
**PROCEDURE TO BE FOLLOWED AT THE
MEETING OF RENFREWSHIRE COUNCIL
TO BE HELD ON 12th FEBRUARY, 2015
DURING CONSIDERATION OF ITEM 1 CONCERNING
REVENUE ESTIMATES AND COUNCIL TAX
FOR THE FINANCIAL YEAR 2015/2016**

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 12th February, 2015.

1. The Leader of the Council will make his budget statement for financial year 2015/16 and move as appropriate. He will then speak to the principal points of his proposals. The motion will require to be seconded.
2. The Depute 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 Leader of the Council'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 2015/16).
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 Leader of the Council 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 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 Leader of the Council an opportunity to reply.
9. A vote or votes will then be taken in accordance with the provisions of standing orders.

To: Council

On: 12 February 2015

Report by: Director of Finance & Resources

Heading: Revenue Budget and Council Tax 2015/16

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 2015/16. 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 2015/16 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 originally in the Financial Outlook report to the Leadership Board on 4th December 2013 and as updated in the Scottish Government Draft Budget 2015/16 report to the Leadership Board on 3rd December 2014. These reports outlined in detail the scale of financial challenges facing the Council and the underlying need to continue to secure significant budget savings over the medium term period through to 2017/18.
- 1.3. It was originally projected in the Financial Outlook presented to the Leadership Board on the 4th December 2013, that over the medium term through to 2017/18 the Council had an underlying budget saving requirement estimated at between £20 million to £30 million. As reported to the Leadership Board on the 3rd December 2014, the medium term position remains consistent in nature with that previously reported but with areas of increasing uncertainty and risk, principally around future grant levels and pay pressures, along with significant and growing demand pressures on key service areas principally in relation to Social Work. There remains an anticipated underlying requirement for budget savings over the medium term to 2017/18, however it is expected that there is an increasing risk that this is more likely to be at the top end of previous projections in the region of £30 million. It is recognised that the Council has in the intervening period taken decisions, as part of setting the 2014/15 budget and as part of the Better Council Change Programme, that will support the delivery of savings over the period 2014/15 – 2016/17 and which have started to address this medium term financial saving requirement.

- 1.4. Members should also note that as reported to Council on 18th December 2014, the Council's provisional financial settlement for 2015/16 is conditional upon the package of measures linked to the local government finance settlement. Following consideration and approval of the Council's budget for 2015/16, the Leader is required to confirm to the Scottish Government by 10 March 2015 if the Council does not intend to meet the conditions, as detailed at paragraph 3.3 of this report.
- 1.5. The Council, in setting its 2014/15 budget, continued 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 regeneration, jobs, schools, community facilities and tackling poverty. Since setting the budget, a number of the assumptions contained in the draft 2015/16 figures have been updated and in some cases confirmed, including most notably government grant, the impact of new statutory obligations arising from the Children & Young People's Act and the impact of increasing demographic and demand pressures, experienced principally in Social Work Services. In addition and as referred to at paragraph 1.3 above, the Council has taken a number of decisions as part of the Better Council Change Programme that support the release of savings over the period 2015/16 – 2016/17. Taking these updated factors into account, and as outlined in Table 6 of this report, there is a projected temporary revenue budget surplus for 2015/16 of £9.646 million subject to decisions by members in setting the final budget for 2015/16. It should be noted by Members, that as this surplus is anticipated to be temporary in nature (taking account of the Council's anticipated financial position over the medium term) it is recommended by the Director that reinvestment of the surplus should be focused on a one-off or temporary basis.
- 1.6. The Council's financial projections beyond 2015/16 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* - looking beyond the 2015/16 spending review period, whilst no specific grant figures are available for Scotland and consequently for Renfrewshire, external economic commentators continue to forecast ongoing pressure on public expenditure at a UK level at least through to 2018, with a second wave of significant cuts still expected to emerge in 2016/17 and 2017/18. In addition, it is also suggested that the level of cuts that emerge over this period are likely to be at the higher end of previous projections. It is difficult to predict with any significant degree of certainty what the Council's actual grant settlement will be in each of these years and it will ultimately be influenced by a wide range of variables including the impact of what can be quickly changing global economic conditions and the subsequent influence on the UK economy, the underlying performance of the UK economy and its impact on public finances and a range of political decisions taken at both UK and Scottish Parliament level.
 - *Future Pay Settlements* - at present no national agreement has been reached on a pay settlement for 2015/16 for any of the Council's employee groups. Negotiations remain ongoing at a national level and whilst no agreement has been reached it would appear increasingly unlikely that maintaining pay restraint to a 1% increase in line with 2014/15 will be achievable. At present trade unions have submitted pay claims for 2015/16 of £1 per hour increase for non teaching staff, equivalent to approximately £9.3 million (7%) of the pay bill, with the teaching unions submitting a 5% pay claim, amounting to approximately £4 million. In addition, a recent agreement has been reached in England between the Local Government Association and trade unions which overall, is equivalent to a 2.2% pay award for the 15 month period 1st January 2015 to 31st March 2016. The nationally agreed position that emerges for 2015/16 and the influence this may have over future settlements will have a significant bearing on

the Council's medium term financial position and level of savings that it will be required to secure.

- *Demand led Pressures* – demographic and socio-economic demand led cost pressures, in particular on Social Work Services, continue to be one of the Council's key financial risks moving forward. In response, the Council has been progressing a wide range of key demand and cost management actions which have sought to mitigate the financial impact of this cost pressure whilst seeking to achieve better outcomes for clients and their families. However, despite such actions, the level of pressure being experienced in the current 2014/15 financial year has been significant and beyond what was previously projected. Despite mitigating action applied during the year, which has included the use of £1.2 million of non-recurring flexibility resources, a service overspend of £0.4 million (0.4%) is forecast. Although the medium term forecasts have been adapted to take account of the growing pressures currently being experienced, the scale of such demand led pressures and the ability of the Council to mitigate and dampen them over the medium term will be a key determinant on the Council's medium term financial position.

- 1.7. 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, recognising the uncertainty around key elements and the increasing risk that they may over time move negatively against the Council, increasing the potential medium term saving requirement.
- 1.8. In addition, members should continue to be alert to the timing of the next UK Government Spending Review and the subsequent results for Scotland which are unlikely to become available until autumn of 2015 for the 2016/17 financial year. This would mean that results for individual Councils are not likely to be known until December 2015, two months before the Council would normally look to set the 2016/17 budget. In addition, at this stage there is no certainty that the draft 2017/18 position and beyond will be confirmed and the cycle of uncertainty in relation to future grant levels may continue into autumn 2016. The Council will therefore be required to plan for the possibility that over future financial years there may be limited time to respond to the confirmed grant settlement. Consequently it is important that the Council continues to pro-actively progress financial planning work for 2016/17 and beyond through the Better Council Change Programme and to prepare for what is anticipated to be a further difficult and uncertain financial period for the Council.
- 1.9. In setting the 2015/16 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. 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 £1.094 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 2015/16, and in doing so, to consider the equality impact of any proposed service changes as referred to at paragraph 8.5 and also to assess whether adequate provision is being made in the 2015/16 budget to deliver against the specified commitments linked to the Council's grant settlement for 2015/16, as detailed at paragraph 3.3.
- 2.2 Approve the provisions for inflationary pressures as recommended at Section 5.
- 2.3 Approve the detailed revenue estimates for all services for 2015/16 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 Submit for approval the council tax banding levels A to H inclusive to apply for 2015/16.

