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Local Government Finance Circular No. 5/2017

Chief Executives and Directors of Finance of Scottish
Local Authorities

Chief Executive, Convention of Scottish Local
Authorities (COSLA)

Our Reference: A19575798
14 December 2017

Dear Chief Executive/Director of Finance

1. LOCAL GOVERNMENT FINANCE SETTLEMENT 2018-19 2. NON DOMESTIC RATES

1. This Local Government Finance Circular provides details of the provisional total revenue and capital funding allocations for 2018-19, as well as the latest information on current known redeterminations for 2017-18. This Circular also provides details on a range of business rates measures, including the 2018-19 poundage and proposed changes to certain reliefs.

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 2018 being presented to the Scottish Parliament in late February 2018. Any individual authority not intending to agree the offer and accept the full package of measures and benefits has been requested to write to the Cabinet Secretary for Finance and the Constitution by no later than **Friday 19 January 2018**. For those authorities not agreeing the offer a revised offer will be made.

3. We expect local authorities to inform COSLA, and for COSLA in turn to inform the Scottish Government by no later than 12 January 2018, if they think there are any discrepancies or changes required to these provisional allocations. Any redistribution to address any agreed discrepancies or changes 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 late February 2018 Circular.

4. The Cabinet Secretary for Finance and the Constitution wrote today to the COSLA President, copied to all Council Leaders, confirming the package of measures that make up the settlement to be provided to local government in return for the provisional funding allocations set out in this Circular. This Circular should be read in conjunction with that

letter. The terms of this settlement have been negotiated through COSLA on behalf of all 32 of its member councils.

5. For 2018-19 the Scottish Government will work in partnership with local government to implement the budget and the joint priorities in return for the full funding package which includes:

- Baseline from 2018-19 of the £130 million additional revenue investment announced earlier this year at Stage 1 of the Budget Bill for 2017-18;
- £52.2 million revenue and £150 million capital to deliver on our joint agreed ambitious programme for the expansion of Early Years Education and Childcare provision. This is in addition to the £11 million of revenue which has been added to support the initial expansion of Early Years set out in the 2014 Act provisions;
- an additional £24 million to cover the additional full year cost of the teachers' pay offer for 2017-18;
- a continued funding package of £88 million, made up of £51 million to maintain teacher numbers and £37 million to support the Teacher Induction Scheme. Local authorities will continue to be required to maintain an overall pupil:teacher ratio of 13.7, and secure places for all probationers who require one under the Teacher Induction Scheme;
- an additional £66 million to support additional investment in social care in recognition of a range of pressures local authorities are facing, including support for the implementation of the Carers (Scotland) Act 2016, maintaining our joint commitment to the Living Wage (including our agreement to now extend it to cover sleepovers following the further work we have undertaken) and an increase in the Free Personal and Nursing Care payments;
- maintenance of the £355 million baseline transfer from NHS Boards to Integration Authorities in support for health and social care; and
- the continued flexibility to increase Council Tax by up to 3% which could generate an additional £77 million.

6. The 2018-19 provisional allocations set out in this Circular assume that all councils will sign up to the package and therefore that the **full current distributable revenue amount of £9,400.501 million** will be issued.

7. In addition to the funding set out in this Circular it should be noted that there are a number of further funding streams outwith the local government finance settlement for particular policy initiatives which benefit local government services. Table 10.20 in the Scottish Government's Draft Spending and Tax plans for 2018-19, which is published today, provides further details of these funding streams.

8. The allocations have been arrived at using the standard agreed needs-based distribution methodology and updated indicators. This includes the distribution of the additional funding to support investment in social care and the teachers' pay offer for 2017-18. We will send a separate note shortly providing a full reconciliation of the changes between the 2017-18 and 2018-19 Draft Budgets and between the 2017-18 Draft Budget and the figures in this Circular. We will also provide full details of all the general revenue allocations.

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: 2018-19 and changes in 2017-18;
- Part B: Local Government Finance Settlement – Capital: 2018-19 and changes in 2017-18;
- Part C: Non-Domestic Rates for 2018-19.

The various Annexes included in this Circular are as follows:

- Annex A: All Scotland Aggregated Funding Totals 2017-19;
- Annex B: Individual Revenue Allocations for 2018-19;
- Annex C: Revised Individual Revenue Allocations for 2017-18;
- Annex D: Explanatory Notes on the Revenue Distribution;
- Annex E: Estimates of Ring-Fenced Grant Revenue Funding for 2018-19;
- Annex F: Floor calculation for 2018-19;
- Annex G: Redeterminations of Individual Revenue funding for 2017-18;
- Annex H: 2008-19 Changes Column;
- Annex I: General Capital Grant and Specific Capital Grants 2018-19;
- Annex J: General Capital Grant – Flood Allocations Per Local Authority 2018-19; and
- Annex K: Total Local Government Funding Settlement 2018-19.

Part A: Local Government Finance Settlement - Revenue: 2018-19 and changes in 2017-18

10. This Finance Circular sets out the provisional distribution of revenue funding allocations for 2018-19. **Annex A** of this Circular sets out the all-Scotland aggregate totals for 2017-19.

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 2018-19 and 2017-18. The basis behind the grant distribution methodology is as recommended in the report from the Settlement and Distribution Group and as agreed by COSLA Leaders and Scottish Ministers. The explanatory notes contained in **Annex D** explain the basis behind the calculation of the individual council grant allocations.

12. **Annex E** gives a breakdown of the provisional individual council shares of all the Ring-Fenced revenue grant allocations for 2018-19.

13. The calculation and effects of the main floor adjustment for 2018-19, which provided councils with a maximum decrease in funding of 0.6%, is set out in **Annex F** of this Circular. The setting of the floor at this level reflects requests from local government to restrict the range of annual changes in individual local authority allocations.

