
**PROCEDURE TO BE FOLLOWED AT THE MEETING
OF RENFREWSHIRE COUNCIL
TO BE HELD ON 9 MARCH 2020
DURING CONSIDERATION OF ITEM 1 CONCERNING
REVENUE ESTIMATES AND COUNCIL TAX
FOR THE FINANCIAL YEAR 2020/21**

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 9 March 2020.

1. The Convener of the Finance, Resources & Customer Services Policy Board (the Convener) will make his budget statement for financial year 2020/21 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 2020/21).
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: 9 March 2020

Report by: Director of Finance & Resources

Heading: Revenue Budget and Council Tax 2020/21

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 2020/21. 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 2020/21 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 their draft budget for 2020/21 but has importantly for context through its first two iterations of its annual Medium Term Financial Strategy (MTFS) reaffirmed its stated policy and spending commitments over this parliamentary period to areas of the public sector across Scotland which does not include the existing core grant for local government.
- 1.4 As outlined to members in previous financial outlook reports, the Scottish Government's own high level forecast of overall future revenue spending in Scotland over the medium term anticipated relatively shallow growth in spending.
- 1.5 In this context, coupled with the Government's stated commitments to real terms growth and protection of other areas of the public sector, including the NHS, Police, and early learning and childcare expansion; the prospects for the unprotected areas (the biggest element of which is the existing core local government grant), was considered to be consequently negative in their outlook with a reduction in future funding settlements likely to emerge over the medium term.
- 1.6 Members will be aware of the significant disruption to the normal budget setting cycle at both a UK level and consequently Scottish Government level following the unscheduled General Election on the 12th December 2019. As a consequence of this event, the planned UK

Government comprehensive spending review scheduled for November 2019 and Scottish Government draft budget and draft local government settlement scheduled for 12th December 2019 were both postponed. As outlined in more detail in the main body of this report, the UK Government budget announcement is expected on 11th of March and has been confirmed will be for a single year only with a multi year comprehensive spending review not expected until towards the end of this calendar year. Notwithstanding this delay at a UK level, the Scottish Government has elected to publish its own draft budget ahead of the UK, informed by announcements already made by the UK Government and ongoing engagement with the UK Government and HM Treasury.

1.7 In the lead up to and following the UK election in December, there has been spending announcements by the UK government leading to an expectation of a material increase in public sector spending at a UK level in 2020/21 and that this would benefit Scotland through positive Barnett consequential adjustments to the Scottish Block Grant. However, many of these new spending announcements are linked to the NHS and Police as well as infrastructure capital investment. It was therefore anticipated that should the Scottish Government choose to pass on these positive Barnett consequential adjustment directly to the NHS and Police budgets in Scotland, there was limited prospect of any material improvement emerging for the core local government grant beyond what was previously forecast.

1.8 Following the publication of the Scottish Government's draft budget for 2020/21, this anticipated outcome broadly emerged with the key points of note being as follows:

- Spending on public services is up by around 3.6% in real terms compared to budget 2019/20, excluding new responsibilities in relation to the delivery of social security.
- This uplift is nearly all due to positive Barnett consequential adjustments flowing from spending increases by the UK Government and is the largest increase in the block grant since pre-austerity days.
- The Scottish Government has elected to maximise spending in 2020/21 by using its resource borrowing powers to mitigate the impact of approximately £200 million of negative fiscal reconciliation adjustments in 2020/21 (which reflect the 2017/18 budget being based on a set of income tax forecasts that subsequently turned out to be too optimistic). This borrowing will however be required to be repaid in future years.
- Further, the expected fiscal reconciliation for 2021/22 although now slightly less negative at around £550 million, is nevertheless a very large future risk which along with the deferred £200 million adds significant net budget pressure that will need to be managed by the Scottish Government in future years.
- The outlook for earnings in Scotland, which underpins the forecasts for income tax, has improved marginally since the Scottish Fiscal Commission's last assessment in May 2019. As a result, the outlook for tax revenues is also now slightly better than might have been anticipated 6 months ago. However, as outlined later in the report, the overall economic outlook remains weak by historic standards.
- The budget effects of the devolved Scottish tax policy, which raises over £500 million more in revenues than if UK tax policy were implemented, has been all but wiped out by weaker earnings growth in Scotland relative to the UK, and there is nothing in the current economic forecasts to suggest any degree of recovery in this position in the next few years.
- Nationally, the budget for capital spending is up significantly. The capital block grant from Westminster is increasing by 12% in real terms. On top of this, the government

plans to make full use of its capital borrowing powers in 2020/21. This will take capital investment in real terms in Scotland back to its pre-austerity peak. However as outlined in the capital report included on the Council agenda, this contrast starkly with the reduction in local government capital funding, where the Council's general capital grant settlement has been reduced by approximately 20% from 2019/20.

- For local government the headline increase in revenue resources announced by the Scottish Government was £495 million. However of this increase, around £590 million is linked to funding for new priorities such as Early Learning and Childcare expansion, funding for policy interventions in teachers pay, pass through funding from the UK government for teacher pension increases as well as conditional pass through funding for social care services delegated to Health and Social Care Partnerships. After adjustment for such areas the like for like comparison to 2019/20 is equivalent to a cash cut of 1%.
- This is approximately reflected in the Council's individual draft financial settlement with a like for like grant reduction of 1.1% which is broadly in line with the Council's central financial planning scenario.

