
**PROCEDURE TO BE FOLLOWED AT THE
MEETING OF RENFREWSHIRE COUNCIL
TO BE HELD ON 1 MARCH
DURING CONSIDERATION OF ITEM 2 CONCERNING
REVENUE ESTIMATES AND COUNCIL TAX
FOR THE FINANCIAL YEAR 2018/19**

The purpose of this note is to give Members advance notice of the procedure which Provost Cameron has agreed should be followed at the Meeting of the Council on 1 March 2018.

1. The Convener of the Finance, Resources & Customer Services Policy Board (the Convener) will make his budget statement for financial year 2018/19 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 2018/19).
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 Cameron shall have the power to require any person speaking to limit their speech in order to facilitate the conduct of the meeting.
7. Provost Cameron will then invite other Members to take part in the debate including Conveners of the Policy Boards who may wish to take the opportunity to respond concerning the services for which they have responsibility.
8. The debate will conclude with Provost Cameron giving the Convener the opportunity to reply.
9. A vote or votes will then be taken in accordance with the provisions of standing orders.

To: Council

On: 1 March 2018

Report by: Director of Finance & Resources

Heading: Revenue Budget and Council Tax 2018/19

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 2018/19. 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 2018/19 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 2018/19. It has however published some high-level figures at an overall budget level for 2019/20. Generally, the outlook for revenue resources presents very shallow growth of 0.8% in cash terms to 2019/20. In contrast, capital resources are expected to increase by around 8% in cash terms. As members will be aware and as outlined in the Financial Outlook report to the Leadership Board on 12 December, the Scottish Government has re-affirmed 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 this 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 challenging and subject to a return to year on year contraction in both cash and real terms. Members should also remain aware that as previously reported to Council, a much larger proportion of the Scottish Budget is driven by devolved tax powers, which brings additional risk to the level of funding available for public services in Scotland. Forecast tax receipts in turn are intrinsically linked to the state of the economy – forecasts of GDP growth produced by the Scottish Fiscal Commission over the medium term average at less than 1% - almost half of the average forecast rate for the UK

as a whole over the same period. Therefore, significant uncertainty remains over the scale of the reduction in resources which local government may experience over the medium term, which along with an expected continuation of annual cost pressures will drive a need for further significant and sustained savings in the Council's planned spending just to achieve a balanced and sustainable budget position each year.

- 1.5. Members should note that similar to previous years and as detailed in paragraph 3.3 of this report, the Council's financial settlement for 2018/19 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.
- 1.6. In setting out the terms of the local government finance settlement, the Scottish Government have continued the condition not to increase council tax by any more than 3%. 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.
- 1.7. The Council takes a medium term view of its financial position, previously agreeing savings measures which have supported temporary investment in priority areas, principally covering economic and cultural regeneration, digital connectivity in Renfrewshire's town centres and investment in parks across Renfrewshire. Over the past number of months, budget assumptions have been updated and confirmed, including most notably the confirmed grant available to the Council in 2018/19 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 2018/19. In addition, the Council has continued to take a number of decisions as part of the medium term financial strategy linked to the Better Council Change Programme and Debt Smoothing Strategy that support the release of savings in 2018/19, as well as Directors continuing to identify areas of existing resource that can be re-directed to mitigate the impact of emerging cost pressures. After taking account of the cumulative impact of each of these issues there is, as presented in this report, a temporary revenue surplus of £13.638 million for 2018/19 subject to any further decisions taken by members.
- 1.8. Members should note that this movement to an in year revenue surplus from the forecast deficit for 2018/19 outlined in previous Financial Outlook reports is temporary in nature and is linked to positive movements on areas of previous uncertainty, the better than anticipated outcome on the Council's grant settlement received from the Scottish Government for 2018/19, as well as the actions the Council has progressed in the intervening period to deliver budget savings and mitigate cost growth. As referred to later in this report, additional resource made available to the local government finance settlement following the passage of the Scottish Government 2018/19 budget through Parliament, has not at this stage been confirmed or otherwise as forming part of local government's recurring baseline moving into 2019/20. There remains the risk that all or an element of this funding may subsequently be confirmed as being for a single year only. However, additional funding provided to local government in a similar fashion in 2017/18 has subsequently been baselined within the local government settlement in 2018/19. On this basis, the current financial planning assumption is that similar confirmation of the baselining of this funding will be secured in 2019/20.
- 1.9. Notwithstanding this uncertainty, and given the anticipated financial outlook beyond 2018/19 requires an annual saving of some scale, the in year budget surplus for 2018/19 is expected to be temporary and consequently it is recommended by the Director that members should consider carefully any investment decisions that are not one-off or time limited in nature.
- 1.10. The Council's financial projections beyond 2018/19 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 2018/19 but merely high level figures which present an indication of relatively shallow cash growth in their anticipated revenue budget for 2019/20. In addition, and as outlined to members in previous Financial Outlook reports, the Scottish Government's budget now carries increased risk as more revenue raising powers are devolved as part of the Scotland Act 2016. As the transition of powers moves the Scottish budget towards 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 risk factor and 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 currently and is forecast to continue to significantly lag that of the UK. In this context, the Scottish Government's budget will experience new and uncharted levels of uncertainty and risk moving forward. 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 on 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 this Parliament, presents what is likely to be material levels of uncertainty over the medium term prospects for local government grant levels in Scotland. In 2018/19, the Scottish Government exercised devolved tax raising powers to generate an increase in their budgeted resources for 2018/19 which provided additional spending capacity to support local government, improving the confirmed grant settlement outcome for 2018/19 from that previously anticipated. The opportunity for the Scottish Government to generate further resources growth of this nature in the short to medium term may be limited. In this context and taking account of the relatively flat growth in revenue resources moving into 2019/20 outlined by the Scottish Government, the scale of confirmed spending commitments to other areas of their budget and relatively flat economic growth prospects in Scotland over the medium term, it remains the expectation that grant levels made available to local government are likely to return to a period of cuts in both cash and real terms, with uncertainty over both the scale of the cuts and period over which they will continue.
- *Future Pay Settlements* - at present no national agreement has been reached on a pay settlement for 2018/19 for any of the Council's employee groups. Pay increases of 1.0% were agreed for 2017/18 for non-teaching staff with 1% agreed for teachers to December 2017 and a further 1% from January 2018. The public sector pay policy announced by the Scottish Government alongside the Draft Budget outlined a 3% pay increase for 2018/19 for those employees earning up to £36,500 with 2% predominantly applying thereafter. Local government negotiates and sets its own pay arrangements however the public sector pay policy has a significant contextual influence in this regard. Initial pay claims from trade unions have been submitted at 6.5% for non-teaching staff (or a flat £1,500 whichever is greater) and 10% for teachers. Financial provision for the 2018/19 settlement is included within the figures outlined in this report, however pay growth remains and indeed represents an increasing area of significant risk for the Council's financial outlook moving forward.
- *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 pressures over many years whilst seeking to achieve better outcomes for clients and their families. The Council set aside £4.4 million for adult services pressures in 2017/18 which has been managed jointly by the Council and the HSCP. It

