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Local Government Finance Circular No. 6/2013

Chief Executives and Directors of Finance of Scottish Local Authorities

Chief Executive, Convention of Scottish Local Authorities (COSLA)



Our Reference: A7380543
11 December 2013

Dear Chief Executive/Director of Finance

LOCAL GOVERNMENT FINANCE SETTLEMENT 2014-15 AND BUSINESS RATES POUNDAGE LEVEL AND RELIEF THRESHOLDS.

1. This Local Government Finance Circular provides details of the provisional total revenue and capital funding allocations for 2014-15. The Circular also gives details of the Non Domestic Rate Distributable Amount for 2014-15. In addition, this circular also provides the latest information on current known redeterminations for 2013-14 as well as details of the business rates poundage levels and confirmation of the relief thresholds.

2. The provisional total funding allocations form the basis for the annual consultation between the Scottish Government and COSLA ahead of the Local Government Finance (Scotland) Order 2014 being presented to the Scottish Parliament in February 2014. COSLA is invited to respond to these provisional allocations in writing by **6 January 2014**. In submitting any comments, we expect local authorities to inform COSLA, and for COSLA in turn to inform the Scottish Government of any discrepancies in these distributions. Any redistribution to address any agreed discrepancies will be undertaken within the total settlement allocations set out in this Circular and not through the provision of any additional resources by the Scottish Government. The allocations are therefore only provisional at this stage and local authorities should not set their final budgets on the basis of these until the final allocations are confirmed following the end of the consultation period and the publication of the February 2014 Circular.

3. The Cabinet Secretary for Finance, Employment and Sustainable Growth wrote to COSLA on 11 September 2013 reaffirming the terms of the settlement to be provided to local government in return for the provisional funding allocations set out in this Circular. The 2014-15 provisional allocations set out in this Circular assume that all councils will sign up to the package and therefore that the **full** amount (£9.321 billion) will be issued.

4. The allocations have been arrived at using the standard agreed distribution methodology. The Circular also includes a separate column in Annexe B and C showing

the general revenue changes since the previous relevant Local Government Finance Circular. As in previous years the final column in Annexe C provides the amount of the Council Tax element, for illustrative purposes, which the Scottish Government plans to hold back under the terms of the Cabinet Secretary for Finance, Employment and Sustainable Growth's letter of 11 September 2013 to COSLA on the sign-off arrangements, set out on a council by council basis. The letter of 11 September 2013 also confirmed that if any council does not agree to the full package available then it will have its allocation reduced by its needs based share of a package of resources worth in total £109 million across the whole of local government. This package of resources to be removed is made up of each council's needs based share of:

- £70 million to deliver a Council Tax freeze; and
- £39 million for the teacher commitments.

5. As with last year, for 2014-15 only, those Council Leaders who do not intend to take up the offer and agree the full package of measures set out in the 11 September letter are required to write to the Cabinet Secretary for Finance, Employment and Sustainable Growth setting out the reasons why they do not wish to comply by no later than 10 March, but preferably by the end of February (and ideally as soon as possible after they have set their budgets and announced their council tax rates for 2014-15). If any Council Leader replies to say that their Council does not so agree, the full amount of the Council's needs based share of the £109 million sanction will be withdrawn from the overall local government settlement and redeployed by Scottish Ministers in the Budget Bill which will be laid before Parliament in January 2014.

6. In early February 2014, it is envisaged that the 2014-15 Budget Bill will complete its stages and be approved by Parliament. Very shortly after that, the Government will table the Local Government Finance (Scotland) Order 2014 setting out the formal allocations of the funding settlement for 2014-15, less the amount of holdback for the Council Tax freeze monies.

7. In mid-March 2014 the Government will table an amendment Order (to the Local Government Finance (Scotland) Order 2014), to pay out the full amount of the council tax holdback monies to all those councils whose Leaders have not written to us as detailed in the preceding paragraphs. For those councils whose Leaders have subsequently written confirming they do not intend to take up the offer, the amendment Order will not allocate the council tax holdback monies and will remove the needs based shares of the remaining sanction monies for Teachers (£39 million).

8. The figures in this Circular are necessarily provisional and any changes required will be discussed and agreed between the Scottish Government and COSLA, and included in the 2014 Order. Accordingly, if a council considers there are any errors or revisions that require to be addressed they should, in the first instance, contact COSLA immediately.

9. The various parts and annexes to this Circular, listed below, provide more of the detail behind the calculations.

Part A: Local Government Finance Settlement – Revenue: 2014-16 and changes in 2013-14;

Part B: Local Government Finance Settlement – Capital: 2014-15 and confirmation of 2013-14 figures; and

Part C: Non-Domestic Rates for 2014-15 including BRIS.

Annex A: All Scotland Aggregated Funding Totals 2013-16;
Annex B: Individual Revenue Allocations for 2013-14;
Annex C: Individual Revenue Allocations for 2014-15;
Annex D: Explanatory Notes on the Revenue Distribution;
Annex E: Individual Share of the Additional £70 million;
Annex F: Estimates of Ring-Fenced Grant Revenue Funding for 2014-15;
Annex G: Reconciliation of Revenue Allocations for 2014-15;
Annex H: Redeterminations of Revenue funding for 2013-14;
Annex I: Individual Capital Grant Funding for 2013-14;
Annex J: Individual Capital Grant Funding for 2014-15;

Part A: Local Government Finance Settlement - Revenue: 2014-16 and changes in 2013-14

10. This Finance Circular sets out the provisional distribution of revenue funding allocations for 2014-15. The distribution of the indicative allocations for 2015-16 are the subject of on-going consideration following COSLA Leaders decision that the allocations for 2014-15 should be rolled forward for 2015-16. An update on the 2015-16 allocations will be provided once those considerations have concluded. **Annex A** of this Circular sets out the all-Scotland aggregate totals for 2013-16.

11. **Annexes B and C** set out the distribution of the total revenue funding allocation between councils and the allocation of the different elements (General Revenue Funding, Non-Domestic Rate Income and Ring-Fenced Revenue Grants) for each council for 2014-15. The basis behind the grant distribution methodology, as explained in Finance Circular 6/2007, has been retained as agreed with COSLA, and the Scottish Government's new 85% floor is included at the end of this process. The explanatory notes contained in **Annex D** explain the basis behind the calculation of the individual council grant allocations.

