

Document 7

26 April 2018
13:21

[REDACTED]

From: [REDACTED]
Sent: 03 April 2018 10:23
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Local Government Overview report

[REDACTED]

As mentioned earlier, we compare budget to budget or outturn to outturn and we will have to make that point when asked about why the figures in the Overview Report are different from what we have been stating. I note that the footnote now states the comparison being made is outturn to budget.

[REDACTED]

Team Leader – Revenue and Capital
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From: [REDACTED] [mailto:[REDACTED]]
Sent: 02 April 2018 11:13
To: [REDACTED]
Cc: Smith [REDACTED];
Subject: RE: Local Government Overview report

[REDACTED]

Thank you for your comments. I wanted to let you know that the footnote now says:

Revenue funding includes the general revenue grant, non-domestic rate income and specific revenue grants. Figures for 2017/18 and 2018/19 are based upon the annual totals set out by the Scottish Government in 'Local Government Finance Circular No. 4/2018' and we have compared 2017/18 outturn to the 2018/19 budgeted funding. These totals reflect a £34.5 million redetermination of funding in 2017/18 being classified as funding to councils for 2018/19. We will consider any implications of this funding arrangement for councils during both the 2017/18 annual audit process and our subsequent financial overview of local government.

Our report is ready to publish on Thursday, thank you for your help throughout the audit.

Kind Regards

[REDACTED]

From: [REDACTED]@gov.scot [mailto:[REDACTED]@gov.scot]
Sent: 27 March 2018 10:44
To: [REDACTED]
Cc: [REDACTED]@gov.scot; [REDACTED]@gov.scot; [REDACTED]@gov.scot;
[REDACTED]@gov.scot; [REDACTED]@gov.scot; [REDACTED]@gov.scot; [REDACTED]@gov.scot
Subject: RE: Local Government Overview report

[REDACTED]

It looks like you have compared the 2018-19 budgeted revenue figure (£9,814.4 million) with the outturn for 2017-18 from Circular 4/2018 (£9,650.668 million inflated as against £9,639.480 million from Circular 1/2017). In making such comparisons we compare budget to budget or outturn to outturn to give a true comparison. The budget to budget real terms figure is therefore an increase of 0.3%. If you are going to use the outturn to budget comparison then you will need to make that clear otherwise it will lead to accusations that the Scottish Government has exaggerated the increase (even by such a small amount.) We compare budget to budget as additional money is added every year through undistributed sums at this time of year or new money that is added in year.

I note the comparison between 2010-11 with 2018-19 is budget to budget and I agree the -9.6% real terms figure (given my usual reservations about the treatment of the police and fire funding).

I am content with the rest of your email.

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From: [REDACTED] [mailto:[REDACTED]@audit-scotland.gov.uk]
Sent: 27 March 2018 10:09
To: [REDACTED]
Cc: [REDACTED]
Subject: Local Government Overview report

[REDACTED]

We are in the final stages of proofing the LGO report before it goes to the printers on Thursday. We have updated the funding figures to reflect the revised budget and just wanted to run the revised text and footnote past you. We now have

Scottish Government funding is the largest source of income for councils. Revenue funding, that is funding for day to day services, from the Scottish Government increased by 0.2 per cent in real terms from £9,793 million in 2017/18 to £9,814 million in 2018/19. Between 2010/11 and 2018/19, revenue funding has fallen by 9.6 per cent in real terms.¹

1. Revenue funding includes the general revenue grant, non-domestic rate income and specific revenue grants. Our analysis of funding in both 2017/18 and 2018/19 is based upon the annual totals set out by the Scottish Government in 'Local Government Finance Circular No. 4/2018'. These totals reflect a £34.5 million redetermination of funding in 2017/18 being classified as funding to councils for 2018/19. We will consider any implications of this funding arrangement for councils during both the 2017/18 annual audit process and our subsequent financial overview of local government.

Could you let me know if that is accurate. As we are working to a deadline now if we haven't heard from you by tomorrow evening this is the text that will go in the report. I am about until 3pm today if you would like to discuss, tomorrow I am out of the office but my colleague [REDACTED] can be reached on [REDACTED].

In terms of your other comments we have decided to remove the funding exhibit for this report. It is something we feel would sit better in next years financial overview report and we are hoping to develop it further for that report.

Thanks for all your help.

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Auditor

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