is anticipated that around £1.5 million of this resource will remain unallocated in 2017/18, with £1 million available on a recurring basis moving into 2018/19. The resources unallocated at the end of 2017/18 will be carried forward to assist in managing future risk and change within Adult Services. Similar to 2017/18, there remains a range of known risks which have uncertainty in relation to the associated quantum of cost growth that will emerge over the course of 2018/19, including contractual price uplifts, impact of demand growth and impact of new Carers legislation. In this context and similar to the approach adopted in 2017/18, it is recommended that financial provision of £2.112 million is made by the Council to manage the potential net impact of recurring service pressures in 2018/19. 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 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 scale and 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 financial outlook beyond 2018/19, both in scale and potential for movement, means that the Council should continue to adopt a strategic and sustainable financial plan linked to the delivery of priorities approved in the Council Plan and agreed with partners in the Community Plan. These strategic priorities will continue to provide a focus in future budget decisions, where the delivery of core services must be balanced with the resources that will be available to the Council. It is also important that the Council's underlying financial strategy maintains a medium term perspective focused on financial sustainability, recognising the uncertainty around key elements, the variation in potential scale of savings that will be required over the medium term and the ambitions of the Council to direct investment to support the delivery of key outcomes.
- 1.12. 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 substantive announcement from the Government with regards local government funding will not be until the Draft Budget is again announced, possibly in November or December 2019, two months before the Council would normally look to set the 2019/20 budget. There is an expectation that at some point the Scottish Government will revert to multi-year budgeting but with no confirmation of when this may occur there remains the risk that 2019/20 will continue to provide only a single year position. The Council should therefore continue to progress financial planning on the basis 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 plan for a continuation of the current financial uncertainty.
- 1.13. In setting the 2018/19 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 £7.5 million, as detailed at Item 3 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 2018/19, 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 2018/19 budget to deliver against the specified commitments linked to the Council's grant settlement for 2018/19, as detailed at paragraph 3.3.
- 2.2 Approve the provisions for inflationary pressures as recommended at Section 5 and the proposed change to the weekly self funders rate for local authority care homes.
- 2.3 Approve the revenue estimates for all services for 2018/19 subject to adjustment for the allocation of central support costs, central repairs costs, capital charges, specific grants, inflationary allowances and any proposals for service changes approved by Council.
- 2.4 Approve the continuation of the agreed mechanism to manage the release of additional resources being made available in 2018/19 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 2018/19.
- 2.6 Submit for approval the council tax banding levels A to H inclusive to apply for 2018/19.

3. GRANT SETTLEMENT

- 3.1 On the 14th December 2017 the Scottish Government published their draft budget for 2018/19 which was subject to parliamentary approval over the course of January and February 2018. 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.
- 3.2 The Local Government Finance Circular 5/2017 was issued to councils on 14th December 2017, providing details of the provisional revenue and capital funding allocations for 2018/19. Revisions and corrections to the circular were issued over the course of December and January following a number of issues identified and during the course of the checking process undertaken by the Scottish Government in partnership with council officers and COSLA.
- 3.3 Updated for notified adjustments, circular 5/2017 confirmed 2018/19 Scottish Government revenue grant funding for the Council of £299.581 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 13.7 and providing places for all probationers who require one.
 2. The continued prioritisation of financial support for social care including the use of funding provided through the health budget, which has reduced marginally from £357 million nationally to £355 million to support Adult Social Care services provided through

Renfrewshire Health and Social Care Partnership (the Council's share of these resources in 2018/19 totals £12.254 million).

3. The continuation of the Council Tax cap of 3%, representing the maximum increase that can be applied locally by an individual council as part of setting the 2018/19 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 2018/19. 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.

