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**PROCEDURE TO BE FOLLOWED AT THE  
MEETING OF RENFREWSHIRE COUNCIL  
TO BE HELD ON 28 FEBRUARY 2019  
DURING CONSIDERATION OF ITEM 3 CONCERNING  
REVENUE ESTIMATES AND COUNCIL TAX  
FOR THE FINANCIAL YEAR 2019/20**

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The purpose of this note is to give Members advance notice of the procedure which Provost Cameron has agreed should be followed at the Meeting of the Council on 28 February 2019.

1. The Convener of the Finance, Resources & Customer Services Policy Board (the Convener) will make his budget statement for financial year 2019/20 and move as appropriate. He will then speak to the principal points of his proposals. The motion will require to be seconded.
2. The Leader of the Council will second the motion and may address the meeting then or reserve the right to speak at a later stage of the debate.
3. For the purposes of the subsequent discussion and voting, the Convener's proposals will be taken as one motion.
4. An opportunity will then be given to the Leaders of the opposition groups and any other Members to move, and to have duly seconded, comprehensive amendments to the motion (i.e. taking together proposals for resource allocations, budget proposals, revenue estimates and the level of the council tax for the financial year 2019/20).
5. The motion and any amendments will require to be produced in writing and a copy given to each of the Members present prior to being spoken to at the meeting. Provost Cameron may then adjourn the meeting to allow Members to consider the terms of the motion by the administration and any amendments by the opposition groups.
6. There shall be no formal restriction upon the length of time given to the Convener and the Leaders of the opposition groups to move their respective budget statements and speak in support of the principal points of their proposals. However, Provost Cameron shall have the power to require any person speaking to limit their speech in order to facilitate the conduct of the meeting.
7. Provost Cameron will then invite other Members to take part in the debate including Conveners of the Policy Boards who may wish to take the opportunity to respond concerning the services for which they have responsibility.
8. The debate will conclude with Provost Cameron giving the Convener the opportunity to reply.
9. A vote or votes will then be taken in accordance with the provisions of standing orders.



**To: Council**

**On: 28 February 2019**

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**Report by: Director of Finance & Resources**

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**Heading: Revenue Budget and Council Tax 2019/20**

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**1. SUMMARY**

- 1.1. This report provides members with an overview of the Council's anticipated financial position on the General Fund revenue budget and sets out the information required for the Council to set its budget and council tax for 2019/20. Members are expected to bring forward proposals to secure a balanced budget, and to assist in this, Directors have been providing details of the financial, service and equality implications of any changes to current service levels, as requested by members.
- 1.2. In setting the 2019/20 budget, members will wish to consider carefully the medium term financial context for the Council and the ongoing financial pressures and challenges facing the public sector more generally as set out in more detail in the main body of this report.
- 1.3. The Scottish Government has not provided detailed spending plans beyond 2019/20 but has during 2018 published its first Medium Term Financial Strategy (MTFS) and have committed to providing three year local government funding settlements from 2020/21 onwards. The MTFS sets out detail of the Government's financial assessment of the funding required to deliver on its key policy priorities over the course of this parliamentary period covering for example its policy commitments to spending on Health, Police and Education as well as the commitment to the expansion of free Early Learning and Childcare provision across Scotland. A report on the MTFS was presented to the 26<sup>th</sup> June 2018 Council meeting and which outlined the clear commitment the Scottish Government has made to the delivery of each of these policy priorities and also confirmed that all other areas of the public sector, which would include the core local government budget, would require to be accommodated within the overall envelope of resources remaining each year after meeting the funding commitments to the stated policy priorities.
- 1.4. Moving forward and as outlined in the Scottish Government's medium term financial plan, the broad outlook for the Scottish Government's overall revenue resources presents shallow growth through to 2022/23. As members will be aware and as outlined in the Financial Outlook report to the Council on 27<sup>th</sup> September 2018 and most recently in their budget

publication, the Scottish Government has re-affirmed their commitment to the delivery of their stated policy priorities over the course of the current parliamentary period.

- 1.5. In the context of this outlook for public finances in Scotland coupled with the Government's stated policy and spending commitments, the medium term prospects for the local government core budget are likely to remain challenging and subject to further year on year contraction.
- 1.6. Members should also remain aware that as previously reported to Council, a much larger proportion of the Scottish Budget is driven by devolved tax powers, which brings additional risk to the level of funding available for public services in Scotland. Forecast tax receipts in turn are intrinsically linked to the overall health of the economy – most recent forecasts of GDP growth in Scotland produced by the Scottish Fiscal Commission over the medium term average at just over 1% - lagging that of the of the UK. In addition, updated forecasts for income tax yield in Scotland for 2019/20 were downgraded from those previously forecast, largely offsetting gains the Scottish Government had made through devolved tax decisions taken when the 2017/18 and 2018/19 budgets were set. Therefore, significant uncertainty remains over the scale of the reduction in resources which local government may experience over the medium term, which along with an expected continuation of annual cost pressures will drive a need for further significant and sustained savings in the Council's planned spending just to achieve a balanced and sustainable budget position each year.
- 1.7. Members should note that similar to previous years and as detailed in paragraphs 3.2 and 3.6 of this report, the Council's financial settlement for 2019/20 is conditional upon the package of measures linked to the local government finance settlement. To date the Cabinet Secretary for Finance Economy and Fair Work has not provided any confirmation of the financial sanction of not agreeing to the full package of measures.
- 1.8. In setting out the terms of the draft local government finance settlement, the Scottish Government initially continued the obligation not to increase council tax by any more than 3%. This condition was subject to revision on the 31<sup>st</sup> January, where the cap for 2019/20 has been re-expressed from a 3% cash terms cap to a 4.79% real terms cap, providing local authorities with additional capacity to increase council tax levels in 2019/20 by up to 4.79%. No element of the grant award is directly linked to this condition but equally no detail has been provided by the Scottish Government of any adjustment that would be made to the financial settlement were the Council to increase council tax beyond the 4.79% cap.
- 1.9. The Council has over the past number of years taken a medium term view of its financial position, agreeing savings measures which have supported temporary investment in priority areas, principally covering economic and cultural regeneration, tackling poverty and inequality, digital connectivity in Renfrewshire's town centres, community venues refurbishment and investment in parks across Renfrewshire. Over the past number of months, budget assumptions have been updated and confirmed, including most notably the confirmed grant available to the Council in 2019/20 and the associated conditions, the impact of the updated multi-year pay offer made to trade unions covering the period 2018/19 – 2020/21, the impact of new statutory obligations, the likely impact of increasing demographic and demand pressures and expected council tax yield levels for 2019/20. In addition, the Council has continued to take a number of decisions as part of the medium term financial strategy linked to the Better Council Change Programme and Debt Smoothing Strategy that support the release of mitigating savings in 2019/20, as well as Directors continuing to identify areas of existing resource that can be re-directed to mitigate the impact of emerging cost pressures. After taking account of the cumulative impact of each of these issues there is, as presented in this report, a temporary revenue surplus of £5.832 million for 2019/20 subject to any further decisions taken by members.
- 1.10. Members should note that this movement to an in year revenue surplus from the forecast deficit for 2019/20 outlined in previous Financial Outlook reports is temporary in nature and is linked to positive movements on areas of previous uncertainty, the better than anticipated

outcome on the Council's grant settlement received from the Scottish Government for 2019/20, as well as the actions the Council has progressed in the intervening period to deliver budget savings and mitigate cost growth.