12. **Annex E** sets out how the additional £70 million available to councils that choose to freeze their 2014-15 council tax levels at 2013-14 levels as part of the overall funding package will be distributed.

13. **Annex F** gives a breakdown of the individual council shares of Ring-Fenced grant revenue allocations for 2014-15.

14. The calculation and effects of the main floor adjustment for 2012-15, which provides councils with a maximum *decrease* in funding of -1.2%/ -1.4%/ -1.4%, was set out in Annex H of Circular 11/2011.

15. The changes to the 2014-15 GRG figures since Local Government Finance Circulars 2/2013 are set out in **Annex G**.

16. This Local Government Finance Circular provides details of current known redeterminations at **Annex H** for the General Revenue Grant. The final redetermination allocations for 2013-14 will be included in the Local Government Finance (Scotland) Order 2014.

17. The methodology for calculating Loan Charge Support (LCS) and support for Public Private Partnership (PPP) projects (level playing field projects only (LPFS)) is set out in Annex H of Finance Circular 2/2011. The total amounts included for loan charge support and PPP support are included in the revenue figures in **Annex A** and column 3 of **Annexes B and C**.

Part B: Local Government Finance Settlement – Capital Grants 2014-15, and confirmation of 2013-14 figures

18. The Local Government settlement includes a total of £773.2 million for 2014-15 and £817.3 million for 2015-16 of capital grants.

19. This Finance Circular sets out the provisional distribution of capital funding to local authorities for 2014-15. These are in line with the figures from the Draft Budget 2014-15 published on 11 September 2013. As in the case for revenue, the capital allocations for 2015-16 are the subject of further consideration. **Annex A** of this Circular sets out the all-Scotland aggregate totals for 2013-16.

20. **Annex I** sets out the revised capital grants for 2013-14 since Finance Circular 2/2013.

21. **Annex J** set out the provisional distribution of the General Capital Grant and Specific Capital Grants included in the settlement for each council for 2014-15. Capital grants which remain undistributed are identified as such. Information on the support that has been provisionally agreed for local authorities outside of the settlement for 2014-15 to 2015-16 is included. This includes specific capital grants to be provided in support of the Scotland's Schools for the Future programme and Digital Infrastructure funding. The methodologies used to calculate these provisional allocations have been agreed with COSLA.

Part C: Non-Domestic Rates for 2014-15 including BRIS

22. The Distributable Amount of Non-Domestic Rate Income for 2014-15 has been set at £2,649.5 million. This figure uses the latest forecast of net income from non-domestic rates in 2014-15 and will also draw on council estimates of the amounts they will contribute to the Pool from non-domestic rate in 2013-14. Included in the estimated figure is a calculation of gross income, expected losses from appeals and estimated expenditure on mandatory and other reliefs as well as write-offs and provision of bad debt. As proposed under the Business Rates Incentivisation Scheme the distribution of Non-Domestic rates income for 2014-15 will match the shares based on the 2011-12 mid-year estimates provide by councils. General Revenue Grant, as it has done previously, will continue to provide the balance of funding. This change provides a clearer presentation and greater transparency in how councils are actually funded.

23. The Scottish Government confirmed the increase for the 2014-15 Non-Domestic Rate poundage rate will be restricted to 2%.

24. The Scottish Government also confirmed more assistance for small businesses under the Small Business Bonus Scheme (SBBS) by increasing the upper threshold for businesses with multiple properties from £25,000 to £35,000 for the lifetime of this Parliament. The table below contains the revised 2014-15 thresholds.

Combined rateable value (RV) of all business properties in Scotland:	2014-15
Up to £10,000	100%
£10,001 to £12,000	50%
£12,001 to £18,000	25%
£18,001 to £35,000	25% on each individual property with a rateable value not exceeding £18,000*

*This will allow a business with 2 or more properties with a cumulative rateable value of under £35,000 to qualify for relief at 25% on individual properties with a RV up to £18,000.

25. As announced earlier, the Scottish Government will also expand the Fresh Start rates relief to give 50% rates relief to businesses who take on even more kinds of long term empty properties to help rejuvenate high streets. This includes additional types of empty premises, including those previously used as pubs, hotels and restaurants. Further guidance will be provided early in the New Year when the Regulations are finalised.

26. As previously confirmed the revised 2012-13 BRIS targets are currently under consideration by COSLA and individual local authorities and a final decision will be taken until the 2012-13 audited returns are available (February 2014). Targets for future years will be considered once the 2012-13 review is complete.

Enquiries relating to this Circular

27. It should be noted that a few of the figures in this Circular may be marginally different because of the roundings. Local authorities should note that if they have any substantive specific enquiries relating to this Circular these should in the first instance be addressed through COSLA. We have given an undertaking to COSLA to respond to these queries as quickly as possible. Contact details for COSLA are:

Vicki Bibby
0131 474 9232 vicki@cosla.gov.uk

Any other queries should be addressed to the following:

Local Government Finance Settlement (Revenue and Capital)
Bill Stitt 0131 244 7044 bill.stitt@scotland.gsi.gov.uk

Non-Domestic Rates
Marianne Cook 0131 244 5328 marianne.cook@scotland.gsi.gov.uk

28. This Circular will be made available through the Local Government section of the Scottish Government website at:
<http://www.scotland.gov.uk/Topics/Government/local-government/179>

Yours faithfully



STEPHEN GALLAGHER

Deputy Director, Local Government Division

ALL SCOTLAND AGGREGATE FUNDING TOTALS 2013-16

ANNEX A

	2013-14 £ million	2014-15 £ million	2015-16 £ million
Revenue Funding			
General Resource Grant	7,232.459	7,064.479	9,709.701
Non Domestic Rate Income	2,435.00	2,649.500	n/a
Specific Revenue Grants	98.932	90.932	90.900
Total Revenue	9,766.391	9,804.911	9,800.601
<i>less</i> Teachers' Induction Scheme	27.600	27.600	37.600
<i>less</i> Criminal Justice Social Work	86.450	86.450	86.450
Council Tax Reduction Scheme	70.200	343.000	343.000
Council Tax Reduction Scheme Admin	0.000	7.050	0.000
Scottish Welfare Fund	0.000	0.000	0.000
Discretionary Housing Payments	0.000	20.000	0.000
Changes to former AME Grants	0.000	-0.247	0.000
Distributable Revenue Funding	9,582.141	9,321.058	9,257.83
Capital Funding			
General Capital Grant	449.908	622.975	672.200
Specific Capital Grants	86.976	127.722	123.200
Distributed to SPT	15.337	22.524	21.900
Total Capital	552.221	773.221	817.300
Total Funding	10,318.612	10,578.132	10,617.901

*The General Revenue Grant/Non Domestic Rate (NDR) guaranteed sum is shown as a combined figure until final decisions are taken on 2015-16 NDR.