- 3.4 The grant floor (which doesn't include all revenue funding but the majority) was originally set by the Scottish Government at a maximum reduction of 0.6% but was subsequently revised on 24 January 2018 to a maximum reduction of 0.4%. Eight councils are immediately on the floor, with a further eleven pulled down onto the floor once the floor calculation mechanism is applied. There are therefore nineteen, of the thirty two councils, on the grant floor with the grant change ranging from a grant increase of 2.08% down to a cut of 0.40%. Renfrewshire is one of the thirteen councils not on the grant floor.
- 3.5 The Council's settlement figure includes a number of adjustments for new spending burdens and responsibilities, most notably approximately £0.700 million linked to implementation of the Carers (Scotland) Act and £0.783 million linked to the 2017/18 teachers pay award. There is also a range of differences in the planned timing of distribution of resources linked to discretionary housing payments, criminal justice, early years expansion, the council tax reduction scheme and probationer teachers from the settlement position outlined for 2017/18.
- 3.6 After adjusting for these areas of new spending burdens, new responsibilities and timing differences in the distribution of funding, the Council's 2018/19 grant figure as set out in the provisional local government finance settlement has, on a like for like basis, decreased by 0.8% from 2017/18. The Council's share of the overall local government revenue funding settlement has remained broadly static at 3.19%.
- 3.7 Subsequent to the draft local government settlement announcement on 14th December, the Cabinet Secretary for Finance and the Constitution on 31 January announced the release of additional resources to local government in 2018/19 following the Budget Bill Stage 1 debate in Parliament. These changes were subsequently approved in the final stages of the Budget Bill on the 21st February and are expected to be detailed in the Local Government Finance (Scotland) Order 2018 due to be considered by parliament on the 6th March. This change confirmed that a further £125 million revenue grant will be made available to local government in 2018/19 over and above the sums previously confirmed in Local Government Finance Circular 5/2017. In addition, a further £34.5 million will be made available in 2017/18 with the expectation that this funding will be available to support 2018/19 spending, providing an overall uplift of £159.5 million in revenue funding.
- 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 2018/19 of £170 million for local government (in addition to the £159.5 million referred to above, this figure includes £10.5 million of ferry support specifically for Orkney and Shetland). The Scottish Government has not confirmed the full details of how this additional funding boost was delivered, nor if this funding will form part of local government's recurring baseline moving into 2019/20. There remains the risk that all or an element of this funding may

subsequently be confirmed as being for a single year only. However, additional funding provided to local government in a similar fashion in 2017/18 has subsequently been baselined within the local government settlement in 2018/19. On this basis, the current assumption underpinning financial planning moving forward is that similar confirmation of the baselining of this additional funding will be secured in 2019/20.

- 3.9 Notwithstanding this uncertainty moving forward, the availability of this additional £159.5 million of revenue grant, of which the Council will receive £1.132 million in 2017/18 and £4.101 million in 2018/19, reduces the like for like cut in government grant for the Council in 2018/19 from the 0.8% reflected in the provisional local government finance settlement to an increase of approximately 1% against an all Scotland increase of 0.7%.
- 3.10 The Scottish Government has also confirmed that there is £52 million included within the local government settlement to support the commencement of the planned expansion in free childcare towards 1140 hours that has yet to be distributed. The Scottish Government and COSLA Leaders recently agreed the distribution mechanism for this funding but the allocation to each council has not, as yet been published. In this context no provision has been made in the budget in relation to this funding stream and it would be expected that progress that will be advanced over the course of 2018/19 in Renfrewshire will be driven by the scale of resources subsequently distributed to the Council and the expansion plans agreed with the Scottish Government. This expansion programme will be subject to appropriate reporting to the Education and Children's Services policy board throughout the year.

Table 1 – Grant Settlement 2018/19

	2018/19 £000
Allocated Government Grant Funding	
Specific Grants	4,294
Non Domestic Rate Income	120,105
Revenue Support Grant	179,283
TOTAL CONFIRMED ALLOCATED GOVERNMENT GRANT FUNDING	303,682
Revenue Support Grant paid in 2017/18 c/fwd to 2018/19	1,132
TOTAL CONFIRMED GOVERNMENT GRANT	304,814

- 3.11 As detailed above, beyond 2018/19, although no specific grant figures are available for local government across Scotland and consequently for Renfrewshire, it is anticipated that local government in Scotland will continue to face a challenging medium term financial outlook with further reductions in both cash and real terms 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, however the economic outlook provided by the Scottish Fiscal Commission outlines economic growth averaging at less than 1% over the next 5 years – lower than the OBR forecast for the UK over the same period. Low and sustained growth forecasts of this nature increases the risk of more limited growth in future tax receipts which may be an additional constraining factor on future spend across the public sector in Scotland.
- 3.12 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. Moving forward members will be kept appropriately briefed and informed as announcements are made by the Scottish Government during the course of 2018 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 2017/18 and 2018/19. The budget has been adjusted to reflect:-

- (i) the continuing costs of the current level of service;
- (ii) the financial impact of any decisions already taken by the Council or its Policy Boards; and
- (iii) the implementation of the approved medium term debt smoothing strategy which will support the delivery of further budget savings on financing charges in 2018/19;

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 ongoing impact of the formal and informal looked after children population, which although plateauing in scale is set alongside statutory changes which has extended the age through to which support is provided.