- 1.11. Given the anticipated financial outlook beyond 2019/20, with a forecast gross budget deficit of between £24 million - £55 million over the period 2020/21 – 2022/23, the in year surplus for 2019/20 is temporary in nature and consequently it is strongly recommended by the Director that members should consider carefully any investment decisions that are not one-off or temporary in nature.
- 1.12. The Council's financial projections beyond 2019/20 include, by necessity, a range of key assumptions and there remains significant and in some cases increasing uncertainty in relation to key elements of the Council's future financial position. Most notably the areas of key uncertainty continue to focus upon:
  - *Future grant settlement* – as referred to above, the Scottish Government has not provided any material details of spending plans beyond 2019/20 but only high level figures which present an indication of relatively shallow cash growth in their anticipated revenue budget over the medium term. In addition, and as outlined to members in previous Financial Outlook reports, the Scottish Government's budget now carries increased risk as more revenue raising powers are devolved as part of the Scotland Act 2016. As the transition of powers moves the Scottish budget towards approximately 50% of spending being supported by devolved tax raising powers, the economic performance of the Scottish economy relative to the UK becomes a key risk factor and determinant in the overall level of resources that will be available to the Scottish Government's budget each year. Although more recently Scotland's relative economic performance compared with the UK has performed favourably (1.4% in 2018 against 1.3% across the UK), over the medium term economic growth in Scotland is not forecast to sustain this short term boost with growth expected to remain relatively sluggish at or around 1% and importantly to continue to lag that of the UK. In this context, the Scottish Government's budget will continue to experience new and uncharted levels of uncertainty and risk. This context, coupled with the Scottish Government's stated commitments over the course of the current parliamentary period in relation to growing in real terms spending in the NHS, protecting Police spending in real terms, and the commitment to almost double the level of free early years nursery hours over the course of the this Parliament, presents what is likely to be material levels of uncertainty over the medium term for the core local government grant levels in Scotland. In 2018/19 and 2019/20, in addition to positive Barnett consequential emerging from the UK government budget for Scotland, the Scottish Government also exercised devolved tax raising powers to generate an increase in their budgeted resources which provided additional spending capacity to support local government, improving the confirmed grant settlement outcome for 2018/19 and 2019/20 from that previously anticipated as part of the Council's medium term planning. It would be anticipated that the opportunity for the Scottish Government to generate similar resource growth of this nature and at this scale in the short to medium term may be more limited, in addition and as referred to earlier, income tax forecast for 2019/20 have been downgraded by the SFC from those previously forecast for this period as more accurate information has become available. In this context and taking account of the relatively flat growth in revenue resources over the medium term that are expected to be available to the Scottish Government, it remains the expectation that core revenue grant levels made available to local government are likely to experience a further medium term period of cuts, with uncertainty over both the scale and period of reductions. As referred to earlier, the Scottish Government have committed to providing multi year financial settlements for local government from 2020/21, which will represent a significantly positive step in facilitating greater certainty for the Council's financial outlook.

- *Future Pay Settlements* - Financial provision for the current pay offer covering the period 2018/19 – 2020/21 is included within the figures outlined in this report. These offers are still subject to formal acceptance through the national negotiating arrangements. However, the move to multi year settlements does provide a degree of certainty of pay pressures through to 2020/21 albeit the levels of the offer now on the table are at the upper end of the provisions included within medium term financial projections over this period. This has therefore intensified the overall cost pressures for the Council and impacted negatively on the financial outlook. The sustainability of future pay awards at similar levels in the context of an expectation of further reductions in resources will be a key challenge for local government in Scotland to balance.
  - *Demand led Pressures* – demographic and socio-economic demand led cost pressures, in particular on both Children's Services and Adult Social Care, continue to be a key financial risk moving forward. In response, the Council in partnership with Renfrewshire Health and Social Care Partnership continues to actively progress a range of key demand and cost management actions which seek to mitigate the ongoing growth in costs. As detailed later in the report, it is recommended that financial provision of £1.424 million of a recurring provision is made by the Council to uplift the resources made available to the HSCP to manage the net impact of new service and cost pressures in 2019/20 and ongoing implementation of the Carers Act. In addition to this, it is expected that approximately £1 million of resources will remain available from flexibility funding held specifically by the Council to manage financial risk and pressures across Adult Social Care services, providing total additional resources in 2019/20 of £2.424 million. This is after applying the applicable efficiency/cost mitigation adjustment of 2.2% against the 2018/19 budget as outlined in paragraph 3.6, which equates to £1.4 million. As detailed later in the report it is proposed that this £1.4million efficiency/cost mitigation adjustment, is earmarked by the Council in 2019/20 to provide resources to mitigate both the risk of HSCP cost mitigation measures not fully addressing the estimated £1.9 million residual cost pressure in 2019/20 and also to provide resource capacity to support the HSCP to deliver its change and transformation programme in 2019/20.
- 1.13. The nature of the Council's financial outlook beyond 2019/20, both in scale and potential for movement, means that the Council should continue to adopt a strategic and sustainable financial plan linked to the delivery of priorities approved in the Council Plan and agreed with partners in the Community Plan. These strategic priorities will continue to provide a focus in future budget decisions, where the delivery of core services must be balanced with the resources that will be available to the Council. It is also important that the Council's underlying financial strategy maintains a medium term perspective focused on financial sustainability, recognising the uncertainty around key elements, the variation in potential scale of savings that will be required over the medium term and the ambitions of the Council to direct investment to support the delivery of key outcomes.
- 1.14. In addition, members should continue to be alert to the timing of future spending plan announcements from the Scottish Government. Although it is acknowledged that the Scottish Government have committed to three year funding settlements from 2020/21 onwards, it remains likely that the next budget announcement from the Scottish Government with regards local government funding will not be until December next year, after the planned UK Government Comprehensive Spending Review which would be expected in late October or November and therefore will again leave limited time to address budget considerations for 2020/21. The Council should therefore continue to progress financial planning on the basis that for 2020/21 at least, there may be limited time to respond to the confirmed grant settlement. Moving beyond 2020/21 it would be expected that multi year financial settlements will go some way to mitigating the risk that the long period of annualised financial settlements has brought to local government financial planning arrangements. Consequently, it is important that the Council continues to pro-actively progress financial planning work in the

context of the medium term outlook through the Better Council Change Programme and to plan for a continuation of the current financial uncertainty, at least in the short term.

- 1.15. In setting the 2019/20 budget, members should remain aware that any commitments to additional recurring expenditure will increase the projected medium term deficit in future years unless they are offset by sustainable savings or increased resources arising from an increase in Council Tax. Finally, members are encouraged to take a holistic view of the Council's total resources, covering both capital and revenue. In coming to final budget decisions, members' attention is drawn to unallocated capital resources available to the Council of £4.2 million, as detailed at Item 4 of this agenda.

## **2. RECOMMENDATIONS**

Members are asked to:-

- 2.1 Submit for approval proposals for any savings and/or investments and any service changes as part of delivering a balanced budget for 2019/20, and in doing so, to consider the equality impact of any proposed service changes as referred to at paragraph 8.7 and also to assess whether adequate provision is being made in the 2019/20 budget to deliver against the specified commitments linked to the Council's grant settlement for 2019/20, as detailed at paragraph 3.2 and 3.6.
- 2.2 Approve the provisions for inflationary pressures as recommended at Section 5.
- 2.3 Approve the revenue estimates for all services for 2019/20 subject to adjustment for the allocation of central support costs, central repairs costs, capital charges, specific grants, inflationary allowances and any proposals for service changes approved by Council.
- 2.4 Approve the continuation of the agreed mechanism to manage the release of additional resources being made available in 2019/20 to Renfrewshire Health and Social Care Partnership as set out in paragraph 4.7.
- 2.5 Approve that the Council retains unallocated general fund balances of at least £7 million in 2019/20 and that any excess above this on the closure of the 2018/19 accounts is transferred to the Investment Programme Capital Fund to support the medium term debt smoothing strategy.
- 2.6 Submit for approval the council tax banding levels A to H inclusive to apply for 2019/20.

## **3. GRANT SETTLEMENT**

- 3.1 On the 12<sup>th</sup> December 2018 the Scottish Government published their draft budget for 2019/20 which is subject to parliamentary approval over the course of January and February 2019. Shortly thereafter, on 17<sup>th</sup> December, the draft local government finance settlement was published as set out in the Local Government Finance Circular 8/2018, which provided details of the provisional revenue and capital funding allocations for 2019/20 for local government across Scotland.
- 3.2 Circular 8/2018 confirmed 2019/20 Scottish Government revenue grant funding for the Council of £315.487 million. The Cabinet Secretary for Finance Economy and Fair Work has outlined the set of associated conditions in a letter to all Council Leaders that set out specific commitments that should be read in conjunction with the detail of the financial settlement that make up the provisional funding allocation and which constitute: -

1. Maintaining at a national level the overall pupil teacher ratio (PTR) and providing places for all probationers who require one.
2. The continued prioritisation of financial support for social care. Included within the local government settlement, the Government has provided £160m nationally to support Social Care broken down as follows:

- £108m to support cost and demand pressures
- £10m to support the ongoing implementation of the Carers Act
- £12m to support School Mental Health Services
- £30m to support Care for the under 65s (commonly referred to as Frank's Law)

The government confirmed that taken together, the total additional funding of £160 million allocated to Social Care and Mental Health is to be additional to each Council's 2018-19 recurrent spending on social care and not substitutional. The Government confirmed this means that Local Authority social care budgets for allocation to Integration Authorities (plus those retained for non-delegated social care functions) and funding for school counselling services must nationally be £160 million greater than 2018-19 recurrent budget. As outlined below, this specific condition was subject to additional clarification on the 31<sup>st</sup> January 2019.

