revenue Funding for future years. Compared to the estimated income for 2022/23 the draft settlement sees the Council receive an increase in funding from Scottish Government of £20.413 million. However, of this, £15.088 million will be required to be passported to the Health and Social Care Partnership and £7.288 million of the increase relates to additional funding for teachers which will necessitate a corresponding increase in Education expenditure budgets.

3.7 The settlement includes a reduction in Specific Grants relating to the Early Years Expansion (£0.892 million) and Pupil Equity Funding (£0.002 million) which has resulted in a corresponding decrease to these expenditure budgets.

3.8 After these allocations, there is a real decrease in funding from Scottish Government of **£1.069 million**. Following disappointment expressed by Leaders and Cosla on the real decrease in the settlement funding, Scottish Government announced a further £120 million of funding for Local Authorities.

Aberdeenshire's share of this is £5.514 million. Whilst this is welcomed, this funding is currently a one-off increase for 2022/23 only. Cosla continues to lobby for this to be baselined for future years. This funding has been excluded from future years pending confirmation.

- 3.9 The Settlement also advises of additional funding which has not been included in the above allocation. This includes £200 million to support investment in Health and Social Care and £7.6 million for Teachers Induction Scheme which is yet to be allocated. It also includes, £63.95 million for Expansion of Free School Meals, of which Aberdeenshire has been allocated £3.034 million, £12 million for removal of Music Tuition fees, of which Aberdeenshire has been allocated £0.633 million, and £8 million for Removal of Core Curriculum Charges, of which Aberdeenshire have been allocated £0.381 million.

2022/23 Budget Position

- 3.10 Aberdeenshire Council started the 2022/23 budget process with an out of balance position of £23.866 million as the Year 2 budget presented to Council in March 2021. This was subsequently revised following the realignment of the Revenue Support Grant and Business Rates to £6.791million out of balance as presented to Council in June 2021.
- 3.11 Following the review of resourcing requirements by budget holders some £28.154 million cost pressures were identified. These were offset and mitigated by some £11.023 million of base budget changes, because of changes to previously assumed funding requirements and estimated income levels. The revised starting out of balance position was £23.922 million, as detailed in **Appendix 3**.
- 3.12 The proposed budget includes the agreed 3% increase in Council Tax which will generate additional income of £3.764 million. This is net of £0.752 million allocated to fund the borrowing associated with the investment in the Infrastructure Fund as agreed by Council on 17 March 2021. This £0.752m will be held in reserves until the borrowing associated with the Infrastructure Fund is incurred.
- 3.13 Budget efficiencies and savings proposals to reduce the out of balance position have been identified.
- 3.14 At 31 January 2022, the Council held total reserves of £81.513 million comprising:

	£m
Working Balance	11.000
Statutory Funds	20.134
Earmarked Reserves	50.379
Total Reserves	81.513

- 3.15 Of the £50.379 million Earmarked Reserves, £34.2 million do not have any statutory or legal restrictions or commitments associated with them and are therefore available to be drawn down to balance the budget as required. This is a one-off funding option as these reserves are not-recurring, therefore Council is requested to instruct officers to continue work to find future efficiencies and savings to balance future years budgets.
- 3.16 A separate report is included on the agenda of this meeting to consider the Reserves held by the Council. These figures are provisional pending the finalisation of the 2021/22 outturn position which is currently forecasting an out of balance position of £4.854 million which is to be funded from the Pay Award Reserve. This reserve was created to offset any additional costs from the pay award being agreed at a level higher than the 3% budgeted for. The agreed pay award for 2021/22 was in fact, lower than 3%, enabling this reserve to be released.
- 3.17 The Council's reserves are currently higher than previous years, largely due to additional funding received from Scottish Government in 2020/21 and 2021/22 to support the recovery from the Covid-19 pandemic. This funding was one-off in nature, therefore, whilst it can be utilised to balance the 2022/23 budget, this is not a sustainable strategy to balance future years, and the Council must actively strive to find further long-term solutions and efficiencies going forward.
- 3.18 The awareness and acceptance of risk is an integral part of preparing any budget. Uncertainty around inflation rates, interest rates, available funding and changing demand for services pose daily challenges. The current issues facing the Council due to the ongoing pandemic have made the risks even more significant and have required services to adapt and change the way services are delivered and funded. The proposed budget has had to include assumptions around the services the Council are to deliver which may change going forward depending on the course of the pandemic and any further restrictions. These risks are detailed in **Appendix 5** and will be monitored by officers throughout the year and reported to Policy Committees as part of the performance monitoring.
- 3.19 The funding settlement provided by Scottish Government is for one year only. The continuation of a one-year settlement increases the assumptions required to produce future budgets beyond 2022/23 and it is proposed to maintain the prudent approach of assuming a flat cash settlement for future years. The full detailed budgets for 2022/23 through to 2026/27 are included in **Appendix 4**. The cumulative Out of Balance position to 2026/27 is estimated to be £48.04 million. This position assumes an officer's working position of an annual Council Tax increase of 3% therefore, were the increase to be lower, this would increase the out of balance position.

4 Council Priorities, Implications and Risk

- 4.1 This report helps deliver all six of the Council's Strategic Priorities and the key principle that underpins them of responsible financial planning.

4.2 The table below shows whether risks and implications apply if the recommendations are agreed.

Subject	Yes	No	N/A
Financial	X		
Staffing	X		
Equalities and Fairer Duty Scotland	IIA attached as Appendix 1		
Children and Young People's Rights and Wellbeing			X
Climate Change and Sustainability			X
Health and Wellbeing			X
Town Centre First			X

- 4.3 The financial implications are inherent in the report. The impact of the proposed budget on staffing may, in some instances, require staff numbers to be reduced to achieve budget savings in certain areas. The staffing implications of the savings will be assessed to determine how these can be minimised and any voluntary severance will be subject to comprehensive engagement and consultation with employees and Trade Unions in accordance with agreed policies and procedures.
- 4.4 Integrated Impact Assessments have been carried out as part of the development of the Revenue Budget proposals. A summary of the outcome of the Integrated Assessments has been prepared.
- 4.5 A summary and the full version of each Impact Assessment, and detailed breakdown of impact to protected characteristics will be made available on Aberdeenshire Council's website following the budget day announcements.
- 4.6 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.
- 4.7 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. Some proposals will require specific Integrated Impact Assessments to be undertaken to identify the impacts which are currently unknown.
- 4.8 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 identified no differential impact on people with protected characteristics or people facing socio-economic disadvantage. Several additional assessments have a neutral impact on people with protected characteristics or socio-economic factors. Further analysis is provided in **Appendix 1**.

4.9 The following Risks have been identified as relevant to this matter on a Corporate Level:

- Budget Pressures ([Corporate Risk Register](#)) – as detailed above the Council's budget will be under increasing pressure due to rising inflation, energy prices and the ongoing pandemic recovery. This risk has been mitigated during the budget setting process by consultation with directorates to identify and incorporate pressures into the proposed budget to ensure services are adequately funded. This will be monitored throughout the year, with monthly reporting to policy committees and quarterly reporting to Council. This will enable any in year pressure to be identified timeously to ensure action can be taken at an early stage.

4.10 The following Risks have been identified as relevant to this matter on a Strategic Level:

- We live within our means and use public money to maximise outcomes for our communities ([Business Services Directorate Risk Register](#)). This budget sets out the means to which the Council can deliver its services. The deliverability of the budget will be monitored monthly as detailed above.

5 Scheme of Governance

5.1 The Monitoring Officer within Business Services have been consulted in the preparation of this report and had no comments to make and are satisfied that the report complies with the [Scheme of Governance](#) and relevant legislation.

5.2 The Council is able to consider and take a decision on this item in terms of 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.

Ritchie Johnson – Director of Business Services

Report prepared by Mary Beattie, Head of Finance

Appendix 1	Integrated Impact Assessment
Appendix 2	2022-23 Local Government Finance Circular 9-2021
Appendix 3	2022-23 Budget Summary
Appendix 4	2023-24 – 2026-27 Revenue Budgets
Appendix 5	Risks

Outcome of Integrated Impact Assessments in Respect of the Revenue Budget

EDUCATION & CHILDREN'S SERVICES

Primary Administration Review

- No impacts identified.

Class Size Maxima

- No impacts identified.

Remove Cluster Principal Teacher Role

- No impacts identified.

Children's Services Staffing

Neutral impacts for all protected characteristics and socio-economic groups. By deleting posts but retaining the savings to use to recruit workers to deliver the Scottish Child Interview Model, we will mitigate the negative impact of undermining the capacity to deliver the service. Should savings be removed from the budget, the service will face real challenges to mitigate the negative impact.

1% Efficiency Savings Against Primary School Devolved Budgets

- No impacts identified.

1% Efficiency Savings Against Secondary School Devolved Budgets

- No impacts identified.

Staff Schools To Formula Only With Contingency Fund For Discretionary Additionalities

- No impacts identified.

Reconfigure Classes Based On Actual, Not Projected Roll

- No impacts identified.

Introduction Of A Hybrid Model To Deliver Music Tuition

Negative impacts identified are as follows. Fewer pupils being able to continue onto SQA attainment. A reduced Instrumental Music Service (IMS) will mean that there are fewer opportunities for children who live in areas of deprivation. There will be fewer instructors to deliver tuition and transport issues for Music Centre activities for those who live in rural areas. Public transport, such as buses, may not have timetables that align to the programming. There may be an inability for pupils to purchase their own instrument. Mitigation includes managing delivery through the IMS redesign in order to facilitate tuition for those dedicated to develop skills and attainment in instrumental music. Digital tuition has the potential to be delivered from any location. Digital technology can assist in this area but generates challenges that need addressing. Free public transport from February 2022 may be helpful for those areas where suitable public transport is available. Encouraging families that can afford to purchase their own instruments can leave IMS stock availability for free loan.

COMMUNITIES

Team Leader Post Saving (CLD)

- No impacts identified.

BUSINESS SERVICES

Microsoft 365

- No impacts identified.

Grampian Valuation Joint Board IT Service Charge

- No impacts identified.

IT Staffing

- No impacts identified.

CDS Training Budget

- No impacts identified.

Members Travel

- No impacts identified.

Woodhill House Phones

- No impacts identified.

Office Accommodation Phones

- No impacts identified.

Office Accommodation – Additional Rental Income

- No impacts identified.

Rebate From Funding Contributions To Grampian Valuation Joint Board

- No impacts identified.

INFRASTRUCTURE SERVICES

Bennachie Visitor Centre Assistant Post

- No impacts identified.

North East Scotland Sustainable Energy (From Waste) Project: Commissioning Process

Negative impacts for older age, disability, and pregnancy/maternity protected characteristics. These groups may struggle with putting out additional bins for collection, or to cope with reduced capacity of non-recyclable waste bins due to reduced collection frequency, especially if there is additional waste created due to disability or by having more than one child. Negative impacts for the race protected characteristic as some groups may struggle to understand the information about service changes. Mitigations are that assisted collections can be requested where there is no adult in the household able to take the bins to the kerbside for collection. There is provision of additional non-recyclable waste bins to those households that fully use the recycling services available to them and meet the current criteria for additional bins. For those whose first language is not English, pictorial guides will be used as much as possible, including stickers on bins.

Reduction In Countryside Path Budget

- No impacts identified.

Reduction To Economic Development Discretionary Grants (Formerly Known As BRASS)

Neutral impacts for all protected characteristics and socio-economic groups. No negative impacts identified. As the grant scheme is discretionary, it is not possible at this stage to identify groups which may be affected by the decision.