- 1.9 There has been clear disruption to the normal course of fiscal and economic reporting events triggered by the calling of a UK General Election. The impact of this has undoubtedly heightened short term uncertainty in the context of the delays to national budget setting timetables at both a UK and Scottish level. The publication of the Scottish draft budget in advance of the UK Budget for 2020/21 being published on 11 March 2020 is unprecedented and inherently creates a degree of uncertainty with regards the spending commitments outlined within the Scottish draft budget. The timing of both the UK Budget and Scottish Draft Budget also truncates the period available for Parliamentary scrutiny of the draft Scottish Government budget; with the Budget Bill Stage 1 debate in the Scottish Parliament having taken place on the 27th February 2020 with stages 2 and 3 scheduled to take place on 4th and 5th March.
- 1.10 Similar to previous years, following the stage 1 parliamentary debate on 27th February 2020, the Scottish Government announced a revision to the local government budget and draft settlement. In relation to the revenue grant, an additional £95 million of grant is being made available in 2020/21 for local government. This additional £95 million moves the local government revenue budget settlement nationally into a cash standstill position on a like for like basis moving from 2019/20 to 2020/21. For the Council, the confirmed distribution of the additional resources will provide a further £3.101 million of revenue grant, moving the Council close to a cash standstill position with the like for like change in grant between financial years being a reduction of 0.18%.
- 1.11 It is recognised however that should the UK budget once announced differ materially from the range of assumptions made by the Scottish Government, they have indicated that they may be required to revisit and adjust funding and spending commitments as currently set out in their own budget, which could impact on the local government settlement.
- 1.12 In this context the prospects for the Council's grant settlement over the medium term remain at this stage subject to ongoing uncertainty. Despite the improvements in overall spending emerging at a Scottish Government level for 2020/21, this has resulted in only a marginal improvement in the like for like change in the existing core grant for local government from 2019/20, with a flat cash position being confirmed after the additional resources announced after the stage 1 parliamentary debate are taken into account, as set against a 0.4% cut in 2019/20.

- 1.13 Given some of the additional resources announced by the Scottish Government after the stage 1 debate have been funded through the use of in year flexibility resources, there remains some uncertainty over whether all of this additional funding will be baselined moving beyond 2020/21. There is therefore limited positive indication from the 2020/21 settlement to suggest any material adjustment should be made to the central planning assumption over the next two years of a forecast 1.25% per annum reduction in government grant funding for the Council. This is particularly the case in the context of the ongoing commitments made by the Scottish Government to the other priority areas of their budget coupled with the financial risk exposure that accompanies growing fiscal devolution for the Scottish Government. In the short term this is manifesting itself in significant challenges as a result of the growing fiscal reconciliation adjustments, estimated at approximately £2 billion, to be addressed over coming years along with relative weak underlying economic and earnings growth which now play a significant and direct role in the future prospects for the Scottish Budget nationally.
- 1.14 Members should note that similar to previous years and as detailed in the main body of the report, the Council's financial settlement for 2020/21 is conditional upon the package of measures linked to the local government finance settlement. To date the Scottish Government has not provided any confirmation of the financial sanction of not agreeing to and or implementing the full package of measures.
- 1.15 In setting out the terms of the draft local government finance settlement, the Scottish Government has again set a cap for Council Tax increases expressed as a 3% in cash terms (4.84% real terms). 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 4.84% cap.
- 1.16 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. Over the past number of months, budget assumptions have been updated and confirmed, including most notably the confirmed grant available to the Council in 2020/21 and the associated conditions, the impact of new statutory obligations, the likely impact of increasing demographic and demand pressures and expected council tax yield levels for 2020/21. In addition, the Council has continued to take a number of decisions as part of the medium term financial strategy linked to the new Right for Renfrewshire transformation programme and Debt Smoothing Strategy that support the release of mitigating savings in 2020/21, as well as Directors continuing to identify areas of existing resource that can be re-directed to mitigate the impact of new emerging cost pressures. After taking account of the cumulative impact of each of these issues there is, as presented in this report, a temporary budget surplus for 2020/21 of £2.365 million for 2020/21, subject to any further decisions taken by members.
- 1.17 Moving beyond 2020/21, it is anticipated that that the Council will continue to face significant financial challenges, with a forecast budget deficit over the two year period 2021 - 23 of approximately £20 million - £25 million. In this context it is strongly recommended by the Director that members should consider carefully any investment decisions that are not one-off or temporary in nature.
- 1.18 The Council's financial projections beyond 2020/21 include, by necessity, a range of underlying assumptions and there remains significant 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, there is limited encouragement from the 2020/21 draft budget and wider economic and fiscal outlook at a national position in Scotland that would suggest at this point there is any justification to alter the current medium term forecast for the Council future government grant prospects. It remains the

central planning perspective the expectation that existing 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 and the current central planning assumption of 1.25% per annum cash cut for the Council over 2021 – 23 remains broadly valid. On the assumption a comprehensive spending review is announced at a UK level, the Scottish Government remains committed to providing multi-year financial settlements for local government. Should this emerge this will represent a positive step in facilitating greater certainty in forecasting the Council's medium term financial outlook.

- *Future Pay Settlements* - Moving into 2021/22 the certainty provided by the current 3 year pay deal will fall away and a new round of negotiations will open up. The uncertainty around funding and the expectation of a continued squeeze on local government resources moving forward will be an important financial backdrop for future pay negotiations. The current three year settlement has provided a degree of restoration in pay levels with above inflation pay awards. However, the financial sustainability of future pay awards at similar levels will be a key challenge for local government in Scotland to balance as set against the ambitions of negotiating trade union bodies.
- *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 is through the Right for Renfrewshire programme and partnership with Renfrewshire Health and Social Care Partnership continuing to actively progress a range of demand and cost management actions which seek to mitigate the ongoing growth in costs. As detailed later in the report, it is recommended that £1.8 million of a recurring provision is made by the Council to uplift the resources made available to the HSCP in line with the conditions set out in the financial settlement for the Council. This represents funding which the Scottish Government continues to pass through from the Health portfolio to support Social Care via the local government budget, but only for those functions which have been delegated to Health and Social Care. Therefore, similar to 2019/20, these resources are not available to support pressures within Children's Social Care or Criminal Justice Services within Renfrewshire. This funding uplift is approximately £0.4m above the forecast uplift that has been incorporated into both the Council's and HSCP's financial planning arrangements and it is expected that on this basis a balanced budget position will be presented to the Integrated Joint Board for consideration later in March. It is however recognised that the scale of cost and demographic demand pressures can at times be volatile moving forward and additionally the long term financial sustainability of increasing year on year the transfer of resources from the NHS budget by the Government to support Integration Authorities may come under increasing pressure. Consequently, the future scale of demographic and demand pressures from social care on the Council's core budget remains subject to uncertainty that will require ongoing and active management to mitigate as far as is possible.