3. The continuation of the Council Tax cap of 3%, representing the maximum increase that can be applied locally by an individual council as part of setting the 2019/20 budget. Again, as outlined below, the application of this condition was subject to subsequent change which has revised the cap to 4.79%.
- 3.3 The grant floor (which doesn't include all revenue funding but the majority) was set by the Scottish Government at a maximum reduction of 2.52%. Nine councils are immediately on the floor, with a further eight pulled down onto the floor once the floor calculation mechanism is applied. There are therefore seventeen, of the thirty two councils, on the grant floor with the grant change ranging from a grant cut of 1.30% increasing to a cut of 2.52%. Renfrewshire is 13<sup>th</sup> on the floor calculation table, one of 15 councils not on the floor, with an initial grant reduction of 1.10%, which increases to 2.35% after the application of the floor mechanism. This results in Renfrewshire surrendering £3.493 million of grant to support the floor compensation measures for the nine councils immediately on the floor.
  - 3.4 The Council's settlement figure includes a number of adjustments for new spending burdens and responsibilities, totalling £10.353m million linked primarily to the ongoing implementation of both the expansion in free Early Years Childcare and the Carers (Scotland) Act. There is also a range of differences in the planned timing of distribution of resources linked to discretionary housing payments, and languages grant from the settlement position outlined for 2018/19. In addition, the confirmed funding allocations for 2019/20 at present do not include a number of as yet undistributed new burden funding streams linked predominantly to Frank's Law (£30 million nationally), School Mental Health Services (£12 million nationally) and Barclay Review Burdens (£3 million nationally).
  - 3.5 After adjusting for these areas of new burdens funding, new responsibilities and timing differences in the distribution of funding, the Council's 2019/20 grant figure as set out in the provisional local government finance settlement has, on a like for like basis, decreased by 1.4% from 2018/19. The Council's share of the overall local government revenue funding settlement has increased marginally from 3.19% to 3.21%.
  - 3.6 Subsequent to the draft local government settlement announcement on 12<sup>th</sup> December, the Cabinet Secretary for Finance Economy and Fair Work on 31<sup>st</sup> January announced the



planned release of additional resources to local government in 2019/20 following the Budget Bill Stage 1 debate in Parliament. These changes are subject to final approval as part of the final stages of the Budget Bill and ultimately the Local Government Finance (Scotland) Order, but were confirmed as the following:

- An increase in the core resource local government settlement of £90 million of which the confirmed share for Renfrewshire Council is £2.941 million;
  - Continue to provide an earmarked £160 million from the Scottish Government for health and social care investment to support social care and mental health services – including those under the direction of Integration Authorities – whilst, as part of this package, allowing local authorities the flexibility to offset their adult social care allocations to Integration Authorities in 2019-20 by 2.2% compared to 2018-19, i.e. by up to £50 million across all local authorities to help them manage their own budgets.
  - Provide local authorities with the flexibility to increase the Council tax by 3% in real terms, which equates to 4.79% in 2019/20 year.
  - Bringing forward a three-year funding settlement for local government from 2020-21 budget onwards; and to develop a rules based framework for local government funding in partnership with COSLA that would be introduced for the next Parliament.
  - Agreeing to consider a number of legislative changes to devolve to local government tax power changes, specifically being to consult on the principles of a locally determined tourist tax; to enable those council who wish to introduce a workplace parking levy; and to devolve non-domestic rate empty property relief to local authorities in time for the next revaluation.
- 3.7 The availability of this additional £90 million of revenue grant nationally, of which the Council will receive £2.941 million, reduces the like for like reduction in government grant for the Council in 2019/20 from the 1.4% reduction reflected in the provisional local government finance settlement to a decrease of approximately 0.5% against an all Scotland decrease of 0.4%.
- 3.8 In addition, the Scottish Government has also confirmed that they will pass on in full any Barnett consequential arising from the UK Government funding announcement for increased employer contributions for teacher's pension costs, which apply from 1<sup>st</sup> April 2019. This commitment provides a greater degree of certainty for the Council's budget planning, but it is subject to the as yet unknown value associated with the announcement from the UK Government, which will not be confirmed until March. The Scottish Government have however indicated that they anticipate the level of funding that will be provided by the UK Government will equate to 79% of the expected cost. At this indicative funding level suggested by the Scottish Government, it is estimated that approximately £3.3 million of additional funding would be made available to the Council in 2019/20. Given the specific level of funding is still subject to future confirmation, it would be recommended that members consider carefully how such resources are applied and or committed as part of the 2019/20 budget and that appropriate flexibility is utilised to manage an outcome where the confirmed grant made available to the Council after the UK Government March announcement varies either positively or negatively from this £3.3 million estimate.

**Table 1 – Grant Settlement 2019/20**

	<b>2019/20 £000</b>
<b>Allocated Government Grant Funding</b>	
Specific Grants	18,398
Non Domestic Rate Income	104,417
Revenue Support Grant	195,613
<b>TOTAL CONFIRMED ALLOCATED GOVERNMENT GRANT FUNDING</b>	<b>318,428</b>
Anticipated Revenue Support Grant for Teachers Pensions	3,300
<b>TOTAL CONFIRMED GOVERNMENT GRANT</b>	<b>321,728</b>

- 3.9 There is sufficient resource included within the proposed budget set out in this report to meet the conditions set out as part of the offer to local government with the condition in relation to Council Tax being subject to elected member's decisions in setting the budget for 2019/20. If the Council elects not to take up this package on offer from the Scottish Government, it has not at this stage been confirmed what action the Scottish Government may take in response.
- 3.10 As detailed above, beyond 2019/20, although no specific grant figures are available for local government across Scotland and consequently for Renfrewshire, it is anticipated that local government in Scotland will continue to face a challenging medium term financial outlook with further reductions in the levels of revenue grant made available by the Scottish Government. At present there is significant uncertainty over what the scale of this reduction will be, however the economic outlook provided by the Scottish Fiscal Commission outlines economic growth averaging around 1% over the next 5 years – lower than the OBR forecast for the UK over the same period. Sustained low annual growth forecasts of this nature increases the risk of more limited growth in future tax receipts which in turn is an additional constraining factor on future spend across the public sector in Scotland. This coupled with the Scottish Government's stated commitments to fully fund the delivery of key policy priorities, which the core local government grant not does feature within, presents an overall challenging financial outlook for the future prospects for the local government portfolio within the Scottish Government's overall budget.
- 3.11 There also remain wider risks, in particular the potential outcome that may unfold over coming weeks and months in respect to Brexit. This could as yet further influence significantly the level of resources made available to the Scottish Government budget through what continues to be a fluid and fast changing political and economic environment. Should the UK exit the EU without a deal, the Chancellor of the Exchequer has made clear the expectation of an emergency UK budget shortly thereafter which is likely to have negative implications for public finances in Scotland both in 2019/20 and beyond. Moving forward, members will be kept appropriately briefed and informed as announcements are made by the Scottish Government during the course of 2019 and in addition, of any significant developments in the wider UK economy which are likely to materially change the future financial outlook for the Council.

#### **4. SPENDING PRESSURES, MANAGING DEMAND, AND AGREED SAVINGS**

- 4.1 An analysis has been enclosed with this report detailing, for each service, the proposed budget changes between 2018/19 and 2019/20. The budget has been adjusted to reflect:-
- (i) the continuing costs of the current level of service;
  - (ii) the financial impact of any decisions already taken by the Council or its Policy Boards; and
  - (iii) the implementation of the approved medium-term debt smoothing strategy which will support the delivery of further budget savings on financing charges in 2019/20;
- 4.2 Demographic and socio-economic factors continue to play a major role in driving spending pressures for the Council, specifically in relation to both Adult and Children's Services and relating mainly to:-
- older people's services linked to the shift in the balance of care, supporting older people to live safely at home for as long as possible, and facilitating prompt discharge from hospital;
  - the increasing number and complexity of care packages required to support adult clients to live as independently as possible in the community; and
- 4.3 The Council has for a number of years and more recently in conjunction with the Health and Social Care Partnership been taking forward a range of mitigation strategies designed to dampen the impact of demand led growth. These strategies have extended across multiple perspectives including:-
- Seeking to provide more cost effective services - for example Children's Services has been focusing on a long term strategy to shift a number of care arrangements to in-house provision, reducing reliance on arrangements sourced through more expensive external agencies.
  - Investing in preventative measures and redesigned services to reduce longer term demand growth - for example within Adult Service delivering intensive short term reablement service to support older people to be cared for at home when they leave hospital and reduce demand for more expensive residential care.
  - Better service provision to reduce ongoing demand - for example Children's Services has focused on delivering a long term strategy to improve how well the service is able to support children through to places of permanency, principally aimed at delivering better sustainable outcomes for the children but at the same time reducing ongoing demand for temporary care arrangements.
- 4.4 As a result of the ongoing positive impact of the range of measures implemented over the years, the Director of Children's Services has confirmed that there is no requirement for any additional resources to manage demographic and socio-economic pressures. There is however uncertainty in relation to the scale of service pressures that will gradually emerge

in relation to the impact of the extension of statutory responsibilities to provide services for looked after children through until they are 25. The scale, shape and extent of the cost pressure in this regard is likely to develop over time and will require careful monitoring. However, in 2019/20, an initial provision of up to £0.700 million been accommodated within the proposed 2019/20 budget. This pressure, along with other cost pressures on social care functions within Children's Services has been funded through the Social Care resources provided as part of the local government finance settlement.