4.3 The Council has for a number of years and more recently in conjunction with the Health and Social Care Partnership been taking forward a range of mitigation strategies designed to dampen the impact of demand led growth. These strategies have extended across multiple perspectives including:-

- Seeking to provide more cost effective services - for example Children's Services has been focusing significantly on a strategy to shift a number of care arrangements to in-house provision, reducing reliance on arrangements sourced through more expensive external agencies.
- Investing in preventative measures and redesigned services to reduce longer term demand growth - for example within Adult Service delivering intensive short term reablement service to support older people to be cared for at home when they leave hospital and reduce demand for more expensive residential care.
- Better service provision to reduce ongoing demand - for example Children's Services has focused on 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 ongoing positive impact of the range of measures implemented over the years, the Director of Children's Services has confirmed that there is no requirement for any additional resources to manage demographic pressures.
- 4.5 In relation to Adult Services, although similar outcomes are being achieved through mitigation strategies, the scale of demand and cost pressures is significant. In addition, over the course of 2018/19 Adult Services will again be exposed to potentially significant cost pressures arising from the renewal of contractual arrangements, the financial impact of the negotiated application of the increased living wage across the sector, legislative changes impacting upon the cost of delivering support to Carers and the negotiated increase on the National Care Home Contract, agreement of which remains outstanding. Based upon a broad range of projections, it has been estimated that the demand and cost growth across Adult Services may extend to £2.112 million net of any mitigation measures taken by the Chief Officer. It is recognised that within this estimate there remains uncertainty over the actual cost and demand pressures that will emerge over the course of 2018/19, 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 2018/19 for £2.112 million of additional resources to be made available for drawdown by the Health and Social Care Partnership in 2018/19 to manage these pressures. Of this proposed resource increase made available to the Partnership, £1 million is fundable from existing financial provision set aside in 2017/18 by the Council and therefore results in a net cost pressure of £1.112 million in 2018/19. Similar to arrangements agreed in 2017/18, it would be proposed that the actual level of drawdown over the course of 2018/19 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 2018/19. 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 budget savings in 2018/19.

Table 2 - Summary of Recommended Base Budget Adjustments 2018/19

	2018/19	
	£000	£000
Net Impact of previous Council and Board Decisions	(4,298)	(16,534)
Reversal of 2017/18 single year investments	(6,236)	
Debt Smoothing Saving against Financing Costs	(6,000)	
Total (Net Reductions)		
Add:		
Landfill tax increase	107	
Financial Settlement adjustments	(1,827)	
Adult Services Cost and Demand Provision	1,112	
Contract Payment Adjustments	1,334	
Other Unavoidable Adjustments	(66)	
Total (Net Increases)		660
Net Base Budget (Reduction)/Increase		(15,874)

5. PAY AND PRICE PRESSURES

- 5.1 The 2018/19 budget position detailed in Table 3 at paragraph 8.1, includes an adjustment of £3.730 million which will allow for a provision for pay inflation at £6.730 million for 2018/19 across all pay groups (£3 million of budgeted resource is available from pay and pension provisions made in setting the 2017/18 budget). This provision reflects the budget uplift to account for the impact of the uplift in the living wage to be applied to appropriate staff groups and a provision for the 2018/19 pay award across all staff groups which at present remain subject to ongoing negotiation through the national arrangements.
- 5.2 In setting previous budgets, the Council decided not to apply any general inflationary uplift to non-pay budgets. Given the financial challenges facing the Council, in particular over the medium term and in line with historic practice, general non pay inflation is not provided for in the 2018/19 budget.
- 5.3 The Financial Regulations require charges for services to be reviewed at least annually and a 2.5% increase in charges would generate additional income of £0.150 million. The overview of the Council's spending in Table 3 at paragraph 8.1 makes provision for an inflation adjustment at this level. In addition, it is proposed to closer align the self funder rates applied in Council provided Care homes to £686 per week to that applied across the external market which will provide an additional £0.100 million. This proposed rate remains materially below that of other external providers across Renfrewshire.

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 4.44% 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 2018/19 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, £6 million of savings are being released from the financing cost budget in 2018/19 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 December 2017 Financial Outlook report to the Leadership Board, given it is anticipated that the Council will be moving into a further period of sustained cost reductions beyond 2018/19, a review was completed to reassess the approach employed to implement the final stages of the current debt smoothing strategy. The strategy has 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 2018/19 to be established for a defined medium term period. This adjustment to the strategy has and will provide the opportunity through this period of financial challenge to protect core priority services and mitigate 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 2018/19. 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. The practice of maintaining trading operations is currently under review and a future report is expected to be provided to the Finance, Resources and Customer Services Policy Board outlining options with regards the future management of trading operations. Any budget implications flowing from this review will be addressed within the above report to the Board.

8. SPENDING OVERVIEW

- 8.1 The Council approved spending for 2017/18 at the meeting on 16 February 2017 of £387.523 million. It is estimated that £375.129 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 2018/19.

Table 3 – Estimated Spending Need 2018/19

	£000
Spending approved 2017/18 budget	387,523
<i>Add:</i>	
Recommended Budget Adjustments (per Table 2)	660
Net reductions Applied (per Table 2)	(16,534)
Revised Budget per Appendix 1	371,649
Net Increase in Provision for inflationary pressures (see paragraph 5.1 - 5.3)	3,480
Estimated spending need for 2018/19	375,129

- 8.2 Significant cost pressures are anticipated to persist beyond 2018/19 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 over the medium term period through to 2021. Based on existing assumptions, the position for 2018/19 presented in this report and subject to any decisions taken by Council for 2018/19, it is forecast that a residual funding gap of approximately £12 million is likely to remain for 2019/20, with further annual funding gaps of significant scale continuing over the medium term.
- 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 the next substantive announcement from the Government with regards local government funding will not be until the Draft Budget is again announced, possibly in November or December 2018, two months before the Council would normally look to set the 2019/20 budget. In addition there is no certainty that future budget announcements by the Scottish Government will extend beyond a single year.
- 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 to its financial planning linked to the delivery of priorities approved in the Council Plan and agreed with partners in the Community Plan. The Council should plan for the possibility that over the future financial years, there may continue to be limited time to respond to confirmed grant settlements and manage both unexpected and higher levels of cost pressures than is currently being forecast. Consequently, the Council needs to continue to pro-actively progress financial planning work for 2019/20 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 2018/19 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 2017/18, BALANCES AND RESERVES