14. This Circular confirms that the calculation behind the **85% funding floor** applied in 2017-18 has been retained for 2018-19. The methodology compares total revenue funding plus local authorities estimated council tax income and any council whose total support under this method falls below 85% will be topped up to ensure that all councils receive 85% of the Scottish average total revenue support per head.

15. This Local Government Finance Circular provides details of current known 2017-18 redeterminations at **Annex G** for the General Revenue Grant. The final redetermination allocations for 2017-18 will be included in the Local Government Finance (Scotland) Order 2018.

16. **Annex H** summarises the column within the settlement titled 2008-2019 Changes Column.

Part B: Local Government Finance Settlement – Capital Grants 2018-19 and changes to Capital Grant in 2017-18

17. There are no changes to capital grants for 2017-18. These remain at the values set out in Annex J of Finance Circular 1/2017.

18. In 2018-19 the Local Government Settlement provides capital grants totalling £876.4 million. This is made up of General Capital Grant totalling £598.282 million and Specific Grants totalling £278.082 million.

19. The commitment to repay £150 million of re-profiled capital from 2016-17 will be repaid in full in 2019-20.

20. In addition to the capital settlement local government will also receive capital grant funding of £211.2 million as set out in Table 10.20 of the Draft Budget. For 2018-19 the capital share allocation takes into account, at least in part, the additional funding streams out-with the settlement, except in the case of Early Years which is additional to the share allocation. The value of the capital funding made available to local government exceeds the percentage share commitment made.

21. **Annex I** sets out the provisional distribution of the Settlement for capital per local authority for 2018-19. Capital grants which remain undistributed are identified as such. The methodologies used to calculate these provisional allocations have been agreed with COSLA.

22. The provisional distribution for the General Capital Grant includes allocations for flood schemes. The allocations for these schemes is set out in **Annex J**. Where schemes have slipped and the grant paid in a prior year exceeds the grant due the scheme will show a negative value which will reduce the total General Capital Grant payable to that Council.

23. **Annex K** summarises the Local Government Finance Settlement for 2018-19.

Part C: Non-Domestic Rates for 2018-19

24. The Distributable Amount of Non-Domestic Rates Income for 2018-19 has been provisionally set at £2,636 million. This figure uses the latest forecast of net income from non-domestic rates in 2018-19 and will also draw on council estimates of the amounts they will contribute to the Pool from non-domestic rates in 2017-18. Included in the figure is an estimate of the contributable amount, which from financial year 2018-19 the Scottish Fiscal Commission is responsible for providing, and includes 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 together with estimating changes due to prior year adjustments. The distribution of Non-Domestic Rates Income for 2018-19 has been based on the amount each Council estimates it will collect (based on the 2017-18 mid-year estimates provided by councils). General Revenue Grant provides the guaranteed balance

of funding. This method of allocation provides a clear presentation of the Non-Domestic rates income per council and transparency in the make-up of council funding.

25. The 2018-19 Non-Domestic Rate poundage rate is provisionally set at 48.0p. This has been calculated using CPI as the inflationary uplift (rather than the normal September RPI)

26. The Large Business Supplement for 2018-19 is provisionally set at 2.6p for properties with rateable value over £51,000.

27. Transitional arrangements (including ‘transitional relief’) are proposed to continue into 2018-19 for hospitality properties (with a rateable value up to £1.5 million) and offices in Aberdeen City and Shire. The level of the cap on bill increases from 2017-18 to 2018-19 will be 12.5 % real terms (equivalent to 15.88% in cash terms). This has been calculated using CPI as the inflationary uplift. No other transitional arrangements will apply for 2018-19 bills. Eligibility is subject to compatibility with EU State aid rules.

28. The Small Business Bonus Scheme threshold for 100% relief remains at £15,000, so that the overall scheme is applicable as per the table below. This relief does not constitute de minimis aid under EU State aid rules.

Combined rateable value (RV) of all properties	2018-19 relief
Up to £15,000	100%
£15,001 to £18,000	25%
£18,001 to £35,000	25% on individual property each with rateable value up to £18,000 *

** A ratepayer with multiple properties with a cumulative RV between £15,001 and £35,000 can be eligible for 25% relief for individual properties each with RV up to £18,000.*

29. It is proposed that Fresh Start relief will be expanded, so that the relief can apply to all types of non-domestic properties and the qualifying period that the properties must be empty before it is entitled to relief will halve from the current 12 months to 6 months. The level of relief offered will also double – from 50% to 100%. This relief does not constitute de minimis aid under EU State aid rules.

30. A new Business Growth Accelerator is proposed to apply from 1 April 2018. This will delay any increases in rates liability due to the improvement of or expansion of an existing property for 12 months, and also mean that new-build properties pay no rates for an initial year once entered on the valuation roll. More detail on this will be confirmed shortly.

31. Additionally any new build property will not be entered onto the roll by the Assessors until it is occupied. Accordingly, the previous Scottish Government guidance on the use of completion notices, contained in **Local Government Finance Circular No. 9/2009** issued on 15 June 2009, **is now to be considered withdrawn**.

32. A new relief for day nurseries is proposed. This will offer 100% relief for properties wholly or mainly used to provide day nursery care for pre-school children. The relief will apply under de minimis rules, however where Councils take a view that public sector nurseries do not compete with the private sector, State aid de minimis may not apply.

33. It is proposed to create a new relief for hydro generation properties at 60% for properties with a rateable value of up to £5 million. This relief is awarded under de minimis rules and will be applicable cumulatively with the community renewables generation relief.

34. The Scottish Government commitment for a new relief for new broadband fibre infrastructure will be met in 2018-19 by the growth accelerator. Details on how this support for broadband fibre will continue from 2019-20 onwards will be confirmed in due course.

35. Following the external Barclay review which published its report on 22 August, the Scottish Government has published an implementation plan. This sets out further detail on how the Scottish Government will take forward the Barclay recommendations it has accepted, including several which will be introduced in years beyond 2018-19. This is accessible at www.gov.scot/businessrates.