- 1.19 The nature of the Council's financial outlook beyond 2020/21, both in scale and potential for movement, means that the Council should continue as in previous years 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 redirect investment to support the delivery of key outcomes.
- 1.20 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, potentially from 2021/22 onwards, it remains likely that the next budget announcement from the Scottish Government with regards local government funding will not be until December this year, after a potential UK Government Comprehensive Spending Review in the autumn. The Council should therefore continue to progress financial planning on the basis that for 2021/22 at least, there may again be limited time to respond to the confirmed grant settlement. Moving beyond 2021/22 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 Right for Renfrewshire programme which as detailed in previous reports to members now represents the principal vehicle for the Council to address the future estimated budget gap of £20 million - £25 million in a way which seeks to ensure the most important priorities continue to be delivered by the Council.

- 1.21 In setting the 2020/21 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 £0.645 million, as detailed at Item 2 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 2020/21, and in doing so: -
- to consider the equality impact of any proposed service changes as referred to at paragraph 7.7 and,
 - to assess whether adequate provision is being made in the 2020/21 budget to deliver against the specified commitments linked to the Council's grant settlement for 2020/21, as detailed at paragraph 3.2.
- 2.2 Approve the provisions for inflationary pressures as recommended at Section 5.
- 2.3 Approve the revenue estimates for all services for 2020/21 subject to adjustment for the allocation of specific grants, inflationary allowances and any proposals for service changes approved by Council.
- 2.4 Approve the release of additional resources being made available in 2020/21 to Renfrewshire Health and Social Care Partnership as set out in paragraph 4.6.
- 2.5 Approve that the Council retains unallocated general fund balances of £7.5 million in 2020/21 and that a transfer to or from the Investment Programme Capital Fund is utilised as required to achieve this recommended position on the closure of the 2019/20 accounts.
- 2.6 Submit for approval the council tax banding levels A to H inclusive to apply for 2020/21.

3. GRANT SETTLEMENT

3.1 On the 6th February 2020 the Scottish Government published their draft budget for 2020/21 which was subject to parliamentary approval over the course of February and March 2020. Also, on 6th February, the draft local government finance settlement was published as set out in the Local Government Finance Circular 1/2020, which provided details of the provisional revenue and capital funding allocations for 2020/21 for local government across Scotland.

3.2 Circular 1/2020 confirmed Scottish Government revenue grant funding in 2020/21 for the Council of £338.783 million. The then Minister for Public Finance and Digital Economy outlined 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: -

a) Maintaining at a national level the overall pupil teacher ratio (PTR) and providing places for all probationers who require one.

b) The continued prioritisation of financial support for social care. Included within the local government settlement, the Government has provided an additional £100m nationally to support health and social care as delegated to Integration Joint Boards broken down as follows:

- £57.2m to support cost and demand pressures
- £25m to support continued delivery of the real Living Wage
- £11.6m to support the ongoing implementation of the Carers Act
- £4m to support School Mental Health Services
- £2.2m to support free personal and nursing care

The government confirmed that taken together, the total additional funding of £100 million is to be additional to each Council's 2019/20 recurrent spending delegated Integration Authorities and not substitutional. The Government confirmed this means that Local Authority social care budgets for allocation to Integration Authorities and funding for school counselling services must nationally be £100 million greater than the 2019/20 recurrent budget.

c) The continuation of the Council Tax cap of 3% in real terms (4.84% in cash terms), representing the maximum increase that can be applied locally by an individual council as part of setting the 2020/21 budget.

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 0.44%. Ten councils are immediately on the floor, with a further ten pulled down onto the floor once the floor calculation mechanism is applied. There are therefore twenty, of the thirty two councils, on the grant floor with the grant change ranging from a grant increase of 1.70% to a cut of 0.44%. Renfrewshire is 10th on the floor calculation table, one of 12 councils not on the floor, with an initial grant increase of 0.97%, which converts to a grant cut of 0.31% after the application of the floor mechanism. This results in Renfrewshire surrendering £3.511 million of grant to support the floor compensation measures for the ten councils immediately on the floor.

3.4 The Council's settlement figure includes a number of adjustments for new spending burdens, responsibilities and conditional funding, totalling £20.916m million linked primarily to the ongoing implementation of the expansion in free Early Years Learning and Childcare and the Carers (Scotland) Act; direct pass through of funding to Integration Joint Boards, Government intervention in teachers' pay and pension arrangements. There is also a range

of differences in the planned timing of distribution of resources linked to discretionary housing payments, and Barclay review implementation from the settlement position outlined for 2019/20.