- 10.1 Appendix 3 to this report details an overview of the Probable Outturn for 2017/18.
- 10.2 The Council's general fund balances as at 1st April 2017 were £48.726 million, and as outlined in Table 4 below, the majority of this was earmarked for specific purposes. The Council in setting the budget for 2017/18 planned to draw £2.350 million from available Investment Capital Fund reserves, with no draw from planned from general working balances. As reported to members during the course of 2017/18, it is projected that unallocated reserves on the closure of the 2017/18 accounts will be £7.065 million after accounting for planned resource transfer to the Investment Capital Fund and the Service year end flexibility reserve arising from financial provisions released from the 2017/18 budget and an over-recovery on Council Tax income. As referred to earlier, the Scottish Government have also confirmed a planned payment of £1.132 million of revenue support grant in 2017/18 which is intended to support the 2018/19 budget and these resources will be carried forward and are reflected in the unallocated general fund balances in Table 4 below.
- 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 2018/19,

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 2017/18

	Balances as at 1/4/2017 £000	Forecast In Year Change and Year End Transfers £000	Forecast Closing Position as at 31/3/18 £000
Service Modernisation and Reform Fund	5,411	(2,410)	3,001
PPP Reserve	12,670	-	12,670
M74 Contribution	566	-	566
Development Contribution - Paisley Town Centre	1,059	-	1,059
Early Years Strategy	2,721	(266)	2,455
Waste Management Strategy	4,245	(1,998)	2,247
Invest in Renfrewshire	2,850	(2,650)	200
Community Safety	121	-	121
Private Sector Housing Grant	2,135	196	2,331
Support Credit Unions	340	(340)	-
Paisley Town Centre Heritage Strategy	5,612	118	5,730
City Deal	1,561	(75)	1,486
Commission on Tackling Poverty	1,066	(561)	505
Youth Employment Strategy	82	-	82
Service Year End Flexibility	1,222	1,501	2,723
Public Wi Fi Project	-	543	543
Pupil Equity Funding	-	1,500	1,500
Revenue Support Grant for 2018/19	-	1,132	1,132
Unallocated General Fund Balances	7,065	-	7,065
Total General Fund Balances	48,726	(3,310)	45,416

- 10.5 As previously reported to Council in its consideration of the 2016/17 accounts, and as detailed in Table 5 below, other specific reserves continue to be maintained.

Table 5 – Specific Reserves 2017/18

	Balances as at 1/4/2017 £000	Forecast In Year Movement £000	Forecast Balance as at 31/3/18 £000
Insurance Fund	2,543	-	2,543
Reservoir Repair Fund	314	-	314
Education Capital Items Fund	766	206	972
Investment Programme Capital Fund	80,742	2,950	83,692
Total Specific Reserves	84,365	3,156	87,521

- 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 digital and technology equipment.
- 10.9 The Investment Capital Fund is used to hold planned contributions to the delivery of the ongoing capital investment programmes as well as resources which support the debt smoothing strategy operating across the General Fund. These debt smoothing resources are utilised to manage both the debt levels linked with the capital investment programme and the associated debt servicing costs charged to the revenue account each year.

11. COUNCIL TAX

- 11.1 The Council's council tax (Band D) for 2017/18 is £1,164.69 and is £8 (0.8%) below the Scottish average. It is estimated that in 2018/19 each £1 of council tax will yield £71,653 which is higher than 2017/18. The increase in the yield reflects actual and anticipated growth in the council tax base in the context of the recovery being experienced in the housing development market along with a drop in the level of discounts being awarded, primarily linked to the Council Tax Reduction Scheme.
- 11.2 A maximum net yield of £83.453 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.
- 11.3 Members are required to determine the level of council tax for Bands A to H inclusive which should apply for 2018/19, and in doing so, are reminded of the grant conditions detailed at paragraph 3.3.

12. BUDGET OVERVIEW – 2018/19

- 12.1 The overview budget position for the Council for 2018/19, 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 2018/19, subject to decisions by members in setting the final budget for 2018/19.

Table 6 – Budget Overview 2018/19

	£000
Income:	
Confirmed Government Grant (per table1)	304,814
Council Tax Income	83,453
Council Tax / Community Charge Arrears Recovery	500
Total Income	388,767
Less: Estimated Spending Need (Table 3)	375,129
Estimated Funding Surplus 2018/19	13,638

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 the Director of Finance & Resources 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 2018/19 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 2018/19 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/Council Planning - implications will be subject to any budget proposals agreed.

Legal - The Council is required to set a balanced budget for 2018/19.

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 2018/19 budget and future financial outlook over the medium term, principally in relation to factors outwith its direct control. In addition, the scope of ongoing change underway within the Council and scale of ongoing budget reduction necessary to realign Council spending with available resources over the medium term brings with it additional risk for the Council. In recognition of this it is important that the Council's unallocated balances remain at an appropriately prudent level and that decisions taken by the Council pay due regard to the medium term financial outlook.

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

Cosla Policy Position – COSLA have continued to make formal representations to the Scottish Government for confirmation of the baselining of £159.5 million of additional resources made available for 2018/19 and for a commitment moving forward beyond 2018/19 to multi year sustainable financial settlements to support more effective financial and service planning decisions across councils.