36. No other NDR changes are proposed for 2018-19 at this time.

37. Details of the Business Rates Incentivisation Scheme (BRIS) outcome for 2016-17, and revised targets for 2017-18 and provisional targets for 2018-19 will be confirmed shortly.

Enquiries relating to this Circular

38. 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 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 Revenue Settlement and BRIS.
Bill Stitt 0131 244 7044 bill.stitt@gov.scot

Local Government Finance Settlement (Capital)
Craig Inglis 0131 244 2949 craig.inglis@gov.scot

Non-Domestic Rates
Marianne Barker 0131 244 5328 marianne.barker@gov.scot

39. This Circular will be made available through the Local Government section of the Scottish Government website at:
www.gov.scot/Topics/Government/local-government/17999/11203

Yours faithfully



DR DONNA MACKINNON

Deputy Director, Local Government & Analytical Services Division

ALL SCOTLAND AGGREGATED FUNDING TOTALS 2017-19 ANNEX A

	2017-18	2018-19
	£ million	£ million
Revenue Funding		
General Resource Grant	6,771.022	6,731.620
Non Domestic Rate Income	2,665.800	2,636.000
Specific Revenue Grants	211.008	263.150
Total Revenue	9,647.830	9,630.770
<i>less Teachers' Induction Scheme</i>	37.473	37.469
<i>less Discretionary Housing Payments</i>	9.400	52.100
<i>less Gaelic</i>	0.096	0.110
<i>less Criminal Justice Social Work</i>	0.000	86.450
<i>less Early Years Expansion</i>	0.000	52.200
<i>less Customer First top-up</i>	0.000	1.940
Distributable Revenue Funding	9,600.861	9,400.501
Capital Funding		
General Capital Grant	653.101	598.282
Specific Capital Grants	113.286	259.049
Distributed to SPT	20.132	19.033
Total Capital	786.519	876.364
Total Funding	10,434.349	10,507.134

2017-18 Changes from Circular 1/2017	
General Resource Grant	6,762.672
Building Warrant Fees	-1.125
Customer First	1.940
Discretionary Housing Payments Admin	1.215
Sensory Impairment	0.320
Teachers Pay	6.000
Revised General Resource Grant	6,771.022

INDIVIDUAL REVENUE ALLOCATIONS FOR 2018-19

ANNEX B

	Expenditure					Funding						
	1	2	3	4	5	6	7	8	9	10	11	12
£million	Updated Service Provision	2008-19 Changes	Loan Charges/ PPP/ LPFS	Main Floor	Total Estimated Expenditure	Assumed Council Tax contribution	Total Ring-fenced Grants	Non Domestic Rates	General Revenue Funding	Total	85% floor	Revised Total
Aberdeen City	375.389	7.062	21.859	-2.115	402.195	91.893	2.911	227.801	79.590	310.302	8.700	319.002
Aberdeenshire	486.862	9.770	23.126	-6.538	513.220	109.944	2.841	110.710	289.725	403.276	0.000	403.276
Angus	223.369	4.382	13.162	-3.093	237.820	43.132	2.102	25.101	167.485	194.688	0.000	194.688
Argyll & Bute	196.683	3.637	10.994	15.229	226.543	39.092	1.701	33.035	152.715	187.451	0.000	187.451
Clackmannanshire	104.640	1.894	5.536	-0.643	111.427	19.139	1.517	15.326	75.445	92.288	0.000	92.288
Dumfries & Galloway	313.737	6.014	19.743	-4.374	335.120	58.854	2.878	44.229	229.159	276.266	0.000	276.266
Dundee City	313.159	5.602	18.570	-4.405	332.926	47.467	4.935	55.553	224.971	285.459	0.000	285.459
East Ayrshire	246.470	4.546	11.991	-1.770	261.237	41.782	3.567	26.073	189.815	219.455	0.000	219.455
East Dunbartonshire	217.632	4.170	8.892	-2.742	227.952	49.617	1.617	21.791	154.927	178.335	0.000	178.335
East Lothian	197.855	3.813	7.078	-0.052	208.694	43.590	1.512	23.744	139.848	165.104	0.000	165.104
East Renfrewshire	200.789	3.973	11.884	-2.658	213.988	42.288	1.410	14.318	155.972	171.700	0.000	171.700
Edinburgh, City of	847.957	15.638	27.664	21.558	912.817	216.243	7.593	340.474	348.507	696.574	0.000	696.574
Eilean Siar	75.467	1.526	10.712	15.387	103.092	9.483	1.247	7.702	84.660	93.609	0.000	93.609
Falkirk	303.967	5.854	21.727	-3.868	327.680	58.170	3.509	65.958	200.043	269.510	0.000	269.510
Fife	710.601	13.744	36.237	-8.304	752.278	136.675	10.002	154.138	451.463	615.603	0.000	615.603
Glasgow City	1,275.879	22.262	110.869	12.337	1,421.347	211.640	22.100	340.778	846.829	1,209.707	0.000	1,209.707
Highland	487.574	9.480	36.598	-6.879	526.773	95.827	4.908	126.537	299.501	430.946	0.000	430.946
Inverclyde	171.523	3.052	11.927	0.909	187.411	27.541	2.500	18.363	139.007	159.870	0.000	159.870
Midlothian	175.780	3.318	10.672	-2.371	187.399	34.721	2.233	28.115	122.330	152.678	0.000	152.678
Moray	176.155	3.472	10.002	-2.497	187.132	33.511	1.305	40.151	112.165	153.621	0.000	153.621
North Ayrshire	297.199	5.396	15.150	-2.380	315.365	49.372	4.425	39.471	222.097	265.993	0.000	265.993
North Lanarkshire	684.636	12.840	12.811	-1.881	708.406	114.374	8.940	104.339	480.753	594.032	0.000	594.032
Orkney Islands	68.464	1.430	6.804	-1.158	75.540	7.925	0.228	9.376	58.011	67.615	0.000	67.615
Perth & Kinross	285.081	5.491	14.398	-1.737	303.233	64.139	1.722	51.953	185.419	239.094	0.000	239.094
Renfrewshire	355.604	6.600	9.686	-4.626	367.264	68.169	4.231	120.105	174.759	299.095	0.000	299.095
Scottish Borders	229.860	4.475	15.286	-3.188	246.433	47.338	1.750	32.790	164.555	199.095	0.000	199.095
Shetland Islands	73.410	1.601	9.087	3.076	87.174	8.140	0.219	23.852	54.963	79.034	0.000	79.034
South Ayrshire	227.866	4.245	10.772	-1.906	240.977	47.401	2.389	38.299	152.888	193.576	0.000	193.576
South Lanarkshire	627.753	11.974	12.934	8.035	660.696	120.940	7.967	295.500	236.289	539.756	0.000	539.756
Stirling	186.109	3.554	12.680	-1.838	200.505	38.389	1.567	42.273	118.276	162.116	0.000	162.116
West Dunbartonshire	204.728	3.554	6.756	-0.590	214.448	33.139	3.405	78.812	99.092	181.309	0.000	181.309
West Lothian	350.830	6.806	14.809	-4.918	367.527	62.867	5.159	79.333	220.168	304.660	0.000	304.660
Scotland	10,693.012	201.175	570.416	0.000	11,464.603	2,072.802	124.390	2,636.000	6,631.411	9,391.801	8.700	9,400.501