														ANNEX B
2013-14	Expenditure					Funding								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
£million	Updated Service Provision	2008-14 Changes	Loan Charges/ PPP/ LPFS	Main Floor	Total Estimated Expenditure	Assumed Council Tax contribution	Revised Ring-fenced Grants	Non Domestic Rates	General Revenue Funding	Total	New 85% floor	Finance Circular 2/2013	New General Revenue Changes	Revised Total
Aberdeen City	394.864	30.079	24.951	-1.368	448.526	82.967	0.603	177.084	165.100	342.787	1.854	320.420	-2.753	317.667
Aberdeenshire	469.003	37.526	25.118	-1.684	529.963	97.929	0.084	78.947	335.743	414.774	0.000	397.851	-0.560	397.291
Angus	223.989	17.635	14.200	-0.816	255.008	40.436	0.045	25.764	179.615	205.424	0.000	197.875	0.617	198.492
Argyll & Bute	214.033	15.925	11.935	16.484	258.377	36.285	0.383	28.492	183.987	212.862	0.000	204.584	0.150	204.734
Clackmannanshire	104.509	7.828	6.157	-0.367	118.127	18.114	0.000	11.872	84.320	96.192	0.000	93.007	0.603	93.610
Dumfries & Galloway	324.442	25.247	21.909	-1.193	370.405	55.495	0.070	44.549	256.179	300.798	0.000	287.480	1.585	289.065
Dundee City	319.234	23.776	21.695	-1.179	363.526	45.382	0.107	53.951	247.065	301.123	0.000	285.017	-0.037	284.980
East Ayrshire	245.241	18.692	14.068	-0.893	277.108	39.561	0.459	28.546	198.824	227.829	0.000	221.800	0.064	221.864
East Dunbartonshire	208.322	15.732	10.870	-0.707	234.217	43.318	0.074	22.885	161.284	184.243	0.000	177.459	1.166	178.625
East Lothian	189.286	14.596	13.540	-0.678	216.744	39.320	0.000	23.134	147.025	170.159	0.000	165.533	0.883	166.416
East Renfrewshire	188.465	14.542	15.410	-0.671	217.746	36.567	0.156	13.924	162.040	176.120	0.000	171.614	1.225	172.839
Edinburgh, City of	861.164	64.758	64.096	-2.942	987.076	191.328	0.545	334.630	412.832	748.007	23.146	731.242	1.272	732.514
Eilean Siar	80.634	6.517	16.283	15.068	118.502	9.266	0.991	6.475	99.346	106.812	0.000	103.808	0.435	104.243
Falkirk	304.326	23.435	23.650	-1.101	350.310	53.558	1.131	68.291	214.826	284.248	0.000	271.863	1.238	273.101
Fife	711.989	55.687	40.848	-2.615	805.909	128.129	0.496	145.816	501.387	647.699	0.000	620.059	2.458	622.517
Glasgow City	1353.725	99.833	133.865	-5.062	1582.361	200.896	1.038	333.668	961.601	1296.307	0.000	1240.022	-1.184	1238.838
Highland	499.612	39.410	42.136	-1.886	579.272	88.369	0.951	114.154	354.904	470.009	0.000	446.567	2.343	448.910
Inverclyde	179.074	13.053	13.978	0.340	206.445	26.103	0.548	20.869	151.004	172.421	0.000	165.276	0.107	165.383
Midlothian	165.120	12.762	11.514	-0.594	188.802	29.645	0.000	26.665	125.507	152.172	0.000	148.258	0.452	148.710
Moray	173.995	13.783	11.149	-0.650	198.277	30.886	0.450	30.668	128.471	159.589	0.000	151.705	-0.516	151.189
North Ayrshire	290.934	21.790	18.069	-1.053	329.740	47.074	0.521	36.943	233.619	271.083	0.000	262.986	0.204	263.190
North Lanarkshire	678.564	51.465	35.020	-2.492	762.557	107.402	0.289	109.179	518.396	627.864	0.000	612.977	2.572	615.549
Orkney Islands	66.016	5.394	7.755	-0.199	78.966	7.319	0.000	8.827	61.392	70.219	0.000	67.987	0.341	68.328
Perth & Kinross	285.914	22.197	15.953	-0.997	323.067	58.864	0.415	50.928	201.538	252.881	0.000	242.191	0.956	243.147
Renfrewshire	353.385	26.446	11.489	3.685	395.005	62.384	0.484	97.709	218.497	316.690	0.000	305.514	1.512	307.026
Scottish Borders	233.230	18.423	17.301	-0.866	268.088	43.693	0.004	28.503	185.666	214.173	0.000	202.668	0.894	203.562
Shetland Islands	81.736	6.775	12.255	-0.379	100.387	7.638	1.261	16.177	73.585	91.023	0.000	87.885	0.319	88.204
South Ayrshire	227.291	17.396	12.286	-0.798	256.175	43.998	0.209	39.642	163.474	203.325	0.000	197.045	0.594	197.639
South Lanarkshire	623.778	47.923	36.106	-2.260	705.547	110.593	1.538	273.224	296.340	571.102	0.000	555.868	1.019	556.887
Stirling	184.950	14.130	14.019	-0.662	212.437	34.239	0.610	29.948	139.779	170.337	0.000	162.519	1.399	163.918
West Dunbartonshire	210.427	15.130	12.513	-0.221	237.849	31.578	0.020	72.189	123.434	195.643	0.000	186.383	0.215	186.598
West Lothian	339.767	26.478	16.319	-1.244	381.320	57.764	0.000	81.347	227.173	308.520	0.000	297.678	0.829	298.507
Scotland	10787.019	824.363	746.457	0.000	12357.839	1906.100	13.482	2435.000	7513.953	9962.435	25.000	9583.141	20.402	9603.543