Move To 3-Weekly Bin Collection Cycle

Negative impacts for older age, disability, and pregnancy/maternity protected characteristics. These groups may struggle with putting out additional bins for collection, or to cope with reduced capacity of non-recyclable waste bins due to reduced collection frequency, especially if there is additional waste created due to disability or by having more than one child. Negative impacts for the race protected characteristic as some groups may struggle to understand the information about service changes. Mitigations are that assisted collections can be requested where there is no adult in the household able to take the bins to the kerbside for collection. There is provision of additional non-recyclable waste bins to those households that fully use the recycling services available to them and meet the current criteria for additional bins. For those whose first language is not English, pictorial guides will be used as much as possible, including stickers on bins.

Justification Statements

The screening section as part of Stage One of the Integrated Impact Assessment (IIA) process identifies the requirement for any further detailed assessments to be undertaken. The following areas did not require any further detailed assessment as they do not have a differential impact on people with protected characteristics or people facing socio – economic disadvantage. Justifications are provided for each one as listed in the table below.

IIA Title	IIA Reference Number	Justification
EDUCATION & CHILDREN SERVICES		
Primary Administration Review	IIA 000409	No impacts identified for groups with protected characteristics or those facing socio-economic disadvantage. In the event of any reduction in posts, HR policies would be applied.
Class size maxima	IIA 000374	The change in class size maxima would not be different to any other school within Aberdeenshire in that multi composite classes can exist with up to 25 children within them. Class sizes are based on pupil numbers and configurations that work across our school estate. No impact on health and wellbeing or any of the other assessments can be determined.
Remove Cluster Principal Teacher Role	IIA 000377	There won't be any differential impact on people with protected characteristics or facing socio-economic disadvantage because all cluster educational priorities will be addressed by colleagues across the schools.
1% efficiency savings against Primary school devolved budgets	IIA 000434	The screening section as part of the Stage One of the IIA process has not identified the requirement for any further detailed assessments to be undertaken. There will be no differential impact, as a result of the saving proposed, on people with protected characteristics. The saving will be achieved by reconfiguration of existing resources to deliver the service more efficiently and ensure the current provision is maintained.
1% efficiency savings against Secondary school devolved budgets	IIA 000433	The screening section as part of the Stage One of the IIA process has not identified the requirement for any further detailed assessments to be undertaken. There will be no differential impact, as a result of the saving proposed, on people with protected characteristics. The saving will be achieved by reconfiguration of existing resources to deliver the service more efficiently and ensure the current provision is maintained.

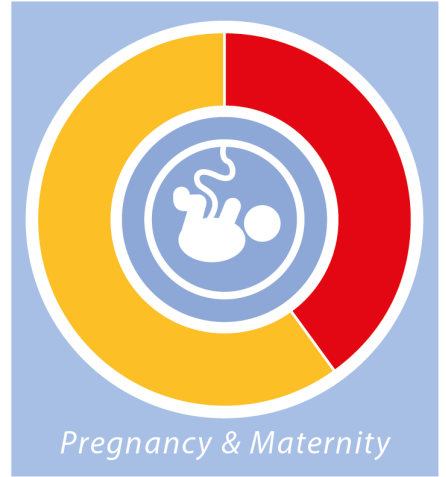
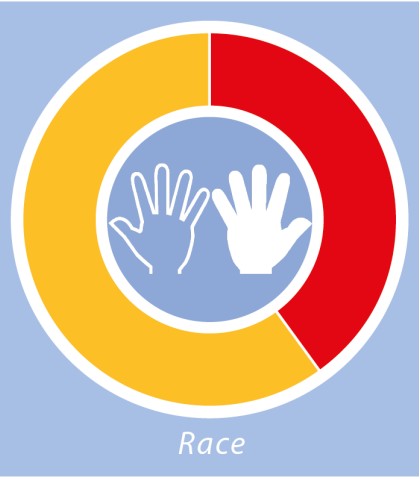
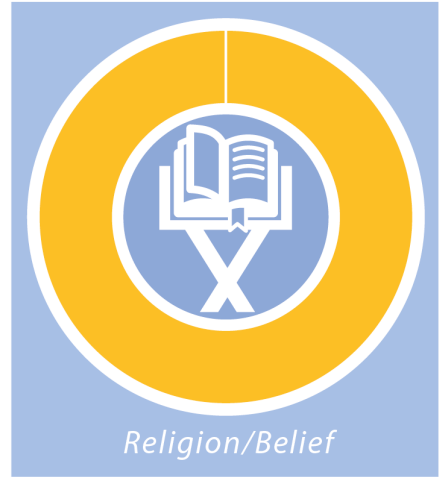
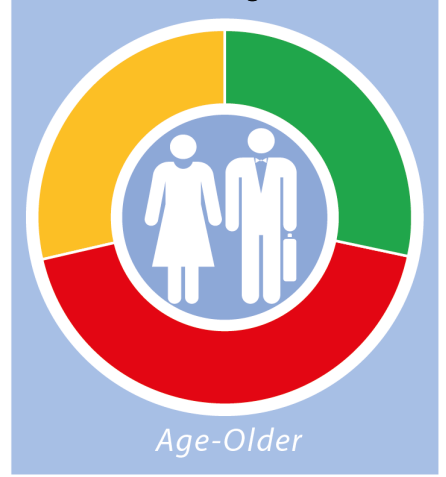
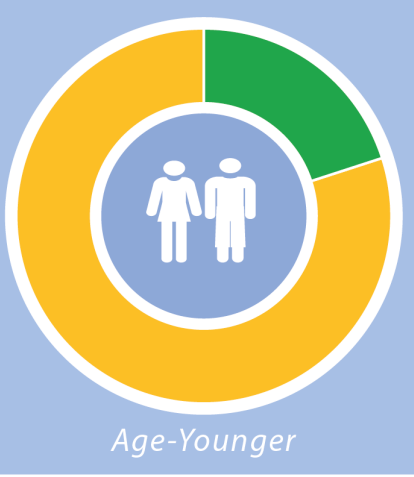
IIA Title	IIA Reference Number	Justification
EDUCATION & CHILDREN SERVICES		
Staff schools to formula only with contingency fund for discretionary additionalities	IIA 000451	No assessments are required as Aberdeenshire have an agreed formulae for the allocation of teaching staff that is based on school roll. Therefore, all schools are equally resourced. Where there is any requirement (very limited number of cases) to consider moving outwith formulae, this will link to officer intelligence and will be within agreed processes. These may include number of spaces that are available for new families that may move into the local area and to stay within formula could be considered a risk when projected school roll figures are taken into account. Other factors may include officer intelligence on particular situations within individual establishments and a need to consider supports that will allow a school to undertake actions to ensure improvements in performance. (Again this will be in a limited number of cases and will be within agreed processes.)
Reconfigure classes based on actual, not projected roll	IIA 000382	Any reconfiguration of classes would take into account the needs of all pupils within affected classes. All pupils would continue to benefit from entitlement to education in whichever class they were placed.
COMMUNITIES		
Team Leader Post Saving (CLD) Community Learning & Development	IIA 000379	The savings result from the deletion of a Team Leader Post in the CLD service. This deletion will support the business redesign within the CLD service which has been undertaken and consulted on following a period of workforce planning. It will allow for a fresher outlook for our CLD service which has not been reviewed for several years. The post will be deleted and a revised management structure put in place. The post will not be backfilled and will be deleted from the structure.
BUSINESS SERVICES		
Microsoft 365	IIA 000163	The savings proposal would change the M365 licence type for up to 1,000 existing IT users. This would align the IT functionality with the job roles and will have no impact on any of the assessment areas.
Grampian Valuation Joint Board IT Service Charge	IIA 000165	This savings proposal relates to increased income for the Customer & Digital Service (C&DS) which will make more efficient use of existing IT resources. Additional revenue will offset pressures elsewhere in the C&DS budget and there will no impact on existing IT services to the council.

IIA Title	IIA Reference Number	Justification
BUSINESS SERVICES		
IT Staffing	IIA 000166	Two posts are being removed from our permanent establishment, reflecting changes in the way that services are delivered in two different areas of IT. The first is a 1 FTE reduction in the number of Infrastructure Analyst posts following the implementation of a new managed Wide Area Network contract. The new contract covers a wider scope of network services which will now be delivered by our supplier. This has been achieved at a similar cost to our previous network contract at the same time as increasing overall network capacity and operational resilience as we work in partnership with the supplier across a wider range of operations. The second is a 1 FTE reduction in the number of Customer Support Analyst posts following the implementation of a new automated chatbot on the IT Hub. This reduces the demand on our Customer Support team as well as delivering a 24x7 service for some IT user queries. This saving represents a 2% reduction in IT staffing and both posts have been vacant for at least 6 months with no significant impact on our performance and service delivery. ITMT will continue to monitor metrics such as customer service performance and network availability to ensure that this permanent reduction in our headcount does not adversely impact on our service delivery or resilience capabilities.
CDS Training Budget	IIA 000144	The Customer & Digital Service (and former IT) training budget has been consistently underspent year on year. The process of training applications is managed through a governance process involving all managers in C&DS. The adjustment reflects the increasing uptake of free courses through our Microsoft partners and a refinement based on clear evidence. There is no likely impact on those with protected characteristics or as part of the screening questions as a result of the change.
Woodhill House Phones	IIA 000455	Budget saving associated with the provision of BT Phonelines for Woodhill House
Office Accommodation Phones	IIA 000460	Budget saving associated with the provision of BT Phonelines for Offices
Office Accommodation Phones–Additional Rental Income	IIA 000461	Budget income associated with the lease to Police Scotland at Buchan House

IIA Title	IIA Reference Number	Justification
BUSINESS SERVICES		
Rebate from funding contributions to Grampian Valuation Joint Board	IIA 000452	The proposal relates to a rebate from contributions made to the Grampian Valuation Joint Board. This happens on a regular basis and has been put forward as a saving on this occasion. There is no impact on any of the protected groups, nor any implications arising from the screening questions.
INFRASTRUCTURE SERVICES		
Bennachie Visitor Centre Assistant Post	IIA 000431	The proposal to reduce the Bennachie Visitor Centre staffing budget will have no impact upon the operation of the centre or current staffing levels. The Seasonal Fixed Hour Assistant role will continue with the costs of this post being met by LLA. There may still be additional costs associated with any enhanced hour payments for working weekends and public holidays and any hours above the 22.5 hours per week the seasonal assistant is contracted to in their substantive LLA post which it is anticipated can be met through remaining budgets in the environment team.
Reduction in Countryside Path Budget	IIA 000430	No impacts identified as we are confident that the reduction in budget can be compensated for through additional funding streams, both internal and external, so we do not envisage any impact upon equality or socio-economic impacts as the workstreams will not be impacted adversely by the proposed budget reduction.