REVISED INDIVIDUAL REVENUE ALLOCATIONS FOR 2017-18

ANNEX C

	Expenditure					Funding							
	1	2	3	4	5	6	6a	7	8	9	10	11	12
£million	Updated Service Provision	2008-18 Changes	Loan Charges/ PPP/ LPFS	Main Floor	Total Estimated Expenditure	Assumed Council Tax contribution	Council Tax Reform Income	Total Ring-fenced Grants	Non Domestic Rates	General Revenue Funding	Total	85% floor	Revised Total
Aberdeen City	384.683	3.618	21.554	-0.317	409.538	87.022	5.911	6.770	205.547	104.288	316.605	10.000	326.605
Aberdeenshire	494.655	9.618	22.019	-6.271	520.021	101.971	8.326	4.940	95.828	308.956	409.724	0.000	409.724
Angus	226.285	4.662	12.684	-2.497	241.134	41.375	1.725	3.593	27.233	167.208	198.034	0.000	198.034
Argyll & Bute	202.676	3.940	10.475	16.183	233.274	36.819	2.376	2.629	29.615	161.835	194.079	0.000	194.079
Clackmannanshire	106.677	1.932	5.356	-0.354	113.611	18.219	0.952	2.738	14.928	76.774	94.440	0.000	94.440
Dumfries & Galloway	318.330	6.408	19.031	-2.997	340.772	56.438	2.479	5.192	45.529	231.134	281.855	0.000	281.855
Dundee City	318.844	4.965	18.428	-3.936	338.301	46.374	1.425	9.028	66.700	214.774	290.502	0.000	290.502
East Ayrshire	251.649	4.762	11.902	-2.016	266.297	40.433	1.568	5.573	29.367	189.356	224.296	0.000	224.296
East Dunbartonshire	220.734	4.301	8.852	-2.357	231.530	45.263	4.576	2.253	23.586	155.852	181.691	0.000	181.691
East Lothian	199.944	3.917	11.347	-2.494	212.714	40.596	2.854	2.705	24.550	142.009	169.264	0.000	169.264
East Renfrewshire	202.880	4.239	13.742	-2.589	218.272	38.361	4.123	1.849	14.427	159.512	175.788	0.000	175.788
Edinburgh, City of	871.431	10.045	26.113	20.622	928.211	199.302	16.129	16.329	355.063	341.388	712.780	0.000	712.780
Eilean Siar	75.882	1.828	13.944	13.168	104.822	9.415	0.142	1.580	7.962	85.723	95.265	0.000	95.265
Falkirk	309.433	5.344	21.358	-3.615	332.520	55.219	2.490	6.375	65.438	202.998	274.811	0.000	274.811
Fife	728.517	12.187	35.338	-9.147	766.895	130.514	6.368	15.611	170.998	443.404	630.013	0.000	630.013
Glasgow City	1,308.161	17.224	113.017	11.374	1,449.776	204.425	7.217	37.587	373.238	827.309	1,238.134	0.000	1,238.134
Highland	498.541	9.009	35.747	-6.533	536.764	91.348	4.816	7.705	122.421	310.474	440.600	0.000	440.600
Inverclyde	175.130	3.144	12.005	0.672	190.951	26.543	1.277	4.001	21.283	137.847	163.131	0.000	163.131
Midlothian	176.625	3.203	10.431	-2.141	188.118	32.395	1.815	3.329	29.273	121.306	153.908	0.000	153.908
Moray	178.236	3.483	9.644	-2.364	188.999	32.198	1.134	2.210	33.406	120.051	155.667	0.000	155.667
North Ayrshire	301.720	5.395	15.164	-1.397	320.882	47.829	1.915	7.660	40.568	222.910	271.138	0.000	271.138
North Lanarkshire	700.109	12.268	12.274	-1.696	722.955	110.306	3.874	15.029	114.474	479.272	608.775	0.000	608.775
Orkney Islands	68.034	1.559	6.698	-1.126	75.165	7.674	0.171	0.473	9.688	57.159	67.320	0.000	67.320
Perth & Kinross	292.948	5.494	13.822	-3.535	308.729	60.033	4.533	3.350	52.035	188.778	244.163	0.000	244.163
Renfrewshire	361.321	5.392	9.452	-3.566	372.599	64.701	3.321	7.088	98.908	198.581	304.577	0.000	304.577
Scottish Borders	232.684	4.781	14.853	-3.020	249.298	44.380	2.809	2.966	32.673	166.470	202.109	0.000	202.109
Shetland Islands	74.141	1.463	9.398	3.922	88.924	7.992	0.188	0.482	23.240	57.022	80.744	0.000	80.744
South Ayrshire	232.673	4.169	10.579	-1.113	246.308	44.784	2.871	3.986	39.756	154.911	198.653	0.000	198.653
South Lanarkshire	644.910	7.499	12.326	8.442	673.177	114.633	5.750	12.333	287.862	252.599	552.794	0.000	552.794
Stirling	190.679	3.288	12.384	-2.363	203.988	35.460	3.529	3.070	42.829	119.100	164.999	0.000	164.999
West Dunbartonshire	209.226	2.417	10.311	-2.427	219.527	32.294	1.018	4.983	77.319	103.913	186.215	0.000	186.215
West Lothian	355.877	5.834	14.287	-4.512	371.486	59.838	2.861	7.495	90.056	211.236	308.787	0.000	308.787
Scotland	10,913.635	177.388	574.535	0.000	11,665.558	1,964.154	110.543	210.912	2,665.800	6,714.149	9,590.861	10.000	9,600.861