- 3.5 After adjusting for these areas of new burdens funding, new responsibilities, conditional funding and timing differences in the distribution of funding, the Council's 2020/21 core grant figure as set out in the provisional local government finance settlement has, on a like for like basis, decreased by 1.1% from 2019/20, broadly in line with the 1% like for like cut nationally. The Council's share of the overall local government revenue funding settlement has increased marginally from 3.21% to 3.22%.
- 3.6 The publication of the Scottish draft budget in advance of the UK Budget for 20/21 being published on 11 March 2020 inherently creates a degree of uncertainty with regards the spending commitments outlined within the Scottish draft budget. The timing of both the UK Budget and Scottish Draft Budget also truncates the period available for Parliamentary scrutiny of the draft Scottish Government budget; with the Budget Bill Stage 1 debate in the Scottish Parliament having taken place on 27th February 2020 with stages 2 and 3 taking place on the 4th and 5th March.
- 3.7 Similar to previous years, following the stage 1 parliamentary debate on 27th February 2020, the Scottish Government announced a revision to the local government budget and draft settlement with an additional £95 million of revenue grant being made available in 2020/21. This additional £95 million moves the local government revenue budget settlement nationally into a cash standstill position on a like for like basis moving from 2019/20 to 2020/21. For the Council, the confirmed distribution of the additional resources will provide a further £3.101 million of revenue grant, moving the Council close to a cash standstill position with the like for like change in grant between financial years being a reduction of 0.18%.
- 3.8 Further, it was also subsequently confirmed that in addition to the £100 million transfer from the health portfolio to support Integration Authorities, similar to last year, flexibility will be available to local authorities to offset their adult social care allocations to Integration Authorities by up to 2% and a maximum of £50 million in 2020-21 based on local needs
- 3.9 As referred to above, the UK Government's budget is not due to be announced until 11th March. Should this differ materially from the range of assumptions made by the Scottish Government in setting their own budget, there remains the potential that the Scottish Government may revisit and adjust funding and spending commitments as currently set out in their own budget, which could impact on the local government settlement. In the event that the level of funding available to the Council changes from that allocated, a further report to Council may be required to consider the implications of such a change.

Table 1 – Grant Settlement 2020/21

	2020/2021
	£000
Provisionally allocated Government Grant Funding	
Specific Grants	26,453
Non Domestic Rate Income	110,286
Revenue Support Grant	205,145
TOTAL CONFIRMED GOVERNMENT GRANT	341,884

- 3.10 There are sufficient resources 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 2020/21. 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.

- 3.11 As detailed above, beyond 2020/21, 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 (SFC) outlines economic growth in Scotland averaging around 1.0-1.2% over the next 5 years – lower than the April 2019 OBR forecast for the UK over the same period (it is anticipated the OBR will update this forecast when the UK budget is produced on 11 March 2020). Subdued annual growth forecasts of this nature over a sustained period 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 existing core local government grant does not feature within, presents overall a challenging financial outlook for the future prospects for the local government portfolio within the Scottish Government's overall budget.
- 3.12 The revised SFC forecasts also outline that, in relation to the devolution of tax and social security powers under the Scotland Act 2016, and the fiscal framework which accompanies these powers; the block grant adjustments will require the Scottish Government to either raise taxes, cut spending or utilise reserves/borrowing to make up the shortfall. In 2020/21, the Scottish Government has elected to borrow the £207 million required with this borrowing being repaid over the following five years. The indicative reconciliation adjustment for 2021/22 is £555 million; resulting in the SFC warning that future reconciliations could result in much larger repayments being required; adding pressure to the Scottish Budget position over the medium term.
- 3.13 There also remain wider risks, in particular the potential outcome that may unfold over coming weeks and months in respect to the publication of the UK Budget on 11 March 2020; and future trading relationships with the EU and the rest of the world. The Scottish Government's budget is therefore being exposed to heightened downside risks and uncertainty that may potentially increase further over the medium term adding to the financial pressures nationally and which is likely to present an increasingly challenging outlook for local government. Moving forward, members will be kept appropriately briefed and informed as announcements are made by the Scottish and UK Governments during the course of 2020 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 2019/20 and 2020/21. 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 as well as required adjustments to budgets to reflect specific aspects included within the financial settlement; and

(iii) the continuation of the approved medium-term debt smoothing strategy which will support the delivery of further budget savings on financing charges in 2020/21.

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
- increasing demand in relation to additional support needs for children across both internal staffed services and externally commissioned support and care services.

4.3 The Council has for several years and more recently in conjunction with the Integration Joint Board 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 and early intervention measures and redesigned services to reduce longer term demand growth as outlined in the recent Right for Renfrewshire report in relation to Children's Services.
- 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 more sustainable outcomes for the children but at the same time reducing ongoing demand for temporary care arrangements.

4.4 In this context, the Director of Children's Services has confirmed that resources to be made available to manage demographic and socio-economic pressures will be sufficient to manage such pressures after the impact of ongoing demand and cost mitigation strategies. There remains some 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.

4.5 Over the course of 2020/21 Adult Services will again be exposed to expected cost pressures arising from the renewal of contractual arrangements, 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. The projected gross spending pressures for the HSCP, are being offset by a planned range of cost mitigation measures agreed by the HSCP in January. In addition, it is recognised that the HSCP is progressing a range of more significant transformation and service redesign work as reported to their

January board cycle with an update report due to be considered at their March meeting alongside consideration of their budget for 2020/21.

- 4.6 The HSCP's financial planning arrangements have been progressing on the basis of a net 2% (£1.4 million) uplift in financial resources from the Council moving into 2020/21. It is recommended that £1.8 million of a recurring provision is made by the Council to uplift the resources made available to the HSCP in line with the conditions set out in the financial settlement for the Council. This represents funding which the Scottish Government have indicated it continues to pass through from the Health portfolio to support Social Care via the local government budget, net of an allowable 2% flexibility adjustment set out in the associated grant conditions. This funding uplift is approximately £0.4m above the forecast uplift that has been incorporated into both the Council's and HSCP's financial planning arrangements and it is expected that on this basis a balanced budget position will be presented to the Integrated Joint Board for consideration later in March by the HSCP Chief Financial Officer.
- 4.7 Further, and as reported through 2019/20 budget monitoring arrangements, the HSCP is expected to underspend on Adult Social Care services in the current financial year with the underspend transferring to balances to support ongoing transformation activities and future cost pressures. Additionally, in the 2019/20 budget, the Council made available £1.4 million of its own non-recurring resources to support the HSCP meet the costs of transformation activities for which no draw has been made or is anticipated to be made over the course of this year. These resources will therefore remain available to the HSCP to continue to support change and transformation as well as key prevention and early intervention activities that will support long term demand management as well as better outcomes for individuals and their families.
- 4.8 Table 2 below summarises the recommended base budget adjustments to reflect the pressures facing the Council in 2020/21. Also included in the table is an adjustment arising from the ongoing implementation of the Council's medium term debt smoothing strategy and Right for Renfrewshire Programme which will support the delivery of budget savings in 2020/21 and subsequent years.