Revenue Budget: Impacts on Protected Characteristics

- Positive
- Negative
- Neutral
- Unknown



Budget Overall

Positive	9.26%
Negative	16.67%
Neutral	74.07%
Unknown	0.00%
Total	100.00%

Age-(Younger)

Positive	20.00%
Negative	0.00%
Neutral	80.00%
Unknown	0.00%
Total	100.00%

Age-(Older)

Positive	28.57%
Negative	42.86%
Neutral	28.57%
Unknown	0.00%
Total	100.00%

Disability

Positive	28.57%
Negative	28.57%
Neutral	42.86%
Unknown	0.00%
Total	100.00%

Race

Positive	0.00%
Negative	40.00%
Neutral	60.00%
Unknown	0.00%
Total	100.00%

Religion and Belief

Positive	0.00%
Negative	0.00%
Neutral	100.00%
Unknown	0.00%
Total	100.00%

Sex

Positive	0.00%
Negative	0.00%
Neutral	100.00%
Unknown	0.00%
Total	100.00%

Pregnancy and Maternity

Positive	0.00%
Negative	40.00%
Neutral	60.00%
Unknown	0.00%
Total	100.00%

Sexual Orientation

Positive	0.00%
Negative	0.00%
Neutral	100.00%
Unknown	0.00%
Total	100.00%

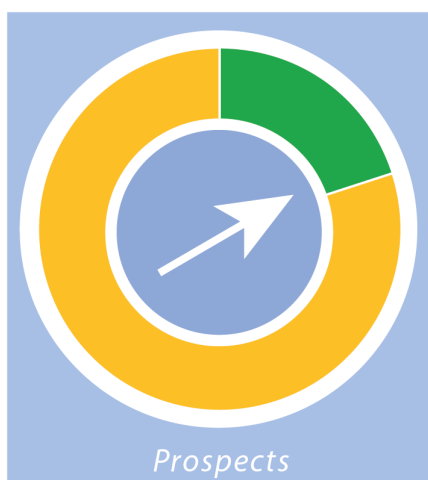
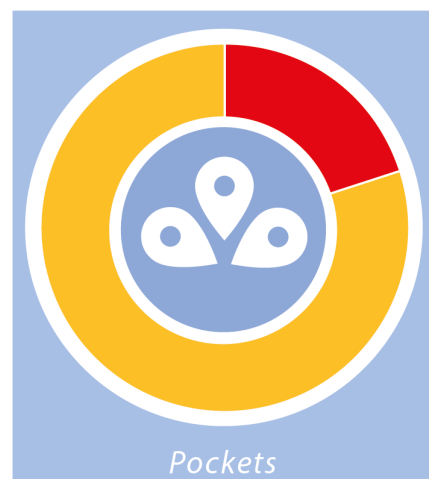
Gender Reassignment

Positive	0.00%
Negative	0.00%
Neutral	100.00%
Unknown	0.00%
Total	100.00%

Marriage and Civil Partnership

Positive	0.00%
Negative	0.00%
Neutral	100.00%
Unknown	0.00%
Total	100.00%

Revenue Budget: Socio-Economic Impacts



Overall

Positive	6.67%
Negative	13.33%
Neutral	80.00%
Unknown	0.00%
Total	100.00%

Place

Positive	0%
Negative	20%
Neutral	80%
Unknown	0%
Total	100.00%

Pockets

Positive	0%
Negative	20%
Neutral	80%
Unknown	0%
Total	100.00%

Prospects

Positive	20%
Negative	0%
Neutral	80%
Unknown	0%
Total	100.00%



Email: Ellen.Leaver@gov.scot

Local Government Finance Circular No. 9/2021

Chief Executives and Directors of Finance of
Scottish Local Authorities

Chief Executive, Convention of Scottish Local
Authorities (COSLA)

Our ref: A35918518
20 December 2021

Dear Chief Executive/Director of Finance

1. LOCAL GOVERNMENT FINANCE SETTLEMENT 2022-23 2. NON-DOMESTIC RATES

1. This Local Government Finance Circular provides details of the provisional total revenue and capital funding allocations for 2022-23, as well as the latest information on current known redeterminations for 2021-22. This Circular also provides details on a range of Non-Domestic Rates measures, including the proposed 2022-23 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 2022 being presented to the Scottish Parliament. This is currently scheduled for early February 2022.
3. We expect local authorities to inform COSLA, and for COSLA in turn to inform the Scottish Government by no later than 21 January 2022, 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 provisional only 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 2022.
4. The Cabinet Secretary for Finance and Economy wrote to the COSLA President, copied to all Council Leaders on 9 December 2021, confirming the package of measures that make up the settlement to be provided to local government. This Circular should be read in conjunction with that letter. The terms of this settlement have been discussed with 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 over £12.5 billion and includes:
- £174.5 million for continued delivery of the real Living Wage within Health and Social Care;
 - £15 million for uprating of free personal and nursing care payments;
 - £20.4 million for implementation of the Carers Act;
 - Additional investment of £124 million to provide care at home;
 - £20 million to support Interim Care;
 - An additional £200 million to support investment in health and social care;
 - £145 million for Additional Teachers and Support Staff;
 - Maintained funding for 100 day commitments including the removal of curriculum and music tuition charges and expanded School Clothing Grant; and
 - An additional £64 million revenue that was not identified on the face of the budget as well as the £30 million of capital funding already identified to facilitate the expansion of Free School Meals.
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 deliver on shared priorities and benefit local government services. Table 5.17 in the Scottish Government's "Budget Document: 2022-23", which was published on 9 December 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. Any undistributed sums will be allocated in the standard way following consideration by the Settlement and Distribution Group. We have shared a separate note with COSLA providing a full reconciliation of the changes between the 2021-22 and 2022-23 Budgets and between the 2022-23 Budget and the figures in this Circular. We have also provided full details of all the revenue and capital 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: 2022-23 and changes in 2021-22;
 Part B: Local Government Finance Settlement – Capital: 2022-23;
 Part C: Non-Domestic Rates for 2022-23.

The various Annexes included in this Circular are as follows:

- Annex A: All Scotland Aggregated Funding Totals 2021-23;
 Annex B: Individual Revenue Allocations for 2022-23;
 Annex C: Revised Individual Revenue Allocations for 2021-22;
 Annex D: Explanatory Notes on the Revenue Distribution;
 Annex E: Estimates of Ring-Fenced Grant Revenue Funding for 2022-23;
 Annex F: Floor calculation for 2022-23;
 Annex G: Redeterminations of Individual Revenue funding for 2021-22;
 Annex H: 2008-23 Changes Column;
 Annex I: General Capital Grant and Specific Capital Grants 2022-23;
 Annex J: General Capital Grant – Flood Allocations Per Local Authority 2022-23; and
 Annex K: Total Local Government Funding Settlement 2022-23.

Part A: Local Government Finance Settlement - Revenue: 2022-23 and changes in 2021-22

9. This Finance Circular sets out the provisional distribution of revenue funding allocations for 2022-23. **Annex A** of this Circular sets out the all-Scotland aggregate totals for 2021-23.
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 2022-23 and 2021-22. The basis behind the grant distribution methodology is as recommended in the report from the Settlement and Distribution Group (SDG). 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 2022-23.
12. The calculation and effects of the main floor adjustment for 2022-23, which provided councils with a maximum decrease in the funding used in the calculation of the main floor of -0.42%, 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 2018.
13. This Circular confirms the continuation of the **85% funding floor** for 2022-23. The methodology compares total revenue funding plus local authorities' assumed 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 2021-22 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 2021-22 settlement set out in Annex A and Annex C. The COVID-19 related additional funding is a constantly changing position however the redetermination allocations for 2021-22 to be paid as General Revenue Grant as at the end of January will be included in the Local Government Finance (Scotland) Order 2022.
15. **Annex H** summarises the column within the settlement titled 2008-23 Changes Column.

Part B: Local Government Finance Settlement – Capital Grants 2022-23

16. In 2022-23 the Local Government Settlement provides capital grants totalling £679.6 million. This is made up of General Capital Grant totalling £540.5 million and Specific Capital Grants totalling £139.1 million.
17. **Annex I** sets out the provisional distribution of the Settlement for capital per local authority for 2022-23. The methodologies used to calculate these provisional allocations have been agreed with COSLA. Capital grants which remain undistributed are identified as such.
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 2022-23.

Part C: Non-Domestic Rates for 2022-23

20. The Distributable Amount of Non-Domestic Rates Income for 2022-23 has been provisionally set at £2,766 million. This figure uses the latest forecast of net income from non-domestic rates in 2022-23 and also draws on council estimates of the amounts they will contribute to the Non-Domestic Rating Account (the 'Pool') in 2021-22. 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 2022-23 has been based on the amount each Council estimates that it will collect (based on the 2021-22 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 2022-23 Non-Domestic Basic Property Rate ('poundage') is provisionally set at 49.8 pence. Two additional rates are levied on properties with a rateable value over £51,000 (51.1 pence) and £95,000 (52.4 pence) respectively.
22. The Scottish Budget 2022-23 also introduces the following policies:
- 50% Retail, Hospitality and Leisure relief for the first three months of 2022-23, capped at £27,500 per ratepayer
 - Business Growth Accelerator relief will be expanded by making increases in rateable value due to the installation of solar panels a qualifying improvement eligible for relief from 1 April 2022
 - Enterprise Areas relief will be extended for one year to 31 March 2023.
23. The Scottish Budget 2022-23 maintains the following reliefs which are set annually:
- Small Business Bonus Scheme relief, which lifts over 111,000 properties out of rates altogether as at 1 June 2021; 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: day nursery relief, disabled rates relief, district heating relief, empty property relief, Fresh Start relief, hardship relief, hydro relief, mobile masts relief, new fibre relief, renewable energy relief, renewable heat networks relief, reverse vending machine relief, rural relief, sports club relief and stud farms relief. Charitable rates relief will also be maintained, however from 1 April 2022 mainstream independent schools will no longer be eligible for this relief, as recommended by the independent Barclay Review of Non-Domestic Rates in 2017.
25. The Barclay Review also 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." This policy will be implemented 1 April 2022, from which point self-catering premises will be required to meet these criteria. Councils will have discretion in the event of exceptional circumstances, which lead to the criteria not being met, to determine that a property can continue to be treated as a self-catering premises.
26. We will lay legislation to help local authorities tackle a known avoidance tactic on empty non-domestic properties. This policy will provide local authorities with the discretion, in prescribed circumstances, to restrict the awarding of 100% empty property rates relief where the occupier

has entered insolvency, compulsorily (by the court) or voluntarily. This will deliver greater fiscal empowerment for councils in advance of the devolution of empty property relief in April 2023.

27. 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 £335,000) over any period of three fiscal years.
28. Councils may also offer their own local reliefs under the Community Empowerment (Scotland) Act 2015.
29. Information on the Business Rates Incentivisation Scheme (BRIS) will be set out later.

Enquiries relating to this Circular

30. It should be noted that figures in this Circular may be marginally different from final allocations 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:

Mirren Kelly
Mirren@cosla.gov.uk

Any other queries should be addressed to the following:

Local Government Revenue Settlement and BRIS.
Bill Stitt Bill.Stitt@gov.scot

Local Government Finance Settlement (Capital)
Craig Inglis Craig.Inglis@gov.scot

Non-Domestic Rates
Anouk Berthier Anouk.Berthier@gov.scot

31. 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

Ellen Leaver

Deputy Director, Local Government & Analytical Services Division

	2021-22 £ million	2022-23 £ million
Revenue Funding		
General Resource Grant	8558.218	8307.650
Non Domestic Rate Income	2090.000	2766.000
Specific Revenue Grants	776.081	784.983
Total Revenue	11,424.299	11,858.633
<i>less</i> Redress Top-Slice	0.000	5.000
Net Total Revenue	11,424.299	11,853.633
<i>less</i> Teachers' Induction Scheme	0.000	37.600
<i>less</i> Discretionary Housing Payments	35.369	80.200
<i>less</i> Gaelic	0.163	0.103
<i>less</i> Pupil Equity Fund	0.000	10.000
<i>less</i> Customer First Top-up	0.446	1.410
<i>less</i> Support for Ferries	0.000	1.000
<i>less</i> SCP Bridging Payments	0.000	68.200
<i>less</i> New Health and Social Care	0.000	200.000
<i>less</i> Removal of Curriculum Charges	0.000	8.000
<i>less</i> Removal of Music Tuition Charges	0.000	12.000
<i>less</i> Free School Meals Revenue	0.000	42.200
<i>less</i> Free School Meals revenue Holiday Provision	0.000	21.750
<i>less</i> Educational Psychology Trainees	0.000	0.450
<i>Total Undistributed Revenue Funding</i>	<i>35.978</i>	<i>482.913</i>
Distributable Revenue Funding	11,388.321	11,370.720
Capital Funding		
General Capital Grant	509.931	540.537
Specific Capital Grants	123.777	123.777
Distributed to SPT	15.327	15.327
Total Capital	649.035	679.641
Total Funding	12,073.334	12,538.274

