

Financial Strategy 2015/16 to 2017/18

Report by Gary Fairley, Head of Finance and Integrated Service Support.

1 Purpose of Report

This report provides Council with a further update on the delivery of the Financial Strategy approved by Council on 4 February 2014 and incorporates the final 2015/16 budget for approval.

It includes:-

- An update on Scottish Government Grant Settlements;
- The final 2015/16 budget for approval;
- An update on the budget projections for 2016/17 to 2017/18;
- An update on delivery of the strands of the Financial Strategy, including the Transformation Programme;
- An update on reserves.

2 Background

The core objective of the Financial Strategy is to secure the Council's continued financial sustainability during what is expected to be an ongoing period of financial constraint for the public sector. Whilst the Financial Strategy encompasses the period to 2017/18 the prospects for later years will also be challenging with an extended period of financial constraint expected to continue well into the next decade.

In common with all Councils Midlothian will need to reposition itself through the withdrawal and dilution of services and by having a greater emphasis on targeting available resources to those in the community who are the most disadvantaged and vulnerable. The Financial Strategy provide a means to secure financial sustainability, incorporating the actions the Council will take to address predicted budget shortfalls and at the same time prioritise available resources to focus these on the delivery of the Council's priority outcomes of Early Years, Positive Destinations and Economic Growth together with its priority communities.

3 Scottish Government Grant Settlement

The Local Government Finance (Scotland) Order 2015 which sets out the final grant settlements for 2015/16 was approved by Parliament on 5 February 2015. The grant settlement figures presented in this report are based on the distributed revenue funding set out in the subsequent Finance Circular 1/2015 amended for additional resources we expect to be distributed during the year.

The total revenue funding for Local Government at a national level (including Non Domestic Rates) is £9,845 million. It is estimated that Midlothian will receive £154.996 million, which represents a £0.899 million increase from the figure report to Council on 16 December 2014. This increase reflects the distribution of resources associated with new policies, such as Free School Meals, and also our estimated share of funding which the Scottish Government have yet to distribute, the largest of which is for the Council Tax Reduction Scheme.

The Depute First Minister and Cabinet Secretary for Finance, Constitution and Economy wrote to all Council Leaders on 5 February 2015 setting out the terms of a revised settlement offer and commitment with regard to teacher numbers which superseded that set out in the 9 October 2014 settlement letter. A copy of this letter is included as appendix 1. The letter invites Council Leaders to write to the Deputy First Minister by no later than 20 February 2015 to formally agree for 2015/16 to protect the number of teaching posts in their authority to secure:

- The maintenance as a minimum of the total number of teachers employed at 2014/15 levels and also the maintenance, as a maximum, of the pupil teacher ratio for schools at the 2014/15 levels, both as reported in the pupil and teacher census published in December 2014; and
- Places for all probationers who require one under the teacher induction scheme.

In return, provided the Council sign up to the terms of the offer our share of the £41 million already included in the settlement to support teacher numbers will continue to be available from the start of the new financial year as planned. Provided the commitment is met, as confirmed in the publication of the annual pupil teacher census statistics in December 2015, the Scottish Government will make available a share of an additional £10 million in recognition of the general budget pressures authorities are facing to help ensure the delivery of the teacher numbers commitment.

The revised offer makes funding available on a Council by Council basis to those who are prepared to sign up to a clear commitment to protect teacher numbers. This represents a significant shift from previous years where the protection of teacher numbers was measured on a national basis.

A special meeting of COSLA Leaders held on 6 February 2015, agreed the following position *"It is difficult to see how the Scottish Government's letter to all Council Leaders can be described as fair and equitable with regard to financing targets and sanctions on the issue of teacher numbers. Only collective discussions at a national level can resolve the inherent unfairness of the deal. Therefore, Councils call upon the Scottish Government to re-engage in national discussion. Further, it is imperative that no Council is sanctioned as a result of workforce planning issues"*.

The COSLA President has subsequently written to the Depute First Minister to convey this position and to seek a meeting between COSLA and The Scottish Government in the week commencing 9 February 2015. In view of the ongoing attempts to seek a collective solution to the issue of teacher numbers a verbal update will be provided at Council to update members on the latest position.

Midlothian's share of the £41 million which is already reflected in the budget is estimated at £0.650 million. Our share of the additional £10 million, which is not reflected in the budget projections, would be £0.160 million.

The December 2014 pupil and teacher census for Midlothian reported 880 teachers and a pupil teacher ratio of 14.2. There have been no policy decisions taken which would have a detrimental impact on the pupil teacher ratio in 2015/16 with the budget for the year, as set out in appendix 2, providing resources to maintain overall teacher numbers and provide adequate places for probationers.

As it stands and in the absence of a collective solution if the Council does not accept the terms of the revised offer the Government will remove £0.650 million from the grant settlement for 2015/16. Failure to deliver, following the publication of the pupil teacher census statistics in December 2015, would also result in a claw back of the £0.650 million.

Subject to any changes in the intervening period, it is recommended that Council consider the terms of the revised settlement offer as set out in appendix 1, specifically whether or not it agrees to deliver the revised teacher commitment, and authorise the Leader of the Council to write to The Depute First Minister to convey the Council's position.

In respect of the later years projections the Financial Strategy continues to assume a 1% reduction in central government grant support in both 2016/17 and 2017/18.