The explanation of each of the columns within the tables at Annex B is as follows:

Column 1 – represents the updated on-going 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 on-going 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 the £630 million for the council tax freeze over the period 2008-17 and (vi) new 2018-19 funding.

Column 2 – is the new combined total, non-ring-fenced, changes in general provision resulting from Spending Reviews 2007, 2010, 2011, 2013, 2015 and budget revision for 2016 and 2017 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 debt and the same level of on-going PPP level playing field support. 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 on Annex H of Finance Circular 2/2011.

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 on-going revenue grants which have been rolled up into the core local government finance settlement and the council tax freeze amount, 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, as well as the estimated additional council tax income to be collected and retained by each local authority as a result of the changes to bands E to H.

Column 7 – is each council's share of the on-going Ring-Fenced Grants for Gaelic and the Pupil Equity Fund.

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 2017-18 mid-year income.

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 2018-19. For those authorities not agreeing the offer a revised offer will be made.

Column 11 – is the 85% floor adjustment which has been calculated to meet the Scottish Government's commitment to ensure that no Local Authority receives less than 85% of the Scottish average per head in terms of revenue support.

Columns 12 - is the revised total funding including all the changes and the 85% funding floor adjustments.

Local Authority	Gaelic	Pupil Equity Fund
	£m	£m
Aberdeen City	0.120	2.791
Aberdeenshire	0.012	2.829
Angus	0.035	2.067
Argyll & Bute	0.365	1.336
Clackmannanshire	0.009	1.508
Dumfries & Galloway	0.000	2.878
Dundee City	0.000	4.935
East Ayrshire	0.144	3.423
East Dunbartonshire	0.065	1.552
East Lothian	0.000	1.512
East Renfrewshire	0.016	1.394
Edinburgh, City of	0.330	7.263
Eilean Siar	0.970	0.277
Falkirk	0.014	3.495
Fife	0.000	10.002
Glasgow City	0.520	21.580
Highland	0.940	3.968
Inverclyde	0.082	2.418
Midlothian	0.000	2.233
Moray	0.000	1.305
North Ayrshire	0.067	4.358
North Lanarkshire	0.265	8.675
Orkney Islands	0.000	0.228
Perth & Kinross	0.113	1.609
Renfrewshire	0.022	4.209
Scottish Borders	0.001	1.749
Shetland Islands	0.000	0.219
South Ayrshire	0.012	2.377
South Lanarkshire	0.145	7.822
Stirling	0.125	1.442
West Dunbartonshire	0.018	3.387
West Lothian	0.000	5.159
Scotland	4.390	120.000

Note: These figures are provisional and represent the current best estimates.

The actual allocation of this specific revenue grant will be notified to the relevant local authorities in due course by the policy team.

CALCULATION OF THE MAIN FLOOR ADJUSTMENT FOR 2018-19

ANNEX F

Local Authority	Grant Without Floor	Change Without Floor	Floor Change	Grant With Floor	Change With Floor
	£m	%	£m	£m	%
Midlothian	125.927	4.11%	-2.371	123.556	2.15%
Orkney Islands	61.468	3.96%	-1.158	60.310	2.00%
West Lothian	261.181	2.62%	-4.918	256.263	0.69%
Moray	132.594	2.42%	-2.497	130.097	0.49%
East Dunbartonshire	145.630	2.25%	-2.742	142.888	0.32%
Aberdeenshire	347.181	2.24%	-6.538	340.643	0.31%
Scottish Borders	169.305	2.14%	-3.188	166.117	0.22%
Renfrewshire	245.635	1.99%	-4.626	241.009	0.07%
Angus	164.234	1.79%	-3.093	161.141	-0.12%
Highland	365.320	1.59%	-6.879	358.441	-0.32%
Dumfries & Galloway	232.305	1.57%	-4.374	227.931	-0.34%
Dundee City	233.950	1.49%	-4.405	229.545	-0.42%
East Renfrewshire	141.169	1.34%	-2.658	138.511	-0.56%
East Lothian	137.621	-0.56%	-0.052	137.569	-0.60%
West Dunbartonshire	142.078	-0.19%	-0.590	141.488	-0.60%
Clackmannanshire	74.450	0.27%	-0.643	73.807	-0.60%
Perth & Kinross	195.215	0.29%	-1.737	193.478	-0.60%
East Ayrshire	181.006	0.38%	-1.770	179.236	-0.60%
Stirling	132.177	0.80%	-1.838	130.339	-0.60%
North Lanarkshire	493.996	-0.22%	-1.881	492.115	-0.60%
South Ayrshire	159.389	0.60%	-1.906	157.483	-0.60%
Aberdeen City	250.401	0.25%	-2.115	248.286	-0.60%
North Ayrshire	217.933	0.50%	-2.380	215.553	-0.60%
Falkirk	221.732	1.16%	-3.868	217.864	-0.60%
Fife	523.405	1.00%	-8.304	515.101	-0.60%
Inverclyde	126.221	-1.31%	0.909	127.130	-0.60%
Shetland Islands	69.957	-4.79%	3.076	73.033	-0.60%
South Lanarkshire	439.172	-2.39%	8.035	447.207	-0.60%
Glasgow City	951.780	-1.87%	12.337	964.117	-0.60%
Argyll & Bute	135.956	-10.61%	15.229	151.185	-0.60%
Eilean Siar	68.362	-18.86%	15.387	83.749	-0.60%
Edinburgh (City of)	524.981	-4.52%	21.558	546.539	-0.60%
Scotland	7,671.715	-0.34%	0.000	7,671.715	-0.34%