2021-22 RECONCILIATION FROM FINANCE CIRCULAR 5/2021

General Resource Grant Circular	8,177.311
In Year Additions - Annex G - General Total	460.071
Teachers Induction Scheme Distributed	-37.600
Customer First Distributed	-0.964
Funding for Pressures Distributed	-40.000
School Child Burials Distributed	-0.600
Revised General Resource Grant Circular 9/2021	8,558.218
General Capital Grant	489.937
Play Park Renewal	5.000
Nature Restoration Fund	5.000
Aberdeen City Deals	3.000
Co2 Monitors	7.000
Undistributed Local Bridge Maintenance Fund	-0.006
Revised General Capital Grant Circular 9/2021	509.931

£million	Expenditure					Funding						
	1	2	3	4	5	6	7	8	9	10	11	13
	Updated Service Provision	2008-23 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	454.146	18.816	17.891	-6.589	484.264	93.626	28.831	268.557	93.250	390.638	0.000	390.638
Aberdeenshire	578.711	23.971	18.838	-8.607	612.914	113.278	33.562	138.786	327.288	499.636	0.000	499.636
Angus	263.549	10.891	11.249	-3.376	282.313	44.383	15.010	26.160	196.760	237.930	0.000	237.930
Argyll & Bute	225.412	9.332	9.037	15.850	259.632	39.931	12.186	33.179	174.335	219.701	0.000	219.701
Clackmannanshire	121.973	5.053	4.595	-1.828	129.792	19.572	8.045	18.065	84.110	110.220	0.000	110.220
Dumfries & Galloway	361.823	14.950	15.126	-3.287	388.612	59.603	18.545	51.388	259.076	329.009	0.000	329.009
Dundee City	361.878	14.994	5.762	3.124	385.758	47.795	23.184	35.496	279.282	337.963	0.000	337.963
East Ayrshire	294.339	12.192	9.710	-4.582	311.659	42.949	18.810	23.226	226.674	268.710	0.000	268.710
East Dunbartonshire	257.788	10.674	3.961	-3.700	268.722	51.034	12.364	17.675	187.649	217.688	0.000	217.688
East Lothian	241.066	9.982	3.684	-3.451	251.280	47.700	13.605	28.686	161.290	203.580	0.000	203.580
East Renfrewshire	233.795	9.681	9.020	-3.271	249.225	43.756	9.951	9.574	185.944	205.469	0.000	205.469
Edinburgh, City of	1,012.919	41.960	23.165	9.231	1,087.276	224.483	56.739	249.861	556.192	862.793	10.116	872.909
Eilean Siar	85.022	3.520	6.824	17.984	113.349	9.602	4.346	8.149	91.253	103.747	0.000	103.747
Falkirk	358.738	14.853	19.163	-5.415	387.339	59.717	23.131	80.433	224.058	327.622	0.000	327.622
Fife	849.532	35.166	30.245	-13.035	901.908	141.061	52.847	179.675	528.325	760.847	0.000	760.847
Glasgow City	1,484.686	61.583	36.258	42.849	1,625.375	217.525	100.324	296.203	1,011.323	1,407.850	0.000	1,407.850
Highland	570.382	23.612	30.254	-2.212	622.036	98.460	32.673	141.565	349.338	523.576	0.000	523.576
Inverclyde	195.186	8.076	9.993	2.258	215.513	27.699	11.315	15.906	160.593	187.814	0.000	187.814
Midlothian	215.840	8.948	6.337	-3.088	228.037	37.780	14.835	24.895	150.527	190.257	0.000	190.257
Moray	210.060	8.683	8.194	-3.253	223.683	34.745	12.020	54.575	122.343	188.938	0.000	188.938
North Ayrshire	336.897	13.950	5.730	8.084	364.661	50.154	20.057	37.745	256.705	314.507	0.000	314.507
North Lanarkshire	806.019	33.418	9.853	-12.171	837.119	117.725	49.382	111.737	558.274	719.394	0.000	719.394
Orkney Islands	84.366	3.510	5.605	-1.330	92.151	8.243	15.527	12.954	55.426	83.908	0.000	83.908
Perth & Kinross	340.423	14.074	11.853	-4.793	361.557	66.803	17.194	46.141	231.418	294.754	0.000	294.754
Renfrewshire	417.825	17.310	7.705	-6.131	436.710	71.555	25.589	108.076	231.489	365.155	0.000	365.155
Scottish Borders	271.372	11.220	12.405	-3.539	291.459	48.476	15.017	35.294	192.672	242.983	0.000	242.983
Shetland Islands	92.654	3.861	5.943	4.690	107.148	8.300	20.722	35.322	42.804	98.848	0.000	98.848
South Ayrshire	268.116	11.085	8.904	-4.041	284.064	48.255	13.887	30.913	191.009	235.809	0.000	235.809
South Lanarkshire	739.475	30.614	9.939	-1.429	778.599	126.650	43.109	422.591	186.249	651.949	0.000	651.949
Stirling	218.750	9.060	10.795	-3.309	235.297	39.162	12.665	35.942	147.528	196.135	0.000	196.135
West Dunbartonshire	229.206	9.504	3.601	4.739	247.051	33.568	13.817	107.740	91.925	213.483	0.000	213.483
West Lothian	413.150	17.118	12.292	-6.375	436.186	66.492	24.590	79.491	265.613	369.694	0.000	369.694
Scotland	12,595.095	521.659	383.931	0.000	13,500.686	2,140.082	773.879	2,766.000	7,820.724	11,360.604	10.116	11,370.720

REVISED INDIVIDUAL REVENUE ALLOCATIONS 2021-22

£million	Expenditure					Funding								Circular 5/2021 Non-Recurring Covid Consequential	Non Recurring Covid Funding
	1	2	3	4	5	6	7	8	9	10	11	12	13		
	Updated Service Provision £m	2008-22 Changes £m	Loan Charges/ PPP/ LPFS £m	Main Floor £m	Total Estimated Expenditure £m	Assumed Council Tax contribution £m	Total Ring- fenced Grants £m	Non Domestic Rates £m	General Revenue Funding £m	Total £m	85% floor £m	Council Tax Freeze	Revised Total £m		
Aberdeen City	447.187	15.667	18.624	-0.354	481.123	93.989	32.243	202.923	151.968	387.134	0.000	4.206	391.340	9.195	6.299
Aberdeenshire	571.356	21.301	19.474	-7.332	604.798	111.729	34.455	104.867	353.747	493.069	0.000	4.715	497.785	12.501	6.795
Angus	260.700	9.637	11.591	-3.419	278.509	43.972	13.854	19.766	200.916	234.537	0.000	1.727	236.264	5.656	3.731
Argyll & Bute	225.587	7.854	9.313	15.222	257.977	39.450	12.302	25.070	181.155	218.527	0.000	1.762	220.289	4.609	2.725
Clackmannanshire	121.045	4.088	4.747	-0.594	129.287	19.547	7.444	13.650	88.645	109.740	0.000	0.829	110.569	2.399	2.088
Dumfries & Galloway	358.934	12.974	15.653	-2.800	384.760	59.355	16.943	38.830	269.633	325.405	0.000	2.364	327.769	7.614	5.398
Dundee City	364.096	12.222	5.967	5.215	387.500	47.379	24.863	26.821	288.437	340.121	0.000	2.123	342.244	7.173	6.514
East Ayrshire	292.358	10.120	10.101	-3.872	308.707	42.537	18.747	17.550	229.873	266.170	0.000	1.903	268.074	5.939	4.972
East Dunbartonshire	258.023	9.176	4.100	-2.425	268.873	50.689	13.291	13.355	191.538	218.184	0.000	2.153	220.337	5.385	3.091
East Lothian	237.598	8.550	3.813	-1.947	248.014	46.349	14.743	21.675	165.246	201.665	0.000	1.948	203.613	5.018	3.240
East Renfrewshire	231.999	8.667	9.164	-1.799	248.032	43.195	8.506	7.234	189.097	204.837	0.000	1.802	206.639	5.087	2.641
Edinburgh, City of	1,001.090	34.955	23.755	10.499	1,070.299	222.915	61.959	188.796	596.629	847.384	8.409	9.615	865.408	20.515	14.520
Eilean Siar	86.541	3.383	7.071	16.347	113.341	9.544	4.497	6.157	93.143	103.797	0.000	0.372	104.169	1.985	0.868
Falkirk	359.156	12.761	19.582	-4.157	387.341	59.394	24.798	60.775	242.374	327.947	0.000	2.358	330.305	7.489	5.520
Fife	841.792	30.195	31.534	-11.004	892.517	140.079	51.131	135.763	565.544	752.438	0.000	5.829	758.267	17.721	13.286
Glasgow City	1,479.101	49.479	90.881	4.170	1,623.631	215.650	94.552	223.812	1,089.617	1,407.981	0.000	9.671	1,417.653	29.039	31.049
Highland	568.257	20.526	31.353	-1.010	619.127	97.845	33.620	106.967	380.695	521.282	0.000	4.231	525.513	12.047	7.573
Inverclyde	195.521	6.603	10.359	3.047	215.530	27.533	12.454	12.019	163.524	187.997	0.000	1.198	189.195	3.875	3.422
Midlothian	212.768	7.449	6.450	-0.001	226.665	36.786	16.548	18.811	154.521	189.879	0.000	1.663	191.542	4.372	2.906
Moray	208.057	7.609	8.484	-2.731	221.419	34.539	13.091	41.237	132.552	186.880	0.000	1.482	188.362	4.466	2.628
North Ayrshire	336.732	11.468	6.918	8.508	363.626	49.870	20.980	28.520	264.257	313.756	0.000	2.182	315.938	6.731	6.182
North Lanarkshire	806.019	28.097	10.197	-10.308	834.005	117.132	51.025	84.429	581.420	716.873	0.000	4.640	721.513	16.490	13.884
Orkney Islands	84.688	3.090	5.824	-1.204	92.397	8.146	10.593	9.788	63.870	84.251	0.000	0.319	84.571	1.813	0.637
Perth & Kinross	335.551	12.303	12.247	-4.225	355.877	65.922	16.920	34.864	238.171	289.955	0.000	2.817	292.772	7.220	4.016
Renfrewshire	416.831	14.284	7.979	-3.013	436.081	70.931	28.742	81.663	254.744	365.150	0.000	3.019	368.169	8.383	6.796
Scottish Borders	269.604	9.809	12.894	-3.539	288.768	47.999	15.168	26.668	198.933	240.769	0.000	1.955	242.724	5.757	3.679
Shetland Islands	91.616	3.347	7.162	4.984	107.109	8.234	14.307	26.690	57.878	98.875	0.000	0.323	99.198	1.964	0.643
South Ayrshire	264.891	9.373	9.199	-3.381	280.081	48.033	13.388	23.358	195.303	232.048	0.000	2.102	234.150	5.501	4.045
South Lanarkshire	732.365	26.119	10.285	3.745	772.514	125.178	43.734	319.312	284.289	647.336	0.000	4.882	652.217	15.329	12.388
Stirling	217.747	7.703	11.112	-2.572	233.990	38.914	14.233	27.158	153.685	195.076	0.000	1.690	196.765	4.521	2.669
West Dunbartonshire	230.836	7.648	3.726	5.350	247.560	33.812	14.097	81.408	118.242	213.748	0.000	1.423	215.171	4.488	4.161
West Lothian	410.495	14.854	12.669	-5.401	432.617	65.519	22.689	60.063	284.345	367.098	0.000	2.699	369.797	8.718	6.805
Scotland	12,518.540	441.310	452.228	0.000	13,412.078	2,122.166	775.918	2,090.000	8,423.994	11,289.912	8.409	90.000	11,388.321	259.000	195.171

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 - 2023 allocated pro-rata to each council's share of TEE as agreed with the Settlement and Distribution Group (SDG).

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 (PEF), 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 2021-22 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 2022-23.

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.