2014-15	Expenditure					Funding										ANNEX C
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
£million	Updated Service Provision	2008-15 Changes	Loan Charges/ PPP/ LPFS	Main Floor	Total Estimated Expenditure	Assumed Council Tax contribution	Revised Ring-fenced Grants*	Non Domestic Rates	General Revenue Funding	Total	New 85% floor	Fin Circ 1/2013	Changes to Fin Circ 1/2013	Revised Total	Share of 2014-15 Package Holdback	
Aberdeen City	399.228	29.573	24.350	-1.764	451.387	83.563	0.603	193.738	150.711	345.052	2.054	313.452	2.034	315.486	3.275	
Aberdeenshire	473.486	36.892	24.459	-2.170	532.667	99.105	0.084	86.371	329.847	416.302	0.000	392.209	3.386	395.595	3.558	
Angus	225.181	17.284	13.869	-1.049	255.285	40.696	0.045	28.187	177.209	205.441	0.000	192.841	1.418	194.259	1.396	
Argyll & Bute	213.741	15.533	11.637	15.750	256.661	36.329	0.383	31.171	179.548	211.102	0.000	197.767	1.095	198.862	1.423	
Clackmannanshire	105.570	7.712	5.984	-0.474	118.792	18.362	0.000	12.988	83.621	96.609	0.000	90.109	0.737	90.846	0.667	
Dumfries & Galloway	325.809	24.733	21.375	-1.534	370.383	55.704	0.070	48.739	251.758	300.567	0.000	279.370	1.981	281.351	1.874	
Dundee City	321.055	23.319	20.989	-1.517	363.846	45.515	0.107	59.025	242.178	301.310	0.000	273.423	1.699	275.122	1.743	
East Ayrshire	246.427	18.309	13.637	-1.148	277.225	39.751	0.459	31.230	196.067	227.756	0.000	212.844	1.294	214.138	1.492	
East Dunbartonshire	209.355	15.385	10.532	-0.907	234.365	43.366	0.074	25.037	159.232	184.343	0.000	173.331	1.279	174.610	1.616	
East Lothian	191.527	14.393	13.086	-0.875	218.131	39.833	0.000	25.310	145.723	171.033	0.000	161.534	1.279	162.813	1.402	
East Renfrewshire	189.493	14.232	15.064	-0.862	217.927	36.626	0.156	15.234	160.852	176.242	0.000	168.235	1.032	169.267	1.355	
Edinburgh, City of	868.802	63.593	61.889	-3.780	990.504	193.589	0.545	366.101	382.528	749.174	22.946	707.329	5.348	712.677	6.996	
Eilean Siar	80.569	6.364	15.709	14.842	117.484	9.312	0.991	7.084	97.673	105.748	0.000	101.332	0.383	101.715	0.293	
Falkirk	306.906	23.044	23.159	-1.420	351.689	54.055	1.131	74.713	209.286	285.130	0.000	264.768	1.343	266.111	1.833	
Fife	718.465	54.778	39.834	-3.376	809.701	129.240	0.496	159.529	490.355	650.380	0.000	603.237	4.302	607.539	4.637	
Glasgow City	1359.514	97.771	130.020	-6.497	1580.808	202.435	1.038	365.048	927.129	1293.215	0.000	1172.017	7.029	1179.046	7.694	
Highland	503.587	38.721	40.541	-2.425	580.424	89.337	0.951	124.890	344.352	470.193	0.000	435.437	3.133	438.570	3.294	
Inverclyde	178.828	12.699	13.576	0.254	205.357	26.087	0.548	22.832	147.969	171.349	0.000	157.816	0.638	158.454	1.015	
Midlothian	166.049	12.504	11.254	-0.763	189.044	29.842	0.000	29.172	123.045	152.217	0.000	143.579	1.050	144.629	1.134	
Moray	175.068	13.459	10.939	-0.833	198.633	31.054	0.450	33.552	125.775	159.777	0.000	148.247	1.111	149.358	1.134	
North Ayrshire	291.924	21.315	17.510	-1.352	329.397	47.262	0.521	40.417	229.614	270.552	0.000	251.838	1.532	253.370	1.753	
North Lanarkshire	682.367	50.490	15.030	11.290	759.177	108.072	0.289	119.447	504.078	623.814	0.000	585.037	6.111	591.148	3.785	
Orkney Islands	66.790	5.280	7.497	-0.371	79.196	7.407	0.000	9.657	60.704	70.361	0.000	67.405	0.291	67.696	0.244	
Perth & Kinross	289.020	21.855	15.486	-1.286	325.075	59.615	0.415	55.718	198.005	254.138	0.000	237.334	1.883	239.217	2.150	
Renfrewshire	355.294	25.911	11.152	1.140	393.497	62.528	0.484	106.898	207.656	315.038	0.000	291.784	1.985	293.769	2.329	
Scottish Borders	234.439	18.047	16.771	-1.112	268.145	44.104	0.004	31.183	182.632	213.819	0.000	197.176	1.489	198.665	1.529	
Shetland Islands	81.797	6.631	11.498	-0.415	99.511	7.701	1.261	17.699	71.124	90.084	0.000	86.273	0.352	86.625	0.248	
South Ayrshire	228.775	17.055	11.954	-1.026	256.758	44.126	0.209	43.370	160.201	203.780	0.000	189.815	1.143	190.958	1.643	
South Lanarkshire	629.707	47.170	34.792	-2.918	708.751	111.444	1.538	298.920	272.997	573.455	0.000	538.502	3.525	542.027	3.870	
Stirling	185.865	13.827	13.659	-0.849	212.502	34.489	0.610	32.764	136.778	170.152	0.000	157.941	0.730	158.671	1.341	
West Dunbartonshire	210.167	14.779	12.075	-0.944	236.077	31.628	0.020	78.978	114.823	193.821	0.000	175.929	1.174	177.103	1.190	
West Lothian	343.399	26.099	15.901	-1.609	383.790	58.423	0.000	88.998	221.333	310.331	0.000	290.048	2.311	292.359	2.087	
Scotland	10858.204	808.757	705.228	0.000	12372.189	1920.600	13.482	2664.000	7284.803	9962.285	25.000	9257.961	64.097	9322.058	70.000	

* The ring-fenced funding has been reduced so the total distributable will be £1m lower than shown.