Author – Alan Russell, Director of Finance & Resources

REVENUE ESTIMATES 2018/19
PROVISIONAL RESOURCE ALLOCATION STATEMENT
(subject to amendment for any budget proposals approved by Council)

	RESOURCES ALLOCATION £000
<u>Service</u>	
Chief Executive's Service	6,168
Children's Services	174,540
Leisure Services	9,768
Environment & Communities	43,388
SPTA	3,228
Finance and Resources	32,159
Valuation Joint Board	1,254
Development and Housing	7,243
Adult Services	62,515
Miscellaneous Services	32,953
NET EXPENDITURE PER APPENDIX 2	373,217
 Less: Recoveries from accounts outwith service resource allocations	 1,567
 Total per Table 3	 371,649

(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 2018-2019 REVENUE ESTIMATES
DEPARTMENT : CHIEF EXECUTIVE

£ £ £

Analysis of Change between 2017-2018 and 2018-2019

2017-2018 Estimates	1,131,981
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Adjustments for items outwith Resource Allocation
less: capital charges

Central support costs	(502,410)
Central support recoveries	5,132,630
Corporate and Democratic core costs	-

4,630,220

4,630,220

Adjusted 2017-2018 Estimates 5,762,201

Adjustment to Current Year Estimates

Unavoidable Increase (Decrease) (PAPER 2)	(122,920)
Transfers (PAPER 3)	529,153

406,233

2018-2019 Estimates (Before budget decisions)	6,168,434
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RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : CHIEF EXECUTIVE

[illegible]

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : CHIEF EXECUTIVE

CE		£
1	Realignment of Events Budget	222,651
2	Realignment of Communication and Marketing Budget	123,634
3	Realignment of staffing budget	125,000
4	Distribution of 2017/18 pay award funding	58,718
5	Realignment of Overtime Budgets	(850)
Total Increase (Decrease) to Budget		529,153

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
DEPARTMENT : CHILDRENS SERVICES

£	£	£
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Analysis of Change between 2017-2018 and 2018-2019

2017-2018 Estimates			203,178,399
Adjustments for items outwith Resource Allocation			
Less: capital charges	(15,997,590)	(15,997,590)	
Central support costs	(9,262,080)		
Central support recoveries			
Corporate and Democratic core costs	234,200	(9,027,880)	
			(25,025,470)
Adjusted 2017-2018 Estimates			<u>178,152,929</u>

Adjustment to Current Year Estimates

Unavoidable Increase (Decrease) (PAPER 2)		(4,418,760)	
Transfers (PAPER 3)		<u>806,172</u>	
			<u>(3,612,588)</u>

2018-2019 Estimates			<u>174,540,341</u>
(Before budget decisions)			

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : CHILDRENS SERVICES

ED		£
1	Annual Contractual PPP Contract Indexation Adjustment	400,000
2	Demand adjustment across early years service	(540,000)
3	Impact of demand management of ASN transport arrangements	(400,000)
4	Long term demand management impact on childcare placements	(885,000)
5	Review of Management Structure	(200,000)
6	Settlement Adjustments - Criminal Justice grant (funding yet to be distributed in 2018/19)	(2,793,760)
	Total Increase (Decrease) to Budget	(4,418,760)

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : CHILDRENS SERVICES

ED		£
1	Realignment of Non-domestic rates budgets	488,267
2	Realignment of 2017/18 energy and overtime savings	(330,881)
3	Distribution of 2017/18 pay award funding	684,910
4	Realignment of Insurance budgets	(36,124)
Total Increase (Decrease) to Budget		806,172

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
DEPARTMENT : LEISURE SERVICES

£	£	£
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Analysis of Change between 2017-2018 and 2018-2019

2017-2018 Estimates			12,441,275
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Adjustments for items outwith Resource Allocation
Less: capital charges

(2,535,410)	
	(2,535,410)

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

(685,960)	
	(685,960)

(3,221,370)

Adjusted 2017-2018 Estimates		9,219,905
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Adjustment to Current Year Estimates

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

164,000

384,398

548,398

2018-2019 Estimates
(Before budget decisions)

9,768,303

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : LEISURE SERVICES

LS		£
1	Renfrewshire Leisure Contract Payment adjustment	164,000
	Total Increase (Decrease) to Budget	164,000

RENFREWSHIRE COUNCIL

SUMMARY OF 2018-2019 REVENUE ESTIMATES

TRANSFERS

DEPARTMENT : LEISURE SERVICES

LS		£
1	Residual cultural services budget transfers	384,398
	Total Increase (Decrease) to Budget	384,398

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
DEPARTMENT : ENVIRONMENT & COMMUNITIES

£	£	£
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Analysis of Change between 2017-2018 and 2018-2019

2017-2018 Estimates			54,464,184
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Adjustments for items outwith Resource Allocation
less: capital charges

(7,840,400)		(7,840,400)
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Adjustments for Central Support

Central support costs

(3,545,810)

Central support recoveries

159,400

Corporate and Democratic core costs

180,190

(3,206,220)

(11,046,620)

Adjusted 2017-2018 Estimates

43,417,564

Adjustment to Current Year Estimates

Unavoidable Increase (Decrease) (PAPER 2)

(625,400)

Transfers (PAPER 3)

595,882

(29,518)

2018-2019 Estimates

43,388,046

(Before budget decisions)

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : ENVIRONMENT & COMMUNITIES

CR		£
1	Increase In Landfill Tax	107,000
2	Contract Price Increase for Waste Disposal	53,000
3	Impact of Better Council Change Programme	(930,000)
4	Full year effect of prior year decisions	(195,000)
5	Impact of New Housing Developments on Refuse Collection and Disposal	69,000
6	Impact of Common Good budget decision	7,000
	Payments to Trading Operations	
7	Contract Payment - Catering Trading Operation	84,600
8	Contract Payment - Vehicle Maintenance Trading Operation	47,800
9	Contract Payment Increase - Roads Trading	64,300
10	Contract Payment - Building Services	66,900
	Total Increase (Decrease) to Budget	(625,400)

