
**PROCEDURE TO BE FOLLOWED AT THE
MEETING OF RENFREWSHIRE COUNCIL
TO BE HELD ON 16 FEBRUARY
DURING CONSIDERATION OF ITEM 1 CONCERNING
REVENUE ESTIMATES AND COUNCIL TAX
FOR THE FINANCIAL YEAR 2017/18**

The purpose of this note is to give Members advance notice of the procedure which Provost Hall has agreed should be followed at the Meeting of the Council on 16 February 2017.

1. The Convener of the Finance & Resources Policy Board (the Convener) will make his budget statement for financial year 2017/18 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 Leader of the opposition group 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 2017/18).
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.
6. There shall be no formal restriction upon the length of time given to the Convener and the Leader of the opposition group to move their respective budget statements and speak in support of the principal points of their proposals. However, Provost Hall shall have the power to require any person speaking to limit their speech in order to facilitate the conduct of the meeting.
7. Provost Hall 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 Hall 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: 16th February 2017

Report by: Director of Finance & Resources

Heading: Revenue Budget and Council Tax 2017/18

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 2017/18. 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 2017/18 budget, members will wish to consider the medium and longer 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 any material details of spending plans beyond 2017/18. It has however published some high level figures at an overall budget level but with no detail provided at portfolio level. In broad terms, the outlook for revenue resources presents very shallow growth in cash terms, averaging around 0.5% per year up to 2019/20. By contrast, capital resources are expected to increase by an average equivalent rate of around 6%-7% per annum. As members will be aware, the Scottish Government has set out their policy priorities 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 next Parliament.
- 1.4. 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 budget are likely to remain extremely challenging and subject to further year on year contraction in cash terms. Headline figures would suggest that 2017/18 is likely to be the best year in terms of cash growth to the Scottish Government's budget and therefore there is a significant risk that 2018/19 – 2019/20 will potentially see further increases in the scale of cash cuts applied to the local government grant settlement over that experienced in either 2016/17 or 2017/18. Significant uncertainty will remain over the scale of the

reduction 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 budget position each year.

- 1.5. Members should note that similar to previous years and as detailed in paragraph 3.3 of this report, the Council's financial settlement for 2017/18 is conditional upon the package of measures linked to the local government finance settlement. To date the Cabinet Secretary for Finance and the Constitution has not provided any confirmation of the financial sanction of not agreeing to the full package of measures other than to indicate that any Council that does not sign up to the full package will suffer a downward revision to their financial settlement. By way of context, members may wish to note that the Council's share of national resources linked to teacher numbers (£88 million nationally) is approximately £3.8 million and adult social care resources transferred via the Health budget (£357 million nationally) is £12.499 million.
- 1.6. As outlined in more detail in the main body of the report, in setting out the terms of the local government finance settlement, the Scottish Government have replaced the application of the condition linked to maintaining a Council tax freeze with a cap at 3% on any agreed increase for 2017/18. There is no element of the grant award directly linked to this condition but equally no detail 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 3% cap. In addition and as outlined in section 11 of the report, from the 1st April 2017 the impact of new regulations on Council Tax arrangements introduced by the Scottish Government will take effect. The regulations make changes to relationship of council tax bands E-H to Band D which in effect increases the level of council tax charge for these bands by between 7.5% - 22.5%. At the same time the Scottish Government has made changes to the Council Tax Reduction Scheme to increase reliefs to low income households. Taking account of both changes there is a budgeted net increase in resources available to the Council in 2017/18 of approximately £2.9 million based on the existing Band D council tax level of £1,164.69.
- 1.7. The Council, in setting its 2016/17 budget, continued as in previous years to take a medium term view of the Council's finances, agreeing a package of savings measures which has supported investment in priority areas, principally covering economic and cultural regeneration, digital connectivity in Renfrewshire's town centres and investment in parks across Renfrewshire. Since setting the budget, a number of the assumptions contained in the draft 2017/18 figures have been updated and in some cases confirmed, including most notably the confirmed grant available to the Council in 2017/18 and the associated conditions, the impact of new statutory obligations, the potential impact of increasing demographic and demand pressures and expected council tax yield levels for 2017/18. Taking all of these factors into account and as outlined in detail in the main body of the report, the Council has been presented with a budget deficit in 2017/18 of almost £16 million, equivalent to 4.1% of the total resources available from Government Grant and Council Tax.
- 1.8. As members will be aware, the Council has continued to take a number of decisions as part of the medium term financial strategy through to 2017/18 linked to the Better Council Change Programme and Debt Smoothing Strategy that support the release of significant savings in 2017/18. After taking account of the impact of these savings, there is, as presented in this report, a temporary revenue surplus of £4.236 million for 2017/18 subject to any further decisions taken by members. Members should note that this in year revenue surplus emerged only after the Scottish Government made available additional grant for 2017/18 during the course of their budget consultation and the parliamentary process for the budget bill ongoing during February. As referred to later in this report and based on information released by the Scottish Government, it would appear that these resources are underpinned predominantly by the use of the Scottish Government's budget flexibility mechanism that supports the carry forward of non recurring resources between financial

years. There remains the risk therefore that the majority of this funding is supported by revenue resources that may be available to the Scottish Government only for a single year, creating uncertainty as to whether it will form part of local government's recurring baseline budget moving into 2018/19. Given there is no detail in relation to the Scottish Government's budget beyond 2017/18 it is not possible to draw any conclusions in this respect.