The explanation of each of the columns within the tables at Annexes B and C is as follows:

Column 1 – represents the updated ongoing service provision and includes the following combined information: (i) the updated Grant Aided Expenditure (GAE) assessments; (ii) the revised Special Islands Needs Allowance (SINA); (iii) each council's individual share of the ongoing revenue grants which have been rolled up into the core local government finance settlement; (iv) each council's share of all the baselined redeterminations since Spending Review 2007; (v) the shares of both the £350 million for the council tax freeze over the period 2008-13 and the £70 million for the council tax freeze in 2013-14.

Column 2 – is the new combined total, non-ring-fenced, changes in general provision resulting from Spending Reviews 2007, 2010, 2011, and allocated pro-rata to each council's share of GAE plus SINA.

Column 3 – represents the updated share of the loan charges support for outstanding and new debt and the same level of ongoing PPP level playing field support.

Column 4 – is the main floor adjustment which has been calculated as in previous years by excluding PPP level playing field support. The amount of the ongoing revenue grants which have been rolled up into the core local government finance settlement and the council tax freeze amounts were also excluded on the grounds of stability.

Column 5 – this is the net revenue expenditure recognised by the Scottish Government and represents the sum of columns 1 to 4.

Column 6 – is the assumption of the amount of Total Estimated Expenditure to be funded from the council tax. Any changes are as a result of buoyancy or projected numbers of properties.

Column 7 – was each council's share of the on-going Ring-Fenced revenue grants at the time of Spending Review 2011 excluding Police.

Column 8 – is each council's share of the estimated non-domestic rate income which has been distributed proportionately on the basis of council's 2011-12 mid-year income returns net of prior year adjustments.

Column 9 – is the balance of funding provided by means of general revenue funding and is calculated by deducting columns 6, 7 and 8 from the Total Estimated Expenditure in column 5.

Column 10 – represents the total revenue funding available to each council in that year assuming that Councils accept the full package agreed with COSLA's Leadership.

Column 11 – is the 85% floor adjustment which has been calculated at the end of the process to meet the Scottish Government's commitment to ensure that no Local Authority receives less than 85% of the Scottish average in terms of revenue support at the time of the outcome of Spending Review 2011.

Column 12 – The total funding from the most recent published figures 2013-14 (Finance Circular 2/2013) and for 2014-15 (Finance Circular 1/2013).

Column 13 – represents the changes to the funding allocations since the most recent Finance Circular.

Column 14 This revised total column shows the total at column 10 less the changes in column 12 and includes the share of the 85% floor adjustment.

Column 15 - The final column of Annex C shows the amount, for illustrative purposes, which the Scottish Government plans to holdback under the terms of the offer letter, set out on a council by council basis. This has been distributed using the same underlying methodology as was used in calculating the actual settlement.

INDIVIDUAL SHARE OF THE ADDITIONAL £70 MILLION FOR THE COUNCIL TAX FREEZE

Local Authority £million	2014-15 Annual Share of £70 million
Aberdeen City	3.275
Aberdeenshire	3.558
Angus	1.396
Argyll & Bute	1.423
Clackmannanshire	0.667
Dumfries & Galloway	1.874
Dundee City	1.743
East Ayrshire	1.492
East Dunbartonshire	1.616
East Lothian	1.402
East Renfrewshire	1.355
Edinburgh, City of	6.996
Eilean Siar	0.293
Falkirk	1.833
Fife	4.637
Glasgow City	7.694
Highland	3.294
Inverclyde	1.015
Midlothian	1.134
Moray	1.134
North Ayrshire	1.753
North Lanarkshire	3.785
Orkney	0.244
Perth & Kinross	2.150
Renfrewshire	2.329
Scottish Borders	1.529
Shetland	0.248
South Ayrshire	1.643
South Lanarkshire	3.870
Stirling	1.341
West Dunbartonshire	1.190
West Lothian	2.087
Scotland	70.000

ESTIMATES OF RING-FENCED REVENUE GRANT FUNDING FOR 2014-15

	Gaelic*
	£m
Aberdeen City	0.104
Aberdeenshire	0.037
Angus	0.045
Argyll & Bute	0.383
Clackmannanshire	0.000
Dumfries & Galloway	0.000
Dundee City	0.000
East Ayrshire	0.152
East Dunbartonshire	0.074
East Lothian	0.000
East Renfrewshire	0.020
Edinburgh, City of	0.299
Eilean Siar	0.991
Falkirk	0.012
Fife	0.000
Glasgow City	0.518
Highland	0.951
Inverclyde	0.090
Midlothian	0.000
Moray	0.000
North Ayrshire	0.085
North Lanarkshire	0.289
Orkney Islands	0.000
Perth & Kinross	0.080
Renfrewshire	0.033
Scottish Borders	0.004
Shetland Islands	0.000
South Ayrshire	0.000
South Lanarkshire	0.158
Stirling	0.137
West Dunbartonshire	0.020
West Lothian	0.000
Scotland	4.482

*Note: The figures for this are provisional and represent the best estimates of the funding available. The actual allocation of these specific revenue grants will be notified to the relevant local authorities in due course.