3. GRANT SETTLEMENT

- 3.1 On the 11th December 2014, the Cabinet Secretary for Finance, Constitution and Economy announced the provisional local government finance settlement and this was reported to the Council on 18th December 2014. The settlement provides grant figures for one year only covering 2015/16. The 2015/16 financial settlement confirmed headline grant funding allocated to Renfrewshire Council of £300.079 million. Of this allocated grant figure, £2.254 million represents a pass through grant from the Scottish Government to COSLA for the Business Gateway. Adjusting for this provides grant available to fund Council services of £297.825 million. The settlement figure also includes a number of planned adjustments by the Scottish Government and which predominantly relate to new statutory responsibilities arising from the Children and Young People Act, extension of free school meal provision to all Primary 1 to 3 pupils and the Scottish Welfare Fund. These adjustments to the grant settlement are linked to associated budgeted adjustments that are included in Table 2.
- 3.2 After adjusting for these areas, the provisional grant level for the Council is in line with the 2015/16 planning figure published by the Scottish Government in July 2014 and reflects the assumptions incorporated into the Council's financial planning for 2015/16. The Council's 2015/16 grant figure has, on a like for like basis, increased by £0.2 million (0.07%) from 2014/15, with the Council's share of the overall local government revenue funding settlement remaining effectively static at 3.14%.
- 3.3 At present the published grant figures do not include funding releases for the contribution from the Scottish Government for the continuation of the Council Tax Reduction (CTR) scheme in 2015/16 or funding to support the top up of Discretionary Housing Payment funds to assist in mitigating the impact of the under occupancy deduction or "bedroom tax". These funding streams have yet to be distributed by the Scottish Government, and no assumptions have been made in relation to anticipated shares for Renfrewshire Council. Once confirmed, appropriate adjustments will be made to the budget to recognise the Council's specific funding share with corresponding adjustments made to appropriate expenditure budgets, providing a cost neutral position. The published grant settlement figures include the Council's share of sums in the Scottish Government's budget with associated grant conditions. If the Council does not agree to the specified set of commitments as part of agreeing the 2015/16 budget and formally confirms this position to the Scottish Government, a grant reduction of £2.327 million will be applied to the Council's published grant figure.

The package of measures includes:

- (i) Delivery of a Council Tax Freeze for 2015/16.
- (ii) Securing places for all probationers who require one under the teacher induction scheme.

In addition, the commitment to maintain teacher numbers in line with pupil numbers, along with associated sanctions remains in place for 2014-15 but has been suspended for 2015/16 whilst an in-principle agreement is reached on an outcomes based approach to education. This will be subject to the completion of work which is satisfactory to both the Scottish Government and Local Government and it is expected that progress in relation to this negotiation will be reviewed over the coming months.

Table 1 – Grant Settlement 2015/16

	2015/16
	£000
Allocated Government Grant Funding	
Specific Grants	33
Non Domestic Rate Income	103,321
Revenue Support Grant	<u>194,398</u>
TOTAL CONFIRMED ALLOCATED GOVERNMENT GRANT FUNDING	297,752
Less: Business Gateway Grant Pass through to COSLA	<u>2,254</u>
Total Confirmed Government Grant available to Support Council Services	295,498
Grant Conditional on Agreement to Specified Commitments	<u>2,327</u>
TOTAL CONFIRMED GOVERNMENT GRANT	297,825

- 3.4 As detailed above, beyond 2015/16, although no specific grant figures are available for Scotland and consequently for Renfrewshire, it is widely expected that there will continue to be downward pressure on public expenditure at a UK level. This is expected to continue at least through to 2018 with a second wave of significant cuts expected to emerge in 2016/17 and 2017/18. The underlying condition of the UK economy, although not the only factor, will be a major determinant of the scale of these future cuts and despite UK economic conditions being more positive over the course of 2014, there remains a range of potential downside risks to the underlying sustainability of the return to positive UK economic growth. This includes the impact on the UK of wider global economic conditions which remain challenging with uncertainty, particularly in the context of the ongoing conditions in Europe which remain fragile and typified by low or stagnant economic growth and deflation risks, concerns in relation to future economic growth prospects in China and the emerging economies, and most recently the developing economic situation within Russia and the major downward movement on oil prices.
- 3.5 In the current climate therefore, there remains downside risk to the sustainability of the current economic recovery in the UK which could lead to further negative implications for the level of savings required from public expenditure at a UK level. This would inevitably have implications for the Scottish Government's budget and ultimately the Council's grant. Moving forward members will be kept appropriately briefed and informed 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 2014/15 and 2015/16. The budget has been adjusted to reflect:-
- (i) the continuing costs of the current level of service;
 - (ii) the financial impact of any decisions already taken by the Council or its Policy Boards; and
 - (iii) the implementation of the approved medium term debt smoothing strategy which will support the delivery of budget savings on financing charges in 2015/16 – 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 Social Work 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 It is estimated that in the absence of any further action by the Council to manage these pressures and rising demands the Council’s budget would have to increase by £4.452 million in 2015/16. As referred to in paragraph 1.6 above, during the course of 2014/15 the impact of demand led pressures has increased significantly. The Council continues however to be pro-active in progressing a range of demand and cost management workstreams. These mitigation measures continue to assist in reducing the demand led cost pressures and help to maintain and protect core frontline Social Work Services. The Director of Social Work assessed that the required budget adjustment in 2015/16 for demographic and socio-economic pressures could be contained to £2.952 million after taking account of the anticipated impact of demand and cost management measures.
- 4.4 Table 2 below reflects the recommended base budget adjustments to reflect the pressures facing the Council in 2015/16, offset by the net financial impact of decisions already made by the Council and adjustments to reflect the non recurring nature of commitments made in prior year budgets. Also included is a reduction of £2.9 million arising from the ongoing implementation of the Council’s medium term debt smoothing strategy which will continue to support the delivery of budget savings on financing charges over the period 2015 - 2018. As part of maximising the delivery of revenue savings arising from the strategy over this period, the strategy will utilise existing capital fund (CFCR) resources over the medium term to offset annual debt costs, replacing these resources with planned borrowing to maintain the delivery of the planned investment programme.

Table 2 - Summary of Recommended Base Budget Adjustments 2015/16

	2015/16	
	£ms	£ms
Net impact of previous Council and Board Decisions	(3.533)	
Net Adjustment for non Recurring Budget Decisions in Prior Years	(13.964)	
Debt Smoothing Reduction in Financing Costs	(2.900)	
Total (Net Reductions)		(20.397)
Add:		
Demographic and Socio-Economic Pressures (net of demand management)	2.952	
Extension to Free School Meal Provision	1.809	
Scottish Welfare Fund	1.365	
Children & Young People Act	1.214	
Contract Payment Adjustments	1.292	
Pension and Other Provision	2.340	
Landfill Tax	0.456	
Ending of Transitional Scottish Government Support for HRA Debt Transfer	1.000	
Increase in Non Domestic Rates costs	0.350	
Other Unavoidable Pressures	0.088	
Total Increases		12.866
Net Base Budget (Reduction)/Increase		(7.531)

5. PAY AND PRICE PRESSURES

- 5.1 The 2015/16 budget position detailed in Table 3 at paragraph 8.1, includes provision for pay inflation at £3.102 million for 2015/16 across all pay groups. As referred to earlier in this report, negotiations for all pay groups remain ongoing through the national arrangements with agreements having not yet been secured. Members should note therefore that this remains an area of financial risk depending on the progress achieved on national level negotiations for all pay groups, with the funding of any subsequent agreement above this provision requiring to be addressed from in year resources.
- 5.2 In setting its 2014/15 budget, the Council decided not to apply any general inflationary uplift to non-pay budgets. For financial planning purposes, a 2.5% non pay inflation provision would add approximately £3.5 million each year. However, given the expected stabilisation in the underlying inflation levels moving into next year and beyond and in view of the medium term pressures facing the Council, it is recommended that, in line with historic practice general non pay inflation is not provided for in the 2015/16 budget.