- 1.9. Notwithstanding this uncertainty and given the anticipated financial outlook beyond 2017/18 of an annual saving requirement of potentially up to £27 million per annum, the in year surplus on the budget for 2017/18 is expected to be temporary in nature and it is recommended by the Director that members should consider carefully any investment decisions that are not one off or temporary in nature.
- 1.10. The Council's financial projections beyond 2017/18 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 are focused upon:
 - *Future grant settlement* – as referred to above, the Scottish Government has not provided any material details of spending plans beyond 2017/18 but merely high level figures which present an indication of relatively shallow cash growth in their revenue budget over 2018 - 2020. In addition and as outlined to members in the report "*Financial Outlook 2017/18 – 2019/20*" to the Council meeting in September 2016, 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 almost 50% of spending being supported by devolved tax raising powers, the economic performance of the Scottish economy relative to the UK becomes a key determinant in the overall level of resources that will be available to the Scottish Government's budget each year. At present, economic growth in Scotland is lagging that of the UK and there exists a wide range of downside risks associated with economic and political uncertainty linked to the UK exit process from the European Union and wider global influences on the UK and Scottish economies. In this context, the Scottish Government's budget will experience new and uncharted levels of uncertainty. 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, both of which may become increasingly challenging commitments when inflation is anticipated to be on an upward trajectory over this period, and the commitment to almost double the level of free early years nursery hours over the course of the next Parliament, presents what is likely to be unprecedented levels of uncertainty over the medium term for local government grant levels in Scotland. Notwithstanding this scale of uncertainty, it remains the expectation that the level of government grant reduction the Council will experience over 2018 – 2020 is likely to be at a similar level or potentially worse than the 3.5% experienced in 2016/17 and 4% initially set by the Scottish Government in their initial draft budget for 2017/18.
 - *Future Pay Settlements* - at present no national agreement has been reached on a pay settlement for 2017/18 for any of the Council's employee groups. Pay increases of 1.5% and 1% were agreed for 2015/16 and 2016/17 respectively and overall across the economy sustained cash increase in pay are beginning to move back towards pre-financial crisis levels. This position across the wider economy is likely to provide some important context for future negotiations but equally so will be the challenging medium term financial outlook for public finances and local government in particular.
 - *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 wide range of key demand and cost management actions which have sought to mitigate the financial impact of these cost pressure over many years whilst seeking to achieve better outcomes for clients and their families. Despite these actions, it is recommended that financial provision of approximately £4.4 million is made by the Council to manage the potential net impact of such pressures in 2017/18. Such pressures remain a key area of financial risk both in the short term for the Council and moving forward over both the medium and longer term. The medium term forecasts outlined in this report take account these pressures and expectations of the scale of mitigation that is achievable. There will however always remain the risk that as these pressures continue to grow in their impact, the ability of the Council and partners to mitigate and dampen them over the medium term is not able to keep pace and this will be a key determinant on the Council's medium term financial position.

- 1.11. The nature of the Council's medium term financial outlook, both in scale and potential for movement, means that the Council needs to continue to adopt a strategic and sustainable 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 wide 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.
- 1.12. In addition, members should continue to be alert to the timing of future spending plan announcements from the Scottish Government. It is likely that the next set of announcements from the Government will not emerge until the second half of 2017 which could mean that results for individual councils may not be known until December 2017, two months before the Council would normally look to set the 2018/19 budget. In addition there is no certainty that future budget announcements by the Scottish Government will extend beyond a single year. The Council should therefore continue to progress financial planning on the basis of the possibility that over future financial years there may be limited time to respond to the confirmed grant settlements and that these may continue to be focused on single year announcements. 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 prepare for what is anticipated to potentially be the most financially challenging and uncertain period ever for the Council.
- 1.13. In setting the 2017/18 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 increase in 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 and attention is drawn to capital resources available to the Council of £1.841 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 2017/18, 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 2017/18 budget to deliver

against the specified commitments linked to the Council's grant settlement for 2017/18, as detailed at paragraph 3.3.

- 2.2 Approve the provisions for inflationary pressures as recommended at Section 5.
- 2.3 Approve the revenue estimates for all services for 2017/18 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 proposed mechanism to manage the release of additional resources being made available in 2017/18 to Renfrewshire Health and Social Care Partnership as set out in paragraph 4.5.
- 2.5 Approve that the Council retains unallocated general fund balances of at least £7 million in 2017/18.
- 2.6 Submit for approval the council tax banding levels A to H inclusive to apply for 2017/18.

3. GRANT SETTLEMENT

- 3.1 On the 15th December 2016 the Scottish Government published their draft budget for 2017/18 which will be subject to parliamentary approval over the course of February 2017. At the same time, the draft local government finance settlement was published, which set out the provisional revenue and capital grant allocations for local government across Scotland. In a similar vein, the local government settlement is at this stage draft and is subject to the Local Government Finance (Scotland) Order 2017 which will be presented to Parliament in late February.
- 3.2 The Local Government Finance Circular 9/2016 was issued to councils on 15th December 2016, providing details of the provisional revenue and capital funding allocations for 2017/18. A revised circular was subsequently issued on 16th December following an adjustment made to the main grant floor arrangements. In addition, further changes were confirmed in the middle of January following a number of calculation issues identified during the course of the checking process undertaken by the Scottish Government in partnership with council officers.
- 3.3 Updated for notified adjustments circular 9/2016 confirmed 2017/18 Scottish Government revenue grant funding for the Council of £296.521 million. The Cabinet Secretary for Finance and the Constitution has outlined the set of associated conditions that make up the provisional funding allocation and which constitute:-
 1. Maintaining at a national level the overall pupil teacher ratio (PTR) at 2016/17 levels and providing places for all probationers who require one.
 2. The use of funding provided through the health budget, which has been increased nationally from £250 million to £357 million to support Adult Social Care services provided through Renfrewshire Health and Social Care Partnership (the Council's share of these resources in 2017/18 total £12.499 million). The £3.720 million increase in these resources which the Council is accessing in 2017/18 is intended to support sustaining the living wage for carer staff, sleepovers and sustainability, the removal of war pensions from income assessments for social care charging and pre-implementation work for the new carers' legislation.

3. The removal of the condition associated with a council tax freeze and the introduction of a cap of 3%, representing the maximum increase that can be applied locally by an individual council as part of setting the 2017/18 budget.

There is sufficient resource included within the proposed budget set out in this report to meet conditions 1 and 2 above with condition 3 being subject to elected member's decision in setting council tax levels for 2017/18. If the Council elects not to take up this package on offer from the Scottish Government, it has been confirmed that the financial settlement outlined above will be revised downwards although it has not been confirmed by the Scottish Government what the scale of the reduction would be in respect to any individual element of the conditions or in totality. By way of context however, members may wish to note that the Council's share of national resources linked to teacher numbers (£88 million nationally) is approximately £3.8 million and adult social care resources transferred via the Health budget (£357 million nationally) has as detailed above increased this year by £3.720 million to £12.499 million.