Column 12 - is the revised total funding including all the changes and the 85% funding floor adjustments.

Local Authority	Gaelic	Pupil Equity Fund (PEF)	Criminal Justice Social Work	Early Learning and Childcare Expansion	ELC Deferral Pilots	Inter-Island Ferries
	£m	£m	£m	£m	£m	£m
Aberdeen City	0.092	3.049	3.953	20.537	1.200	0.000
Aberdeenshire	0.000	2.852	2.817	27.893	0.000	0.000
Angus	0.023	2.141	1.628	10.518	0.700	0.000
Argyll & Bute	0.365	1.304	0.984	7.964	0.300	1.269
Clackmannanshire	0.002	1.498	1.117	5.128	0.300	0.000
Dumfries & Galloway	0.000	2.813	2.521	13.212	0.000	0.000
Dundee City	0.000	4.968	3.551	14.665	0.000	0.000
East Ayrshire	0.144	3.434	2.108	13.124	0.000	0.000
East Dunbartonshire	0.077	1.631	0.791	9.865	0.000	0.000
East Lothian	0.008	1.582	1.068	10.946	0.000	0.000
East Renfrewshire	0.012	1.326	0.614	7.998	0.000	0.000
Edinburgh, City of	0.320	7.121	7.984	41.314	0.000	0.000
Eilean Siar	0.965	0.287	0.294	2.799	0.000	0.000
Falkirk	0.014	3.587	2.684	16.046	0.800	0.000
Fife	0.010	9.684	6.105	35.448	1.600	0.000
Glasgow City	0.560	21.760	15.519	59.685	2.800	0.000
Highland	0.910	3.928	3.239	23.906	0.000	0.690
Inverclyde	0.068	2.349	1.300	7.598	0.000	0.000
Midlothian	0.007	2.166	1.251	11.411	0.000	0.000
Moray	0.003	1.367	1.291	9.359	0.000	0.000
North Ayrshire	0.090	4.212	2.662	13.093	0.000	0.000
North Lanarkshire	0.265	8.930	5.345	34.842	0.000	0.000
Orkney Islands	0.000	0.233	0.235	2.213	0.000	12.847
Perth & Kinross	0.104	1.665	1.831	13.594	0.000	0.000
Renfrewshire	0.016	4.274	2.583	18.716	0.000	0.000
Scottish Borders	0.001	1.763	1.256	11.497	0.500	0.000
Shetland Islands	0.000	0.223	0.252	2.758	0.200	17.289
South Ayrshire	0.015	2.351	1.729	9.792	0.000	0.000
South Lanarkshire	0.170	8.098	4.412	30.428	0.000	0.000
Stirling	0.115	1.390	1.239	9.421	0.500	0.000
West Dunbartonshire	0.015	3.104	1.631	9.067	0.000	0.000
West Lothian	0.008	4.910	2.455	17.217	0.000	0.000
Scotland	4.379	120.000	86.450	522.056	8.900	32.095

Notes: These figures represent the best estimates used in the calculation of the 2022-23 local government finance settlement, including the calculation of the Floors. The actual sums payable will be notified to the relevant Policy Team.

PEF allocations for 2022-23 are still being prepared by the Scottish Government. The figures refer to local authority PEF allocations in the 2021-22 financial year, less the one-off Pupil Premium which will not be repeated in 2022-23.

The distribution of the Inter-Island Ferries has also necessarily used estimated figures and currently excludes £1 million previously paid in respect of Orkney Transport.

FLOOR CALCULATION 2022-23

Local Authority	Grant Without Floor	Change Without Floor	Floor Change	Grant With Floor	Change With Floor
	£m	%	£m	£m	%
Moray	151.676	2.87%	-3.253	148.423	0.66%
Orkney Islands	61.991	2.59%	-1.330	60.661	0.39%
West Lothian	297.202	2.53%	-6.375	290.827	0.33%
South Ayrshire	188.393	2.52%	-4.041	184.352	0.32%
Fife	607.734	2.48%	-13.035	594.699	0.28%
North Lanarkshire	567.442	2.48%	-12.171	555.271	0.28%
East Ayrshire	213.609	2.47%	-4.582	209.027	0.27%
East Lothian	160.913	2.40%	-3.451	157.462	0.20%
Aberdeenshire	401.261	2.26%	-8.607	392.655	0.06%
Midlothian	143.954	2.21%	-3.088	140.866	0.02%
Aberdeen City	307.182	2.16%	-6.589	300.593	-0.03%
Stirling	154.279	2.13%	-3.309	150.970	-0.06%
Clackmannanshire	85.233	2.08%	-1.828	83.405	-0.11%
East Dunbartonshire	172.518	2.04%	-3.700	168.817	-0.15%
Renfrewshire	285.825	2.03%	-6.131	279.695	-0.16%
Falkirk	252.447	1.94%	-5.415	247.032	-0.25%
Angus	187.652	1.41%	-3.376	184.276	-0.42%
Argyll & Bute	156.808	-9.56%	15.850	172.659	-0.42%
Dumfries & Galloway	260.988	0.85%	-3.287	257.701	-0.42%
Dundee City	257.742	-1.61%	3.124	260.865	-0.42%
East Renfrewshire	165.053	1.59%	-3.271	161.783	-0.42%
Edinburgh (City of)	649.837	-1.81%	9.231	659.068	-0.42%
Eilean Siar	71.332	-20.47%	17.984	89.316	-0.42%
Glasgow City	1,059.501	-4.29%	42.849	1,102.350	-0.42%
Highland	416.878	0.11%	-2.212	414.666	-0.42%
Inverclyde	144.519	-1.95%	2.258	146.777	-0.42%
North Ayrshire	238.224	-3.69%	8.084	246.308	-0.42%
Perth & Kinross	232.646	1.68%	-4.793	227.854	-0.42%
Scottish Borders	193.898	1.43%	-3.539	190.359	-0.42%
Shetland Islands	66.893	-6.94%	4.690	71.583	-0.42%
South Lanarkshire	506.612	-0.14%	-1.429	505.183	-0.42%
West Dunbartonshire	158.153	-3.32%	4.739	162.893	-0.42%
Scotland	8,818.397	-0.17%	0.000	8,818.397	-0.17%

The annual change in the Grant for Floor Funding was -0.17% and as a result of the floor being set at -0.25 below this annual change the maximum decrease in the Grant for floor was set at -0.42%

REDETERMINATIONS OF INDIVIDUAL REVENUE FUNDING 2021-22 - GENERAL

GENERAL FUNDING	Living Wage - Health and Social Care	Additional GRG Funding	Teacher Induction Scheme Amendment - Glasgow Only	Free Child Burials	Summer of Play: Activities for Children & Young People	Phase 1: Universal Free School Meals	Phase 2: Free School Meal Holiday Support	Correction Educational Psychologists	Teacher Induction Scheme - admin costs	School Clothing Grant	Removal of Fees for Instrumental Music Tuition	Removal of Core Curriculum Charges	Additional Funding to Increase Teacher Numbers and Pupil Support Assistants	*Scottish Child Payment Bridging Payments
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	1.132	1.420	0.000	0.011	0.418	1.043	0.585	0.000	-0.005	0.175	0.298	0.135	1.656	0.707
Aberdeenshire	1.250	1.931	0.000	0.016	0.562	1.653	0.573	-0.001	-0.007	0.176	0.351	0.207	2.644	0.674
Angus	0.723	0.873	0.000	0.006	0.335	0.620	0.372	0.000	-0.003	0.118	0.109	0.087	1.102	0.449
Argyll & Bute	0.553	0.712	0.000	0.004	0.232	0.425	0.205	0.000	-0.003	0.079	0.060	0.058	0.794	0.249
Clackmannanshire	0.281	0.371	0.000	0.003	0.162	0.267	0.245	0.000	-0.001	0.064	0.078	0.038	0.468	0.290
Dumfries & Galloway	1.004	1.176	0.000	0.007	0.529	0.714	0.529	0.000	-0.004	0.172	0.089	0.106	1.418	0.641
Dundee City	0.906	1.108	0.000	0.007	0.432	0.665	0.885	0.000	-0.004	0.176	0.087	0.104	1.287	0.973
East Ayrshire	0.728	0.917	0.000	0.007	0.405	0.619	0.583	0.000	-0.003	0.168	0.077	0.092	1.137	0.681
East Dunbartonshire	0.599	0.832	0.000	0.006	0.184	0.722	0.290	0.000	-0.003	0.072	0.142	0.099	1.222	0.460
East Lothian	0.582	0.775	0.000	0.006	0.277	0.654	0.294	0.000	-0.002	0.105	0.160	0.085	1.042	0.351
East Renfrewshire	0.508	0.786	0.000	0.006	0.187	0.777	0.231	0.000	-0.003	0.071	0.227	0.099	1.220	0.283
Edinburgh, City of	2.569	3.168	0.000	0.025	0.846	2.303	1.241	0.000	-0.010	0.346	0.247	0.296	3.628	1.386
Eilean Siar	0.201	0.307	0.000	0.002	0.078	0.139	0.063	0.000	-0.001	0.021	0.028	0.019	0.279	0.051
Falkirk	0.883	1.157	0.000	0.009	0.443	0.872	0.717	0.000	-0.004	0.175	0.104	0.125	1.544	0.821
Fife	2.116	2.737	0.000	0.020	1.160	1.956	1.679	-0.001	-0.010	0.458	0.370	0.286	3.540	1.980
Glasgow City	3.488	4.485	0.087	0.031	2.250	2.462	4.068	-0.001	-0.016	0.968	0.334	0.401	4.925	5.174
Highland	1.350	1.860	0.000	0.013	0.721	1.255	0.722	0.000	-0.006	0.232	0.732	0.176	2.306	0.807
Inverclyde	0.522	0.598	0.000	0.004	0.201	0.325	0.532	0.000	-0.002	0.081	0.047	0.056	0.696	0.459
Midlothian	0.457	0.675	0.000	0.005	0.252	0.594	0.295	0.000	-0.002	0.094	0.110	0.077	0.930	0.361
Moray	0.562	0.690	0.000	0.005	0.256	0.525	0.250	0.000	-0.002	0.090	0.073	0.069	0.870	0.285
North Ayrshire	0.861	1.039	0.000	0.007	0.452	0.651	0.704	0.000	-0.004	0.186	0.097	0.103	1.292	0.868
North Lanarkshire	1.832	2.547	0.000	0.020	1.104	1.873	1.577	0.000	-0.010	0.448	0.234	0.280	3.469	1.858
Orkney	0.139	0.280	0.000	0.001	0.068	0.120	0.035	0.000	-0.001	0.020	0.013	0.016	0.241	0.052
Perth & Kinross	0.924	1.115	0.000	0.008	0.397	0.775	0.307	0.000	-0.003	0.133	0.222	0.104	1.324	0.383
Renfrewshire	1.031	1.295	0.000	0.010	0.436	0.960	0.771	0.000	-0.005	0.178	0.113	0.136	1.672	0.862
Scottish Borders	0.706	0.889	0.000	0.006	0.353	0.587	0.333	0.000	-0.003	0.119	0.079	0.082	1.067	0.399
Shetland	0.119	0.303	0.000	0.002	0.053	0.150	0.042	-0.001	-0.001	0.013	0.051	0.019	0.269	0.053
South Ayrshire	0.753	0.850	0.000	0.005	0.295	0.556	0.406	0.000	-0.003	0.118	0.107	0.081	1.025	0.514
South Lanarkshire	1.821	2.367	0.000	0.017	0.882	1.716	1.516	0.000	-0.009	0.336	0.068	0.257	3.196	1.782
Stirling	0.489	0.698	0.000	0.005	0.213	0.493	0.256	0.000	-0.002	0.080	0.214	0.073	0.937	0.286
West Dunbartonshire	0.527	0.693	0.000	0.006	0.276	0.479	0.486	0.000	-0.003	0.118	0.059	0.071	0.881	0.600
West Lothian	0.884	1.346	0.000	0.011	0.541	1.050	0.958	0.000	-0.005	0.210	0.305	0.156	1.919	1.090
Scotland	30.500	40.000	0.087	0.290	15.000	28.000	21.750	-0.007	-0.140	5.800	5.285	3.993	50.000	25.830