- 5.3 The Financial Regulations require charges for services to be reviewed at least annually. The Council has, on the 18th December 2014, already taken a decision to freeze at 2014/15 levels charges for pitch hire and community halls. Taking this prior decision into account a 2.5% increase in charges would generate additional income of £0.390 million. The overview of the Council's spending in Table 3 at paragraph 8.1 makes provision for an inflation adjustment to charges at 2.5%.

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 4.48% has been applied. No 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 2015/16 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 part of the debt smoothing exercise the financing cost budget includes provision to support planned debt repayment as part of the strategy with an anticipated reduction in recurring annual financing costs of £2.9 million being released in 2015/16 with further savings of approximately £15 million over the period 2016 – 2018. As referred to at paragraph 4.4, to assist in maximising the delivery of revenue savings arising from the strategy over this period, the strategy will utilise existing capital fund resources over the medium term to offset annual debt costs, replacing these resources with planned borrowing to maintain the delivery of the planned investment programme.

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 2015/16. 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 2014/15 at the meeting on 13th February 2014 of £370.933 million. It is estimated that £366.114 million (as detailed in Table 3) is needed to fund the costs of maintaining present service levels, and addressing known pressures and demands in 2015/16.

Table 3 – Estimated Spending Need 2015/16

	£000
Spending approved 2014/15 budget	370,933
<i>Add:</i>	
Recommended Budget Adjustments (per Table 2)	<u>(7,531)</u>
Revised budget per Appendix 1	363,402
Provision for inflationary pressures (see paragraph 5.1 – 5.3)	<u>2,712</u>
Estimated spending need for 2015/16	<u>366,114</u>

- 8.2 Significant cost pressures are anticipated to persist beyond 2015/16 for the Council. Some cost pressures, such as those related to 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 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, although there is widespread consensus that 2016 – 2018 will see a significant reduction in Government Grant levels available to local government in Scotland, as referred to in paragraph 3.4 – 3.5 above, there is significant uncertainty in respect to how much of a reduction is likely to be experienced. However, for financial planning purposes, it is projected that over the two year period 2016/17 – 2017/18, the Council may experience a reduction in Government Grant of between 3% – 6%.
- 8.3 In addition, members should be alert to the timing of the next UK Government Spending Review and the subsequent results for Scotland which are likely to become available in autumn of 2015 for the 2016/17 financial year. This would mean that results for individual councils are not likely to be known until December 2015, two months before the Council would normally look to set the 2016/17 budget. In addition, at this stage there is no certainty that in autumn 2015 confirmation of draft figures for 2017/18 and beyond will be visible, potentially extending the cycle of uncertainty until autumn 2016. Consequently, the nature of the Council's medium term financial outlook, both in scale and potential for variability, requires that the Council continues to adopt a flexible medium term perspective to the delivery of savings, maintaining 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 will be required to plan for the possibility that over the future financial years, there may be limited time to respond to confirmed grant settlement and manage both unexpected and higher levels of cost pressures than is currently being forecast. Consequently, it is important that the Council continues to pro-actively progress financial planning work for 2016/17 and beyond through the Better Council Change Programme to prepare for what is anticipated to be a further difficult and uncertain financial period for the Council.

- 8.4 Members will continue to be updated on developments for future years, but should be aware that in setting the 2015/16 budget any commitments to additional recurring expenditure will increase the projected deficit in future years unless they are offset by recurring savings. 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.
- 8.5 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.
- 8.6 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 detailed revenue estimates which accompany this report. 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 2014/15, BALANCES AND RESERVES

- 10.1 The summary booklet attached to this report includes at Page 8 an overview of the Probable Outturn for 2014/15.
- 10.2 The Council's general fund balances as at 1st April 2014 were £52.925 million, and as outlined in Table 4 below, the majority of this was earmarked for specific purposes. The Council in setting the budget for 2014/15 planned to draw, on a one off basis, £1.9 million from available unallocated reserves, planning for £7.299 million of general working balances to be available by 31st March 2015. As reported to members during the course of 2014/15, a relatively minor year-end under-spend of £0.150 million (0.03%) is projected whilst approvals for the drawing from unallocated reserves, principally to fund the financial impact in 2014/15 of changes in holiday pay legislation, have been approved during the course of the year. Taken together, it is anticipated that unallocated reserves on the closure of the 2014/15 is projected to be £7.192 million. This projected year end position is after accounting for planned debt repayment as part of the Council's ongoing debt repayment strategy.

- 10.3 It is important that the Council maintains sufficient reserves to protect it during the course of the financial year. The planned level of year end unallocated general working balances of £7.192 million represents approximately 1.9% of the Council's net expenditure. 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 2015/16, 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 2014/15

	Balance as at 1/4/2014	Forecast In Year Change and Year End Transfers	Forecast Closing Position as at 31/3/2015
	£000s	£000s	£000s
PPP Reserve	12,670	0	12,670
M74 Contribution	571	0	571
Waste Management Strategy	9,505	(1,251)	8,254
Land Decontamination	271	(25)	246
Town Centre	107	(107)	0
Development Contribution – Paisley Town Centre	1,300	(164)	1,136
Early Years Strategy	2,019	1,000	3,019
Invest in Renfrewshire	3,397	3,970	7,367
Community Safety	1,612	(1,093)	519
Tackling Poverty	500	1,486	1,986
Service Year-end flexibility	2,477	(1,020)	1,457
Private Sector Housing Grant	1,589	0	1,589
Service Modernisation and Reform Fund	7,708	(150)	7,558
Heritage and City Deal Regeneration	0	3,360	3,360
Unallocated General Working Balances	9,199	(2,007)	7,192
Total General Fund Balances	52,925	3,999	56,924

10.5 As previously reported to Council in its consideration of the 2013/14 accounts, and as detailed in Table 5 below, other specific reserves continue to be maintained.

Table 5 – Specific Reserves 2014/15

	Balance as at 1/4/2014	Forecast in year movement	Forecast Balance as at 31/3/2015
	£000s	£000s	£000
Insurance Fund	2,543	0	2,543
Education Capital Items Fund	735	0	735
Reservoir Repair Fund	313	3	316
Capital Fund – General Fund	19,681	0	19,681
Capital Fund - Housing	2,127	0	2,127
Total Specific Reserves	25,399	3	25,402

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 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.

10.8 The Reservoir Repairs Fund represents funding received from a developer for repairs in perpetuity in relation to the Thornley Dam.

10.9 The Capital Funds are used as part of the wider debt smoothing strategies operating across both the General Fund and Housing Revenue Account to manage both the debt levels linked with the respective investment programmes and the associated debt servicing costs charged to the revenue accounts.