ANNEX G

2014-15 Changes from Finance Circular 1/2013															
	CONFIRMED									TOTAL	TO BE CONFIRMED				
£million	Teachers' Induction Scheme	Copyright for School Pupils	Customer First	National Care Home Contract	Children and Young People Bill	Hostels Grant	Removal of Hostels Specific Grant	Sensory Impairment	Net change in NDR/GRG Shift	Total	Council Tax Reduction Scheme	Funding for Second Languages	Discretionary Housing Payments	Scottish Welfare Fund	CTRS Admin Costs
Aberdeen City	0.331	-0.044	0.000	0.094	1.833	0.278	-0.499	0.041	0.000	2.034	0.000	0.131	0.000	0.000	0.000
Aberdeenshire	0.523	-0.065	0.000	0.101	2.737	0.091	-0.047	0.046	0.000	3.386	0.000	0.208	0.000	0.000	0.000
Angus	0.228	-0.035	0.000	0.063	1.112	0.029	0.000	0.021	0.000	1.418	0.000	0.091	0.000	0.000	0.000
Argyll & Bute	0.170	-0.028	0.000	0.053	0.842	0.042	0.000	0.016	0.000	1.095	0.000	0.062	0.000	0.000	0.000
Clackmannanshire	0.096	-0.020	0.000	0.021	0.607	0.018	0.000	0.015	0.000	0.737	0.000	0.041	0.000	0.000	0.000
Dumfries & Galloway	0.306	-0.041	0.000	0.089	1.536	0.133	-0.070	0.028	0.000	1.981	0.000	0.113	0.000	0.000	0.000
Dundee City	0.285	-0.038	0.000	0.088	1.370	0.073	-0.107	0.028	0.000	1.699	0.000	0.104	0.000	0.000	0.000
East Ayrshire	0.228	-0.035	0.000	0.061	1.112	0.213	-0.307	0.022	0.000	1.294	0.000	0.096	0.000	0.000	0.000
East Dunbartonshire	0.231	-0.036	0.000	0.045	0.958	0.062	0.000	0.019	0.000	1.279	0.000	0.092	0.000	0.000	0.000
East Lothian	0.189	-0.031	0.000	0.049	1.006	0.048	0.000	0.018	0.000	1.279	0.000	0.081	0.000	0.000	0.000
East Renfrewshire	0.239	-0.037	0.000	0.038	0.804	0.107	-0.136	0.017	0.000	1.032	0.000	0.092	0.000	0.000	0.000
Edinburgh, City of	0.644	-0.083	0.000	0.209	4.239	0.498	-0.246	0.087	0.000	5.348	0.000	0.271	0.000	0.000	0.000
Eilean Siar	0.069	-0.015	0.000	0.018	0.287	0.009	0.000	0.015	0.000	0.383	0.000	0.021	0.000	0.000	0.000
Falkirk	0.310	-0.043	0.000	0.072	1.559	0.535	-1.119	0.029	0.000	1.343	0.000	0.125	0.000	0.000	0.000
Fife	0.697	-0.087	0.000	0.192	3.527	0.402	-0.496	0.067	0.000	4.302	0.000	0.290	0.000	0.000	0.000
Glasgow City	0.989	-0.115	0.000	0.256	5.519	0.793	-0.520	0.107	0.000	7.029	0.000	0.391	0.000	0.000	0.000
Highland	0.469	-0.062	0.000	0.112	2.456	0.116	0.000	0.042	0.000	3.133	0.000	0.182	0.000	0.000	0.000
Inverclyde	0.150	-0.026	0.000	0.045	0.709	0.203	-0.458	0.015	0.000	0.638	0.000	0.060	0.000	0.000	0.000
Midlothian	0.167	-0.028	0.000	0.037	0.804	0.055	0.000	0.015	0.000	1.050	0.000	0.071	0.000	0.000	0.000
Moray	0.176	-0.029	0.000	0.045	0.917	0.435	-0.450	0.017	0.000	1.111	0.000	0.070	0.000	0.000	0.000
North Ayrshire	0.263	-0.039	0.000	0.070	1.262	0.387	-0.436	0.025	0.000	1.532	0.000	0.110	0.000	0.000	0.000
North Lanarkshire	0.702	-0.089	1.900	0.141	3.323	0.073	0.000	0.061	0.000	6.111	0.000	0.291	0.000	0.000	0.000
Orkney Islands	0.050	-0.014	0.000	0.011	0.222	0.007	0.000	0.015	0.000	0.291	0.000	0.015	0.000	0.000	0.000
Perth & Kinross	0.270	-0.038	0.000	0.079	1.491	0.389	-0.335	0.027	0.000	1.883	0.000	0.106	0.000	0.000	0.000
Renfrewshire	0.316	-0.048	0.000	0.081	1.689	0.368	-0.451	0.030	0.000	1.985	0.000	0.137	0.000	0.000	0.000
Scottish Borders	0.226	-0.034	0.000	0.061	1.200	0.016	0.000	0.020	0.000	1.489	0.000	0.088	0.000	0.000	0.000
Shetland Islands	0.070	-0.015	0.000	0.011	0.277	0.008	-0.014	0.015	0.000	0.352	0.000	0.019	0.000	0.000	0.000
South Ayrshire	0.223	-0.033	0.000	0.068	0.967	0.107	-0.209	0.020	0.000	1.143	0.000	0.083	0.000	0.000	0.000
South Lanarkshire	0.633	-0.080	0.000	0.147	2.903	1.245	-1.380	0.057	0.000	3.525	0.000	0.257	0.000	0.000	0.000
Stirling	0.184	-0.030	0.000	0.039	0.828	0.165	-0.473	0.017	0.000	0.730	0.000	0.072	0.000	0.000	0.000
West Dunbartonshire	0.177	-0.029	0.000	0.044	0.935	0.030	0.000	0.017	0.000	1.174	0.000	0.073	0.000	0.000	0.000
West Lothian	0.389	-0.052	0.000	0.060	1.818	0.065	0.000	0.031	0.000	2.311	0.000	0.157	0.000	0.000	0.000
Scotland	10.000	-1.399	1.900	2.500	50.849	7.000	-7.753	1.000	0.000	64.097	343.000	4.000	20.000	0.000	7.050