- 3.4 The financial settlement provides grant figures for one year only, covering 2017/18 and is expected to be formally considered for approval by the Scottish Parliament in late February 2017. The grant floor (which doesn't include all revenue funding but the majority) has been set by the Scottish Government at a maximum reduction of 5%. Seven councils are immediately on the floor, with a further eleven (including Renfrewshire) pulled down onto the floor once the floor calculation mechanism is applied. There are therefore eighteen of the thirty two councils on the grant floor with the grant change ranging from a cut of 5% down to a cut of 3.47%
- 3.5 The Council's settlement figure includes a number of adjustments for new spending burdens and responsibilities, most notably £4.248 million linked to the new Pupil Equity fund and £2.816 million linked to the new arrangements associated with Criminal Justice. Discussions remain ongoing with the Scottish Government in relation to the operation of the new pupil equity fund. At present it is expected that this funding which totals £120 million across all authorities will be provided by way of a ring fenced specific grant which will be required to support new spending and with spending authority devolved to individual headteacher level. There is therefore no expectation that these resources will be available to support the Council's wider budget and sustain existing service provision within Renfrewshire moving from 2016/17 into 2017/18. The resources linked to criminal justice, reflect funding changes associated with the disbanding of Community Justice Authorities, the funding of which previously sat outwith the Council's direct budget arrangements. These resources are required to support the transfer of responsibilities into the Council's core functions and similar to the pupil equity funding, are not therefore available to support existing service provision. There is also a range of differences in the planned timing of distribution of resources linked to discretionary housing payments, council tax reduction scheme and probationer teachers from the settlement position outlined for 2016/17.
- 3.6 After adjusting for these areas of new spending burdens, new responsibilities and timing differences in the distribution of funding, the Council's 2017/18 grant figure as set out in the provisional local government finance settlement has, on a like for like basis, decreased by 4% from 2016/17 against a 3.8% cut across all Scotland. The Council's share of the overall local government revenue funding settlement has remained broadly static at 3.17%.
- 3.7 Subsequent to the draft local government settlement announcement on 15th December, the Cabinet Secretary for Finance and the Constitution on 2nd February announced the release of additional resources to local government in 2017/18 following the Budget Bill Stage 1 debate in Parliament. Subject to Parliamentary approval in the final stages of the Budget Bill and Local Government Finance (Scotland) Order 2017, it is proposed that a further

£160 million (split £130 million for revenue and £30 million for capital) will be made available to local government in 2017-18 in addition to the sums previously confirmed in Local Government Finance Circular 9/2016.

- 3.8 Based on the information released by the Scottish Government, the additional resources made available were part of an overall package of additional spending plans for 2017/18 of £220 million, of which £160 million was made available to local government. The package is funded from £29 million of additional tax revenues and £191 million to be funded through use of the budget exchange mechanism, updated profile of the Scottish Government contribution required to bring the non-domestic rates pool into balance and a reduction in the anticipated cost of borrowing repayments in 2017/18.
- 3.9 The availability of these resources are underpinned predominantly by the use of the Scottish Government's budget flexibility mechanism that supports the carry forward of non recurring resources between financial years. There remains the risk therefore that the majority of this funding is supported by revenue resources that may be available to the Scottish Government only for a single year, creating uncertainty as to whether it will form part of local government's recurring baseline budget moving into 2018/19. Given there is no detail in relation to the Scottish Government's budget beyond 2017/18 it is not possible to draw any conclusions in this respect.
- 3.10 Notwithstanding this uncertainty moving forward, the availability of this additional £130 million of revenue grant, of which the Council will receive £4.236 million, reduces the like for like cut in government grant for the Council in 2017/18 from the 4% reflected in the provisional local government finance settlement to 2.65% against an all Scotland cut of 2.44%.
- 3.11 In addition to the direct revenue grant provided to the Council in 2017/18, the Council's share of resources provided via the Health budget will, as referred to earlier, increase by £3.720 million to £12.499 million. However, it should be noted that this funding is to be directed to fund new cost burdens such as sustaining the payment of the increased living wage to carers in Adult Social Care, supporting changes in sleepover payments, the removal of war pensions from income assessments for social care charging and pre-implementation work for the new carers' legislation. It is also available to support wider budget pressures in adult social care including demographic and demand led pressures. The budget proposals detailed in this report will provide for an increase in excess of this amount to be made available to the Health and Social Care Partnership in 2017/18.
- 3.12 In addition, the Scottish Government have confirmed that there is £60 million sitting outside the local government settlement (within the Education and Skills portfolio of the Scottish Government budget) to support the commencement of the planned expansion in free childcare towards 1140 hours. These resources are split into two £30m tranches for workforce development and capacity building (revenue) and first phase of infrastructure development (capital). The Scottish Government has indicated that future engagement will be progressed through COSLA in respect to how this funding will be distributed and applied. In this context no provision has been made in the budget in relation to this funding stream.

Table 1 – Grant Settlement 2017/18

	2017/18
	£000
Allocated Government Grant Funding	
Specific Grants	7,088
Non Domestic Rate Income	96,682
Revenue Support Grant	196,987
TOTAL CONFIRMED ALLOCATED GOVERNMENT GRANT FUNDING	300,757

3.13 As detailed above, beyond 2017/18, 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 sustained 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 based on current information there is little to suggest that it is likely to be any better than the reduction experienced by the local government budget in 2016/17 or as initially outlined in the provisional 2017/18 announcement on 15th December 2016.

3.14 There also remain wider risks that could yet further influence 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, within Scotland, the UK, across Europe and indeed globally. It is expected that greater clarity over future grant settlement levels will emerge in the latter half of 2017, with the risk that the Scottish Government may continue to set out detailed spending plans only for the forthcoming year. Moving forward members will be kept appropriately briefed and informed as announcements are made by the Scottish Government during the course of 2017 and in addition, of any significant developments in the wider 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 2016/17 and 2017/18. 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;
- (iii) the implementation of the approved medium term debt smoothing strategy which will support the delivery of significant budget savings on financing charges in 2017/18; and
- (iv) Additional £3.720 million of resources that will be made available via NHS Greater Glasgow & Clyde to support Adult Social Care Budgets that will be made available to Renfrewshire Health and Social Care Partnership in 2017/18.