11. COUNCIL TAX

11.1 Our council tax (Band D) for 2014/2015 is £1,164.69 and is £16 (1.39%) above the Scottish average. It is estimated that in 2015/16 each £1 of council tax will yield £66,485 which is higher than 2014/15. The increase in the yield is principally linked to anticipated growth in the council tax base in the context of the modest recovery being experienced in the housing development market. A maximum net yield of £77.435 million can therefore be anticipated from present council tax levels.

11.2 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.

11.3 Members are required to determine the level of council tax for Bands A to H inclusive which should apply for 2015/16, and in doing so, are reminded of the grant conditions detailed at paragraph 3.3.

12. **BUDGET OVERVIEW – 2015/16**

- 12.1 The overview budget position for the Council for 2015/16, prior to any changes in service levels, is outlined in Table 6 below. This overview position confirms a cash surplus for 2015/16, subject to decisions by members in setting the final budget for 2015/16. Members should be reminded that this surplus position is anticipated to be temporary in nature with the Council expected to face a significant budget deficit over the medium term. Therefore, any decisions taken in setting the 2015/16 budget which commit resources on a recurring basis will increase further this forecast deficit position unless decisions are also taken to deliver corresponding savings.

Table 6 – Budget Overview 2015/16

	£000s
Income:	
Confirmed Government Grant (per table 1)	297,825
Council Tax Income, at present levels (para 11.1)	77,435
Council Tax Arrears Recovery (para 11.2)	500
Total Income	375,760
Less: Estimated Spending Need (Table 3)	366,114
Estimated Funding Surplus 2015/16	9,646

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 2015/16 budget, identifying a funding surplus of £9.646 million. As detailed in the report, if the Council does not formally agree to the specified set of commitments as part of agreeing the 2015/16 budget, a further grant reduction estimated at £2.327 million will be applied by the Scottish Government, which would create a funding surplus in the report of £7.319 million.

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 2015/16.

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 sections 8 and 10 of the report, the Council continues to be faced with risk and uncertainty in setting its 2015/16 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

RENFREWSHIRE COUNCIL

REVENUE ESTIMATES 2015/16

PROVISIONAL RESOURCE ALLOCATION STATEMENT

(subject to amendment for any budget proposals approved by Council)

<u>Service</u>	Resource Allocation £000
Chief Executives	2,172
Education and Leisure (Education)	138,454
Education and Leisure (Leisure)	7,755
Community Resources	43,272
Finance and Corporate Services	27,499
Joint Valuation Board	1,278
Development & Housing	11,305
SPTA/Regional Transport Partnership	3,355
Social Work	85,407
Miscellaneous Services	44,875
NET EXPENDITURE PER SUMMARY BOOKLET (Page 3)	365,372
<i>Less: Recoveries from accounts outwith service resource allocations</i>	<u>£1,970</u>
Total per Table 3	<u>363,402</u>

(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 2015-2016 REVENUE ESTIMATES
DEPARTMENT : EDUCATION SERVICES

	£	£	£
Analysis of Change between 2014-2015 and 2015-2016			
2014-2015 Estimates			167,197,673
Adjustments for items outwith Resource Allocation			
Less: capital charges	(15,038,040)		
		(15,038,040)	
Central support costs	(10,152,529)		
Central support recoveries			
Corporate and Democratic core costs	235,270		
		(9,917,259)	
			<u>(24,955,299)</u>
Adjusted 2014-2015 Estimates			142,242,374
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		(3,533,012)	
<i>Transfers (PAPER 3)</i>		<u>(255,522)</u>	
			<u>(3,788,534)</u>
2015-2016 Estimates			<u><u>138,453,840</u></u>
(Before budget decisions)			

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : EDUCATION SERVICES

ED		£
1	Planned adjustment to Capital Financed from Current Revenue	(4,803,000)
2	Adjustment for budgeted staff turnover	(226,757)
3	Impact of Better Council Change Programme	(66,000)
4	Increased SEEMIS subscription	26,000
5	Adjustments to reflect new national copyright arrangements	48,000
6	Increase in Disclosure Scotland payments due to PVG.	52,000
7	Annual contractual PPP Contract Indexation Adjustment	240,300
8	Additional transport costs for pupils with Additional Support Needs	250,000
9	Adjustment for new statutory responsibilities in Early Learning & Childcare	946,445
	Total Increase (Decrease) to Budget	(3,533,012)

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : EDUCATION SERVICES

ED		£
1	Transfer of Bus Routes budget to Community Resources	(575,000)
2	Realignment of prior year savings	(244,735)
3	Transfer of Janitorial Staff to Community Resources	(15,494)
4	Transfer of budget provision for 2014-15 Living Wage Inflation	2,966
5	Realignment of Non Domestic Rates Budgets	59,600
6	Realignment of budgets between Education and Leisure	87,441
7	Realignment of Energy Budgets	429,700
	Total Increase (Decrease) to Budget	(255,522)

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
DEPARTMENT : LEISURE SERVICES

	£	£	£
Analysis of Change between 2014-2015 and 2015-2016			
2014-2015 Estimates			14,410,704
Adjustments for items outwith Resource Allocation			
Less: capital charges	(3,311,620)		
		(3,311,620)	
Adjustments for Central Support			
Central support costs	(1,246,573)		
Corporate and Democratic core costs	46,160		
		(1,200,413)	
			(4,512,033)
Adjusted 2014-2015 Estimates			9,898,671
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		(423,000)	
Transfers (PAPER 3)		(1,720,299)	
			(2,143,299)
2015-2016 Estimates			7,755,372
(Before budget decisions)			

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : LEISURE SERVICES

LS		£
1	Impact of approved transfer to Culture and Leisure Trust arangement	(426,000)
2	Impact of Better Council Change Programme	(87,000)
3	Renfrewshire Leisure Contract Payment Increase	90,000
	Total Increase (Decrease) to Budget	(423,000)

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : LEISURE SERVICES

LS		£
1	Transfer of Community Halls to Community Resources	(1,500,000)
2	Realignment between Education and Leisure	(87,441)
3	Transfer of Lettings Team to Community Resources	(78,086)
4	Realignment of Energy Budgets	(23,200)
5	Realignment of Non Domestic Rates Budgets	(22,200)
6	Realignment of prior year savings	(12,745)
7	Transfer of budget provision for 2014-15 Living Wage Inflation	3,373
	Total Increase (Decrease) to Budget	(1,720,299)

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
DEPARTMENT : COMMUNITY RESOURCES

	£	£	£
Analysis of Change between 2014-2015 and 2015-2016			
2014-2015 Estimates			47,239,546
Adjustments for items outwith Resource Allocation less: capital charges	(6,541,680)	(6,541,680)	
Adjustments for Central Support			
Central support costs	(3,732,417)		
Central support recoveries	238,860		
Corporate and Democratic core costs	209,110	(3,284,447)	
			<u>(9,826,127)</u>
Adjusted 2013-2014 Estimates			37,413,419
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		1,793,490	
Transfers (PAPER 3)		<u>4,065,112</u>	
			<u>5,858,602</u>
2014-2015 Estimates			43,272,021
(Before budget decisions)			<u>43,272,021</u>