REDETERMINATIONS OF INDIVIDUAL REVENUE FUNDING 2021-22 - GENERAL

GENERAL FUNDING	Implementation of National Trauma Training Programme	Unaccompanied Asylum Seeking Children (UASC)	Scottish Disability Assistance	Mental Health Recovery & Renewal	Care at Home Winter Planning	Interim Care Winter Planning	Funding for Pressures	Social Care workforce Uplift	Teacher Induction Scheme	Customer First	Dundee to Stansted	Educational Psychology Trainees	General Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	0.050	0.022	0.031	0.107	2.337	1.507	1.065	2.091	0.583	0.000	0.000	0.000	15.368
Aberdeenshire	0.050	0.044	0.037	0.149	2.632	1.698	1.448	1.633	0.841	0.000	0.000	0.000	18.562
Angus	0.050	0.022	0.024	0.063	1.479	0.954	0.655	0.912	0.374	0.000	0.000	0.014	9.339
Argyll & Bute	0.050	0.011	0.015	0.050	1.129	0.728	0.534	0.783	0.276	0.000	0.000	0.000	6.943
Clackmannanshire	0.050	0.011	0.011	0.025	0.556	0.359	0.278	0.528	0.739	0.000	0.000	0.014	4.837
Dumfries & Galloway	0.050	0.000	0.029	0.088	2.025	1.306	0.882	1.433	0.951	0.000	0.000	0.000	13.144
Dundee City	0.050	0.022	0.040	0.072	1.787	1.153	0.831	1.384	1.613	0.000	0.904	0.014	14.496
East Ayrshire	0.050	0.011	0.022	0.062	1.439	0.929	0.688	0.751	1.786	0.000	0.000	0.014	11.163
East Dunbartonshire	0.050	0.022	0.018	0.051	1.265	0.816	0.624	0.837	4.000	0.000	0.000	0.014	12.323
East Lothian	0.050	0.011	0.018	0.054	1.188	0.767	0.581	0.740	1.137	0.000	0.000	0.014	8.890
East Renfrewshire	0.050	0.022	0.018	0.045	1.089	0.703	0.589	0.741	2.900	0.000	0.000	0.014	10.563
Edinburgh, City of	0.050	0.000	0.029	0.245	5.530	3.567	2.376	4.260	1.426	0.000	0.000	0.029	33.556
Eilean Siar	0.050	0.000	0.010	0.019	0.384	0.248	0.230	0.056	0.382	0.000	0.000	0.000	2.565
Falkirk	0.050	0.022	0.033	0.078	1.758	1.134	0.867	1.243	2.587	0.000	0.000	0.014	14.632
Fife	0.050	0.044	0.083	0.186	4.291	2.768	2.053	2.869	4.291	0.000	0.000	0.029	32.955
Glasgow City	0.050	0.000	0.152	0.314	6.919	4.464	3.364	4.590	6.161	0.000	0.000	0.057	54.728
Highland	0.050	0.033	0.050	0.139	2.730	1.761	1.395	1.827	1.085	0.000	0.000	0.000	19.238
Inverclyde	0.050	0.011	0.020	0.038	1.039	0.670	0.449	0.567	0.946	0.000	0.000	0.014	7.323
Midlothian	0.050	0.011	0.024	0.046	0.934	0.603	0.506	0.751	1.052	0.000	0.000	0.014	7.839
Moray	0.050	0.011	0.015	0.051	1.137	0.734	0.517	0.450	1.565	0.000	0.000	0.000	8.204
North Ayrshire	0.050	0.011	0.028	0.068	1.719	1.109	0.780	0.866	1.158	0.000	0.000	0.014	12.060
North Lanarkshire	0.050	0.033	0.083	0.166	3.597	2.321	1.910	2.213	3.742	0.964	0.000	0.029	30.340
Orkney	0.050	0.000	0.010	0.015	0.271	0.175	0.210	0.112	0.078	0.000	0.000	0.000	1.904
Perth & Kinross	0.050	0.011	0.031	0.083	1.969	1.271	0.836	1.051	0.510	0.000	0.000	0.000	11.501
Renfrewshire	0.050	0.011	0.035	0.086	2.051	1.323	0.971	1.184	3.765	0.000	0.000	0.014	16.950
Scottish Borders	0.050	0.022	0.018	0.066	1.454	0.938	0.667	0.873	0.781	0.000	0.000	0.014	9.500
Shetland	0.050	0.000	0.010	0.015	0.234	0.151	0.227	0.084	0.083	0.000	0.000	0.000	1.926
South Ayrshire	0.050	0.011	0.018	0.057	1.554	1.002	0.637	0.964	1.455	0.000	0.000	0.029	10.484
South Lanarkshire	0.050	0.022	0.083	0.160	3.661	2.362	1.776	2.081	2.220	0.000	0.000	0.043	26.407
Stirling	0.050	0.011	0.013	0.049	1.032	0.666	0.524	0.702	1.276	0.000	0.000	0.014	8.078
West Dunbartonshire	0.050	0.011	0.020	0.044	1.043	0.673	0.520	0.580	0.631	0.000	0.000	0.014	7.780
West Lothian	0.050	0.022	0.044	0.089	1.767	1.140	1.010	1.044	2.825	0.000	0.000	0.014	16.471
Scotland	1.600	0.500	1.072	2.780	62.000	40.000	30.000	40.200	53.219	0.964	0.904	0.444	460.071

*Partial distribution only. The final distribution will be included in the LG Finance Order.

REDETERMINATIONS OF INDIVIDUAL REVENUE FUNDING 2021-22 - COVID

2021-2022	Correction - Additional Free School Meals to cover Dec/Jan holidays	Education Recovery	*Family Pandemic Payments	*Low Income Pandemic Payments	Local Self-Isolation Assistance Service	Tenant Grant Fund	COVID-19 Business Support Administration Grant 2021-22	Co2 monitors	Financial Insecurity Flexible funding	COVID Total	GENERAL + COVID 19 TOTAL
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
COVID 19 FUNDING											
Aberdeen City	-0.166	1.943	0.653	2.179	0.300	0.414	0.157	0.101	0.718	6.299	21.667
Aberdeenshire	-0.224	2.853	0.623	1.790	0.364	0.293	0.213	0.156	0.727	6.795	25.357
Angus	-0.125	1.258	0.415	1.206	0.200	0.164	0.063	0.064	0.485	3.731	13.070
Argyll & Bute	-0.080	0.869	0.230	0.979	0.146	0.098	0.063	0.049	0.371	2.725	9.669
Clackmannanshire	-0.069	0.590	0.268	0.745	0.091	0.145	0.019	0.028	0.271	2.088	6.925
Dumfries & Galloway	-0.194	1.643	0.592	1.914	0.282	0.218	0.103	0.083	0.757	5.398	18.542
Dundee City	-0.288	1.722	0.900	2.472	0.300	0.377	0.063	0.081	0.886	6.514	21.010
East Ayrshire	-0.202	1.423	0.629	1.858	0.237	0.200	0.054	0.069	0.705	4.972	16.135
East Dunbartonshire	-0.093	1.319	0.423	0.795	0.137	0.111	0.047	0.069	0.284	3.091	15.414
East Lothian	-0.098	1.169	0.325	0.978	0.155	0.184	0.051	0.061	0.415	3.240	12.130
East Renfrewshire	-0.074	1.279	0.261	0.634	0.109	0.086	0.042	0.069	0.236	2.641	13.204
Edinburgh, City of	-0.333	4.239	1.282	4.940	0.637	1.578	0.336	0.220	1.622	14.520	48.076
Eilean Siar	-0.024	0.298	0.048	0.292	0.055	0.023	0.019	0.018	0.139	0.868	3.433
Falkirk	-0.212	1.868	0.759	1.794	0.255	0.229	0.065	0.090	0.672	5.520	20.152
Fife	-0.557	4.316	1.829	4.330	0.664	0.647	0.167	0.210	1.680	13.286	46.241
Glasgow City	-1.203	6.982	4.775	12.565	1.292	1.623	0.346	0.321	4.348	31.049	85.778
Highland	-0.255	2.608	0.746	2.428	0.391	0.312	0.183	0.140	1.019	7.573	26.810
Inverclyde	-0.162	0.951	0.427	1.370	0.155	0.098	0.028	0.043	0.512	3.422	10.745
Midlothian	-0.109	1.076	0.333	0.840	0.137	0.166	0.041	0.055	0.368	2.906	10.746
Moray	-0.088	0.981	0.264	0.792	0.146	0.092	0.055	0.052	0.335	2.628	10.832
North Ayrshire	-0.209	1.615	0.802	2.388	0.273	0.314	0.055	0.077	0.867	6.182	18.242
North Lanarkshire	-0.519	4.183	1.717	5.118	0.592	0.592	0.132	0.203	1.866	13.884	44.224
Orkney	-0.017	0.246	0.048	0.190	0.036	0.022	0.023	0.015	0.074	0.637	2.542
Perth & Kinross	-0.118	1.448	0.354	1.233	0.228	0.188	0.100	0.079	0.505	4.016	15.517
Renfrewshire	-0.243	2.041	0.798	2.637	0.309	0.225	0.082	0.099	0.848	6.796	23.746
Scottish Borders	-0.111	1.199	0.369	1.233	0.191	0.184	0.081	0.064	0.470	3.679	13.179
Shetland	-0.021	0.281	0.049	0.165	0.036	0.025	0.024	0.017	0.066	0.643	2.569
South Ayrshire	-0.135	1.204	0.474	1.450	0.200	0.199	0.059	0.060	0.533	4.045	14.529
South Lanarkshire	-0.470	3.897	1.647	4.410	0.564	0.462	0.150	0.187	1.541	12.388	38.795
Stirling	-0.086	1.028	0.264	0.771	0.137	0.111	0.065	0.054	0.325	2.669	10.747
West Dunbartonshire	-0.186	1.111	0.554	1.560	0.182	0.277	0.034	0.053	0.575	4.161	11.940
West Lothian	-0.279	2.360	1.008	2.097	0.300	0.343	0.082	0.113	0.780	6.805	23.276
Scotland	-6.950	60.000	23.867	68.154	9.100	10.000	3.000	3.000	25.000	195.171	655.242

*Partial distribution only. The final distribution will be included in the LG Finance Order.