RENFREWSHIRE COUNCIL

SUMMARY OF 2018-2019 REVENUE ESTIMATES

TRANSFERS

DEPARTMENT : ENVIRONMENT & COMMUNITIES

[illegible]

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
DEPARTMENT : STRATHCLYDE PASSENGER TRANSPORT

£ £ £

Analysis of Change between 2017-2018 and 2018-2019

2017-2018 Estimates

Adjustments for items outwith Resource Allocation	3,287,700
less: capital charges	-

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

Adjusted 2017-2018 Estimates

3,287,700

Adjustment to Current Year Estimates

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

(60,000)

(60,000)

2018-2019 Estimates
(Before budget decisions)

3,227,700

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : STRATHCLYDE PASSENGER TRANSPORT

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

RENFREWSHIRE COUNCIL

SUMMARY OF 2018-2019 REVENUE ESTIMATES

TRANSFERS

DEPARTMENT : STRATHCLYDE PASSENGER TRANSPORT

[illegible]

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
DEPARTMENT : FINANCE AND RESOURCES

£	£	£
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Analysis of Change between 2017-2018 and 2018-2019

2017-2018 Estimates			8,175,447
Adjustments for items outwith Resource Allocation capital charges	(2,555,201)	(2,555,201)	
Adjustments for Central Support			
Central support costs	(15,174,746)		
Central Support recoveries	<u>39,898,040</u>	24,723,294	
			<u>22,168,093</u>
Adjusted 2017-2018 Estimates			<u>30,343,540</u>
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		258,576	
Transfers (PAPER 3)		<u>1,557,208</u>	
			<u>1,815,784</u>
2018-2019 Estimates			<u><u>32,159,324</u></u>
(Before budget decisions)			

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : FINANCE AND RESOURCES

FAR		£
1	ICT licensing and maintenance contract price increase	356,386
2	Public Sector Network (PSN) Compliance	25,000
3	GDPR Compliance	80,000
4	Impact of Better Council Change Programme	(202,810)
	Total Increase (Decrease) to Budget	258,576

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : FINANCE AND RESOURCES

FAR		£
1	Realignment of Non domestic rates	165,313
2	Realignment of Communication and Marketing Budget	2,599
3	Transfer of HQ Service Charge	(110,000)
4	Realignment of utilities budgets	(82,413)
5	Distribution of 2017/18 pay award funding	924,359
6	Charging & Payments team budget transfer	70,000
7	Realignment of Overtime Budgets	(12,650)
8	Realignment of ICT hosting budget	600,000
	Total Increase (Decrease) to Budget	1,557,208

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
DEPARTMENT : RENFREWSHIRE VALUATION JOINT BOARD

£	£	£
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Analysis of Change between 2017-2018 and 2018-2019

2017-2018 Estimates			1,212,800
----------------------------	--	--	-----------

Adjustments for items outwith Resource Allocation
less: capital charges

-

-

Adjustments for Central Support

Central support costs

-

Corporate and Democratic core costs

-

-

Adjusted 2017-2018 Estimates

-
1,212,800

Adjustment to Current Year Estimates

Unavoidable Increase (Decrease) (PAPER 2)

41,000

Transfers (PAPER 3)

-

41,000

2018-2019 Estimates

1,253,800

(Before budget decisions)

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : RENFREWSHIRE VALUATION JOINT BOARD

JVB		£
1	Impact of Increased Requisition	41,000
		41,000

RENFREWSHIRE COUNCIL

SUMMARY OF 2018-2019 REVENUE ESTIMATES

DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - OTHER HOUSING

f

f

Analysis of Change between 2017-2018 and 2018-2019

2017-2018 Estimates

6,198,231

Adjustments for items outwith Resource Allocation
less: capital charges

(17,100)

(17,100)

Adjustments for Central Support

Central support costs

(189,310)

Corporate and Democratic core costs

8,700

(180,610)

(197,710)

Adjusted 2017-2018 Estimates

6,000,521

Adjustment to Current Year Estimates

Unavoidable Increase (Decrease) (PAPER 2)

(1,435,000)

Transfers (PAPER 3)

33,684

(1,401,316)

2018-2019 Estimates

4,599,205

(Before budget decisions)

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - OTHER HOUSING

OH		£
1	Settlement adjustment - grant support for Short Stay Accommodation	378,000
2	Impact of Better Council Change Programme	(40,000)
3	Settlement Adjustment - DHP funding (yet to be distributed by Scottish Government in 2018/19)	(1,773,000)
Total Increase (Decrease) to Budget		(1,435,000)

RENFREWSHIRE COUNCIL

SUMMARY OF 2018-2019 REVENUE ESTIMATES

TRANSFERS

DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - OTHER HOUSING

[illegible]

RENFREWSHIRE COUNCIL**SUMMARY OF 2018-2019 REVENUE ESTIMATES****DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - PLANNING AND ECONOMIC
DEVELOPMENT**

	£	£	£
Analysis of Change between 2017-2018 and 2018-2019			
2017-2018 Estimates			4,556,229
Adjustments for items outwith Resource Allocation less: capital charges	(675,800)	(675,800)	
Adjustments for Central Support Central support costs	(1,308,720)		
Corporate and Democratic core costs	<u>147,560</u>	(1,161,160)	
			<u>(1,836,960)</u>
Adjusted 2017-2018 Estimates			<u>2,719,269</u>
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		(151,000)	
Transfers (PAPER 3)		<u>75,118</u>	
			<u>(75,882)</u>
2018-2019 Estimates (Before budget decisions)			<u><u>2,643,387</u></u>

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - PLANNING AND ECONOMIC
DEVELOPMENT