RECONCILIATION OF REDETERMINATIONS OF INDIVIDUAL REVENUE FUNDING FOR 2017-18

ANNEX G

£million	Undistributed Sums		NEW (Post circular 1/2017)					
	Temporary Accommodation	Council Tax Reduction Scheme	Council Tax Reduction Scheme (ADMIN)	Building Warrant Fees	Customer First	Discretionary Housing Payments (ADMIN Funding)	Sensory Impairment	Teachers Pay
Aberdeen City	0.917	1.449	0.026	-0.050	0.000	0.024	0.014	0.195
Aberdeenshire	0.877	1.605	0.024	-0.082	0.000	0.022	0.015	0.314
Angus	0.264	0.746	0.012	-0.025	0.000	0.019	0.007	0.133
Argyll & Bute	0.254	0.729	0.010	-0.034	0.000	0.019	0.005	0.097
Clackmannanshire	0.274	0.419	0.006	-0.007	0.000	0.014	0.003	0.061
Dumfries & Galloway	0.564	1.160	0.020	-0.042	0.000	0.033	0.009	0.174
Dundee City	0.607	1.547	0.025	-0.022	0.000	0.052	0.009	0.160
East Ayrshire	0.086	1.074	0.014	-0.023	0.000	0.043	0.007	0.140
East Dunbartonshire	0.334	0.596	0.005	-0.020	0.000	0.012	0.006	0.149
East Lothian	0.785	0.636	0.009	-0.021	0.000	0.016	0.006	0.114
East Renfrewshire	0.105	0.592	0.006	-0.024	0.000	0.009	0.006	0.152
Edinburgh, City of	2.107	3.395	0.047	-0.116	0.000	0.107	0.030	0.399
Eilean Siar	0.155	0.154	0.003	-0.009	0.000	0.003	0.002	0.038
Falkirk	0.579	1.055	0.017	-0.026	0.000	0.035	0.009	0.192
Fife	1.141	2.729	0.041	-0.069	0.000	0.093	0.022	0.415
Glasgow City	3.997	8.703	0.112	-0.072	0.000	0.191	0.036	0.594
Highland	1.164	2.011	0.030	-0.072	0.000	0.036	0.014	0.280
Inverclyde	0.128	0.619	0.013	-0.012	0.000	0.026	0.005	0.087
Midlothian	1.098	0.620	0.007	-0.016	0.000	0.019	0.005	0.107
Moray	0.313	0.508	0.008	-0.028	0.000	0.012	0.006	0.101
North Ayrshire	0.430	1.512	0.023	-0.041	0.000	0.053	0.008	0.165
North Lanarkshire	1.201	2.197	0.044	-0.040	1.940	0.091	0.020	0.414
Orkney	0.062	0.087	0.002	-0.008	0.000	0.002	0.001	0.030
Perth & Kinross	0.650	0.725	0.010	-0.040	0.000	0.020	0.009	0.160
Renfrewshire	0.378	1.328	0.023	-0.032	0.000	0.044	0.010	0.196
Scottish Borders	0.185	0.675	0.010	-0.032	0.000	0.021	0.007	0.125
Shetland	0.289	0.082	0.001	-0.006	0.000	0.002	0.001	0.039
South Ayrshire	0.508	1.200	0.017	-0.025	0.000	0.031	0.007	0.128
South Lanarkshire	1.408	1.988	0.040	-0.057	0.000	0.075	0.019	0.391
Stirling	0.434	0.417	0.007	-0.026	0.000	0.013	0.006	0.109
West Dunbartonshire	0.487	0.693	0.015	-0.013	0.000	0.031	0.005	0.113
West Lothian	0.719	1.049	0.019	-0.035	0.000	0.047	0.011	0.228
Scotland	22.500	42.300	0.646	-1.125	1.940	1.215	0.320	6.000

2008-19 CHANGES COLUMN

ANNEX H

£million	2018-19 GAE plus SINA	Percentage Shares	2008-19 Changes	2008-18 Changes	Movement in Changes
Aberdeen City	278.037	3.51	7.062	2.580	4.482
Aberdeenshire	384.658	4.86	9.770	7.874	1.896
Angus	172.517	2.18	4.382	3.910	0.472
Argyll & Bute	143.210	1.81	3.637	3.087	0.550
Clackmannanshire	74.561	0.94	1.894	1.599	0.295
Dumfries & Galloway	236.756	2.99	6.014	5.169	0.845
Dundee City	220.541	2.78	5.602	4.229	1.373
East Ayrshire	178.980	2.26	4.546	4.045	0.501
East Dunbartonshire	164.191	2.07	4.170	3.717	0.453
East Lothian	150.135	1.90	3.813	3.336	0.477
East Renfrewshire	156.411	1.97	3.973	3.723	0.250
Edinburgh, City of	615.690	7.77	15.638	7.905	7.733
Eilean Siar	60.068	0.76	1.526	1.395	0.131
Falkirk	230.484	2.91	5.854	4.531	1.323
Fife	541.112	6.83	13.744	10.349	3.395
Glasgow City	876.472	11.07	22.262	14.521	7.741
Highland	373.221	4.71	9.480	7.060	2.420
Inverclyde	120.176	1.52	3.052	2.674	0.378
Midlothian	130.621	1.65	3.318	2.704	0.614
Moray	136.677	1.73	3.472	2.835	0.637
North Ayrshire	212.443	2.68	5.396	4.626	0.770
North Lanarkshire	505.530	6.38	12.840	10.683	2.157
Orkney	56.307	0.71	1.430	1.235	0.195
Perth & Kinross	216.179	2.73	5.491	4.524	0.967
Renfrewshire	259.838	3.28	6.600	4.509	2.091
Scottish Borders	176.166	2.22	4.475	3.858	0.617
Shetland	63.049	0.80	1.601	1.129	0.472
South Ayrshire	167.135	2.11	4.245	3.480	0.765
South Lanarkshire	471.406	5.95	11.974	5.887	6.087
Stirling	139.924	1.77	3.554	2.674	0.880
West Dunbartonshire	139.933	1.77	3.554	1.907	1.647
West Lothian	267.956	3.38	6.806	4.935	1.871
Scotland	7920.384	100.000	201.175	146.690	54.485