Table 2 - Summary of Recommended Base Budget Adjustments 2020/21

	2020/21	
	£000	£000
Net Impact of previous Council and Board Decisions		
Reversal of 2019/20 single year investments	(7,630)	
Debt Smoothing Saving against Financing Costs	(2,000)	
Right for Renfrewshire programme	(2,569)	
Other Savings approved in 2019/20 and prior years	(1,696)	
Total (Net Reductions)		(13,895)
Add:		
Early Learning Expansion	8,018	
Financial Settlement adjustments	10,642	
Pay/staff related	1,410	
Contract Payment Adjustments	2,917	
NDR/Utilities	230	
Revenue costs of prior investment decisions	2,861	
Memorial headstone safety assessment	1,000	
Other Unavoidable Pressures	122	
Total Increases		27,200
Net Base Budget (Reduction)/Increase		13,305

5. PAY AND PRICE PRESSURES

- 5.1 The 2020/21 budget position detailed in Table 3 at paragraph 7.1, includes a provision for pay inflation at £7.265 million. This provides for the agreed pay settlement for both teachers and non-teaching staff for 2020/21, including the element of the teachers pay settlement funded by the Scottish Government and includes £0.856 million for the HSCP funded by the pass through resources as part of the financial settlement.
- 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 2020/21 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 £0.086 million for an inflation adjustment to charges at 2%.

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 4.61% has been applied. A minor adjustment has been made to the temporary interest income budget reflecting existing cash balances and management approaches, and an expectation that interest rate levels are unlikely to materially increase over the course of the year. A minor revision to the treasury management strategy is proposed in the Non-Housing capital investment programme report elsewhere on this agenda which will allow the Council to invest for longer periods with appropriately assessed counterparties.
- 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 £2 million of savings is being released from the financing cost budget in 2020/21 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 while any avenue for further debt related savings will continue to be explored, it is anticipated this will represent the final tranche of significant Debt Smoothing in its current form. Moving forward, the Council will be consequently more heavily reliant upon both service redesign and transformation to support the delivery of savings over the medium term. As previously reported to members, this change represents an important milestone in the Council's long term financial strategy arrangements and will place increased emphasis and need for the Right for Renfrewshire programme to deliver significant levels of savings over the next two financial years.

7. SPENDING OVERVIEW

- 7.1 The Council approved spending for 2019/20 at the meeting on 28 February 2019 of £412.151 million. This figure was based on an assumed level of grant in relation teachers pensions of £3.3 million. Subsequent to the 2019/20 Council budget being set, a revised finance circular (2/2019) was issued which released funding previously undistributed by the Scottish Government; resulting in a revised base expenditure figure for the Council of £412.895 million. It is estimated that £433.379 million (as detailed in Table 3) is needed to fund the costs of maintaining present service levels, provide for new responsibilities and conditional funding commitments provided as part of the financial settlement, new cost burdens and addressing known pressures and demands in 2020/21.

Table 3 – Estimated Spending Need 2020/21

	£000
Spending approved 2019/20 budget*	412,895
<i>Add:</i>	
Recommended Budget Adjustments (per Table 2)	27,200
Net reductions Applied (per Table 2)	(13,895)
Revised Budget per Appendix 1	426,200
Net Increase in Provision for inflationary pressures	7,179
Estimated spending need for 2020/21	433,379

* adjusted to reflect final local government settlement as per Financial Circular 2/2019

- 7.2 Significant cost pressures are anticipated to persist beyond 2020/21 for the Council. Some cost pressures, such as those related to some contractual commitments or taxation are easier to predict for future years. Uncertainty will once again emerge in relation to future pay pressures with the current 3 year agreement covering up to 2020/21 coming to an end and a new cycle of negotiations opening up. Next financial year is also the final year of the current triennial valuation of pension commitments, with a change in employer contribution rates being possible in 2021/22 and which may be exacerbated by the solution implemented to address the outcome from the McCloud Case, which was a successful equality challenge that will impact on all public sector pensions across the UK. 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. The intention that the Scottish Government would provide multi-year finance settlements from 2020/21 has been delayed due to the postponement of a UK Government comprehensive spending review, which may happen until the autumn of this year at the earliest. It appears likely that the Scottish Government will not commit to multi year budgets and financial settlements until a similar outlook is provided at a UK level and it is only at this point will this facilitate the Council to plan over the medium term with a greater degree of financial certainty in respect to Government Grant prospects.
- 7.3 It is also recognised that shorter term uncertainty is being exacerbated by what may emerge over coming months in relation to Brexit and the UK's future trading relationships with the EU. 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 is at this point uncertain and will require careful ongoing monitoring and assessment.
- 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 over even the short term period through to 2022/23. Based on existing assumptions and estimates, the position for 2020/21 presented in this report and subject to any decisions taken by Council for 2020/21, it is forecast that a residual funding gap of approximately £20 million - £25 million is likely to emerge for the medium term period 2021/22 – 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 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 2021/22 and beyond through the Right for Renfrewshire 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 2020/21 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 2019/20, BALANCES AND RESERVES

9.1 Appendix 3 to this report details an overview of the Probable Outturn for 2019/20.

9.2 The Council's general fund balances as at 1st April 2019 were £59.144 million, and as outlined in Table 4 below, the significant majority of this was earmarked for specific purposes. As reported to members during the course of 2019/20, a year-end break-even position was being projected at period 8 and this is expected to move to a small forecast underspend of approximately £0.400 million in the period 10 report to the next cycle of policy boards. In line with this current projection, the position on unallocated reserves on the closure of the 2019/20 accounts is expected to be £7.537 million.