- 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
 - the continued commitment to protecting vulnerable children and young people, and supporting them into independent adulthood.
- 4.3 The Council has for a number of years been taking forward a wide range of mitigation strategies designed to dampen the impact of demand led growth. These strategies have focused on multiple perspectives including:-
- Seeking to provide more cost effective services - for example Children's Services has been focusing significantly on a strategy to shift the balance of foster care provision to predominantly in-house provided foster carers as opposed to those 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 improving 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 growing positive impact of the wide range of measures implemented over the years, the Director of Children's Services has confirmed that the expected resources released as a consequence of these mitigation measures will be sufficient to manage the impact of new demographic and socio-economic demand led pressures on the service. As a consequence there is no requirement to provide any associated adjustment to the Children's Services base budget moving into 2017/18 for such pressures.
- 4.5 In relation to Adult Services, although a similar impact is being achieved through demand and cost mitigation strategies, the scale of demand led cost pressures is significant. In addition, over the course of 2017/18 Adult Services will be exposed to potentially significant cost pressures arising from a number of long term 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 sleepover arrangements and the negotiated increase on the National Care home contract, agreement of which remains outstanding. Based upon a broad range of projections, it has been estimated that the demand and cost growth across Adult Services may extend to £4.406 million net of any mitigation measures taken by the Chief Officer. It is however recognised that within this estimate there remains uncertainty over the actual cost and demand pressures that will emerge over the course of 2017/18, in particular from

contractual renewal processes and negotiation arrangements associated with the living wage and National Care home contract. In these circumstances, it is proposed that the Council makes provision in 2017/18 for £4.406 million of additional resources to be made available for drawdown by the Health and Social Care Partnership in 2017/18 to manage these pressures. The actual level of drawdown will be agreed between the Council Director of Finance & Resources and the Chief Finance Officer of the Partnership on the basis of the actual financial impact of the cost pressures that crystallise 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 the Council and the Health and Social Care Integrated Joint Board.

- 4.6 Table 2 below summarises the recommended base budget adjustments to reflect the pressures facing the Council in 2017/18. 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 2017/18 of almost £20 million.

Table 2 - Summary of Recommended Base Budget Adjustments 2017/18

	2017/18	
	£ms	£ms
Net impact of previous Council and Board Decisions	(2.406)	
Debt Smoothing Reduction in Financing Costs	(17.410)	
Total Savings Applied for 2017/18		(19.815)
Add:		
Adult Services Demographic, Socio-Economic and Contractual Pressures	4.406	
Legislative Impact on Pension and Other Pay Costs	2.000	
Contract Payment and ICT Licensing	1.525	
Non Domestic Rates including 2017 Revaluation Impact	0.600	
Financial Settlement Adjustments	1.163	
Other Net Base budget changes	1.526	
Total Base Budget Increases		11.219
Net Base Budget (Reduction)		(8.596)

5. PAY AND PRICE PRESSURES

- 5.1 The 2017/18 budget position detailed in Table 3 at paragraph 8.1, includes provision for pay inflation at £5.598 million for 2017/18 across all pay groups. This reflects the required budget uplift to account for the impact of the new Apprenticeship Levy introduced by the UK Government, the impact of the uplift in the living wage to be applied to appropriate staff groups and a provision for the 2017/18 pay award across all staff groups which at present remain subject to ongoing negotiation through the national arrangements.

- 5.2 In setting its 2016/17 budget, 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 2017/18 budget.
- 5.3 The Financial Regulations require charges for services to be reviewed at least annually and a 2% increase in charges would generate additional income of £0.080 million. The overview of the Council's spending in Table 3 at paragraph 8.1 makes provision 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 4.33% 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 2017/18 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, approximately £17 million of savings are being released from the financing cost budget in 2017/18 as part of the strategy to address the underlying medium term budget deficit and overview position outlined in section 8.
- 6.3 As reported to members in the September 2016 Financial Outlook report, given it is anticipated that the Council will be moving into a further period of sustained and significant cost reductions beyond 2017/18, a review was completed to reassess the approach employed to implement the final stages of the current debt smoothing strategy. The strategy has now been adapted and resources previously earmarked to deliver accelerated debt repayment will now be utilised to directly support the revenue budget over the medium term, providing relief from annual debt charges. This change in approach will allow a further phase of debt smoothing savings moving beyond 2017/18 to be established for a defined medium term period. This adjustment to the strategy will provide the opportunity through this period of financial challenge to protect core priority services and mitigate unnecessary reductions in service provision over the short to medium term. It would be expected that an anticipation of a return to growth in resources over the medium to longer term will facilitate a smooth exit as the associated debt smoothing resource comes to a natural end. In addition, the change in approach will also provide access to a flexible resource to support the Council to deliver the inevitable scale and pace of change that will be required to meet the overall financial challenge, including costs associated with a need to continue to resize and reshape the workforce.

7. TRADING ORGANISATIONS

- 7.1 The detailed revenue estimates include within Miscellaneous Services the projected surpluses to be earned by the Council's Trading Operations in 2017/18. The current policy is for any surpluses and deficits to return to the General Fund. The exception to this policy is Building Services where a proportionate element of any trading surplus/deficit is currently transferred in to the Housing Revenue Account based on the level of Housing related turnover.

8. SPENDING OVERVIEW

- 8.1 The Council approved spending for 2016/17 at the meeting on 3rd March 2016 of £381.982 million. It is estimated that £379.064 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 2017/18.

Table 3 – Estimated Spending Need 2017/18

	£000
Spending approved 2016/17 budget	381,982
<i>Add:</i>	
Recommended Budget Adjustments (per Table 2)	11,219
Savings Applied (per Table 2)	(19,815)
Revised Budget per Appendix 1	373,386
Provision for inflationary pressures (see paragraph 5.1 - 5.3)	5,678
Estimated spending need for 2017/18	379,064