- 4.5 In relation to Adult Social Care Services, although a similar impact is being achieved through demand and cost mitigation strategies, the scale of demand led and cost pressures remains more significant. In addition, over the course of 2019/20 Adult Services will again be exposed to expected cost pressures arising from contractual arrangements that will come to an end and are subject to renewal, the financial impact of the negotiated application of the increased living wage across the sector, legislative changes impacting upon the cost of delivering support to Carers and the negotiated increase on the National Care home contract, agreement of which remains outstanding. Based upon the conditions set out by the Scottish Government for the transfer of resources to the Health and Social Care Partnership for Adult Services, an uplift in the recurring budget provision of £1.424 million has been made (note that this includes provision to meet pay pressures in 2019/20). In addition to this, it is expected that approximately £1 million of resources will remain available from flexibility resources held specifically by the Council to manage financial risk and pressures across Adult Social Care services, providing total additional resources in 2019/20 of £2.424 million. This is after applying an efficiency/cost mitigation adjustment of 2.2% against the 2018/19 budget, which equates to £1.4 million and which the Scottish Government have confirmed is an appropriate applicable adjustment as part of determining the resource uplift for Integration Joint Boards in order to support councils wider financial arrangements.
- 4.6 The Chief Financial Officer for the HSCP is currently projecting gross spending pressures of approximately £4 million (excluding new burdens such as the Carers Act) moving into 2019/20. Based on the planned resource uplift this would leave a balance of approximately £1.9 million to be addressed through cost mitigation measures arising from service redesign and modernisation to achieve a balanced budget for 2019/20. It is recognised that the HSCP is progressing a range of service transformation and redesign projects, however such change takes time to fully develop and implement. In addition, the delivery of redesign and transformation will inevitably require a degree resource to support the delivery of change and where appropriate transition from existing service arrangements to new ones. In this context, it is proposed that the £1.4million efficiency/cost mitigation adjustment, is earmarked by the Council in 2019/20 to provide resources to mitigate the risk of change, transformation and cost mitigation measures not fully addressing the estimated £1.9 million residual cost pressure in 2019/20 and also providing resource capacity to support the HSCP to deliver its change programme in 2019/20.
- 4.7 Similar to arrangements agreed in the previous two financial years, it would be proposed that the actual level of drawdown from these flexibility/risk resources over the course of 2019/20 will be agreed between the Council Director of Finance & Resources and the Chief Finance Officer of the Partnership as requirements emerge over the course of the financial year. Full updates in relation to the application of this resource drawdown mechanism will be appropriately reported over the course of the year through the existing budget monitoring arrangements within both the Council and the Health and Social Care Integrated Joint Board.
- 4.8 Table 2 below summarises the recommended base budget adjustments to reflect the pressures facing the Council in 2019/20. Also included in the table is an adjustment arising from the ongoing implementation of the Council's medium term debt smoothing strategy and Better Council Change Programme which continue to support the delivery of significant budget savings in 2019/20.

**Table 2 - Summary of Recommended Base Budget Adjustments 2019/20**

	2019/20	
	£000	£000
Net Impact of previous Council and Board Decisions		
Reversal of 2018/19 single year investments	(15,610)	
Debt Smoothing Saving against Financing Costs	(4,000)	
<b>Total (Net Reductions)</b>		<b>(19,610)</b>
<b>Add:</b>		
Landfill tax increase	107	
Financial Settlement adjustments	333	
Specific Grant adjustments	14,105	
Adult Services Cost and Demand Provision	1,847	
Contract Payment Adjustments	1,453	
Teachers superannuation rate change	4,250	
Other Unavoidable Pressures	2,375	
<b>Total Increases</b>		<b>24,470</b>
<b>Net Base Budget (Reduction)/Increase</b>		<b>4,860</b>

## 5. PAY AND PRICE PRESSURES

- 5.1 The 2019/20 budget position detailed in Table 3 at paragraph 8.1, includes a provision for pay inflation at £7.231 million. This provides for the enhanced level of pay offer made for 2018/19 which was over and above the budget provision made in 2018/19. In terms of teacher pay costs, the budgeted provision provides only for the public sector pay policy level in 2019/20 with all costs associated with the pay offer above this level in both 2018/19 and 2019/20, along with the costs associated with the policy intervention to teacher pay in January 2019 to support teacher recruitment and retention, to be fully funded by the Scottish Government. This funding commitment was confirmed by the Cabinet Secretary for Finance Economy and Fair Work on the 31<sup>st</sup> January albeit the associated funding has yet to be distributed and is therefore not included within the figures outlined in section 3 above.
- 5.2 In setting previous budgets, the Council decided not to apply any general inflationary uplift to non-pay budgets. Given the financial challenges facing the Council, in particular over the medium term and in line with historic practice, general non pay inflation is not provided for in the 2019/20 budget.

- 5.3 The Financial Regulations require charges for services to be reviewed at least annually. The overview of the Council's spending in Table 3 at paragraph 8.1 makes provision of £0.154 million for an inflation adjustment to charges at 2% along with a proposed additional 5% adjustment to cemetery charges across Renfrewshire. Although this will move Renfrewshire Council cemetery charges marginally closer to those applying across the rest of Scotland, the revised charges would still retain Renfrewshire's position as being within the lowest charges operating across the country.

## **6. FINANCING COSTS**

- 6.1 The provision for financing costs includes both debt charges payable as a result of the Council's capital investment programme and the interest gained on temporary investment of cash. In assessing financing cost requirements, an assumed average interest rate of 4.69% has been applied. A minor adjustment has been made to the temporary interest income budget reflecting existing cash management approaches, the anticipated temporary cash deposits levels over the course of 2019/20 and an expectation that interest rate levels are unlikely to materially increase over the course of the year.
- 6.2 As previously reported to members, a strategy of debt smoothing, with the intention of releasing budget savings over the medium term, is incorporated into the Council's medium term financial planning assumptions. As referred to earlier in this report, a further tranche of £4 million of savings are being released from the financing cost budget in 2019/20 as part of the strategy to address the underlying medium term budget deficit and overview position outlined in section 7. It should be noted that it is anticipated this will represent the final tranche of Debt Smoothing in its current form. Moving forward therefore, the Council will be more heavily reliant upon service and transformation savings to support the delivery of cost savings over the medium term. This change will represent a significant milestone in the Council's long term financial strategy arrangements and will place increased emphasis and need for the Change and Transformation programme to deliver significantly higher levels of savings than it has delivered in recent years.
- 6.3 Notwithstanding this, the Cabinet Secretary for Finance Economy and Fair Work has confirmed on 31<sup>st</sup> January, an intention to bring forward as early as is possible changes to legislation which will allow Councils to vary loans fund repayments for advances made before 1 April 2016. This planned change to legislation is expected to provide clarity on the ability to review loans fund advances made prior to 2016 following the new regulations that were brought in at that time and which introduced the prudent write down principle for loans fund advances. Once confirmed, these adjusted regulations may potentially provide an avenue to secure a further tranche of debt smoothing savings as part of the 2020/21 strategy. It is anticipated that work in this regard will be progressed over the course of 2019.

## **7. SPENDING OVERVIEW**

- 7.1 The Council approved spending for 2018/19 at the meeting on 2<sup>nd</sup> March 2018 of £390.880 million. It is estimated that £402.816 million (as detailed in Table 3) is needed to fund the costs of maintaining present service levels, provide for new responsibilities and cost burdens and addressing known pressures and demands in 2019/20.