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : COMMUNITY RESOURCES

CR		£
1	Impact of Better Council Change Programme	(906,000)
2	Adjustment for budgeted staff turnover	(304,310)
3	Impact of Prior Year Budget Decisions	(222,500)
4	Contract Variations and Adjustments	792,600
5	Increase In Landfill Tax	456,000
6	Extension of Free School Meal Entitlement to all Children in P1- P3	1,809,000
	Payments to Trading Operations	
7	Contract Payment - Catering Trading	52,100
8	Contract Payment - Vehicle Maintenance Trading	36,600
9	Contract Payment - Roads Trading	80,000
	Total Increase (Decrease) to Budget	1,793,490

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : COMMUNITY RESOURCES

CR		£
1	Realignment of prior year savings	(37,080)
2	Realignment of Non Domestic Rates Budgets	2,900
3	Transfer of Janitorial Staff from Education	15,494
4	Transfer of budget provision for 2014-15 Living Wage Inflation	57,300
5	Transfer of Lettings Team from Leisure Services	78,086
6	Transfer Civil Contingencies from Chief Executive's	111,290
7	Realignment of Energy Budgets	524,500
8	Transfer of Bus Routes budget from Education	575,000
9	Transfer of Bus Routes budget from Social Work	1,237,622
10	Transfer of Community Halls from Leisure Services	1,500,000
	Total Increase (Decrease) to Budget	4,065,112

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
DEPARTMENT : FINANCE AND CORPORATE SERVICES

	£	£	£
Analysis of Change between 2014-2015 and 2015-2016			
2014-2015 Estimates			3,198,273
Adjustments for items outwith Resource Allocation capital charges	(1,922,100)	(1,922,100)	
Adjustments for Central Support			
Central support costs	(9,707,251)		
Central Support recoveries	<u>37,243,320</u>		
		27,536,069	
			<u>25,613,969</u>
Adjusted 2014-2015 Estimates			<u>28,812,242</u>
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		(1,530,724)	
Transfers (PAPER 3)		<u>217,314</u>	
			<u>(1,313,410)</u>
2015-2016 Estimates			<u><u>27,498,832</u></u>
(Before budget decisions)			

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : FINANCE AND CORPORATE SERVICES

FIT		£
1	Impact of Better Council Change Programme	(1,802,000)
2	Adjustment for budgeted staff turnover	(292,817)
3	Adjustment to DWP funding for Single Fraud Investigation Service	8,000
4	Webcasting of Council Meetings	16,500
5	Increased Members' Salaries Costs	36,000
6	Adjustment to available car parking income at HQ complex	38,000
7	Loss of DWP Housing Benefit Administration Subsidy	60,000
8	Increase in ICT Software and Hardware Maintenance Contracts	159,593
9	Adjustment for funding transfer for Council Tax Replacement Service Administration	246,000
	Total Increase (Decrease) to Budget	(1,530,724)

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : FINANCE AND CORPORATE SERVICES

FIT		£
1	Transfer of Staffing Resources	(107,404)
2	Realignment of Non Domestic Rates Budgets	1,500
3	Realignment of Energy Budgets	4,100
4	Transfer of budget provision for 2014-15 Living Wage Inflation	15,564
5	Realignment of Property Maintenance Budgets	18,800
6	Realignment of prior year savings	98,530
7	Realignment of Welfare Reform Allocations	186,224
	Total Increase (Decrease) to Budget	217,314

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
DEPARTMENT : RENFREWSHIRE VALUATION JOINT BOARD

	£	£	£
Analysis of Change between 2014-2015 and 2015-2016			
2014-2015 Estimates			1,277,780
Adjustments for items outwith Resource Allocation less: capital charges	-	-	
Adjustments for Central Support Central support costs Corporate and Democratic core costs	- - -	- - -	
Adjusted 2014-2015 Estimates			<u>1,277,780</u>
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2) Transfers (PAPER 3)		- -	
		<u>-</u>	
2015-2016 Estimates (Before budget decisions)			<u><u>1,277,780</u></u>

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : RENFREWSHIRE VALUATION JOINT BOARD

JVB		£
		-

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : RENFREWSHIRE VALUATION JOINT BOARD

JVB		£
		-

RENFREWSHIRE COUNCIL

SUMMARY OF 2015-2016 REVENUE ESTIMATES

DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - OTHER HOUSING

	£	£	£
Analysis of Change between 2014-2015 and 2015-2016			
2014-2015 Estimates			5,100,319
Adjustments for items outwith Resource Allocation less: capital charges	-		
Adjustments for Central Support			
Central support costs	(225,171)		
Corporate and Democratic core costs	<u>68,280</u>		
		(156,891)	
			<u>(156,891)</u>
Adjusted 2014-2015 Estimates			4,943,428
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		(156,000)	
Transfers (PAPER 3)		<u>(664,148)</u>	
			<u>(820,148)</u>
2015-2016 Estimates			<u><u>4,123,280</u></u>
(Before budget decisions)			

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - OTHER HOUSING

OH		£
1	Impact of Better Council Change Programme	(136,000)
2	Adjustment for budgeted staff turnover	(20,000)
	Total Increase (Decrease) to Budget	(156,000)

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - OTHER HOUSING

OH		£
1	Realignment of prior year savings	(8,900)
2	Realignment of Non Domestic Rates budgets	(7,200)
3	Transfer of budget provision for 2014-15 Living Wage Inflation	1,752
4	Realignment of Energy budgets	200
5	Realignment of Welfare Reform allocations	(650,000)
	Total Increase (Decrease) to Budget	(664,148)

RENFREWSHIRE COUNCIL**SUMMARY OF 2015-2016 REVENUE ESTIMATES****DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - PLANNING AND ECONOMIC
DEVELOPMENT**

	£	£	£
Analysis of Change between 2014-2015 and 2015-2016			
2014-2015 Estimates			5,701,904
Adjustments for items outwith Resource Allocation less: capital charges	(587,750)	(587,750)	
Adjustments for Central Support Central support costs	(1,116,761)		
Corporate and Democratic core costs	<u>54,650</u>	(1,062,111)	
Adjusted 2014-2015 Estimates			<u>(1,649,861)</u> 4,052,043
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		(431,094)	
Transfers (PAPER 3)		<u>1,278</u>	
			<u>(429,816)</u>
2015-2016 Estimates			<u><u>3,622,227</u></u>
(Before budget decisions)			

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - PLANNING AND ECONOMIC
DEVELOPMENT

PED		£
1	Impact of Prior Year Budget Decisions	(250,000)
2	Impact of Better Council Change Programme	(142,000)
3	Adjustment for budgeted staff turnover	(39,094)
	Total Increase (Decrease) to Budget	(431,094)

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - PLANNING AND ECONOMIC
DEVELOPMENT

PED		£
1	Realignment of prior year savings	(1,600)
2	Transfer of budget provision for 2014-15 Living Wage Inflation	178
3	Realignment of Energy Budgets	2,700
	Total Increase (Decrease) to Budget	1,278

RENFREWSHIRE COUNCIL

SUMMARY OF 2015-2016 REVENUE ESTIMATES

DEPARTMENT : STRATHCLYDE PASSENGER TRANSPORT

	£	£	£
Analysis of Change between 2014-2015 and 2015-2016			
2014-2015 Estimates			3,354,700
Adjustments for items outwith Resource Allocation less: capital charges	-	-	
Adjustments for Central Support Central support costs	-		
Corporate and Democratic core costs	-		
	-----	-	-
Adjusted 2014-2015 Estimates			----- 3,354,700
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		-	
Transfers (PAPER 3)		-	
		-----	----- -
2015-2016 Estimates (Before budget decisions)			----- 3,354,700