- 8.2 Significant cost pressures are anticipated to persist beyond 2017/18 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. Others such as future pay increases, the impact of legislative and national policy changes, movement on key commodity prices and increasingly 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 significant uncertainty in respect to how much of a reduction is likely to be experienced in government grant levels over the medium term.
- 8.3 In this context there is significant uncertainty in relation to the scale of savings that the Council may be required to deliver in the medium term period through to 2020. As outlined to members in the Financial Outlook report to the September Council meeting, the projected budget gap each year in the period 2018 - 20 was forecast as potentially falling within a range of £16 million to £27 million (prior to the any application of changes in Council Tax levels). The outcome that has crystallised for 2017/18, an underlying budget gap and requirement for savings of almost £16 million (after taking account of additional resources announced by the Scottish Government on 2nd February), has done little to suggest that this projected range is unrealistic, particularly given 2017/18 is anticipated to be potentially more challenging for the Scottish Government in resource terms than either 2018/10 and 2019/20. The recommendation that the Council should continue to plan for a year on year saving requirement of approximately £20 million, equivalent to £40 million over the two year period remains valid. Indeed given the increase in uncertainty moving beyond 2017/18, it would be recommended that Council seek to target a £40 million 2 year saving programme, with at least £20 million being deliverable in 2018/19 to provide a degree of flexibility over the two year period.
- 8.4 In addition, members should be alert to the likely timing of future spending plan announcements by the Scottish Government. It is likely that this will be in the second half of 2017 and could mean that results for individual councils are not likely to be known until December 2017, two months before the Council would normally look to set the 2018/19

budget. In addition, there is no certainty that the announcement by the Scottish Government will provide draft planning figures beyond 2018/19, potentially extending the cycle of ongoing uncertainty over medium term government grant prospects for the Council.

8.5 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 that the Council continues to adopt a flexible medium term perspective to the delivery of savings and maintains a strategic and sustainable focus 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 2018/19 and beyond through the Better Council Change Programme to prepare for what is anticipated to be a highly challenging and uncertain financial period for the Council.

8.6 Members will continue to be updated on developments for future years, but should be aware that in setting the 2017/18 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.

8.7 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.

8.8 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.

9. RESOURCE ALLOCATIONS

9.1 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.

10. PROBABLE OUTTURN 2016/17, BALANCES AND RESERVES

10.1 Appendix 3 to this report details an overview of the Probable Outturn for 2016/17.

- 10.2 The Council's general fund balances as at 1st April 2016 were £61.378 million, and as outlined in Table 4 below, the majority of this was earmarked for specific purposes. The Council in setting the budget for 2016/17 did not plan to draw from available unallocated reserves, planning for £7.013 million of general working balances to be available by 31st March 2017. As reported to members during the course of 2016/17, a very minor year-end under-spend is being projected and the position on unallocated reserves on the closure of the 2016/17 accounts is expected to be £7.020 million. This projected year end position is after accounting for planned adjustments arising from the Council's ongoing debt smoothing strategy.
- 10.3 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 2017/18, unallocated reserves are maintained at least at £7.0 million, approximately 1.9% of the Council's net expenditure.
- 10.4 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 2016/17

	Balances as at 1/4/2016	Forecast In Year Change and Year End Transfers	Forecast Closing Position as at 31/3/17
	£000	£000	£000
Service Modernisation and Reform Fund	6,176	(861)	5,315
PPP Reserve	12,670	-	12,670
M74 Contribution	566	-	566
Development Contribution - Paisley Town Centre	1,120	-	1,120
Early Years Strategy	3,321	(600)	2,721
Waste Management Strategy	7,456	(3,035)	4,421
Invest in Renfrewshire	5,049	(2,500)	2,549
Community Safety	121	-	121
Private Sector Housing Grant	2,063	-	2,063
Support Credit Unions	340	(200)	140
Paisley Town Centre Heritage Strategy	8,284	(2,500)	5,784
City Deal	1,561	-	1,561
Commission on Tackling Poverty	3,649	(2,849)	800
Youth Employment Strategy	212	(130)	82
Service Year End Flexibility	1,777	(477)	1,300
Unallocated General Fund Balances	7,013	7	7,020
Total General Fund Balances	61,378	(13,145)	48,233

- 10.5 As previously reported to Council in its consideration of the 2015/16 accounts, and as detailed in Table 5 below, other specific reserves continue to be maintained.

Table 5 – Specific Reserves 2016/17

	Balances as at 1/4/2016 £000	Forecast In Year Movement £000	Forecast Balance as at 31/3/17 £000
Insurance Fund	2,543	-	2,543
Reservoir Repair Fund	312	-	312
Education Capital Items Fund	751	(16)	735
Investment Programme Capital Fund	55,264	25,000	80,264
Housing Capital Fund	6,773	-	6,773
Total Specific Reserves	65,643	24,984	90,627

- 10.6 The Insurance Fund covers the main classes of insurance and is earmarked for insurance purposes such as the cost of insurance excesses and premiums.
- 10.7 The Reservoir Repairs Fund represents funding received from a developer for repairs in perpetuity in relation to the Thornly Dam.
- 10.8 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.
- 10.9 The Capital Funds are 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 both the General Fund and Housing Revenue Account (these debt smoothing resources include a transfer from unallocated balances as agreed on the setting of the 2016/17 budget). These debt smoothing resources are utilised to manage both the debt levels linked with the respective investment programmes and the associated debt servicing costs charged to the revenue account each year. Reflecting the temporary in year surplus position outlined in the report for 2017/18, there is no drawdown planned from this fund in 2017/18.

COUNCIL TAX

- 11.1 The Council's council tax (Band D) for 2016/2017 is £1,164.69 and is £16 (1.39%) above the Scottish average. It is estimated that in 2017/18 each £1 of council tax will yield £70,442 which is higher than 2016/17. The increase in the yield reflects anticipated growth in the council tax base in the context of the modest recovery being experienced in the housing development market but principally reflects changes introduced by the Scottish Government, which take effect from 1st April, in relation to houses in Council Tax Bands E – H. Council Tax is applied across a range of bands from A to H and is assessed by a formula in relation to band D, which is known as the multiplier. The Scottish Government has legislated to change the council tax multipliers for properties in Bands E to H from 1 April 2017. Councils across Scotland are statutorily obliged to apply these changes, the impact of which will increase the cost of Council Tax for properties in bands E through to H.
- 11.2 The table below shows the current and revised multipliers for Band E to H and the illustrative percentage increase in charge based on the existing Band D charge of £1,164.69, not taking into account any discounts, exemptions or empty property charge that may apply.

Band	*Current multiplier	*Revised multiplier from 1 April 2017	Council Tax (Current)	Council Tax (new multipliers applied)	Percentage change
E	1.22	1.31	£1,423.51	£1,530.27	7.5%
F	1.44	1.63	£1,682.33	£1,892.62	12.5%
G	1.67	1.96	£1,941.15	£2,280.85	17.5%
H	2	2.45	£2,329.38	£2,853.49	22.5%

- 11.3 A maximum net yield of £82.043 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.
- 11.4 Members are required to determine the level of council tax for Bands A to H inclusive which should apply for 2017/18, and in doing so, are reminded of the grant conditions detailed at paragraph 3.3.