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 2020/21, unallocated reserves are maintained at least at £7.5 million, approximately 1.7% of the Council's net expenditure.

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 2019/20

	Balances as at 1/4/2019	Forecast In Year Change and Year End Transfers	Forecast Closing Position as at 31/3/2020
	£000	£000	£000
Service Modernisation and Reform Fund	10,343	400	10,743
PPP Reserve	12,670	-	12,670
M74 Contribution	566	(566)	-
Development Contribution - Paisley Town Centre	1,056	-	1,056
Early Years Strategy	1,051	1,000	2,051
Kilbarchan AAC	250	(250)	-
Welfare Reform	603	(170)	433
Community Safety	31	(31)	-
Private Sector Housing Grant	2,687	(225)	2,462
Renfrewshire HSCP	1,232	(1,232)	-
Paisley Town Centre Heritage Strategy	2,632	(424)	2,208
City Deal	1,273	(46)	1,227
Tackling Poverty	4,002	(1,000)	3,002
Service Year End Flexibility	1,049	-	1,049
Public Wi Fi Project	344	(145)	199
Pupil Equity Funding	1,426	-	1,426
Culture Bid Legacy	2,411	-	2,411
Villages Improvement Fund	370	-	370
Community Empowerment Fund	472	(50)	422
Digital Infrastructure	440	(30)	410
Employability	4,500	-	4,500
Environment and Place	2,500	(500)	2,000
British Sign Language	99	(20)	79
Unallocated General Fund Balances	7,137	400	7,537
Total General Fund Balances	59,144	(2,889)	56,255

9.5 As previously reported to Council in its consideration of the 2018/19 accounts, and as detailed in Table 5 below, other specific reserves continue to be maintained.

Table 5 – Specific Reserves 2019/20

	Balances as at 1/4/2019	Forecast In Year Movement	Forecast Balance as at 31/3/2020
	£000	£000	£000
Insurance Fund	2,543	-	2,543
Reservoir Repair Fund	315	-	315
Education Capital Items Fund	1,047	-	1,047
Investment Programme Capital Fund	76,733	5,000	81,733
Total Specific Reserves	80,638	5,000	85,638

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 2019/20 is £1,257.09 and is £6.09 (0.5%) above the Scottish average. It is estimated that in 2020/21 each £1 of council tax will yield £74,267 gross (£63,187 net of adjustment for Council Tax Reduction) which is higher than 2019/20. 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 and operational improvements to better manage discount eligibility.
- 10.2 A maximum net gross yield of £93.360 million can be anticipated from the forecast 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 2020/21, and in doing so, are reminded of the grant conditions detailed at paragraph 3.2.

11. BUDGET OVERVIEW – 2020/21

- 11.1 The overview budget position for the Council for 2020/21, prior to any changes in service levels or council tax levels, is outlined in Table 6 below. This overview position confirms a temporary in year revenue surplus for 2020/21, subject to decisions by members in setting the final budget for 2020/21.

Table 6 – Budget Overview 2020/21

	£000
Income:	
Confirmed Government Grant (per Table1)	341,884
Council Tax Income	93,360
Council Tax / Community Charge Arrears Recovery	500
Total Income	435,744
Less: Estimated Spending Need (Table 3)	433,379
Estimated Funding Surplus 2020/21	2,365

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.

Implications of the Report

1. **Financial** - The report and enclosures provide the background information on the 2020/21 budget, identifying a temporary surplus position, with a significant budget deficit of approximately £20 million - £25 million forecast over the following two years. As detailed in the report, if the Council does not comply with the specified set of commitments linked to the financial settlement offer as part of agreeing the 2020/21 budget, it would be anticipated that the grant settlement may be subject to review by the Scottish Government, albeit detail on the specific action that would be taken by the Government has not been confirmed.
2. **HR & Organisational Development** - implications will be subject to any budget proposals agreed.
3. **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.
4. **Legal** – the Council is legally required to set a balanced budget.
5. **Property/Assets** - implications will be subject to any budget proposals agreed.
6. **Information Technology** - implications will be subject to any budget proposals agreed.
7. **Equality & Human Rights** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report, however the final implications will be determined by the budget proposals agreed. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** - none
9. **Procurement** – none
10. **Risk** - As outlined in the report, the Council continues to be faced with risk and uncertainty in setting its 2020/21 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.

11. **Privacy Impact** - implications will be subject to any budget proposals agreed.
12. **Cosla Policy Position** – implications will be subject to any budget proposals agreed.
13. **Climate Risk** – implications will be subject to any budget proposals agreed.