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : STRATHCLYDE PASSENGER TRANSPORT

SPT		£
	Total Increase (Decrease) to Budget	-

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : STRATHCLYDE PASSENGER TRANSPORT

SPT		£
	Total Increase (Decrease) to Budget	-

RENFREWSHIRE COUNCIL**SUMMARY OF 2015-2016 REVENUE ESTIMATES****DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - PROPERTY AND CONSTRUCTION SERVICES**

	£	£	£
Analysis of Change between 2014-2015 and 2015-2016			
2014-2015 Estimates			2,726,203
Adjustments for items outwith Resource Allocation			
Less: capital charges	(988,230)	(988,230)	
Adjustments for Central Support			
Central support costs	(1,160,902)		
Central support recovery	3,633,879	2,472,977	
			1,484,747
Adjusted 2014-2015 Estimates			4,210,950
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		(674,000)	
Transfers (PAPER 3)		22,140	
			(651,860)
2015-2016 Estimates			3,559,090
(Before budget decisions)			3,559,090

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - PROPERTY AND
CONSTRUCTION SERVICES

PCS		£
1	Impact of Prior Year Budget Decisions	(250,000)
2	Impact of Better Council Change Programme	(394,000)
3	Adjustment for budgeted staff turnover	(30,000)
	Total Increase (Decrease) to Budget	(674,000)

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - PROPERTY AND
CONSTRUCTION SERVICES

PCS		£
1	Transfer of budget provision for 2014-15 Living Wage Inflation	188
2	Realignment of prior year savings	(48,848)
3	Realignment of Property Maintenance Budgets	(18,800)
4	Realignment of Energy Budgets	89,600
	Total Increase (Decrease) to Budget	22,140

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
DEPARTMENT : CHIEF EXECUTIVE

	£	£	£
Analysis of Change between 2014-2015 and 2015-2016			
2014-2015 Estimates			831,477
Adjustments for items outwith Resource Allocation less: capital charges	-	-	
Central support costs	(365,485)		
Central support recoveries	1,967,101		
Corporate and Democratic core costs	-		
	<hr/>	1,601,616	
			<hr/>
Adjusted 2014-2015 Estimates			1,601,616
			<hr/>
			2,433,093
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		(26,444)	
Transfers (PAPER 3)		<hr/>	
		(234,953)	
			<hr/>
			(261,397)
2015-2016 Estimates			<hr/>
(Before budget decisions)			2,171,696

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : CHIEF EXECUTIVE

CE		£
1	Impact of Better Council Change Programme	(10,000)
2	Adjustment for budgeted staff turnover	(16,444)
	Total Increase (Decrease) to Budget	(26,444)

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : CHIEF EXECUTIVE

CE		£
1	Realignment of Prior Year Savings	(6,001)
2	Transfer of Staffing Resources	101,338
3	Realignment of Welfare Reform Resources	(219,000)
4	Transfer Civil Contingencies to Community Resources	(111,290)
	Total Increase (Decrease) to Budget	(234,953)

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
DEPARTMENT : MISCELLANEOUS

	£	£	£
Analysis of Change between 2014-2015 and 2015-2016			
2014-2015 Estimates			28,198,782
Adjustments for items outwith Resource Allocation			
Less: capital charges	<u>29,976,700</u>	29,976,700	
Adjustments for Central Support			
Central support costs	(6,892,111)		
Corporate and Democratic core costs	<u>(747,360)</u>	(7,639,471)	
			<u>22,337,229</u>
Adjusted 2014-2015 Estimates			50,536,011
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		(5,605,500)	
Transfers (PAPER 3)		<u>(55,034)</u>	
			<u>(5,660,534)</u>
2015-2016 Estimates			<u>44,875,477</u>
(Before budget decisions)			

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : MISCELLANEOUS

MS		£
1	Impact of Previous Council and Board Decisions	(10,041,000)
2	Debt Smoothing Adjustment	(2,900,000)
3	Impact of Better Council Change Programme	(663,500)
4	Adjustment arising from financial settlement	(36,000)
5	Increase in Insurance Costs	100,000
6	Increased Non Domestic Rates poundage	350,000
7	Provision for superannuation and other pay pressures	2,340,000
8	Adjustment for planned Cessation of Housing Business Transformation Grant Funding	1,000,000
9	Adjustment for Scottish Welfare Fund Grant Funding	1,365,000
10	Approved Schools Estate Management Plan Funding	1,380,000
11	Approved Community Halls Funding	1,500,000
	Total Increase (Decrease) to Budget	(5,605,500)

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : MISCELLANEOUS

MS		£
1	Transfer of budget provision for 2014-15 Living Wage Inflation	(85,576)
2	Transfer of Transforming Renfrewshire Resources to Chief Executive's	(3,500)
3	Realignment of prior year savings	401,000
4	Realignment of Welfare Reform Allocations	682,776
5	Transfer of Staffing Resources	9,566
6	Realignment of Non Domestic Rates Budgets	(24,100)
7	Realignment of Energy Budgets	(1,012,200)
8	Realignment of Blue Badge Mobility Assessment Funding	(23,000)
	Total Increase (Decrease) to Budget	(55,034)

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
DEPARTMENT : SOCIAL WORK

	£	£	£
Analysis of Change between 2014-2015 and 2015-2016			
2014-2015 Estimates			91,694,378
Adjustments for items outwith Resource Allocation			
Less: capital charges	(1,587,280)		
		(1,587,280)	
Adjustments for Central Support			
Central support costs	(6,514,045)		
Corporate and Democratic core costs	133,890		
		(6,380,155)	
			(7,967,435)
Adjusted 2014-2015 Estimates			<u>83,726,943</u>
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		3,055,496	
Transfers (PAPER 3)		(1,375,888)	
			<u>1,679,608</u>
2015-2016 Estimates			<u><u>85,406,551</u></u>
(Before budget decisions)			

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : SOCIAL WORK

SW		£
1	Demographic and Socio-Economic Factors	2,952,074
2	Impact of Better Council Change Programme	(73,000)
3	Adjustment for budgeted staff turnover	(408,578)
4	Financial Settlement Adjustments including impact of Children & Young People Act	585,000
	Total Increase (Decrease) to Budget	3,055,496

RENFREWSHIRE COUNCIL
SUMMARY OF 2015-2016 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : SOCIAL WORK

SW		£
1	Transfer of budget provision for 2014-15 Living Wage Inflation	4,255
2	Realignment of prior year savings	(139,621)
3	Transfer of Bus Routes budget to Community Resources	(1,237,622)
4	Realignment of Non Domestic Rates Budgets	(10,500)
5	Realignment of Energy Budgets	(15,400)
6	Realignment of Blue Badge Mobility Assessment Funding	23,000
	Total Increase (Decrease) to Budget	(1,375,888)

RENFREWSHIRE

REVENUE ESTIMATES

BASE BUDGET

2015-2016

Renfrewshire Council

REVENUE ESTIMATES 2015-16

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Renfrewshire Council
Estimates of Expenditure and Income for the Year Ended 31st March 2016
General Fund Summary
Objective Summary