12. BUDGET OVERVIEW – 2017/18

- 12.1 The overview budget position for the Council for 2017/18, 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 2017/18, subject to decisions by members in setting the final budget for 2017/18. Members should note that this in year revenue surplus reflects the Scottish Government announcement subsequent to the Budget Bill Stage 1 debate in Parliament of an additional £130 million of revenue grant for local government in 2017/18. As referred to in section 3 above, it would appear that based on information released by the Scottish Government, that these resources are underpinned predominantly by the use of the Scottish Government's budget flexibility mechanism that supports the carry forward of non recurring resources between financial years. There remains the risk therefore that the majority of this funding is supported by revenue resources that may be available to the Scottish Government only for a single year, creating uncertainty as to whether it will form part of local government's recurring baseline budget moving into 2018/19. Given there is no detail in relation to the Scottish Government's budget beyond 2017/18 it is not possible to draw any conclusions in this respect. In this context and recognising that the Council is expected to face a significant budget deficit over the medium term Members should be reminded that this budget position is anticipated to be temporary in nature. As such, any decisions taken in setting the 2017/18 budget which commits resources on a recurring basis will increase further this forecast deficit position for future years unless decisions are also taken to deliver corresponding savings or increase Council Tax levels and associated income.

Table 6 – Budget Overview 2017/18

	£000
Income:	
Confirmed Government Grant (per table1)	300,757
Council Tax Income	82,043
Council Tax / Community Charge Arrears Recovery	500
Total Income	383,300
Less: Estimated Spending Need (Table 3)	379,064
Estimated Funding Surplus 2017/18	4,236

13. BUDGETARY CONTROL

- 13.1 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.

14. FURTHER ACTION

- 14.1 Members wishing clarification of the details of this report or the enclosed Revenue Estimates pack should contact Alan Russell (extension 7364) or the Chief Executive or any Director in relation to their specific service responsibilities.
- 14.2 Members wishing advice on budget proposals should contact the appropriate service Director.

Implications of this Report

Financial – The report and enclosures provide the background information on the 2017/18 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 2017/18 budget, 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 Planning

Children and Young People – implications will be subject to any budget proposals agreed.

Community Care, Health & Well-being - implications will be subject to any budget proposals agreed.

Empowering our Communities - implications will be subject to any budget proposals agreed.

Greener - implications will be subject to any budget proposals agreed.

Jobs and the Economy - implications will be subject to any budget proposals agreed.

Safer and Stronger - implications will be subject to any budget proposals agreed.

Legal - The Council is required to set a balanced budget for 2017/18.

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 2017/18 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.

List of Background Papers

(a) Background Papers - none

Author – Alan Russell, Director of Finance & Resources

REVENUE ESTIMATES 2017/18
PROVISIONAL RESOURCE ALLOCATION STATEMENT
 (subject to amendment for any budget proposals approved by Council)

	RESOURCES ALLOCATION £000
<u>Service</u>	
Chief Executive's	5,761
Children's Services	177,840
Leisure Services	9,102
Community Resources	43,417
SPTA	3,288
Finance and Resources	31,590
Valuation Joint Board	1,213
Development and Housing	6,749
Adult Services	64,104
Miscellaneous Services	31,963
NET EXPENDITURE PER APPENDIX 2	375,027
Less: Recoveries from accounts outwith service resource allocations	1,641
Total per Table 3	373,386

(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 2017-2018 REVENUE ESTIMATES
DEPARTMENT : CHILDRENS SERVICES

	£	£	£
Analysis of Change between 2016-2017 and 2017-2018			
2016-2017 Estimates			201,696,866
Adjustments for items outwith Resource Allocation			
Less: capital charges	(15,588,350)	(15,588,350)	
Central support costs	(14,725,057)		
Central support recoveries			
Corporate and Democratic core costs	361,400	(14,363,657)	
			<u>(29,952,007)</u>
Adjusted 2016-2017 Estimates			171,744,859
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		6,975,500	
Transfers (PAPER 3)		<u>(880,022)</u>	
			<u>6,095,478</u>
2017-2018 Estimates			<u>177,840,337</u>
(Before budget decisions)			

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : CHILDRENS SERVICES

ED		£
1	Increased Property Rent	11,500
2	Annual Contractual PPP Contract Indexation Adjustment	150,000
3	Better Council Change Programme - Residential Service Redesign	(500,000)
4	Uplift in Teacher Numbers linked to school roll increases	250,000
5	Criminal Justice Specific Grant	2,816,000
6	Pupil Equity Specific Grant	4,248,000
	Total Increase (Decrease) to Budget	6,975,500

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : CHILDRENS SERVICES

ED		£
1	Transfer of Policy & Commissioning budgets to Chief Executives	(93,608)
2	Allocation of prior year savings	(91,301)
3	Realignment of Leisure & Culture budgets	(774,649)
4	Realignment of Adult and Children's Social Care budget	128,190
5	Non domestic rates budget correction	300
6	Transfer Healthy Lifestyles budget to Leisure	(18,954)
7	Grounds Maintenance Transfer to Corporate Landlord	(30,000)
	Total Increase (Decrease) to Budget	(880,022)

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
DEPARTMENT : LEISURE SERVICES

	£	£	£
Analysis of Change between 2016-2017 and 2017-2018			
2016-2017 Estimates			11,053,764
Adjustments for items outwith Resource Allocation			
Less: capital charges	(1,824,350)		
		(1,824,350)	
Adjustments for Central Support	(920,010)		
Central support costs			
Corporate and Democratic core costs	<u>45,870</u>		
		(874,140)	
			<u>(2,698,490)</u>
Adjusted 2016-2017 Estimates			8,355,274
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		(35,000)	
Transfers (PAPER 3)		<u>781,941</u>	
			<u>746,941</u>
2017-2018 Estimates			9,102,215
(Before budget decisions)			<u><u>9,102,215</u></u>

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : LEISURE SERVICES

LS		£
1	Renfrewshire Leisure Contract Payment adjustment	(35,000)
	Total Increase (Decrease) to Budget	(35,000)

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : LEISURE SERVICES

LS		£
1	Realignment of Leisure & Culture budget (Healthy Lifestyles, corporate landlord, maintenance costs etc)	781,941
	Total Increase (Decrease) to Budget	781,941