**Table 3 – Estimated Spending Need 2019/20**

	<b>£000</b>
<b>Spending approved 2018/19 budget</b>	<b>390,880</b>
<i>Add:</i>	
Recommended Budget Adjustments (per Table 2)	24,470
Net reductions Applied (per Table 2)	(19,610)
Revised Budget per Appendix 1	395,740
Net Increase in Provision for inflationary pressures	7,076
<b>Estimated spending need for 2019/20</b>	<b>402,816</b>

- 7.2 Significant cost pressures are anticipated to persist beyond 2019/20 for the Council. Some cost pressures, such as those related to some contractual commitments and cost increases linked to landfill taxation are easier to predict for future years. With the expectation of the multi-year pay offer covering 2018/19 – 2020/21 being accepted, a greater degree of certainty exists in relation to pay pressures, albeit this is at the top end of previous medium term projects. Others such as the impact of legislative and national policy changes, movement on key commodity prices and increasing demand led pressures are more difficult to estimate and are not necessarily within the direct control of the Council. In addition, and as referred to in section 3 above, there is continuing uncertainty in respect to how much of a reduction is likely to be experienced in government grant levels over the medium term, albeit it is recognised that the Scottish Government have committed to providing multi-year finance settlements from 2020/21 which at that point in time will represent a positive step forward in facilitating the ability to plan over the medium term with a greater degree of financial certainty.
- 7.3 It is also recognised that shorter term uncertainty is being exacerbated by what may emerge over coming weeks and months in relation to Brexit and the potential impact this may have on the economy and public finances at both a UK and Scottish level in both the immediate term and moving forward over the medium to longer term. As referred to earlier, should a no deal Brexit unfold, the Chancellor of the Exchequer has made clear his intention to have an emergency UK budget which is likely to have immediate negative impacts on the Council's future financial outlook.
- 7.4 In this context there remains a material degree of uncertainty in relation to the scale of savings that the Council may be required to deliver in the medium term period through to 2022/23. Based on existing assumptions, the position for 2019/20 presented in this report and subject to any decisions taken by Council for 2019/20, it is forecast that a residual funding gap of approximately £24 million - £55 million is likely to emerge for the medium term period 2020/21 – 2022/23 (for the purpose of clarity this forecast budget gap is prior to the impact of any council tax level change applying in any of these financial years).
- 7.5 Consequently, the Council will continue to operate with a medium term financial outlook that remains inherently uncertain, both in scale and potential for variability. It is important therefore that the Council continues to adopt a flexible medium term perspective to the delivery of savings and maintains a strategic and sustainable focus to its financial planning linked to the delivery of priorities approved in the Council Plan and agreed with partners in the Community Plan. The Council should plan for the possibility that over the future financial years, in particular for 2020/21, there may continue to be limited time to respond to confirmed grant settlements and manage both unexpected and higher levels of cost pressures than is

currently being forecast. Consequently, the Council needs to continue to pro-actively progress financial planning work for 2020/21 and beyond through the Better Council Change Programme to prepare for what is anticipated to be a continuation of a highly challenging and uncertain financial period for the Council.

7.6 Members will continue to be updated on developments for future years, but should be aware that in setting the 2019/20 budget any commitments to additional recurring expenditure will increase the projected deficit in future years unless they are offset by recurring savings or increases in Council Tax. Similarly, any decisions taken now to address the future year budget deficits provides greater certainty for service planning and the workforce, and also supports the future financial stability of the Council.

7.7 Where the Council is making decisions in relation to its spending priorities, it is obliged to comply with the public sector equality duty set out in the Equalities Act 2010. This means that the Council must have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct
- Advance equality of opportunity between people who share a relevant characteristic and those who do not; and
- Foster good relations between people who share a protected characteristic and those who do not.

7.8 To meet this requirement, where necessary the Council must assess the impact of applying a new policy or decision against these three "needs" and at the point where a decision is made elected members must have sufficient information available to them to assess that impact. Members in considering their budget proposals prior to presentation at the Council meeting are therefore encouraged to seek advice from Directors on the equality implications of each proposal.

## **8. RESOURCE ALLOCATIONS**

8.1 Appendix 1 attached summarises the provisional resource allocation for each service in terms of the revenue estimates which accompany this report at Appendix 2. The resource allocations will be subject to amendment to reflect the Council's views on budget proposals, inflationary pressures and the allocation of central support costs, specific grants and capital charges.

## **9. PROBABLE OUTTURN 2018/19, BALANCES AND RESERVES**

9.1 Appendix 3 to this report details an overview of the Probable Outturn for 2018/19.

9.2 The Council's general fund balances as at 1<sup>st</sup> April 2018 were £45.208 million, and as outlined in Table 4 below, the majority of this was earmarked for specific purposes. The Council in setting the budget for 2018/19 planned to draw £1.132 earmarked reserves, representing revenue support grant which formed part of the 2018/19 financial settlement, but which had been paid early to the Council prior to the closure of the 2017/18 accounts. As reported to members during the course of 2018/19, a year-end break-even position is being projected and the position on unallocated reserves on the closure of the 2018/19 accounts is expected to remain at £7.094 million. This projected year end position is after accounting for planned adjustments arising from the Council's ongoing debt smoothing strategy.

9.3 It is important that the Council maintains sufficient reserves to protect it during the course of the financial year. Audit Scotland will continue to closely monitor the Council's position to



ensure unallocated general working balances remain at an appropriately prudent level and it is recommended that in the context of the Council's risk profile moving into 2019/20, unallocated reserves are maintained at least at £7.0 million, approximately 1.7% of the Council's net expenditure. In addition, it is recognised that the Council will be required to continue to progress its transformation and change agenda at a greater scale over the medium term and in this context the Council's Service Modernisation and Reform Fund, which provides support to enable change and transformation programmes to be progressed has been refreshed through a transfer from the capital fund held within specific reserves.

- 9.4 Table 4 below summarises the forecast movement and year end position of the General Fund balances, including those earmarked for agreed purposes and estimated future liabilities.

**Table 4 – General Fund Balances 2018/19**

	Balances as at 1/4/2018	Forecast In Year Change and Year End Transfers	Forecast Closing Position as at 31/3/19
	£000	£000	£000
Service Modernisation and Reform Fund	3,681	5,560	9,241
PPP Reserve	12,670	-	12,670
M74 Contribution	566	-	566
Development Contribution - Paisley Town Centre	1,059	(5)	1,054
Early Years Strategy	2,461	(1,700)	761
Waste Management Strategy	1,783	(1,783)	-
Invest in Renfrewshire	479	(479)	-
Community Safety	31	-	31
Private Sector Housing Grant	2,399	100	2,499
Renfrewshire HSCP	1,656	(800)	856
Paisley Town Centre Heritage Strategy	3,195	(50)	3,145
City Deal	1,481	(230)	1,251
Tackling Poverty	703	3,242	3,945
Service Year End Flexibility	1,171	230	1,401
Public Wi Fi Project	503	(160)	343
Pupil Equity Funding	1,613	-	1,613
Culture Bid Legacy	1,531	600	2,131
2018/19 Government Grant rec'd in 2017/18	1,132	(1,132)	-
Villages Improvement Fund	-	370	370
Community Empowerment Fund	-	500	500
Digital Infrastructure	-	450	450
Employability	-	4,500	4,500
Environment and Place	-	2,000	2,000
Unallocated General Fund Balances	7,094	-	7,094
<b>Total General Fund Balances</b>	<b>45,208</b>	<b>11,213</b>	<b>56,421</b>

- 9.5 As previously reported to Council in its consideration of the 2017/18 accounts, and as detailed in Table 5 below, other specific reserves continue to be maintained.

**Table 5 – Specific Reserves 2018/19**

	Balances as at 1/4/2018 £000	Forecast In Year Movement £000	Forecast Balance as at 31/3/19 £000
Insurance Fund	2,543	-	2,543
Reservoir Repair Fund	315	-	315
Education Capital Items Fund	1,132	168	1,300
Investment Programme Capital Fund	85,785	(9,300)	76,485
<b>Total Specific Reserves</b>	<b>89,775</b>	<b>(9,132)</b>	<b>80,643</b>

- 9.6 The Insurance Fund covers the main classes of insurance and is earmarked for insurance purposes such as the cost of insurance excesses and premiums.
- 9.7 The Reservoir Repairs Fund represents funding received from a developer for repairs in perpetuity in relation to the Thornly Dam.
- 9.8 The Education Capital Items fund is earmarked for specific schools for the planned purchases of a capital nature such as computers and information communication technology equipment.
- 9.9 The Investment Capital Fund is used to hold planned contributions to the delivery of the ongoing capital investment programmes as well as resources which support the debt smoothing strategy operating across the General Fund. These debt smoothing resources are utilised to manage both the debt levels linked with the capital investment programme and the associated debt servicing costs charged to the revenue account each year.