Note: A number of funding allocations which were distributed in 2017-18 have not yet been distributed in 2018-19. A full reconciliation of the Changes column will be provided once these full details are available.

GENERAL CAPITAL GRANT AND SPECIFIC CAPITAL GRANTS 2018-19 PER LOCAL AUTHORITY

ANNEX I

2018-19	Capital Settlement to be paid in 2018-19			Specific grants to be paid in 2018-19					
£m	General Capital Grant	Specific Grants	Total Capital Grants	Strathclyde Partnership	Vacant and Derelict Land	T MDF	Cycling Walking & Safer Streets	Early Years Expansion	Total
Aberdeen City	23.677	0.313	23.990	0.000	0.000	0.000	0.313	0.000	0.313
Aberdeenshire	37.135	0.357	37.492	0.000	0.000	0.000	0.357	0.000	0.357
Angus	12.601	0.159	12.760	0.000	0.000	0.000	0.159	0.000	0.159
Argyll & Bute	12.938	0.119	13.057	0.000	0.000	0.000	0.119	0.000	0.119
Clackmannanshire	5.425	0.070	5.495	0.000	0.000	0.000	0.070	0.000	0.070
Dumfries & Galloway	21.667	0.204	21.871	0.000	0.000	0.000	0.204	0.000	0.204
Dundee City	20.158	0.202	20.360	0.000	0.000	0.000	0.202	0.000	0.202
East Ayrshire	12.689	0.166	12.855	0.000	0.000	0.000	0.166	0.000	0.166
East Dunbartonshire	9.567	0.146	9.713	0.000	0.000	0.000	0.146	0.000	0.146
East Lothian	12.057	0.142	12.199	0.000	0.000	0.000	0.142	0.000	0.142
East Renfrewshire	7.166	0.128	7.294	0.000	0.000	0.000	0.128	0.000	0.128
Edinburgh, City of	49.405	28.641	78.046	0.000	0.000	27.950	0.691	0.000	28.641
Eilean Siar	8.069	0.037	8.106	0.000	0.000	0.000	0.037	0.000	0.037
Falkirk	14.559	0.217	14.776	0.000	0.000	0.000	0.217	0.000	0.217
Fife	32.675	1.990	34.665	0.000	1.486	0.000	0.504	0.000	1.990
Glasgow City	68.017	68.084	136.101	0.000	2.952	64.295	0.837	0.000	68.084
Highland	40.985	0.320	41.305	0.000	0.000	0.000	0.320	0.000	0.320
Inverclyde	8.282	0.108	8.390	0.000	0.000	0.000	0.108	0.000	0.108
Midlothian	9.777	0.121	9.898	0.000	0.000	0.000	0.121	0.000	0.121
Moray	10.833	0.131	10.964	0.000	0.000	0.000	0.131	0.000	0.131
North Ayrshire	0.000	1.894	1.894	0.000	1.709	0.000	0.185	0.000	1.894
North Lanarkshire	29.763	2.858	32.621	0.000	2.396	0.000	0.462	0.000	2.858
Orkney Islands	6.389	0.030	6.419	0.000	0.000	0.000	0.030	0.000	0.030
Perth & Kinross	16.831	0.205	17.036	0.000	0.000	0.000	0.205	0.000	0.205
Renfrewshire	16.094	0.239	16.333	0.000	0.000	0.000	0.239	0.000	0.239
Scottish Borders	26.135	0.156	26.291	0.000	0.000	0.000	0.156	0.000	0.156
Shetland Islands	6.612	0.031	6.643	0.000	0.000	0.000	0.031	0.000	0.031
South Ayrshire	11.064	0.153	11.217	0.000	0.000	0.000	0.153	0.000	0.153
South Lanarkshire	27.607	1.333	28.940	0.000	0.901	0.000	0.432	0.000	1.333
Stirling	10.601	0.128	10.729	0.000	0.000	0.000	0.128	0.000	0.128
West Dunbartonshire	14.478	0.122	14.600	0.000	0.000	0.000	0.122	0.000	0.122
West Lothian	15.026	0.245	15.271	0.000	0.000	0.000	0.245	0.000	0.245
Undistributed	0.000	150.000	150.000	0.000	0.000	0.000	0.000	150.000	150.000
Councils Total	598.282	259.049	857.331	0.000	9.444	92.245	7.360	150.000	259.049
Strathclyde Partnership for Transport		19.033	19.033	19.033	0.000	0.000	0.000	0.000	19.033
Grand Total	598.282	278.082	876.364	19.033	9.444	92.245	7.360	150.000	278.082