Author: Alan Russell, Director of Finance & Resources

REVENUE ESTIMATES 2020/21
PROVISIONAL RESOURCE ALLOCATION STATEMENT
 (subject to amendment for any budget proposals approved by Council)

<u>Service</u>	RESOURCES ALLOCATION £000
Chief Executive's Service	9,306
Children's Services	200,802
Leisure Services	11,006
Environment & Infrastructure	41,142
SPTA	3,168
Finance and Resources	31,691
Valuation Joint Board	1,671
Community, Housing and Planning	10,514
Adult Services	69,598
Miscellaneous Services	37,863
Loans Fund	9,438
NET EXPENDITURE PER APPENDIX 2	426,200
 Total per Table 3	 426,200

(Note: No allowance has been included in the resource allocations at this stage for inflation identified in section 5 of the report)

Renfrewshire Council
Estimates of Expenditure and Income for the Year Ended 31st March 2021
General Fund Summary
Objective Summary

Net Expenditure	2019/20 Estimates* £	2020/21 Estimates £
Children's Services	176,089,767	200,801,755
Leisure Services	10,386,408	11,005,908
Environment & Infrastructure	35,445,187	41,142,214
Finance and Resources	33,203,537	31,691,446
SPT	3,167,700	3,167,700
Valuation Joint Board	1,301,800	1,670,800
Communities, Housing and Planning	9,743,783	10,514,457
Chief Executives	9,578,146	9,305,544
Miscellaneous	54,275,788	37,863,379
Adult Services	64,114,750	69,598,492
Loans Fund Loans Fund (included in Miscellaneous in 2019/20)	0	9,438,135
Net Expenditure	397,306,866	426,199,830

* Estimates as per Report to Council 28 February 2019, prior to any budget decisions and in-year redeterminations

Renfrewshire Council

General Fund Probable Outturn for 2019/20

Line		2019/20	2019/20
No	Net Expenditure	Revised Estimates £000	Probable Outturn £000
1	Children's Services	204,220	204,220
2	Leisure Services	10,376	10,376
3	Environment and Infrastructure	41,622	41,622
4	Finance and Resources	31,046	31,046
5	Renfrewshire Valuation Joint Board	1,415	1,415
6	Communities, Housing and Planning Services	11,428	11,028
7	SPT	3,048	3,048
8	Chief Executive Services	10,388	10,388
9	Miscellaneous Services	24,740	24,740
10	Adult Services	70,849	70,849
11	Loans Fund	15,212	15,212
12	Net Expenditure	424,344	423,944

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
DEPARTMENT : CHIEF EXECUTIVE

£ £ £

Analysis of Change between 2019/20 and 2020/21

2019/20 Estimates **9,196,944**

Adjustment to Current Year Estimates

Unavoidable Increase (Decrease) (PAPER 2)

108,600

Transfers (PAPER 3)

-

108,600

2020/21 Estimates

9,305,544

(Before budget decisions)

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : CHIEF EXECUTIVE

CE		£
1	Better Council budget adjustments	(64,000)
2	Digital Strategy development	64,000
3	Mainline Economic Regeneration staff and strategy development	203,000
4	Inflationary increase in Scotland Excel requisition	3,500
5	Inflationary increase in COSLA levy	2,100
6	Reversal of 2019/20 single year investments	(100,000)
7		
8		
9		
10		
	Total Increase (Decrease) to Budget	108,600

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : CHIEF EXECUTIVE

CE		£
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
	Total Increase (Decrease) to Budget	-

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
DEPARTMENT : LEISURE SERVICES

£ £ £

Analysis of Change between 2019/20 and 2020/21

2019/20 Estimates **10,386,408**

Adjustment to Current Year Estimates

Unavoidable Increase (Decrease) (PAPER 2)

619,500

Transfers (PAPER 3)

-

619,500

2020/21 Estimates

11,005,908

(Before budget decisions)

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : LEISURE SERVICES

LS		£
1	Renfrewshire Leisure Contract Payment adjustment	619,500
2		
3		
4		
5		
6		
7		
8		
9		
10		
	Total Increase (Decrease) to Budget	619,500

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : LEISURE SERVICES

LS		£
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
	Total Increase (Decrease) to Budget	-

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
DEPARTMENT : CHILDRENS SERVICES

£

£

£

Analysis of Change between 2019/20 and 2020/21

2019/20 Estimates

190,082,755

Adjustment to Current Year Estimates

Unavoidable Increase (Decrease) (PAPER 2)

9,419,000

Transfers (PAPER 3)

1,300,000

10,719,000

2020/21 Estimates

200,801,755

(Before budget decisions)

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : CHILDRENS SERVICES

ED		£
1	Reversal of 2019/20 single year investments	(135,000)
2	Management costs reduction	(210,000)
3	PPP Contract Indexation Adjustment	410,000
4	Childrens care - external provider contract adjustments	192,000
5	Early Years operating cost funding	111,000
6	Teacher Numbers funding adjustment	208,000
7	Early Years expansion	8,018,000
8	Settlement adjustment: School counselling	518,000
9	Additional Support for Learning	307,000
10		
	Total Increase (Decrease) to Budget	9,419,000

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : CHILDRENS SERVICES

CS		£
1	Transfer Teacher numbers funding	600,000
2	Transfer childrens social care funding	700,000
3		
4		
5		
6		
7		
8		
9		
10		
	Total Increase (Decrease) to Budget	1,300,000

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
DEPARTMENT : ENVIRONMENT & INFRASTRUCTURE

£

£

£

Analysis of Change between 2019/20 and 2020/21

2019/20 Estimates

41,249,214

Adjustment to Current Year Estimates

Unavoidable Increase (Decrease) (PAPER 2)

(132,000)

Transfers (PAPER 3)

25,000

(107,000)

2020/21 Estimates

41,142,214

(Before budget decisions)

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : ENVIRONMENT & INFRASTRUCTURE

EI		£
1	Reversal of 2019/20 single year investments	(300,000)
2	Better Council Change Programme	(75,000)
3	Service changes agreed by Environment & Infrastructure Board January 2020	(202,000)
4	Revised charges agreed by Environment & Infrastructure Board January 2020	(537,000)
5	Digital traffic lights	53,000
6	Waste collection - increased costs relating to new housing	114,000
7	Waste disposal - increased costs relating to new housing	90,000
8	General waste pressures	600,000
9	Inflationary increase in food costs	65,000
10	Soft Facilities Management - Early Years	30,000
11	Real time bus passenger information systems maintenance	30,000
	Total Increase (Decrease) to Budget	(132,000)

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : ENVIRONMENT & INFRASTRUCTURE