## **10. COUNCIL TAX**

- 10.1 The Council's council tax (Band D) for 2018/19 is £1,199.63 and is £8.22 (0.7%) below the Scottish average. It is estimated that in 2019/20 each £1 of council tax will yield £72,040 which is higher than 2018/19. The increase in the yield reflects actual and anticipated growth in the council tax base in the context of the recovery being experienced in the housing development market along with a drop in the level of discounts being awarded, primarily linked to the Council Tax Reduction Scheme.
- 10.2 A maximum net yield of £86.420 million can be anticipated from the expected Council Tax base and present council tax levels. Within the context of the current service resources, specific collection initiatives continue to be implemented to support the collection of council tax, including the recovery of arrears for prior years. It is anticipated that £0.500 million will be collected next year from prior years.
- 10.3 Members are required to determine the level of council tax for Bands A to H inclusive which should apply for 2019/20, and in doing so, are reminded of the grant conditions detailed at paragraph 3.2 and 3.6.

## **11. BUDGET OVERVIEW – 2019/20**

- 11.1 The overview budget position for the Council for 2019/20, prior to any changes in service levels or council tax levels, is outlined in Table 6 below. This overview position confirms an

in year revenue surplus for 2019/20, subject to decisions by members in setting the final budget for 2019/20.

**Table 6 – Budget Overview 2019/20**

	<b>£000</b>
<b>Income:</b>	
Government Grant (per table1)	321,728
Council Tax Income	86,420
Council Tax / Community Charge Arrears Recovery	500
<b>Total Income</b>	<b>408,648</b>
Less: Estimated Spending Need (Table 3)	402,816
<b>Estimated Funding Surplus 2019/20</b>	<b>5,832</b>

## **12. BUDGETARY CONTROL**

- 12.1 Directors are expected to manage their approved budgets on a bottom line basis in accordance with the Financial Regulations. If an overspend emerges during the year on any approved budget line the Director is expected to take corrective action, seeking Policy Board approval for any policy changes involved in such actions.

## **13. FURTHER ACTION**

- 13.1 Members wishing clarification of the details of this report or the enclosed Revenue Estimates pack should contact the Director of Finance & Resources or the Chief Executive or any Director in relation to their specific service responsibilities.
- 13.2 Members wishing advice on budget proposals should contact the appropriate service Director.

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## **Implications of this Report**

**Financial** – The report and enclosures provide the background information on the 2019/20 budget, identifying a temporary in year surplus. As detailed in the report, if the Council does not formally agree to the specified set of commitments as part of agreeing the 2019/20 budget, it would be anticipated that a further grant reduction will be applied by the Scottish Government, albeit the extent of this reduction has not been confirmed.

**HR & Organisational Development** - Employee numbers will be subject to any budget proposals agreed.

**Community/Council Planning** – implications will be subject to any budget proposal agreed. Members should however keep in mind that over the medium term the Council is anticipated to have less resources in both cash and real terms and as such there will be a requirement to increasingly make key choices to direct reducing resources to support the delivery of those outcomes of greatest priority as defined in the Council Plan.

**Legal** - The Council is required to set a balanced budget for 2019/20.

**Property/Assets** – implications will be subject to any budget proposals agreed.

**Information Technology** - implications will be subject to any budget proposals agreed.

**Equality & Human Rights** - in considering the budget proposals, the Council must have due regard to any impact on equalities and human rights and complying with the public sector equality duty.

**Health & Safety** - implications will be subject to any budget proposals agreed.

**Procurement** – implications will be subject to any budget proposals agreed.

**Risk** - As outlined in the report, the Council continues to be faced with risk and uncertainty in setting its 2019/20 budget and future financial outlook over the medium term, principally in relation to factors outwith its direct control. In addition, the scope of ongoing change underway within the Council and scale of ongoing budget reduction necessary to realign Council spending with available resources over the medium term brings with it additional risk for the Council. In recognition of this it is important that the Council's unallocated balances remain at an appropriately prudent level and that decisions taken by the Council pay due regard to the medium term financial outlook.

**Privacy Impact** - implications will be subject to any budget proposals agreed.

**Cosla Policy Position** – implications will be subject to any budget proposals agreed.

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## **List of Background Papers**

(a) Background Papers - none

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**Author – Alan Russell, Director of Finance & Resources**

**APPENDIX 1**

**REVENUE ESTIMATES 2019/20**  
**PROVISIONAL RESOURCE ALLOCATION STATEMENT**  
**(subject to amendment for any budget proposals approved by Council)**

**RESOURCES  
ALLOCATION  
£000**

**Service**

Chief Executive's Service	9,578
Children's Services	176,090
Leisure Services	10,386
Environment & Infrastructure	35,445
SPTA	3,168
Finance and Resources	33,204
Valuation Joint Board	1,302
Community, Housing and Planning	9,744
Adult Services	64,115
Miscellaneous Services	54,276
<b>NET EXPENDITURE PER APPENDIX 2</b>	<b>397,307</b>

Less: Recoveries from accounts outwith service resource allocations	1,567
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<b>Total per Table 3</b>	<b>395,740</b>
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**(Note: No allowance has been included in the resource allocations at this stage for inflation identified in section 5 of the report)**

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**DEPARTMENT : CHIEF EXECUTIVE**

£                      £                      £

**Analysis of Change between 2018-2019 and 2019-2020**

**2018-2019 Estimates** **1,124,814**

Adjustments for items outwith Resource Allocation  
less: capital charges

-                      -

Central support costs                      (554,440)  
Central support recoveries                      4,907,482  
Corporate and Democratic core costs                      -

4,353,042

4,353,042

**Adjusted 2018-2019 Estimates** **5,477,856**

**Adjustment to Current Year Estimates**

Unavoidable Increase (Decrease) ( PAPER 2)  
Transfers (PAPER 3)

19,000  
4,081,290

4,100,290

**2019-2020 Estimates** **9,578,146**  
**(Before budget decisions)**

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**UNAVOIDABLE INCREASES (DECREASES)**

**DEPARTMENT : CHIEF EXECUTIVE**

[illegible]

**RENFREWSHIRE COUNCIL**

## **SUMMARY OF 2019-2020 REVENUE ESTIMATES**

## TRANSFERS

**DEPARTMENT : CHIEF EXECUTIVE**

[illegible]



**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**DEPARTMENT : CHILDRENS SERVICES**

£                      £                      £

**Analysis of Change between 2018-2019 and 2019-2020**

**2018-2019 Estimates** 205,970,226

Adjustments for items outwith Resource Allocation  
Less: capital charges

(16,754,700)                      (16,754,700)

Central support costs

(13,448,387)

Central support recoveries

Corporate and Democratic core costs

234,200

(13,214,187)

(29,968,887)

**Adjusted 2018-2019 Estimates**

176,001,339

**Adjustment to Current Year Estimates**

Unavoidable Increase (Decrease) ( PAPER 2)

1,085,760

Transfers (PAPER 3)

(997,332)

88,428

**2019-2020 Estimates**

176,089,767

**(Before budget decisions)**

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**UNAVOIDABLE INCREASES (DECREASES)**

**DEPARTMENT : CHILDRENS SERVICES**

ED		£
1	Annual Contractual PPP Contract Indexation Adjustment	232,000
2	Increase in SEEMIS membership fee	30,000
3	Rent review - Abbey House	30,000
4	Finance settlement and service demand adjustments	1,043,760
5	Reversal of 2018/19 single year investments	(250,000)
	<b>Total Increase (Decrease) to Budget</b>	<b>1,085,760</b>

# **RENFREWSHIRE COUNCIL**

## **SUMMARY OF 2019-2020 REVENUE ESTIMATES**

### **TRANSFERS**

**DEPARTMENT : CHILDRENS SERVICES**

[illegible]

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**DEPARTMENT : LEISURE SERVICES**

£                      £                      £

**Analysis of Change between 2018-2019 and 2019-2020**

**2018-2019 Estimates** 12,302,013

Adjustments for items outwith Resource Allocation  
Less: capital charges

(2,501,400)                      (2,501,400)

Adjustments for Central Support  
Central support costs  
Corporate and Democratic core costs

-  
-  
-  


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(2,501,400)

**Adjusted 2018-2019 Estimates** 9,800,613

**Adjustment to Current Year Estimates**

Unavoidable Increase (Decrease) ( PAPER 2)  
Transfers (PAPER 3)