GENERAL CAPITAL GRANT – FLOOD ALLOCATIONS 2018-19 PER LOCAL AUTHORITY

ANNEX J

Council	Flood Scheme	Total 2018-19 £m
Aberdeenshire Council	Stonehaven	8.841
Aberdeenshire Council	Huntly	-0.663
Angus Council	Arbroath	-0.338
Argyll & Bute Council	Campbeltown	0.083
Comhairle nan Eilean Siar	South Fords	0.000
Dumfries & Galloway Council	Dumfries/ River Nith/ Whitesands FPS	0.906
Dumfries & Galloway Council	Stranraer work item 4 &6	-0.128
Dumfries & Galloway Council	Langholm	0.100
Dumfries & Galloway Council	Newton Stewart/ River Cree	1.200
Dundee City Council	Broughty Ferry	1.654
Dundee City Council	Dundee	0.574
East Ayrshire Council	New Cumnock	0.600
East Dunbartonshire Council	Park Burn	0.060
East Lothian Council	Musselburgh	1.809
East Lothian Council	Haddington	0.000
Falkirk Council	Grangemouth FPS	1.173
Fife Council	Kinness Burn	0.192
Glasgow City Council	White Cart Water Phase 3	1.664
Glasgow City Council	Camlachie Burn	0.830
Highland Council	Smithton and Culloden	9.093
Highland Council	Caol and Lochyside	0.294
Highland Council	Drumnadrochit	0.196
Inverclyde Council	Inverclyde FPS - Glenmosston Burn	0.000
Inverclyde Council	Inverclyde FPS - Coves Burn	-0.300
Inverclyde Council	Inverclyde FPS - Bouverie Burn	0.000
Inverclyde Council	Quarrier's Village	0.000
Moray Council	Newmill	0.000
North Ayrshire Council	Millport Coastal	-5.256
North Ayrshire Council	Upper Garnock FPS	-7.476
North Ayrshire Council	Mill Burn Millport	0.080
Orkney Islands Council	Kirkwall	0.000
Perth & Kinross Council	Comrie	0.560
Perth & Kinross Council	Milnathort	0.000
Perth & Kinross Council	South Kinross	0.000
Perth & Kinross Council	Scone	0.060
Scottish Borders Council	Hawick	11.703
Stirling Council	Bridge of Allan	-0.274
Stirling Council	Stirling	0.753
Stirling Council	Callander	0.075
West Dunbartonshire Council	Gruggies Burn	5.520
	Total	33.585

TOTAL LOCAL GOVERNMENT FUNDING SETTLEMENT 2018-19

ANNEX K

Local Authority	Revised	Non	General	Total 2018-19	General	Specific	Total 2018-19	2018-19 Local
	Ring-Fenced	Domestic	Revenue	Revenue				
	Grants	Rates	Funding	Revenue	Grant	Grant	Capital	Settlement
	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	2.911	227.801	88.290	319.002	23.677	0.313	23.990	342.992
Aberdeenshire	2.841	110.710	289.725	403.276	37.135	0.357	37.492	440.768
Angus	2.102	25.101	167.485	194.688	12.601	0.159	12.760	207.448
Argyll & Bute	1.701	33.035	152.715	187.451	12.938	0.119	13.057	200.508
Clackmannanshire	1.517	15.326	75.445	92.288	5.425	0.070	5.495	97.783
Dumfries & Galloway	2.878	44.229	229.159	276.266	21.667	0.204	21.871	298.137
Dundee City	4.935	55.553	224.971	285.459	20.158	0.202	20.360	305.819
East Ayrshire	3.567	26.073	189.815	219.455	12.689	0.166	12.855	232.310
East Dunbartonshire	1.617	21.791	154.927	178.335	9.567	0.146	9.713	188.048
East Lothian	1.512	23.744	139.848	165.104	12.057	0.142	12.199	177.303
East Renfrewshire	1.410	14.318	155.972	171.700	7.166	0.128	7.294	178.994
Edinburgh, City of	7.593	340.474	348.507	696.574	49.405	28.641	78.046	774.620
Eilean Siar	1.247	7.702	84.660	93.609	8.069	0.037	8.106	101.715
Falkirk	3.509	65.958	200.043	269.510	14.559	0.217	14.776	284.286
Fife	10.002	154.138	451.463	615.603	32.675	1.990	34.665	650.268
Glasgow City	22.100	340.778	846.829	1209.707	68.017	68.084	136.101	1345.808
Highland	4.908	126.537	299.501	430.946	40.985	0.320	41.305	472.251
Inverclyde	2.500	18.363	139.007	159.870	8.282	0.108	8.390	168.260
Midlothian	2.233	28.115	122.330	152.678	9.777	0.121	9.898	162.576
Moray	1.305	40.151	112.165	153.621	10.833	0.131	10.964	164.585
North Ayrshire	4.425	39.471	222.097	265.993	0.000	1.894	1.894	267.887
North Lanarkshire	8.940	104.339	480.753	594.032	29.763	2.858	32.621	626.653
Orkney	0.228	9.376	58.011	67.615	6.389	0.030	6.419	74.034
Perth & Kinross	1.722	51.953	185.419	239.094	16.831	0.205	17.036	256.130
Renfrewshire	4.231	120.105	174.759	299.095	16.094	0.239	16.333	315.428
Scottish Borders	1.750	32.790	164.555	199.095	26.135	0.156	26.291	225.386
Shetland	0.219	23.852	54.963	79.034	6.612	0.031	6.643	85.677
South Ayrshire	2.389	38.299	152.888	193.576	11.064	0.153	11.217	204.793
South Lanarkshire	7.967	295.500	236.289	539.756	27.607	1.333	28.940	568.696
Stirling	1.567	42.273	118.276	162.116	10.601	0.128	10.729	172.845
West Dunbartonshire	3.405	78.812	99.092	181.309	14.478	0.122	14.600	195.909
West Lothian	5.159	79.333	220.168	304.660	15.026	0.245	15.271	319.931
Undistributed	138.760	0.000	91.509	230.269	0.000	150.000	150.000	380.269
Strathclyde Passenger Transport	0.000	0.000	0.000	0.000	0.000	19.033	19.033	19.033
Scotland	263.150	2,636.000	6,731.620	9,630.770	598.282	278.082	876.364	10,507.134