PED		£
1	Impact of Better Council Change Programme	(151,000)
	Total Increase (Decrease) to Budget	(151,000)

RENFREWSHIRE COUNCIL

SUMMARY OF 2018-2019 REVENUE ESTIMATES

TRANSFERS

DEPARTMENT : DEVELOPMENT & HOUSING SERVICES - PLANNING AND ECONOMIC DEVELOPMENT

PED		£
1	Realignment of Non domestic rates	24,483
2	Utilities budgets realignment	(27,764)
3	Distribution of 2017/18 pay award funding	83,549
4	Realignment of Overtime Budgets	(5,150)
Total Increase (Decrease) to Budget		75,118

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
DEPARTMENT : ADULT SERVICES

£ £ £

Analysis of Change between 2017-2018 and 2018-2019

2017-2018 Estimates 65,021,582

Adjustments for items outwith Resource Allocation
 Less: capital charges

- -

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

_____ -

Adjusted 2017-2018 Estimates 65,021,582

Adjustment to Current Year Estimates

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

-
 (2,506,598)

 (2,506,598)

2018-2019 Estimates 62,514,984
(Before budget decisions)

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : ADULT SERVICES

[illegible]

RENFREWSHIRE COUNCIL

SUMMARY OF 2018-2019 REVENUE ESTIMATES

TRANSFERS

DEPARTMENT : ADULT SERVICES

[illegible]

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
DEPARTMENT : MISCELLANEOUS

	£	£	£
Analysis of Change between 2017-2018 and 2018-2019			
2017-2018 Estimates			22,675,446
Adjustments for items outwith Resource Allocation			
Less: capital charges	29,824,034	29,824,034	
Adjustments for Central Support			
Central support costs	(11,955,050)		
Trading Operations	(2,257,599)		
Corporate and Democratic core costs	(570,650)	(14,783,299)	
			15,040,735
Adjusted 2017-2018 Estimates			37,716,181
Adjustment to Current Year Estimates			
Unavoidable Increase (Decrease) (PAPER 2)		(3,288,000)	
Transfers (PAPER 3)		(1,475,021)	
			(4,763,021)
2018-2019 Estimates			32,953,160
(Before budget decisions)			

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
UNAVOIDABLE INCREASES (DECREASES)

DEPARTMENT : MISCELLANEOUS

MS		£
1	Reversal of single year funding provision for 2017 Scottish Council Election	(400,000)
2	Impact of IFRS9 accounting standards change	50,000
3	Debt Smoothing Strategy savings	(6,000,000)
4	Reversal of single year financial provision for Changeover Impact of New £1 coin	(100,000)
5	Approved Contribution to Kilbarchan AAC	250,000
6	Impact of increased Insurance costs	100,000
7	Impact of Better Council Change Programme	(709,000)
8	Energy Efficiency Savings	(208,000)
9	Adjustment to War Veterans Funding	245,000
10	Public entertainment licence cost	10,000
11	Uplift in financial provision to support adult social care funding drawdown in 2018/19	1,112,000
12	Local government finance settlement adjustments	2,362,000
Total Increase (Decrease) to Budget		(3,288,000)

RENFREWSHIRE COUNCIL
SUMMARY OF 2018-2019 REVENUE ESTIMATES
TRANSFERS

DEPARTMENT : MISCELLANEOUS

MS		£
1	Realignment of Non- domestic rates Budgets	(703,384)
2	Realignment of Events Budget	(222,643)
3	Realignment of Communication and Marketing Budget	(126,233)
4	Transfer of HQ Service Charge	110,000
5	Utilities budgets realignment	396,644
6	Realignment of staffing budget	(125,000)
7	Realignment of overtime Budgets	169,950
8	Realignment of ICT hosting budget	(600,000)
9	Residual cultural services budget transfers	(383,000)
10	Distribution of 2017/18 pay award funding	(2,958,401)
11	Realign 2017/18 HSCP resource	2,967,046
	Total Increase (Decrease) to Budget	(1,475,021)

Renfrewshire Council
Estimates of Expenditure and Income for the Year Ended 31st March 2019
General Fund Summary
Objective Summary

Line No	Net Expenditure	2017/18 Estimates* £	2018/19 Estimates £
1	Children's Services	177,840,337	174,540,341
2	Leisure Services	9,102,215	9,768,303
3	Environment & Communities	43,417,569	41,130,447
4	Finance and Resources	31,590,078	32,159,324
5	Valuation Joint Board	1,212,800	1,253,800
6	Other Housing	4,021,383	4,599,205
7	Planning and Economic Development	2,727,964	2,643,387
8	SPT	3,287,700	3,227,700
9	Chief Executives	5,761,271	6,168,434
10	Miscellaneous	31,962,929	35,210,759
11	Adult Services	64,103,701	62,514,984
12	Net Expenditure	375,027,947	373,216,684

* Estimates as per Report to Council 16 February 2017, prior to Council decisions and in-year redeterminations and adjustments

Renfrewshire Council

General Fund Probable Outturn for 2017-18

Line		2017/18	2017/18
No	Net Expenditure	Revised Estimates £000	Probable Outturn £000
1	Children's Services	204,811	204,811
2	Leisure Services	12,443	12,443
3	Environment & Communities	56,958	56,958
4	Finance and Resources	9,741	9,741
5	Valuation Joint Board	1,213	1,213
6	Other Housing	4,345	4,345
7	Planning and Economic Development	4,838	4,838
8	SPT	3,288	3,288
9	Chief Executives	2,324	2,264
10	Miscellaneous	21,279	16,347
11	Adult Social Care	65,490	65,490
12	Net Expenditure	386,729	381,737