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
DEPARTMENT : COMMUNITY RESOURCES

	£	£	£
Analysis of Change between 2016-2017 and 2017-2018			
2016-2017 Estimates			54,799,252
Adjustments for items outwith Resource Allocation less: capital charges	(6,742,680)	(6,742,680)	
Adjustments for Central Support			
Central support costs	(3,761,831)		
Central support recoveries	215,294		
Corporate and Democratic core costs	180,190		
		(3,366,347)	
			<u>(10,109,027)</u>
Adjusted 2016-2017 Estimates			44,690,225
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		(339,100)	
Transfers (PAPER 3)		<u>(933,556)</u>	
			<u>(1,272,656)</u>
2017-2018 Estimates			43,417,569
(Before budget decisions)			<u>43,417,569</u>

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : COMMUNITY RESOURCES

CR		£
1	Increase In Landfill Tax	107,200
2	Contract Price Increase for Waste Disposal	38,000
3	Net budget realignment for reinstatement of Civic Amenity Sites	40,900
4	Street Lighting energy and maintenance efficiencies	(677,000)
	Payments to Trading Operations	
5	Contract Payment - Catering Trading Operation	58,200
6	Contract Payment - Vehicle Maintenance Trading Operation	39,000
7	Contract Payment Increase - Roads Trading	54,600
	Total Increase (Decrease) to Budget	(339,100)

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : COMMUNITY RESOURCES

CR		£
1	Transfer of Policy & Commissioning budgets to Chief Executives	(212,692)
2	Allocation of prior year agreed savings	(702,961)
3	Realignment of Ground Maintenance	30,000
4	Realignment of Leisure & Culture Budgets	9,162
5	Transfer Parking Income	(57,065)
	Total Increase (Decrease) to Budget	(933,556)

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
DEPARTMENT : FINANCE AND RESOURCES

	£	£	£
Analysis of Change between 2016-2017 and 2017-2018			
2016-2017 Estimates			8,023,017
Adjustments for items outwith Resource Allocation capital charges	(2,456,350)	(2,456,350)	
Adjustments for Central Support			
Central support costs	(8,035,144)		
Central Support recoveries	<u>33,798,705</u>		
		25,763,561	
			<u>23,307,211</u>
Adjusted 2016-2017 Estimates			31,330,228
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		948,200	
Transfers (PAPER 3)		<u>(688,350)</u>	
			<u>259,850</u>
2017-2018 Estimates			<u><u>31,590,078</u></u>
(Before budget decisions)			

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : FINANCE AND RESOURCES

FAR		£
1	ICT Contract payments and ICT licensing and maintenance	599,200
2	Impact of additional Wide Area Network circuit requirements	100,000
3	Impact of requirements to comply with Public Sector Network Healthcheck	40,000
4	Costs arising from increase in Elected Members	60,000
5	Reduction in Housing Benefit Admin Subsidy	89,000
	Total Increase (Decrease) to Budget	948,200

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : FINANCE AND RESOURCES

FAR		£
1	Transfer of Policy & Commissioning budgets to Chief Executives	(514,549)
2	Allocation of prior year agreed savings	(39,826)
3	Realignment of Childrens Services budget	(74,742)
4	Adult services budget realignment	(118,798)
5	Realignment of Lesiure & Culture Budgets	2,500
6	Parking Income transfer	57,065
	Total Increase (Decrease) to Budget	(688,350)

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
DEPARTMENT : RENFREWSHIRE VALUATION JOINT BOARD

	£	£	£
Analysis of Change between 2016-2017 and 2017-2018			
2016-2017 Estimates			1,243,900
Adjustments for items outwith Resource Allocation less: capital charges	-	-	
Adjustments for Central Support Central support costs	-		
Corporate and Democratic core costs	-		
	<hr/>	-	-
Adjusted 2016-2017 Estimates			<hr/> 1,243,900
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		(31,100)	
Transfers (PAPER 3)		-	
		<hr/>	<hr/> (31,100)
2017-2018 Estimates (Before budget decisions)			<hr/> 1,212,800 <hr/>

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : RENFREWSHIRE VALUATION JOINT BOARD

JVB		£
1	Impact of Reduced Requisition	(31,100)
		(31,100)

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : RENFREWSHIRE VALUATION JOINT BOARD

JVB		£
		-

RENFREWSHIRE COUNCIL**SUMMARY OF 2017-2018 REVENUE ESTIMATES****DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - OTHER HOUSING**

	£	£	£
Analysis of Change between 2016-2017 and 2017-2018			
2016-2017 Estimates			5,463,758
Adjustments for items outwith Resource Allocation less: capital charges	-	-	
Adjustments for Central Support Central support costs Corporate and Democratic core costs	(189,158)		
		(189,158)	
			<u>(189,158)</u>
Adjusted 2016-2017 Estimates			5,274,600
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		(1,144,400)	
Transfers (PAPER 3)		<u>(108,817)</u>	
			<u>(1,253,217)</u>
2017-2018 Estimates (Before budget decisions)			<u><u>4,021,383</u></u>

RENFREWSHIRE COUNCIL**SUMMARY OF 2017-2018 REVENUE ESTIMATES****DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - PLANNING AND ECONOMIC
DEVELOPMENT**

	£	£	£
Analysis of Change between 2016-2017 and 2017-2018			
2016-2017 Estimates			4,617,466
Adjustments for items outwith Resource Allocation less: capital charges	(652,800)	(652,800)	
Adjustments for Central Support Central support costs	(597,082)		
Corporate and Democratic core costs	<u>156,260</u>	(440,822)	
			<u>(1,093,622)</u>
Adjusted 2016-2017 Estimates			3,523,844
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		(168,850)	
Transfers (PAPER 3)		<u>(627,030)</u>	
			<u>(795,880)</u>
2017-2018 Estimates (Before budget decisions)			<u><u>2,727,964</u></u>

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - PLANNING AND ECONOMIC
DEVELOPMENT

PED		£
1	Introduction of new Planning Application System	31,150
2	Capitalisation of salaries related to regeneration projects	(200,000)
	Total Increase (Decrease) to Budget	(168,850)

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - PLANNING AND ECONOMIC
DEVELOPMENT

PED		£
1	Transfer of Tourism & Marketing budgets to Chief Executives	(627,030)
	Total Increase (Decrease) to Budget	(627,030)