El		£
1	Price inflation on streetlighting electricity	50,000
2	Vehicles workshop investment - supported borrowing costs	(25,000)
3		
4		
5		
6		
7		
8		
9		
10		
	Total Increase (Decrease) to Budget	25,000

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
DEPARTMENT : STRATHCLYDE PASSENGER TRANSPORT

£ £ £

Analysis of Change between 2019/20 and 2020/21

2019/20 Estimates 3,167,700

Adjustment to Current Year Estimates

Unavoidable Increase (Decrease) (PAPER 2)

-

Transfers (PAPER 3)

-

-

2020/21 Estimates
(Before budget decisions)

3,167,700

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : STRATHCLYDE PASSENGER TRANSPORT

SPT		£
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
	Total Increase (Decrease) to Budget	-

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : STRATHCLYDE PASSENGER TRANSPORT

SPT		£
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
	Total Increase (Decrease) to Budget	-

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : FINANCE AND RESOURCES

FAR		£
1	Increase in Licensing income budget	(70,000)
2	Council-wide Buying Additional Annual Leave saving	(50,000)
3	Treasury and cash management efficiencies	(100,000)
4	DWP Benefit Admin Subsidy reduction	153,000
5	Associate bodies requisition changes	61,250
6	Increase in Council-wide Insurance Premiums and IPT	131,000
7	Required cyber security updates and MS Enterprise agreement	349,700
8	ICT software licensing and maintenance increased costs	178,300
9	CBS core staffing budget adjustment	85,500
10	Unison accommodation contribution (TU Facility Agreement)	9,000
11	Scottish Welfare Fund - settlement adjustment	106,000
	Total Increase (Decrease) to Budget	853,750

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : FINANCE AND RESOURCES

FAR		£
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
	Total Increase (Decrease) to Budget	-

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
DEPARTMENT : RENFREWSHIRE VALUATION JOINT BOARD

	£	£	£
Analysis of Change between 2019/20 and 2020/21			
2019/20 Estimates			1,414,800
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		256,000	
Transfers (PAPER 3)		-	
		<hr/>	<hr/> 256,000
2020/21 Estimates			<hr/> 1,670,800
(Before budget decisions)			<hr/> <hr/> 1,670,800

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : RENFREWSHIRE VALUATION JOINT BOARD

JVB		£
1	Barclay funding pass through to RVJB	256,000
2		
3		
4		
5		
6		
7		
8		
9		
10		
		256,000

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : RENFREWSHIRE VALUATION JOINT BOARD

JVB		£
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
		-

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : COMMUNITY, HOUSING AND PLANNING SERVICES

CHAPS		£
1	Clyde Muirshiel Park requisition	9,000
2	General non-staffing efficiencies	(22,500)
3	Management and overtime cost reduction	(32,500)
4	Increased charges (pest control and export health cert's)	(60,100)
5	Settlement adjustment: Rapid Rehousing Planning	183,000
6		
7		
8		
9		
10		
	Total Increase (Decrease) to Budget	76,900

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : COMMUNITY, HOUSING AND PLANNING SERVICES

OH		£
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
	Total Increase (Decrease) to Budget	-

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
DEPARTMENT : ADULT SERVICES

£ £ £

Analysis of Change between 2019/20 and 2020/21

2019/20 Estimates **68,654,903**

Adjustment to Current Year Estimates

Unavoidable Increase (Decrease) (PAPER 2)

943,589

Transfers (PAPER 3)

-

943,589

2020/21 Estimates

69,598,492

(Before budget decisions)

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : ADULT SERVICES

AS		£
1	Service demand pressures	550,000
2	Settlement adjustment: Health and Social Care	393,589
3		
4		
5		
6		
7		
8		
9		
10		
	Total Increase (Decrease) to Budget	943,589

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : ADULT SERVICES

AS		£
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
	Total Increase (Decrease) to Budget	-

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
DEPARTMENT : MISCELLANEOUS

	£	£	£
Analysis of Change between 2019/20 and 2020/21			
2019/20 Estimates			32,255,001
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		6,958,378	
Transfers (PAPER 3)		<u>(1,350,000)</u>	
			<u>5,608,378</u>
2020/21 Estimates			<u>37,863,379</u>
(Before budget decisions)			

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : MISCELLANEOUS

		£
1	Reversal of 2019/20 Motion Decisions	(435,000)
2	Reversal of Kilbarchan AAC contribution (total £0.5m contribution over 2 years)	(250,000)
3	Council-wide Non-domestic Rates Poundage increase	130,000
4	Council-wide price inflation on Electricity and Gas	100,000
5	Memorial headstone safety assessment	1,000,000
6	Right for Renfrewshire savings as agreed by Leadership Board	(2,569,000)
7	Settlement adjustments (eg Teachers' Pay & Pensions)	9,232,378
8	Full impact of Water Direct process change	(250,000)
9		
10		
	Total Increase (Decrease) to Budget	6,958,378

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : MISCELLANEOUS

MS		£
1	Teacher numbers	(600,000)
2	Children's social care	(700,000)
3	Price inflation on streetlighting electricity	(50,000)
4		
5		
6		
7		
8		
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10		
	Total Increase (Decrease) to Budget	(1,350,000)

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : LOANS FUND

		£
1	Debt Smoothing Strategy savings	(2,000,000)
2	Reversal of 2019/20 Motion Decisions	(6,660,000)
3	Supported borrowing implications of agreed investments (Heritage and City Deal)	2,860,706
4		
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10		
	Total Increase (Decrease) to Budget	(5,799,294)

RENFREWSHIRE COUNCIL
SUMMARY OF 2020/21 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : LOANS FUND

LF		£
1	Vehicles workshop investment - supported borrowing costs	25,000
2		
3		
4		
5		
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10		
	Total Increase (Decrease) to Budget	25,000