368,395  
217,400  


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585,795

**2019-2020 Estimates** 10,386,408  
**(Before budget decisions)**

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**UNAVOIDABLE INCREASES (DECREASES)**

**DEPARTMENT : LEISURE SERVICES**

LS		£
1	Renfrewshire Leisure Contract Payment adjustment	368,395
	<b>Total Increase (Decrease) to Budget</b>	<b>368,395</b>

# **RENFREWSHIRE COUNCIL**

## **SUMMARY OF 2019-2020 REVENUE ESTIMATES**

### **TRANSFERS**

**DEPARTMENT : LEISURE SERVICES**

LS		£
1	Residual Cultural services budget transfers	217,400
	<b>Total Increase (Decrease) to Budget</b>	<b>217,400</b>

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**DEPARTMENT : ENVIRONMENT & INFRASTRUCTURE**

£                      £                      £

**Analysis of Change between 2018-2019 and 2019-2020**

**2018-2019 Estimates** **57,929,876**

Adjustments for items outwith Resource Allocation less: capital charges	(8,505,870)	(8,505,870)	
Adjustments for Central Support			
Central support costs	(4,672,507)		
Central support recoveries	218,765		
Corporate and Democratic core costs	180,190		
		(4,273,552)	
			(12,779,422)
<b>Adjusted 2018-2019 Estimates</b>			<b>45,150,454</b>

**Adjustment to Current Year Estimates**

Unavoidable Increase (Decrease) ( PAPER 2)	(4,415,800)		
Transfers (PAPER 3)	(5,289,467)		
			(9,705,267)

**2019-2020 Estimates** **35,445,187**  
**(Before budget decisions)**

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**UNAVOIDABLE INCREASES (DECREASES)**

**DEPARTMENT : ENVIRONMENT & INFRASTRUCTURE**

El		£
1	Increase In Landfill Tax	107,000
2	Flood Prevention - North Renfrew	20,000
3	Impact of Better Council Change Programme	(832,000)
5	Contract inflation costs	179,200
6	Traffic regulation orders	20,000
8	Local government finance settlement adjustments	90,000
9	Reversal of 2018/19 single year investments	(4,000,000)
	<b>Total Increase (Decrease) to Budget</b>	<b>(4,415,800)</b>



**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**TRANSFERS**

**DEPARTMENT : ENVIRONMENT & INFRASTRUCTURE**

<b>EI</b>		<b>£</b>
<b>1</b>	Realignment of Non-domestic rates budgets	(53,834)
<b>2</b>	Centralisation of Events Budget	(45,000)
<b>3</b>	Realignment of Overtime Budgets	(89,950)
<b>4</b>	Realignment of Buying Additional Annual Leave savings	(9,343)
<b>5</b>	Realignment of Sales, Fees and Charges budgets	(61,541)
<b>6</b>	Realignment of staffing budgets	539,340
<b>7</b>	Centralisation of ICT Maintenance Budgets	(12,664)
<b>8</b>	Realignment of Regeneration budget	65,000
<b>9</b>	Transfer of service budgets to reflect approved corporate restructure	(5,085,475)
<b>10</b>	Realignment of budget to loan charges following LED lighting investment	(641,000)
<b>11</b>	Transfer of funding for Free School Meals	93,000
<b>12</b>	Transfer of funding for Flood Risk Assessment	12,000
	<b>Total Increase (Decrease) to Budget</b>	<b>(5,289,467)</b>

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**DEPARTMENT : STRATHCLYDE PASSENGER TRANSPORT**

£	£	£
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**Analysis of Change between 2018-2019 and 2019-2020**

**2018-2019 Estimates**

Adjustments for items outwith Resource Allocation			3,227,700
less: capital charges	-		

Adjustments for Central Support			
Central support costs	-		
Corporate and Democratic core costs	-		

<b>Adjusted 2018-2019 Estimates</b>			<u>-</u>
			3,227,700

**Adjustment to Current Year Estimates**

Unavoidable Increase (Decrease) ( PAPER 2)		(60,000)	
Transfers (PAPER 3)		-	
		<u>-</u>	<u>(60,000)</u>

<b>2019-2020 Estimates</b>			<u><u>3,167,700</u></u>
<b>(Before budget decisions)</b>			

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**UNAVOIDABLE INCREASES (DECREASES)**

**DEPARTMENT : STRATHCLYDE PASSENGER TRANSPORT**

SPT		£
1	Impact of reduced Requisition	(60,000)
	Total Increase (Decrease) to Budget	(60,000)

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**TRANSFERS**

**DEPARTMENT : STRATHCLYDE PASSENGER TRANSPORT**

[illegible]

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**DEPARTMENT : FINANCE AND RESOURCES**

£	£	£
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**Analysis of Change between 2018-2019 and 2019-2020**

<b>2018-2019 Estimates</b>			5,134,974
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Adjustments for items outwith Resource Allocation capital charges	(2,440,500)	(2,440,500)	
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Adjustments for Central Support			
Central support costs	(12,944,262)		
Central Support recoveries	<u>42,961,115</u>		
		30,016,853	

			<u>27,576,353</u>
<b>Adjusted 2018-2019 Estimates</b>			<b>32,711,327</b>

**Adjustment to Current Year Estimates**

Unavoidable Increase (Decrease) ( PAPER 2)		625,328	
Transfers (PAPER 3)		<u>(133,118)</u>	
			<u>492,210</u>

<b>2019-2020 Estimates</b>			<b><u>33,203,537</u></b>
<b>(Before budget decisions)</b>			

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**UNAVOIDABLE INCREASES (DECREASES)**

**DEPARTMENT : FINANCE AND RESOURCES**

<b>FAR</b>		<b>£</b>
<b>1</b>	ICT licensing and maintenance contract price increase and enhanced cyber security requirements	326,200
<b>2</b>	Staffing budget realignment	442,128
<b>3</b>	ICT modernisation Better Council Programme	(150,000)
<b>4</b>	Additional Billing linked to Universal Credit roll out	7,000
	<b>Total Increase (Decrease) to Budget</b>	<b>625,328</b>

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**TRANSFERS**

**DEPARTMENT : FINANCE AND RESOURCES**

<b>FAR</b>		<b>£</b>
<b>1</b>	Realignment of Non domestic rates	11,410
<b>2</b>	Realignment of Buying Additional Annual Leave savings	(81,568)
<b>3</b>	Realignment of overtime budgets	(12,070)
<b>4</b>	Realignment of Sales, Fees and Charges budgets	(31,165)
<b>5</b>	Realignment of Staffing budgets	(48,433)
<b>6</b>	ICT Maintenance budget realignment	3,973
<b>7</b>	Property budget realignment	(21,265)
<b>8</b>	Centralisation of of ICT budget for SWIFT Licenses	46,000
	<b>Total Increase (Decrease) to Budget</b>	<b>(133,118)</b>

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**DEPARTMENT : RENFREWSHIRE VALUATION JOINT BOARD**

£	£	£
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**Analysis of Change between 2018-2019 and 2019-2020**

<b>2018-2019 Estimates</b>			1,253,800
----------------------------	--	--	-----------

Adjustments for items outwith Resource Allocation  
less: capital charges

-

-

Adjustments for Central Support

Central support costs

-

Corporate and Democratic core costs

-

-

-

<b>Adjusted 2018-2019 Estimates</b>			<u>1,253,800</u>
-------------------------------------	--	--	------------------

**Adjustment to Current Year Estimates**

Unavoidable Increase (Decrease) ( PAPER 2)

48,000

Transfers (PAPER 3)

-

48,000

<b>2019-2020 Estimates</b>			<u><u>1,301,800</u></u>
<b>(Before budget decisions)</b>			



**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**UNAVOIDABLE INCREASES (DECREASES)**

**DEPARTMENT : RENFREWSHIRE VALUATION JOINT BOARD**

JVB		£
1	Impact of Increased Requisition	48,000
		48,000

# **RENFREWSHIRE COUNCIL**

## **SUMMARY OF 2019-2020 REVENUE ESTIMATES**

### **TRANSFERS**

**DEPARTMENT : RENFREWSHIRE VALUATION JOINT BOARD**

JVB		£
		-

**RENFREWSHIRE COUNCIL****SUMMARY OF 2019-2020 REVENUE ESTIMATES****DEPARTMENT : COMMUNITY, HOUSING AND PLANNING SERVICES**