Local Authority	2022-23 GAE plus SINA	Percentage Shares	2008-23 Changes	2008-22 Changes	Movement in Changes
	£m	£m	£m	£m	£m
Aberdeen City	347.294	3.62	18.816	15.667	3.149
Aberdeenshire	466.368	4.86	23.971	21.301	2.671
Angus	207.573	2.16	10.891	9.637	1.255
Argyll & Bute	167.313	1.74	9.332	7.854	1.478
Clackmannanshire	89.785	0.94	5.053	4.088	0.964
Dumfries & Galloway	277.990	2.90	14.950	12.974	1.976
Dundee City	265.393	2.77	14.994	12.222	2.772
East Ayrshire	222.421	2.32	12.192	10.120	2.072
East Dunbartonshire	198.890	2.07	10.674	9.176	1.498
East Lothian	189.132	1.97	9.982	8.550	1.432
East Renfrewshire	184.868	1.93	9.681	8.667	1.014
Edinburgh, City of	764.226	7.97	41.960	34.955	7.005
Eilean Siar	69.611	0.73	3.520	3.383	0.137
Falkirk	278.861	2.91	14.853	12.761	2.092
Fife	657.502	6.85	35.166	30.195	4.971
Glasgow City	1077.653	11.24	61.583	49.479	12.104
Highland	442.621	4.61	23.612	20.526	3.086
Inverclyde	143.039	1.49	8.076	6.603	1.473
Midlothian	168.336	1.76	8.948	7.449	1.499
Moray	166.958	1.74	8.683	7.609	1.074
North Ayrshire	248.247	2.59	13.950	11.468	2.481
North Lanarkshire	612.617	6.39	33.418	28.097	5.321
Orkney	59.594	0.62	3.510	3.090	0.420
Perth & Kinross	265.450	2.77	14.074	12.303	1.771
Renfrewshire	315.871	3.29	17.310	14.284	3.026
Scottish Borders	212.488	2.22	11.220	9.809	1.412
Shetland	64.395	0.67	3.861	3.347	0.515
South Ayrshire	202.998	2.12	11.085	9.373	1.712
South Lanarkshire	568.699	5.93	30.614	26.119	4.495
Stirling	168.274	1.75	9.060	7.703	1.357
West Dunbartonshire	164.539	1.72	9.504	7.648	1.856
West Lothian	322.619	3.36	17.118	14.854	2.264
Scotland	9591.627	100.000	521.659	441.310	80.350

2022-23 £m	Capital Settlement 2022-23			Specific grants to be paid in 2022-23				
	General Capital Grant	Specific Grants	Total Capital Grants	Strathclyde Partnership	Vacant and Derelict Land	T MDF	Cycling Walking & Safer Streets	Total
Aberdeen City	18.453	1.003	19.456	0.000	0.000	0.000	1.003	1.003
Aberdeenshire	27.577	1.142	28.719	0.000	0.000	0.000	1.142	1.142
Angus	10.982	0.507	11.489	0.000	0.000	0.000	0.507	0.507
Argyll & Bute	16.478	0.374	16.852	0.000	0.000	0.000	0.374	0.374
Clackmannanshire	4.309	0.225	4.534	0.000	0.000	0.000	0.225	0.225
Dumfries & Galloway	13.874	0.649	14.523	0.000	0.000	0.000	0.649	0.649
Dundee City	13.723	0.651	14.374	0.000	0.000	0.000	0.651	0.651
East Ayrshire	9.653	0.532	10.185	0.000	0.000	0.000	0.532	0.532
East Dunbartonshire	7.453	0.476	7.929	0.000	0.000	0.000	0.476	0.476
East Lothian	9.508	0.472	9.980	0.000	0.000	0.000	0.472	0.472
East Renfrewshire	6.374	0.420	6.794	0.000	0.000	0.000	0.420	0.420
Edinburgh, City of	40.221	30.260	70.481	0.000	0.000	27.950	2.310	30.260
Eilean Siar	8.834	0.116	8.950	0.000	0.000	0.000	0.116	0.116
Falkirk	15.860	0.703	16.563	0.000	0.000	0.000	0.703	0.703
Fife	24.806	3.089	27.895	0.000	1.451	0.000	1.638	3.089
Glasgow City	50.279	69.236	119.515	0.000	2.159	64.295	2.782	69.236
Highland	36.321	1.031	37.352	0.000	0.000	0.000	1.031	1.031
Inverclyde	6.353	0.337	6.690	0.000	0.000	0.000	0.337	0.337
Midlothian	7.221	0.408	7.629	0.000	0.000	0.000	0.408	0.408
Moray	8.543	0.419	8.962	0.000	0.000	0.000	0.419	0.419
North Ayrshire	13.150	1.908	15.058	0.000	1.320	0.000	0.588	1.908
North Lanarkshire	23.362	3.431	26.793	0.000	1.938	0.000	1.493	3.431
Orkney Islands	5.048	0.098	5.146	0.000	0.000	0.000	0.098	0.098
Perth & Kinross	11.872	0.665	12.537	0.000	0.000	0.000	0.665	0.665
Renfrewshire	12.075	0.785	12.860	0.000	0.000	0.000	0.785	0.785
Scottish Borders	20.664	0.504	21.168	0.000	0.000	0.000	0.504	0.504
Shetland Islands	5.623	0.100	5.723	0.000	0.000	0.000	0.100	0.100
South Ayrshire	8.557	0.491	9.048	0.000	0.000	0.000	0.491	0.491
South Lanarkshire	22.424	2.141	24.565	0.000	0.737	0.000	1.404	2.141
Stirling	10.801	0.412	11.213	0.000	0.000	0.000	0.412	0.412
West Dunbartonshire	5.982	0.387	6.369	0.000	0.000	0.000	0.387	0.387
West Lothian	11.556	0.805	12.361	0.000	0.000	0.000	0.805	0.805
Undistributed	52.601	0.000	52.601	0.000	0.000	0.000	0.000	0.000
Councils Total	540.537	123.777	664.314	0.000	7.605	92.245	23.927	123.777
Strathclyde Partnership for Transport	0.000	15.327	15.327	15.327	0.000	0.000	0.000	15.327
Grand Total	540.537	139.104	679.641	15.327	7.605	92.245	23.927	139.104

GENERAL CAPITAL GRANT – FLOODING ALLOCATION 2022-23

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Council	Flood Scheme	Total 2022-23 £m
Aberdeenshire Council	Stonehaven	4.685
Aberdeenshire Council	Huntly	0.000
Angus Council	Arbroath	0.816
Argyll & Bute Council	Campbeltown	2.472
Comhairle nan Eilean Siar	South Fords	-0.820
Dumfries & Galloway Council	Dumfries/ River Nith/ Whitesands FPS	-1.185
Dumfries & Galloway Council	Stranraer work item 4 &6	0.000
Dumfries & Galloway Council	Langholm	0.048
Dumfries & Galloway Council	Newton Stewart/ River Cree	0.118
Dundee City Council	Broughty Ferry	0.004
Dundee City Council	Dundee	0.000
East Ayrshire Council	New Cumnock	0.720
East Dunbartonshire Council	Park Burn	0.000
East Lothian Council	Musselburgh	1.314
East Lothian Council	Haddington	-0.008
Falkirk Council	Grangemouth FPS	5.518
Fife Council	Kinness Burn	0.000
Glasgow City Council	White Cart Water Phase 3	0.000
Glasgow City Council	Camlachie Burn	0.000
Highland Council	Smithton and Culloden	-0.148
Highland Council	Caol and Lochyside	6.245
Highland Council	Drumnadrochit	1.789
Inverclyde Council	Inverclyde FPS - Glenmosston Burn	-0.024
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	0.478
North Ayrshire Council	Upper Gamock FPS	1.586
North Ayrshire Council	Mill Burn Millport	0.714
Orkney Islands Council	Kirkwall	0.000
Perth & Kinross Council	Comrie	-0.230
Perth & Kinross Council	Milnathort	-1.246
Perth & Kinross Council	South Kinross	0.159
Perth & Kinross Council	Scone	-0.442
Scottish Borders Council	Hawick	9.555
Stirling Council	Bridge of Allan	0.458
Stirling Council	Stirling	0.658
Stirling Council	Callander	1.365
West Dunbartonshire Council	Gruggies Burn	-1.000
	Total	33.600

TOTAL LOCAL GOVERNMENT FUNDING SETTLEMENT 2022-23

Local Authority	Ring-Fenced Grants	Non Domestic Rates	General Revenue Funding	Total 2022-23 Revenue	General Capital Grant	Specific Grant	Total 2022-23 Capital	2022-23 Local Government Finance Settlement
	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	28.831	268.557	93.250	390.638	18.453	1.003	19.456	410.094
Aberdeenshire	33.562	138.786	327.288	499.636	27.577	1.142	28.719	528.355
Angus	15.010	26.160	196.760	237.930	10.982	0.507	11.489	249.419
Argyll & Bute	12.186	33.179	174.335	219.701	16.478	0.374	16.852	236.553
Clackmannanshire	8.045	18.065	84.110	110.220	4.309	0.225	4.534	114.754
Dumfries & Galloway	18.545	51.388	259.076	329.009	13.874	0.649	14.523	343.532
Dundee City	23.184	35.496	279.282	337.963	13.723	0.651	14.374	352.337
East Ayrshire	18.810	23.226	226.674	268.710	9.653	0.532	10.185	278.895
East Dunbartonshire	12.364	17.675	187.649	217.688	7.453	0.476	7.929	225.617
East Lothian	13.605	28.686	161.290	203.580	9.508	0.472	9.980	213.560
East Renfrewshire	9.951	9.574	185.944	205.469	6.374	0.420	6.794	212.263
Edinburgh, City of	56.739	249.861	566.309	872.909	40.221	30.260	70.481	943.390
Eilean Siar	4.346	8.149	91.253	103.747	8.834	0.116	8.950	112.697
Falkirk	23.131	80.433	224.058	327.622	15.860	0.703	16.563	344.185
Fife	52.847	179.675	528.325	760.847	24.806	3.089	27.895	788.742
Glasgow City	100.324	296.203	1,011.323	1,407.850	50.279	69.236	119.515	1,527.365
Highland	32.673	141.565	349.338	523.576	36.321	1.031	37.352	560.928
Inverclyde	11.315	15.906	160.593	187.814	6.353	0.337	6.690	194.504
Midlothian	14.835	24.895	150.527	190.257	7.221	0.408	7.629	197.886
Moray	12.020	54.575	122.343	188.938	8.543	0.419	8.962	197.900
North Ayrshire	20.057	37.745	256.705	314.507	13.150	1.908	15.058	329.565
North Lanarkshire	49.382	111.737	558.274	719.394	23.362	3.431	26.793	746.187
Orkney	15.527	12.954	55.426	83.908	5.048	0.098	5.146	89.054
Perth & Kinross	17.194	46.141	231.418	294.754	11.872	0.665	12.537	307.291
Renfrewshire	25.589	108.076	231.489	365.155	12.075	0.785	12.860	378.015
Scottish Borders	15.017	35.294	192.672	242.983	20.664	0.504	21.168	264.151
Shetland	20.722	35.322	42.804	98.848	5.623	0.100	5.723	104.571
South Ayrshire	13.887	30.913	191.009	235.809	8.557	0.491	9.048	244.857
South Lanarkshire	43.109	422.591	186.249	651.949	22.424	2.141	24.565	676.514
Stirling	12.665	35.942	147.528	196.135	10.801	0.412	11.213	207.348
West Dunbartonshire	13.817	107.740	91.925	213.483	5.982	0.387	6.369	219.852
West Lothian	24.590	79.491	265.613	369.694	11.556	0.805	12.361	382.055
Undistributed	11.103	0.000	471.810	482.913	52.601	0.000	52.601	535.514
Redress Top Slice	0.000	0.000	5.000	5.000	0.000	0.000	0.000	5.000
Strathclyde Passenger Transport	0.000	0.000	0.00	0.000	0.000	15.327	15.327	15.327
Scotland	784.982	2,766.000	8,307.651	11,858.633	540.537	139.104	679.641	12,538.274

2022/23 Budget Summary

	£m	£m
2022/23 Indicative Budget at 17 March 2021		23.866
Realignment of Revenue Support Grant and Business Rates per 2021/22 Settlement		(17.075)
2022/23 Revised Out of Balance Starting Position		6.791
Cost Pressures:		
Additional funding requirements identified by Directorates	11.328	
Energy price increases	3.456	
Employer's National Insurance Increase	3.378	
Reduction in Scottish Government Settlement	1.069	19.231
Movements from previous budget assumptions:		
Increased Council Tax Base from 21/22		(2.100)
Revised Out of Balance Position		23.922
Council Tax Increase 3%		(3.764)
Scottish Government Funding (Share of £120m)		(5.514)
2022/23 Final Out of Balance Position		14.644