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
DEPARTMENT : STRATHCLYDE PASSENGER TRANSPORT

	£	£	£
Analysis of Change between 2016-2017 and 2017-2018			
2016-2017 Estimates			
Adjustments for items outwith Resource Allocation			3,354,700
less: capital charges	-	-	
Adjustments for Central Support			
Central support costs	-		
Corporate and Democratic core costs	-		
	<hr/>	-	<hr/>
Adjusted 2016-2017 Estimates			<hr/> 3,354,700
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		(67,000)	
Transfers (PAPER 3)		-	
		<hr/>	<hr/> (67,000)
2017-2018 Estimates			<hr/> 3,287,700
(Before budget decisions)			<hr/> 3,287,700

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : STRATHCLYDE PASSENGER TRANSPORT

SPT		£
1	Impact of reduced Requisition	(67,000)
	Total Increase (Decrease) to Budget	(67,000)

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : STRATHCLYDE PASSENGER TRANSPORT

SPT		£
	Total Increase (Decrease) to Budget	-

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
DEPARTMENT : CHIEF EXECUTIVE

	£	£	£
Analysis of Change between 2016-2017 and 2017-2018			
2016-2017 Estimates			564,735
Adjustments for items outwith Resource Allocation less: capital charges	(130)	(130)	
Central support costs	(303,779)		
Central support recoveries	4,031,282		
Corporate and Democratic core costs	-		
	<hr/>	3,727,503	
Adjusted 2016-2017 Estimates			<hr/> 3,727,373
			4,292,108
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		(50,000)	
Transfers (PAPER 3)		1,519,163	
		<hr/>	<hr/>
			1,469,163
2017-2018 Estimates			5,761,271
(Before budget decisions)			<u><u>5,761,271</u></u>

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : CHIEF EXECUTIVE

CE		£
1	Impact of minor Service Restructuring	(50,000)
	Total Increase (Decrease) to Budget	(50,000)

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
DEPARTMENT : MISCELLANEOUS

	£	£	£
Analysis of Change between 2016-2017 and 2017-2018			
2016-2017 Estimates			31,371,266
Adjustments for items outwith Resource Allocation			
Less: capital charges	<u>28,747,832</u>		
		28,747,832	
Adjustments for Central Support			
Central support costs	(7,010,836)		
Trading Operations	(2,183,271)		
Corporate and Democratic core costs	<u>(743,720)</u>		
		(9,937,827)	
			<u>18,810,005</u>
Adjusted 2016-2017 Estimates			50,181,271
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		(19,089,663)	
Transfers (PAPER 3)		<u>871,321</u>	
			<u>(18,218,342)</u>
2017-2018 Estimates			<u><u>31,962,929</u></u>
(Before budget decisions)			

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : MISCELLANEOUS

MS		£
1	Provision for Superannuation Auto Enrolment	2,000,000
2	Contract adjustments for Managed Print Service	46,000
3	Scottish Council Elections May 2017 (non recurring)	400,000
4	Provision for net impact of NDR Revaluation and rate pundage changes	600,000
5	Financial settlement adjustment - Council Tax Reduction	(1,212,011)
6	Better Council change Programme - ERP / Customer Portal Savings	(500,000)
7	Debt Smoothing Strategy savings	(17,409,152)
8	Planned Reduction In Overtime	(250,000)
9	Financial Settlement adjustments	(84,000)
10	Royal National Mod	12,500
11	Provision for Changeover Impact of New £1 coin (non recurring)	100,000
12	Uplift in Adult social Care Funding Transfer from NHS	(3,720,000)
13	Provision for Council commitment to Paisley 2021 City Of Culture	1,000,000
14	Street Lighting Effiencies - CRC scheme cost reduction	(73,000)
	Total Increase (Decrease) to Budget	(19,089,663)

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
DEPARTMENT : ADULT SERVICES

	£	£	£
Analysis of Change between 2016-2017 and 2017-2018			
2015-2016 Estimates			60,875,277
Adjustments for items outwith Resource Allocation			
Less: capital charges	(1,242,601)		
		(1,242,601)	
Adjustments for Central Support			
Central support costs			
Corporate and Democratic core costs	_____	-	
			(1,242,601)
Adjusted 2016-2017 Estimates			<u>59,632,676</u>
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		4,405,675	
Transfers (PAPER 3)		<u>65,350</u>	
			<u>4,471,025</u>
2017-2018 Estimates			<u>64,103,701</u>
(Before budget decisions)			

RENFREWSHIRE COUNCIL
SUMMARY OF 2017-2018 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : ADULT SERVICES

SW		£
1	Transfer of Disclosure Scotland Budget	66,449
2	Correction of Finance team transfer	(1,099)
	Total Increase (Decrease) to Budget	65,350

Renfrewshire Council
Estimates of Expenditure and Income for the Year Ended 31st March 2018
General Fund Summary
Objective Summary

Line No	Net Expenditure	2016/17 Estimates £	2017/18 Estimates £
1	Children's Services	171,744,859	177,840,337
2	Leisure Services	8,355,274	9,102,215
3	Community Resources	44,690,225	43,417,569
4	Finance and Resources	31,330,228	31,590,078
5	Valuation Joint Board	1,243,900	1,212,800
6	Other Housing	5,274,600	4,021,383
7	Planning and Economic Development	3,523,844	2,727,964
8	SPT	3,354,700	3,287,700
9	Chief Executives	4,292,108	5,761,271
10	Miscellaneous	50,181,271	31,962,929
11	Adult Services	59,632,676	64,103,701
12	Net Expenditure	383,623,685	375,027,947

Renfrewshire Council

General Fund Probable Outturn for 2016-17

Line		2016/17 Revised Estimates £000	2016/17 Probable Outturn £000
No	Net Expenditure		
1	Children's Services	202,553	202,553
2	Leisure Services	11,786	11,786
3	Community Resources	50,629	50,629
4	Finance and Resources	11,050	11,050
5	Valuation Joint Board	1,278	1,278
6	Other Housing	5,562	5,562
7	Planning and Economic Development	6,759	6,759
8	SPT	3,355	3,355
9	Chief Executives	2,099	2,099
10	Miscellaneous	30,441	30,441
11	Adult Social Care	60,802	60,795
12	Net Expenditure	386,314	386,307