Line No	Expenditure	2014/15 Estimates £	2015/16 Estimates £
1	Education	157,036,599	153,230,577
2	Leisure Services	12,063,948	9,622,589
3	Community Resources	55,686,558	61,672,510
4	Finance and Corporate Services	34,292,613	32,881,203
5	Valuation Joint Board	1,277,780	1,277,780
6	Other Housing	52,327,184	52,007,036
7	Planning and Economic Development	7,271,243	6,841,427
8	SPT	3,354,700	3,354,700
9	Property and Construction Services	7,821,702	7,169,842
10	Chief Executives	2,548,883	2,176,196
11	Miscellaneous	54,131,682	48,471,148
12	Social Work	111,491,475	113,171,083
13	Total Expenditure	499,304,367	491,876,091

Renfrewshire Council
Estimates of Expenditure and Income for the Year Ended 31st March 2016
General Fund Summary
Objective Summary

Line No	Income	2014/15 Estimates £	2015/16 Estimates £
1	Education	14,794,225	14,776,737
2	Leisure Services	2,165,277	1,867,217
3	Community Resources	18,273,139	18,400,489
4	Finance and Corporate Services	5,480,371	5,382,371
5	Valuation Joint Board	0	0
6	Other Housing	47,383,756	47,883,756
7	Planning and Economic Development	3,219,200	3,219,200
8	SPT	0	0
9	Property and Construction Services	3,610,752	3,610,752
10	Chief Executives	115,790	4,500
11	Miscellaneous	3,595,671	3,595,671
12	Social Work	27,764,532	27,764,532
13	Total Income	126,402,713	126,505,225

Renfrewshire Council
Estimates of Expenditure and Income for the Year Ended 31st March 2016
General Fund Summary
Objective Summary

Line No	Net Expenditure	2014/15 Estimates £	2015/16 Estimates £
1	Education	142,242,374	138,453,840
2	Leisure Services	9,898,671	7,755,372
3	Community Resources	37,413,419	43,272,021
4	Finance and Corporate Services	28,812,242	27,498,832
5	Valuation Joint Board	1,277,780	1,277,780
6	Other Housing	4,943,428	4,123,280
7	Planning and Economic Development	4,052,043	3,622,227
8	SPT	3,354,700	3,354,700
9	Property and Construction Services	4,210,950	3,559,090
10	Chief Executives	2,433,093	2,171,696
11	Miscellaneous	50,536,011	44,875,477
12	Social Work	83,726,943	85,406,551
13	Net Expenditure	372,901,654	365,370,866

Renfrewshire Council
Estimates of Expenditure and Income for the Year Ended 31st March 2016
General Fund Summary

Line No	Expenditure	2014/15 Estimates £	2015/16 Estimates £
1	Employee Costs	212,031,698	211,307,551
2	Salaries - Teachers	43,427,837	41,420,081
3	Salaries - Admin	78,670,258	75,942,547
4	Salaries - Manual Workers	25,104,231	24,613,991
5	Superannuation - Teachers	5,999,052	6,144,777
6	Superannuation - Admin	15,612,739	15,257,196
7	Pension Increases	4,656,391	4,656,391
8	National Insurance - Teachers	3,637,021	3,400,123
9	National Insurance - Admin	6,487,376	6,397,024
10	In Service Training	348,971	348,971
11	Supported Study	3,000	3,000
12	Other Employee Costs - Others	1,737,809	5,323,566
13	Other Employee Costs - Teachers	22,762,442	24,156,296
14	Teachers Absence Cover - HQ	1,492,905	1,492,905
15	Teachers Absence Cover - Schools	715,689	715,789
16	Training Costs	561,333	631,333
17	Travel and Subsistence - Others	690,251	679,168
18	Travel and Subsistence - Teachers	124,393	124,393
19	Property Costs	65,951,476	64,936,326
20	Rates	6,480,642	6,404,642
21	Rents and Leases	1,255,394	1,255,394
22	Factoring	21,060	21,060
23	Accommodation Charges to Users	33,260	33,260
24	Property Insurance	59,915	37,365
25	Furniture and Fittings	217,278	217,278
26	Electricity	2,677,960	3,123,560
27	Gas	2,996,342	1,984,142
28	Heating Oil	301,885	301,885
29	Cleaning Materials	239,954	239,954
30	Contract Trading Service - Cleaning	117,537	117,537
31	Contract Trading Service - Janitorial	168,621	168,621
32	Contract Trading Service - Steward	13,900	13,900
33	Central Repairs	2,661,577	2,442,777
34	Repairs Direct	343,290	343,290
35	Adaptations	177,872	177,872
36	Grounds Maintenance	15,200	15,200
37	Apportionment of Office Accommodation	0	0
38	Contract Trading Service - Grounds Maintenance	124,780	124,780
39	Security (Schools and Other)	3,398	3,398
40	Capital Minor Works	135,552	135,552
41	Rent Allowances	19,770,100	19,770,100
42	Rent Rebates	26,094,100	25,944,100
43	Other Property Costs	984,410	1,003,210
44	Water Charges	1,057,449	1,057,449
45	Supplies and Services	10,785,442	12,091,158
46	Electrical Power	1,167,080	1,733,680
47	Provisions	1,405,475	1,405,475
48	Other Equipment (incl Maintenance)	63,754	63,754
49	Office Equipment	120,237	120,237
50	Computer Equipment, Maintenance, Software etc.	435,527	439,017
51	Tools and Equipment	515,139	515,139
52	Other Supplies and Services	1,275,896	2,039,164
53	Clothing/Uniforms	201,626	201,626
54	Publicity and Promotion (incl Renfrewshire Newsletter)	193,100	193,100
55	Analytic Bacteriological Fees	155,000	155,000
56	Fees for Coaching/Instruction	133,903	133,903
57	Educational Supplies	1,049,148	861,913
58	Library Books/Periodicals/Specimen Art Collection (incl Display Cases)	376,044	376,044
59	Road Supplies (incl Street Lighting Equipment)	196,700	196,700
60	Winter Maintenance	210,000	210,000
61	Client Expenditure (clothing/treatment/telephones/outings)	222,378	222,378
62	Aids (Disabled People)	738,225	738,225
63	Festive Lighting/Community Fireworks	22,500	22,500
64	Ground Maintenance Supplies (Seeds, Plants, Fertiliser etc.)	121,054	121,054
65	Supply of Bins (incl Dog Waste Bins)	168,607	168,607
66	ICT Equipment	1,934,049	2,093,642
67	Hotel etc. Charges	80,000	80,000
68	carried forward	288,768,616	288,335,035

Renfrewshire Council
Estimates of Expenditure and Income for the Year Ended 31st March 2016
General Fund Summary