ANNEX H

2013-14 Redeterminations														
CONFIRMED													TOTAL	TBC
£million	Teachers' Induction Scheme	Funding for Second Languages	Renfrew shire Housing Business Transformation	Street Lighting	Regional Land Use	Discretionary Housing Payments	Customer First	National Care Home Contract	Police Committed Reserves	Police Uncommitted Reserves	School Resource Materials	Sensory Impairment	Confirmed Total	Council Tax Reduction Scheme
Aberdeen City	0.765	0.131	0.000	0.084	0.000	0.444	0.000	0.094	-4.289	-0.056	0.033	0.041	-2.753	0.000
Aberdeenshire	1.242	0.208	0.000	0.081	0.122	0.883	0.000	0.101	-3.251	-0.043	0.051	0.046	-0.560	0.000
Angus	0.508	0.091	0.000	0.042	0.000	0.614	0.000	0.063	0.000	-0.746	0.024	0.021	0.617	0.000
Argyll & Bute	0.259	0.062	0.000	0.043	0.000	0.550	0.000	0.053	-0.148	-0.702	0.017	0.016	0.150	0.000
Clackmannanshire	0.371	0.041	0.000	0.021	0.000	0.265	0.000	0.021	0.000	-0.140	0.009	0.015	0.603	0.000
Dumfries & Galloway	0.793	0.113	0.000	0.062	0.000	0.978	0.000	0.089	0.000	-0.508	0.030	0.028	1.585	0.000
Dundee City	0.547	0.104	0.000	0.055	0.000	0.501	0.000	0.088	0.000	-1.388	0.028	0.028	-0.037	0.000
East Ayrshire	0.457	0.096	0.000	0.044	0.000	0.255	0.000	0.061	-0.156	-0.739	0.024	0.022	0.064	0.000
East Dunbartonshire	1.397	0.092	0.000	0.041	0.000	0.160	0.000	0.045	-0.107	-0.506	0.025	0.019	1.166	0.000
East Lothian	0.892	0.081	0.000	0.033	0.000	0.204	0.000	0.049	0.000	-0.413	0.019	0.018	0.883	0.000
East Renfrew shire	1.356	0.092	0.000	0.038	0.000	0.124	0.000	0.038	-0.081	-0.385	0.026	0.017	1.225	0.000
Edinburgh, City of	1.090	0.271	0.000	0.137	0.000	2.125	0.000	0.209	0.000	-2.711	0.064	0.087	1.272	0.000
Eilean Siar	0.199	0.021	0.000	0.017	0.000	0.159	0.000	0.018	0.000	0.000	0.006	0.015	0.435	0.000
Falkirk	1.102	0.125	0.000	0.070	0.000	0.267	0.000	0.072	0.000	-0.458	0.031	0.029	1.238	0.000
Fife	1.685	0.290	0.000	0.145	0.000	0.800	0.000	0.192	0.000	-0.793	0.072	0.067	2.458	0.000
Glasgow City	2.036	0.391	0.000	0.224	0.000	3.553	0.000	0.256	-1.367	-6.477	0.093	0.107	-1.184	0.000
Highland	1.477	0.182	0.000	0.104	0.000	1.466	0.000	0.112	0.000	-1.091	0.051	0.042	2.343	0.000
Inverclyde	0.447	0.060	0.000	0.028	0.000	0.227	0.000	0.045	-0.127	-0.603	0.015	0.015	0.107	0.000
Midlothian	0.436	0.071	0.000	0.034	0.000	0.237	0.000	0.037	0.000	-0.397	0.019	0.015	0.452	0.000
Moray	0.407	0.070	0.000	0.040	0.000	0.375	0.000	0.045	-1.470	-0.019	0.019	0.017	-0.516	0.000
North Ayrshire	0.522	0.110	0.000	0.056	0.000	0.460	0.000	0.070	-0.186	-0.881	0.028	0.025	0.204	0.000
North Lanarkshire	1.691	0.291	0.000	0.129	0.000	0.697	2.000	0.141	-0.438	-2.076	0.076	0.061	2.572	0.000
Orkney Islands	0.188	0.015	0.000	0.012	0.000	0.096	0.000	0.011	0.000	0.000	0.004	0.015	0.341	0.000
Perth & Kinross	0.811	0.106	0.000	0.053	0.000	0.778	0.000	0.079	0.000	-0.923	0.025	0.027	0.956	0.000
Renfrew shire	1.234	0.137	1.000	0.065	0.000	0.397	0.000	0.081	-0.256	-1.212	0.036	0.030	1.512	0.000
Scottish Borders	0.465	0.088	0.000	0.037	0.115	0.669	0.000	0.061	0.000	-0.583	0.022	0.020	0.894	0.000
Shetland Islands	0.149	0.019	0.000	0.012	0.000	0.108	0.000	0.011	0.000	0.000	0.005	0.015	0.319	0.000
South Ayrshire	0.784	0.083	0.000	0.042	0.000	0.389	0.000	0.068	-0.142	-0.673	0.023	0.020	0.594	0.000
South Lanarkshire	1.842	0.257	0.000	0.117	0.000	0.731	0.000	0.147	-0.383	-1.814	0.065	0.057	1.019	0.000
Stirling	0.907	0.072	0.000	0.038	0.000	0.594	0.000	0.039	0.000	-0.288	0.020	0.017	1.399	0.000
West Dunbartonshire	0.493	0.073	0.000	0.032	0.000	0.516	0.000	0.044	-0.171	-0.808	0.019	0.017	0.215	0.000
West Lothian	0.957	0.157	0.000	0.064	0.000	0.378	0.000	0.060	0.000	-0.855	0.037	0.031	0.829	0.000
Scotland	27.509	4.000	1.000	2.000	0.237	20.000	2.000	2.500	-12.572	-28.288	1.016	1.000	20.402	70.200