	£	£	£
<b>Analysis of Change between 2018-2019 and 2019-2020</b>			
<b>2018-2019 Estimates</b>			9,432,303
Adjustments for items outwith Resource Allocation less: capital charges	(688,000)	(688,000)	
Adjustments for Central Support Central support costs	(1,657,974)		
Corporate and Democratic core costs	156,260		
		(1,501,714)	
			(2,189,714)
<b>Adjusted 2018-2019 Estimates</b>			<u>7,242,589</u>
<b>Adjustment to Current Year Estimates</b>			
Unavoidable Increase (Decrease) ( PAPER 2)		(451,000)	
Transfers (PAPER 3)		2,952,194	
			<u>2,501,194</u>
<b>2019-2020 Estimates</b>			<u><b>9,743,783</b></u>
<b>(Before budget decisions)</b>			

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**UNAVOIDABLE INCREASES (DECREASES)**

**DEPARTMENT : COMMUNITY, HOUSING AND PLANNING SERVICES**

CHAPS		£
1	Public space maintenance	25,000
2	Impact of Better Council Change Programme	(406,000)
3	Realignment of PSHG provision to meet demand	(70,000)
Total Increase (Decrease) to Budget		(451,000)

**RENFREWSHIRE COUNCIL**

## SUMMARY OF 2019-2020 REVENUE ESTIMATES

## TRANSFERS

**DEPARTMENT : COMMUNITY, HOUSING AND PLANNING SERVICES**

OH		£
1	Realignment of Buying Additional Annual Leave savings	(2,554)
2	Realignment of Non-domestic rates budgets	819
3	Transfer of service budgets to reflect approved corporate restructure	3,111,881
4	Realignment of Care and Repair budgets	12,506
5	Realignment of Non domestic rates	7,947
6	Realignment of Buying Additional Annual Leave savings	(6,296)
7	Realignment of overtime budgets	(4,175)
8	ICT Maintenance budget realignment	21,850
9	Transfer of Property budget to reflect Assurance House lease expiry / Russell Institute opening	(124,784)
10	Realignment of Regeneration budget	(65,000)
	<b>Total Increase (Decrease) to Budget</b>	<b>2,952,194</b>

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**DEPARTMENT : ADULT SERVICES**

£                      £                      £

**Analysis of Change between 2018-2019 and 2019-2020**

**2018-2019 Estimates** 63,593,117

Adjustments for items outwith Resource Allocation  
 Less: capital charges

-                      -

Adjustments for Central Support  
 Central support costs  
 Corporate and Democratic core costs

\_\_\_\_\_ -

**Adjusted 2018-2019 Estimates** 63,593,117

**Adjustment to Current Year Estimates**

Unavoidable Increase (Decrease) ( PAPER 2)  
 Transfers (PAPER 3)

405,000  
 116,633  
 \_\_\_\_\_ 521,633

**2019-2020 Estimates** 64,114,750  
**(Before budget decisions)**

**RENFREWSHIRE COUNCIL**

## SUMMARY OF 2019-2020 REVENUE ESTIMATES

### UNAVOIDABLE INCREASES (DECREASES)

**DEPARTMENT : ADULT SERVICES**

AS		£
1	Uplift of resource transfer to IJB (including Carers Act)	405,000
	<b>Total Increase (Decrease) to Budget</b>	<b>405,000</b>

# **RENFREWSHIRE COUNCIL**

## **SUMMARY OF 2019-2020 REVENUE ESTIMATES**

### **TRANSFERS**

**DEPARTMENT : ADULT SERVICES**

[illegible]



**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**DEPARTMENT : MISCELLANEOUS**

£                      £                      £

**Analysis of Change between 2018-2019 and 2019-2020**

**2018-2019 Estimates** 30,840,257

Adjustments for items outwith Resource Allocation  
Less: capital charges

30,890,470	
	30,890,470

Adjustments for Central Support

Central support costs

(13,172,362)

Trading Operations

-

Corporate and Democratic core costs

(570,650)	
	(13,743,012)

17,147,458

**Adjusted 2018-2019 Estimates**

47,987,715

**Adjustment to Current Year Estimates**

Unavoidable Increase (Decrease) ( PAPER 2)

7,235,673

Transfers (PAPER 3)

(947,600)

6,288,073

**2019-2020 Estimates**

**54,275,788**

**(Before budget decisions)**

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**UNAVOIDABLE INCREASES (DECREASES)**

**DEPARTMENT : MISCELLANEOUS**

		£
1	Debt Smoothing Strategy savings	(4,000,000)
2	Scheduled Loan charges linked to Ciy Deal and Heritage Investment	3,039,294
3	Provision for Strategic Waste Pressures	2,000,000
4	Provision for teacher pension increases and school roll increases	4,850,000
5	Impact of Better Council Change Programme	(323,128)
6	Utility cost inflation	211,605
7	Increase in non teaching pension strain costs	200,000
8	Provision for social care services cost and demand pressures	1,941,902
9	Community Justice Interim funding	50,000
10	Increase in NDR poundage	150,000
11	Temporary Interest saving	(100,000)
12	Reversal of 2018/19 Motion Decisions	(12,350,000)
13	Local government finance settlement adjustments	11,566,000
	<b>Total Increase (Decrease) to Budget</b>	<b>7,235,673</b>

**RENFREWSHIRE COUNCIL**  
**SUMMARY OF 2019-2020 REVENUE ESTIMATES**  
**TRANSFERS**

**DEPARTMENT : MISCELLANEOUS**

MS		£
1	Realignment of Non- domestic rates Budgets	(107,667)
2	Centralisation of Events Budget	(750,000)
3	Realign2018/19 HSCP resource	(31,000)
4	Realignment of overtime Budgets	135,400
5	Realignment of Citizen Advice Bureau budget	(337,260)
6	Realignment of staffing budgets	(515,457)
7	Realignment of Sales, Fees and Charges budgets	115,000
8	Realignment of Buying Additional Annual Leave savings	150,000
9	Residual Leisure budget transfers	(217,400)
10	Transfer of Assurance House	124,784
11	CPP Transitional Funding - Criminal Justice	(50,000)
12	Settlement Adjustment - Free School Meals	(93,000)
13	Settlement Adjustment - Flood Risk Assessment	(12,000)
14	Realignment of budget to loan charges following LED lighting investment	641,000
	<b>Total Increase (Decrease) to Budget</b>	<b>(947,600)</b>

**Renfrewshire Council**  
**Estimates of Expenditure and Income for the Year Ended 31st March 2020**  
**General Fund Summary**  
**Objective Summary**

<b>Net Expenditure</b>	<b>2018/19 Estimates* £</b>	<b>2019/20 Estimates £</b>
<b>Children's Services</b>	<b>174,540,341</b>	<b>176,089,767</b>
<b>Leisure Services</b>	<b>9,768,303</b>	<b>10,386,408</b>
<b>Environment &amp; Communities</b>	<b>41,130,447</b>	<b>0</b>
<b>Environment &amp; Infrastructure</b>	<b>0</b>	<b>35,445,187</b>
<b>Finance and Resources</b>	<b>32,159,324</b>	<b>33,203,537</b>
<b>SPT</b>	<b>3,227,700</b>	<b>3,167,700</b>
<b>Valuation Joint Board</b>	<b>1,253,800</b>	<b>1,301,800</b>
<b>Other Housing</b>	<b>4,599,205</b>	<b>0</b>
<b>Planning and Economic Development</b>	<b>2,643,387</b>	<b>0</b>
<b>Communities, Housing and Planning</b>	<b>0</b>	<b>9,743,783</b>
<b>Chief Executives</b>	<b>6,168,434</b>	<b>9,578,146</b>
<b>Miscellaneous</b>	<b>35,210,759</b>	<b>54,275,788</b>
<b>Adult Services</b>	<b>62,514,984</b>	<b>64,114,750</b>
<b>Net Expenditure</b>	<b>373,216,684</b>	<b>397,306,866</b>

\* Estimates as per Report to Council 2 March 2018, prior to any decisions and in-year redeterminations

## Renfrewshire Council

## General Fund Probable Outturn for 2018-19

Line		2018/19	2018/19
No	Net Expenditure	Revised Estimates £000	Probable Outturn £000
1	Children's Services	205,201	205,201
2	Leisure Services	12,550	12,550
3	Environment & Infrastructure	53,088	53,088
4	Finance and Resources	5,401	5,401
5	Renfrewshire Valuation Joint Board	1,249	1,249
6	Community, Housing and Planning	12,191	12,191
7	SPT	3,228	3,228
8	Chief Executives	5,397	5,397
9	Miscellaneous	33,319	33,319
10	Adult Services	63,742	63,742
11	Net Expenditure	395,366	395,366