Line No	Expenditure	2014/15 Estimates £	2015/16 Estimates £
68	brought forward	288,768,616	288,335,035
69	Contractors	92,171,029	87,697,017
70	Childrens Development Monies	240,106	240,106
71	Consultants	771,343	771,343
72	Contract Speech Therapy	337,700	337,700
73	Flexibility	21,267,398	22,438,034
74	Other Accounts of the Authority (incl Internal Consultants)	25,727,140	17,843,440
75	Other Local Authorities Use of PE Facilities	64,958	64,958
76	Payments to Careleavers	112,285	112,285
77	Payments to Foster Parents	9,876,760	10,200,390
78	Payments to Other Agencies and Bodies	4,136,997	4,136,997
79	Payments to Other Local Authorities	1,382,989	1,438,689
80	Payments to Voluntary Organisations	2,190,913	2,190,913
81	Short Term Respite	1,421,510	1,421,510
82	Supplementation Payments	22,322,841	24,182,563
83	Work by Contractors	1,917,319	1,917,319
84	General Payments (including agency and other fees)	400,770	400,770
85	Transport	11,912,606	12,151,206
86	Transport charges - fleet hire	1,134,098	1,134,098
87	Transport charges - drivers	1,358,521	1,358,521
88	Transport charges - fuel	1,255,574	1,255,574
89	Transport charges - maintenance	1,359,427	1,359,427
90	Transport charges - garaging	83,370	83,370
91	Transport charges - leasing	16,983	16,983
92	External Fuel	1,622,300	1,622,300
93	External Hires	623,325	623,325
94	Mower/Plant Maintenance	231,600	231,600
95	Pupil Transport - Consortium	83,000	83,000
96	Pupil Transport - Private Contractors	1,418,700	1,668,700
97	Pupil Transport - SPT	2,430,683	2,430,683
98	Vehicle Insurance	105,815	105,815
99	Vehicle/Plant Purchase	30,976	30,976
100	Other Transport Costs	158,234	146,834
101	Administration Costs	26,971,175	27,244,198
102	Advertising	180,819	180,819
103	Apportionment of Central Administration	0	0
104	Apportionment of Management Support Costs	19,360,901	19,360,901
105	Bank Charges	78,580	78,580
106	Books and Publications	31,194	31,194
107	Conference/Course Expenses	111,847	111,847
108	Insurance	355,018	355,018
109	Legal Expenses (incl JP Court Expenses)	206,107	206,107
110	Members - Basic Pay	768,400	804,400
111	Members - Superannuation	65,080	65,080
112	Members - NI	69,280	69,280
113	Members - Responsibility Pay	0	0
114	Members - Surgeries (Rent and Advertising)	15,100	15,100
115	Members - Travel and Subsistence	30,030	30,030
116	Membership Fees and Subscriptions	59,719	59,719
117	Postages	374,086	381,086
118	Printing and Stationery	716,807	952,042
119	Recharges from HRA	1,415,300	1,415,300
120	Recharges to Other Accounts	1,969,000	1,969,000
121	Registration Fees	78,502	78,502
122	Staff Life Assurance	7,550	7,550
123	Telephones	786,989	787,137
124	Other Administration Costs	250,791	245,431
125	Promotional Events	40,075	40,075
126	carried forward	419,823,426	415,427,456

Renfrewshire Council
Estimates of Expenditure and Income for the Year Ended 31st March 2016
General Fund Summary

Line No	Expenditure	2014/15 Estimates £	2015/16 Estimates £
126	brought forward	419,823,426	415,427,456
127	Payments to Other Bodies	42,215,141	43,005,835
128	Access/Contact Payments	38,381	38,381
129	Amenity Lighting	33,399	33,399
130	Audit Fees	332,500	332,500
131	Children's Panel	49,700	49,700
132	Clothing Grants	366,100	366,100
133	Contract Trading Services	14,585	14,585
134	Contribution to COSLA	103,499	103,499
135	Cost of Elections	122,000	122,000
136	Grants to Voluntary Organisations	2,909,718	2,909,718
137	Independent Living Fund	1,448,164	1,560,164
138	Management Savings	14,735	14,735
139	National Priorities Action Fund	16,000	16,000
140	Payments to Health Board	545,471	545,471
141	Provision for Best Value	22,640	22,640
142	Provosts Community Scheme	4,980	4,980
143	Requisitions	1,665,330	1,665,330
144	School Boards	27,103	27,103
145	Section Payments	59,019	59,019
146	Commercial Voids	7,656	7,656
147	Special Functions/Hospitality	226,467	226,467
148	SQA Presentations	867,070	867,070
149	Transport Subsidy - SPT	3,066,900	3,066,900
150	Payments to Other Bodies/Agencies	14,017,153	14,455,547
151	Payments to PPP Provider	16,256,571	16,496,871
152	Capital Financed from Current Revenue	4,803,000	2,880,000
153	CFCR	4,803,000	2,880,000
154	Capital Charges	0	0
155	Capital Charges	0	0
156	Loan Charges	32,462,800	30,562,800
157	Loan Charges - Principal	23,685,900	21,785,900
158	Loan Charges - Interest	8,685,100	8,685,100
159	Loan Charges - Expenses	91,800	91,800
160	Total Expenditure	499,304,367	491,876,091

Renfrewshire Council
Estimates of Expenditure and Income for the Year Ended 31st March 2016
General Fund Summary

Line No	Income	2014/15 Estimates £	2015/16 Estimates £
169	Grant Income	52,549,731	53,049,731
170	Other Government Grants	50,881,050	51,381,050
171	Other Grants General	1,600,481	1,600,481
172	School Milk Subsidy	68,200	68,200
173	Other Income	73,852,982	73,455,494
174	Accommodation Income from Users	4,884,615	4,884,615
175	Community Care	200,563	200,563
176	Income from Other Bodies	1,630,112	1,630,112
177	Licensing and Fine Income	570,180	570,180
178	Miscellaneous Income	2,246,688	1,964,688
179	Off Street Parking	351,870	351,870
180	On Street Parking	404,100	404,100
181	Other Accounts of the Authority	13,621,762	13,574,974
182	Other Local Authorities	915,180	884,480
183	Property Enquiry Fees	25,620	25,620
184	Recovery of Central Support Expenses	0	0
185	Recovery of Corporate and Democratic Core	0	0
186	Recovery of Departmental Management Support	20,726,171	20,726,171
187	Registration Fees	185,250	185,250
188	Rental Income	1,237,195	1,237,195
189	Resource Transfer	16,170,460	16,170,460
190	Sales, Fees and Charges	6,063,645	6,025,645
191	Statutory Additions	483,900	483,900
192	Temporary Interest	1,412,400	1,412,400
193	Trading Account - Net Surplus : Building and Works	711,000	711,000
194	Trading Account - Net Surplus : Catering	502,507	502,507
195	Trading Account - Net Surplus : Roads Direct	417,875	417,875
196	Trading Account - Net Surplus : Transport Workshop	551,889	551,889
197	Transfer to Water Services	540,000	540,000
198	Catering/school meals	0	0
199	Total Income	126,402,713	126,505,225
200	Total Income	126,402,713	126,505,225
201	Total Expenditure	499,304,367	491,876,091
202	Net Expenditure	372,901,654	365,370,866

Renfrewshire Council

General Fund Probable Outturn for 2014-15

Line No	Net Expenditure	2014/15 Revised Estimates £000	2014/15 Probable Outturn £000
1	Education	167,193	167,193
2	Leisure Services	14,238	14,238
3	Community Resources	48,076	48,076
4	Finance and Corporate Services	3,543	3,443
5	Valuation Joint Board	1,278	1,278
6	Other Housing	5,647	5,297
7	Planning and Economic Development	8,952	8,952
8	SPT	3,355	3,355
9	Property and Construction Services	2,724	2,724
10	Chief Executives	668	668
11	Miscellaneous	26,836	26,736
12	Social Work	92,822	93,222
13	Net Expenditure	375,332	375,182