INDIVIDUAL CAPITAL GRANT FUNDING FOR 2013-14

ANNEX I

	Spending Review 2011			Changes			Other Funding		Total Capital
	2013-14								
Authority	General Capital Grant	Specific Capital Grants - Finance	Total Capital Grants - Finance	Police Reserves	Revised Total Settlement	Urban Broadband	Schools Funding	Digital Infrastructure	Revised Total Capital Grants
Aberdeen City	15.805	0.232	16.037	-1.798	14.239		0.000		14.239
Aberdeenshire	19.926	0.262	20.188	-1.361	18.827		3.938		22.765
Angus	9.132	0.118	9.250	0.000	9.250		0.000		9.250
Argyll & Bute	10.150	0.095	10.245	-0.254	9.991		0.000		9.991
Clackmannanshire	4.065	0.054	4.119	0.000	4.119		0.000		4.119
Dumfries & Galloway	14.074	0.158	14.232	0.000	14.232		0.000		14.232
Dundee City	12.978	1.227	14.205	0.000	14.205		0.000		14.205
East Ayrshire	7.397	0.128	7.525	-0.267	7.258		0.000		7.258
East Dunbartonshire	6.640	0.112	6.752	-0.183	6.569		0.000		6.569
East Lothian	7.423	0.104	7.527	-0.006	7.521		0.000		7.521
East Renfrewshire	5.206	0.096	5.302	-0.139	5.163		0.508		5.671
Edinburgh, City of	39.935	22.657	62.592	-0.038	62.554	0.300	0.000		62.854
Eilean Siar	7.019	0.028	7.047	0.000	7.047		0.000		7.047
Falkirk	9.564	0.164	9.728	0.000	9.728		0.000		9.728
Fife	23.330	0.390	23.720	0.000	23.720		0.564		24.284
Glasgow City	50.656	55.170	105.826	-2.339	103.487		0.000		103.487
Highland	29.908	1.157	31.065	-4.171	26.894		0.000		26.894
Inverclyde	5.858	0.085	5.943	-0.218	5.725		1.813		7.538
Midlothian	6.486	0.087	6.573	-0.006	6.567		0.621		7.188
Moray	33.528	0.094	33.622	-0.616	33.006		0.000		33.006
North Ayrshire	9.597	0.144	9.741	-0.318	9.423		0.000		9.423
North Lanarkshire	21.448	1.912	23.360	-0.750	22.610		0.000		22.610
Orkney Islands	4.773	0.021	4.794	0.000	4.794		1.236		6.030
Perth & Kinross	11.621	0.158	11.779	0.000	11.779		0.000		11.779
Renfrewshire	12.437	0.182	12.619	-0.438	12.181		4.416		16.597
Scottish Borders	12.125	0.121	12.246	-0.008	12.238		0.000		12.238
Shetland Islands	4.907	0.024	4.931	0.000	4.931		0.000		4.931
South Ayrshire	8.073	0.119	8.192	-0.243	7.949		0.000		7.949
South Lanarkshire	20.121	1.498	21.619	-0.655	20.964		0.000		20.964
Stirling	7.216	0.096	7.312	0.000	7.312		0.027		7.339
West Dunbartonshire	7.000	0.097	7.097	-0.292	6.805		1.528		8.333
West Lothian	11.510	0.184	11.694	-0.012	11.682		0.000		11.682
Undistributed - Councils	0.000	0.002	0.002	0.000	0.002		36.585	14.800	51.387
Councils Total	449.908	86.976	536.884	-14.112	522.772	0.300	51.236	14.800	589.108
Fire Boards	0.000	0.000	0.000						
Strathclyde Partnership for Transport	0.000	15.337	15.337		15.337				15.337
Grand Total	449.908	102.313	552.221	-14.112	538.109	0.300	51.236	14.800	604.445

INDIVIDUAL CAPITAL GRANT FUNDING FOR 2014-15

ANNEX J

	Spending Review 2011		Total Capital Grants	Changes		Other Funding		Total Capital
	2014-15	Specific Capital Grants		Children and Young People	Revised Total Settlement	Schools Funding	Digital Infrastructure	Revised Total Capital Grants
Authority	General Capital Grant	Specific Capital Grants	Total Capital Grants	Children and Young People	Revised Total Settlement	Schools Funding	Digital Infrastructure	Revised Total Capital Grants
Aberdeen City	22.000	0.341	22.341	1.088	23.429	0.000	0.000	23.429
Aberdeenshire	27.381	0.385	27.766	1.653	29.419	0.000	0.000	29.419
Angus	12.200	0.173	12.373	0.662	13.035	0.000	0.000	13.035
Argyll & Bute	13.565	0.140	13.705	0.503	14.208	0.000	0.000	14.208
Clackmannanshire	5.319	0.079	5.398	0.357	5.755	0.000	0.000	5.755
Dumfries & Galloway	19.226	0.232	19.458	0.913	20.371	0.000	0.000	20.371
Dundee City	17.491	0.226	17.717	0.795	18.512	0.000	0.000	18.512
East Ayrshire	9.934	0.189	10.123	0.646	10.769	0.000	0.000	10.769
East Dunbartonshire	8.831	0.164	8.995	0.575	9.570	0.000	0.000	9.570
East Lothian	10.015	0.153	10.168	0.599	10.767	0.000	0.000	10.767
East Renfrewshire	6.828	0.140	6.968	0.483	7.451	0.000	0.000	7.451
Edinburgh, City of	48.148	33.274	81.422	2.510	83.932	0.000	0.000	83.932
Eilean Siar	8.546	0.041	8.587	0.173	8.760	0.000	0.000	8.760
Falkirk	13.015	0.240	13.255	0.918	14.173	0.000	0.000	14.173
Fife	32.489	0.573	33.062	2.067	35.129	0.000	0.000	35.129
Glasgow City	66.567	76.959	143.526	3.191	146.717	0.000	0.000	146.717
Highland	38.513	0.348	38.861	1.467	40.328	0.000	0.000	40.328
Inverclyde	7.838	0.125	7.963	0.413	8.376	0.000	0.000	8.376
Midlothian	8.787	0.127	8.914	0.471	9.385	0.000	0.000	9.385
Moray	25.336	0.138	25.474	0.547	26.021	0.000	0.000	26.021
North Ayrshire	13.134	0.212	13.346	0.730	14.076	0.000	0.000	14.076
North Lanarkshire	30.138	0.512	30.650	1.945	32.595	0.000	0.000	32.595
Orkney Islands	6.323	0.032	6.355	0.135	6.490	0.000	0.000	6.490
Perth & Kinross	15.833	0.232	16.065	0.892	16.957	0.000	0.000	16.957
Renfrewshire	15.874	0.267	16.141	0.995	17.136	0.000	0.000	17.136
Scottish Borders	14.203	0.177	14.380	0.719	15.099	0.000	0.000	15.099
Shetland Islands	6.549	0.035	6.584	0.168	6.752	0.000	0.000	6.752
South Ayrshire	10.881	0.175	11.056	0.569	11.625	0.000	0.000	11.625
South Lanarkshire	28.251	0.489	28.740	1.708	30.448	0.000	0.000	30.448
Stirling	9.649	0.141	9.790	0.495	10.285	0.000	0.000	10.285
West Dunbartonshire	8.752	0.142	8.894	0.542	9.436	0.000	0.000	9.436
West Lothian	15.034	0.270	15.304	1.071	16.375	0.000	0.000	16.375
Undistributed - Councils	16.325	10.991	27.316	0.000	27.316	50.500	20.200	98.016
Councils Total	592.975	127.722	720.697	30.000	750.697	50.500	20.200	821.397
Strathclyde Partnership for Transport	0.000	22.524	22.524		22.524			22.524
Grand Total	592.975	150.246	743.221	30.000	773.221	50.500	20.200	843.921