ABERDEENSHIRE COUNCIL REVENUE BUDGET 2022/2027

Appendix 4

	Base Budget 2023/24 £000	Base Budget 2024/25 £000	Base Budget 2025/26 £000	Base Budget 2026/27 £000
Education & Children's Services				
01a.Administration & Management	7,892	8,092	8,298	8,511
01b.School Crossing Patrollers	396	408	420	432
02.Area Managers - Banff & Buchan and Garioch	837	857	878	900
03.Early Years - Nurseries	22,790	23,418	24,065	24,729
04.Early Years - Central Costs	20,518	20,772	21,031	21,294
05.Out of School Care	(282)	(292)	(302)	(312)
06a.Primary Schools	117,080	120,130	123,266	126,491
06b.Primary Support and Initiatives	4,609	4,648	4,688	4,729
06c.Instrumental Music Service	1,136	1,169	1,202	1,237
07a.Secondary Schools	118,839	122,035	125,317	128,689
07b.Secondary Support and Initiatives	3,035	3,076	3,118	3,160
08a.Special Schools	7,243	7,438	7,638	7,844
08b.Support For Learners Cluster	21,130	21,725	22,336	22,965
08c.Inclusion,Equity & Wellbeing, Capacity Building & Resources	1,780	1,842	1,906	1,971
08d.Additional Support Needs Specialists	2,302	2,368	2,436	2,506
08e.Psychologists	1,670	1,718	1,767	1,818
08f.Special - Out of Authority	234	243	252	262
09.Community Learning and Development	4,033	4,128	4,227	4,327
10.Active Schools	190	211	233	256
11.Catering - General	871	889	908	927
12.Catering - Primary & Early Years	4,260	4,333	4,407	4,482
13.Catering - Secondary & Vending	1,504	1,511	1,518	1,525
14.Catering - Special	107	110	112	115
15.Catering - Support Staff	492	506	520	534
16.Children - Community Care	13,957	14,314	14,682	15,061
17.Children - Self Directed Support	1,699	1,716	1,733	1,749
18.Children - Family Placement	9,397	9,535	9,676	9,819
19.Children - Residential Care	2,479	2,548	2,618	2,690
20.Children - Out of Authority Placements	14,239	14,381	14,525	14,670
	384,437	393,829	403,475	413,381
Live Life Aberdeenshire				
21.Arts Development	466	478	491	504
22.Macduff Aquarium	169	170	171	172
23.Grant Aid	105	106	107	108
24.Libraries	3,566	3,652	3,740	3,831
25.Museums	666	678	690	703
26.Outdoor and Adventurous Activities	192	195	198	201
27.Halls	420	424	428	432
28.Sport and Leisure	4,222	4,269	4,318	4,366
	9,806	9,972	10,143	10,317
29.Expenditure to be funded from Borrowing - ECS	(2,000)	(2,000)	(2,000)	(2,000)
EDUCATION & CHILDREN'S SERVICES TOTAL	392,243	401,801	411,618	421,698
30.INTEGRATION JOINT BOARD	129,891	129,891	129,891	129,891
Environment and Infrastructure Services				
31.Support Services	0	0	0	0
32.Planning Administration	0	0	0	0
33.Building Standards	(101)	(113)	(125)	(137)
34.Development Management	1,715	1,750	1,785	1,821
35.Policy, Information and Delivery	1,075	1,101	1,129	1,157
36.Environment	1,942	1,984	2,027	2,071
37.Economic Development	4,048	4,122	4,198	4,275
38.Protective Services Administration	0	0	0	0
39.Consumer Protection	926	950	975	1,001

ABERDEENSHIRE COUNCIL REVENUE BUDGET 2022/2027

Appendix 4

	Base Budget 2023/24 £000	Base Budget 2024/25 £000	Base Budget 2025/26 £000	Base Budget 2026/27 £000
40.Animal Welfare	271	278	285	292
41.Public Analyst	269	271	274	277
42.Environmental Health	2,047	2,105	2,165	2,226
43.Roads Administration & Management	(942)	(982)	(1,022)	(1,063)
44.Flood Management	506	511	515	520
45.Harbours	671	666	660	655
46.Roads Maintenance - Expenditure & Income	12,424	12,515	12,606	12,698
47.Winter Maintenance - Expenditure	4,968	5,018	5,068	5,119
48.Other Recoverable Works - Roads	0	0	0	0
49.Highways	(2,548)	(3,197)	(3,716)	(4,254)
50.Quarries	(1,266)	(1,410)	(1,560)	(1,715)
51.Landscape Services - Administration	(22)	(26)	(30)	(34)
52.Bereavement Services	(419)	(475)	(534)	(594)
53.Parks & Open Spaces	5,753	5,808	5,863	5,919
54.Grounds Maintenance	(585)	(654)	(725)	(799)
55.Waste Management	0	0	0	0
56.Waste Collection	7,863	8,006	8,153	8,304
57.Waste Disposal	15,973	16,144	16,317	16,493
58.Street Cleansing	2,827	2,890	2,955	3,022
59.Transportation	7,610	7,658	7,706	7,754
60.Car Parks	(93)	(164)	(231)	(248)
61.Internal Transport	0	0	0	0
62.Vehicle Maintenance Services	(211)	(281)	(354)	(429)
63.Affordable Housing	274	282	289	298
64.Homeless Persons	3,907	3,973	4,041	4,110
65.Improvement and Repairs Grants	909	907	904	900
66.Gypsies / Travellers	163	166	169	172
67.Sheltered Housing Support	441	441	440	439
68.Community Safety	378	388	399	411
69.Area Managers - Kincardine, Mearns & Marr	946	969	994	1,019
70.Expenditure to be funded from borrowing - IS	(7,000)	(7,000)	(7,000)	(7,000)
ENVIRONMENT & INFRASTRUCTURE SERVICES TOTAL	64,719	64,601	64,620	64,680
Business Services				
71.Chief Executive	334	344	354	364
72.Councillors' Remuneration & Expenses	2,370	2,436	2,505	2,576
73.Business Services Directorate	1,267	1,304	1,343	1,383
74.Finance	10,877	11,411	11,952	12,503
75.Internal Audit	442	462	481	502
76.Customer and Digital	12,891	13,201	13,520	13,848
77.Community Planning	69	70	71	72
78.Legal and People	7,814	8,041	8,276	8,517
79.Miscellaneous Licensing	(54)	(52)	(49)	(47)
80.GVJB	2,152	2,174	2,196	2,218
81.Printing	540	536	532	527
82.Procurement	896	906	915	925
83.Woodhill House	1,955	1,962	1,969	1,975
84.Office Accommodation	2,185	2,208	2,232	2,256
85.Building Cleaning	0	0	0	0
86.Public Conveniences	775	782	789	796
87.Operational Buildings	0	0	0	0
88.Estates	(3,214)	(3,338)	(3,466)	(3,598)
89.Property Construction Services	(1,590)	(1,648)	(1,708)	(1,769)
90.Building Repairs & Maintenance Fund	8,051	8,129	8,208	8,287
91.Area Managers - Buchan & Formartine	848	869	891	913
92.Tackling Poverty and Inequalities	1,072	1,085	1,097	1,110
93.Charges to HRA	(3,287)	(3,287)	(3,287)	(3,287)
BUSINESS SERVICES TOTAL	46,393	47,595	48,821	50,071

ABERDEENSHIRE COUNCIL REVENUE BUDGET 2022/2027

Appendix 4

	Base Budget 2023/24 £000	Base Budget 2024/25 £000	Base Budget 2025/26 £000	Base Budget 2026/27 £000
94.Capital Financing Charges & Interest on Revenue Balances	38,915	43,297	46,163	47,697
95.Cross Council Savings	(1,961)	(1,961)	(1,961)	(1,961)
TOTAL REVENUE EXPENDITURE	670,200	685,224	699,152	712,076
96.Revenue Support Grant	(351,914)	(351,914)	(351,914)	(351,914)
97.Business Rates	(138,786)	(138,786)	(138,786)	(138,786)
98.Council Tax	(159,305)	(164,087)	(169,014)	(174,088)
TOTAL INCOME	(650,005)	(654,787)	(659,714)	(664,788)
NET EXPENDITURE/(INCOME) BEFORE RESERVES	20,195	30,437	39,438	47,288
<u>99.Transfer to/(from) Reserves</u>				
- Transfer to Infrastructure Fund	752	752	752	752
	752	752	752	752
NET EXPENDITURE/(INCOME)	20,947	31,189	40,190	48,040

Risks

Risk	Detail
Budget Assumptions	Due to the nature of budget setting and uncertainties surrounding future events, budget assumptions form an inherent part of the process. All assumptions carry a degree of risk that, should the actual circumstances differ from the assumption, there may be a resultant budgetary variation.
Local Government Grant Settlement	The Scottish Government have again, provided a one-year settlement for 2022/23. This provides risk and uncertainty around future years budgets and inhibits the Council's ability to accurately plan ahead. This risk has been mitigated by assuming a flat cash position in future years in relation to the Revenue Grant Funding. A 1% increase in this funding would generate approximately £5m additional income. Conversely, a 1% reduction in funding will reduce the assumed income by £5m.
Council Tax Increase	The Council Tax cap was removed by Scottish Government for 2022/23 enabling Council's to increase the Council Tax in their area at their discretion. The proposed revenue budget includes an Officer assumption of an annual 3% Council Tax increase for future years. This assumes there is no reinstatement of the cap by Scottish Government. A 1% reduction in the Council Tax increase would result in a reduction in income of around £1.5 million.
Pay Award	This budget assumes that the Pay Award put forward in December 2021 for Local Government and Teaching staff will be accepted and implemented. Pay inflation has been assumed for 2022/23 and future years at 3% pa. At the time of writing, the Teachers Pay Award remained unsettled, therefore there is a risk that the final agreement is higher than the amounts allowed for in the proposed budget. In addition, Public Sector pay awards for 2022/23 onwards will also be decided by Scottish Government as part of the national pay discussions. An agreement of over 3% would result in a budget pressure which would require to be funded in-year. An additional 1% would result in a budget pressure of around £3.5 million. In the absence of additional Scottish Government, any additional pay awards would require to be funded from Reserves.
Inflation	Inflation is at a high level and expected to continue to increase in the short term. The budget has been prepared on the basis of known contractual inflation rates. Should general inflation continue to increase and be reflected in an increased cost of goods and services, this will cause additional pressure on the revenue budget and the services the Council can afford to provide.
Treasury Management	<p>Treasury Management involves identifying and accepting a number of risks and assumptions. These include:</p> <ul style="list-style-type: none"> • interest rates for borrowing and investing • market conditions • timing of borrowing • levels of cash balances • timing of the delivery of the Capital Plan <p>Uncertainty in the financial markets and interest rates would result in any adverse movements impacting on the Loans Fund budgets and the Council's ability to deliver its Capital Plan.</p>
Levels of Reserves	It is prudent for the Council to hold a general Working Balance reserve to provide for any unexpected expenditure that cannot be managed within existing in year budgets. This expenditure should be one-off in nature and result from an extraordinary event. For a number of years, the General Fund

Risks

Risk	Detail
	<p>Working Balance Reserve has been maintained at £9 million, with any reductions being replenished in subsequent years.</p> <p>In addition, a number of other earmarked reserves are held which are identified for specific purposes and drawn down as the expenditure is incurred. The Council currently hold larger than normal reserve balances mainly due to additional funding received from Scottish Government to support recovery from the pandemic. These reserves are one-off in nature and therefore these should not be relied upon to fund general Council expenditure.</p>
Covid-19 Pandemic	<p>The impact of the pandemic continues to pose significant financial risks to the Council. It has resulted in additional service expenditure and reduced the Council's ability to generate income or achieve savings. These pressures will have knock-on impacts for years to come. The wider economic and societal impact of the pandemic will continue to pose challenges to the Council in terms of service pressures and how services are delivered.</p>
EU Exit	<p>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 including the potential increase in costs of goods and services and availability of the workforce.</p>