4 Council Tax

The budget projections are based on a continuing Council Tax freeze (a condition of The Scottish Government Grant Settlement for 2015/16) with Band D Council Tax remaining at £1,210. The Council Tax income detailed in table 1 reflects the additional income from an increase in the number of properties.

5 Cost of Services

Table 1 below sets out the final projection of the cost of providing services at existing levels for 2015/16 and updated projections for 2016/17 and 2017/18 based on a number of assumptions on costs and income as previously detailed in the report to Council on 16 December 2014. The projections incorporate the motion agreed by Council on 16 December 2014 to phase out music tuition charges by August 2016.

Since the 16 December 2014 report the following material favourable movements in the projections have been identified:-

- A reduction of £0.564 million in the provision required for energy costs in 2015/16 an element of which reflects the movement in market conditions. This reduces to £0.280 million in 2016/17;
- A reduction of £0.274 million in the employee cost budget as a consequence of the completion of a detailed analysis of these costs;
- Reductions of £0.114 million in the provision required for Housing Benefits and £0.200 million for Council Tax Benefits.

The budget projections incorporate in full the monies distributed for Free School Meals and The Children and Young People (Scotland) Act. As the service changes these bring are implemented work will continue to ascertain the extent to which these resources will be required. Any variation will be reflected in the 2015/16 financial overview reports and in later year's budget projections.

The final budget shortfall for 2015/16 and updated projections for later years reflecting the revenue grant allocations and the completion of the base budget is:-

Table 1: Budget Shortfalls 2015/16 to 2017/18 – 17 February 2015

	2015/16	2016/17	2017/18
	£m	£m	£m
Cost of Services	197.091	204.340	208.940
Less: Council Tax	40.000	40.500	41.000
Less: Scottish Government Grant	154.996	153.140	151.340
Budget Shortfall	2.095	10.700	16.600

In broad terms the shortfall arises for the following reasons:

Table 2: Analysis of Shortfalls – 17 February 2015

	2015/16	2016/17	2017/18
	£m	£m	£m
Opening Shortfall	-	2.095	10.700
Pay Inflation etc	1.248	1.771	1.797
Holiday Pay cost uplift	0.300	-	-
Contractual and other inflation	1.023	1.346	1.342
Adult Social Care Charging	0.250	-	-
Pensions Act	-	2.000	-
Teachers Pensions	0.475	0.403	-
Food Waste Collection	0.256	0.283	-
Demographics: Care	1.100	1.100	1.100
Demographics: School Rolls	0.707	0.407	0.400
Scottish Government Grant (net of new Burdens)	(0.570)	1.856	1.800
Procurement savings carried forward	0.505	-	-
Planning and Building Control fees	(0.200)	(0.200)	(0.200)
Housing and Council Tax Benefits	(0.314)	-	-
Borrowing costs	(1.739)	-	-
Council Tax: Additional Income	(1.184)	(0.500)	(0.500)
Other Movements	0.238	0.139	0.161
Totals	2.095	10.700	16.600

The principal changes since the last report to Council on 16 December 2014 are attributable to the following:-

Table 3: Analysis of Shortfall – 16 December 2014 to 17 February 2015

	2015/16	2016/17	2017/18
	£m	£m	£m
16 December 2014	3.163	11.650	17.275
Pay Inflation etc	(0.274)	(0.274)	(0.274)
Contractual and other inflation	(0.564)	(0.280)	-
Housing and Council Tax Benefits	(0.314)	(0.314)	(0.314)
Other Movements	0.084	(0.082)	(0.087)
17 February 2015	2.095	10.700	16.600

The projected shortfall of £16.600 million equates to approximately 8% of net revenue expenditure. As previously indicated significant elements of the budget are either fixed or are challenging to change for a number of reasons including:-

- Historic decisions, for example, loan charges and unitary charge contractual payments;
- Specific conditions, for example the maintenance of teacher numbers; and
- Growing demand for services through demographic pressures.

These elements account for approximately £114 million or 55% of current expenditure. The £16.600 million shortfall therefore principally falls on the remaining budgets and equates to a 17% reduction.

6 Financial Strategy

6.1 Overview

The approved Financial Strategy provides for the Council to take forward actions which fall into three categories:

- **Efficiencies:** Actions which aim to reduce costs of Council services without changing service levels as far as the public are concerned;
- **Investment:** Actions which aim to reduce the need for Council services or reduce the cost of services in future;
- **Retrenchment:** Actions which reduce the Council's role in terms of the services it provides and for whom it provides them.

These support the repositioning of services to ensure they have a greater emphasis on and achieve better outcomes for those most disadvantaged and vulnerable in the community.

6.2 Transformation Programme

The Transformation Programme is central to the delivery of the Financial Strategy, delivering both efficiencies and transformational change in service provision. In addition to ongoing work on Procurement and Integrated Service Support the current Transformation Programme includes:

- Energy;
- Customer Service;
- Income Maximisation;
- Education;
- Services to Communities;
- Externalisation/In-sourcing;
- Children's Services;
- Integrated Health and Social Care;
- School Catchments.

Although there are no savings targets attached to the Integration of Health and Social Care or School Catchments their inclusion in the Transformation Programme reflects the importance of these to future year's financial sustainability.

The assessment of the revised targets is derived from the ongoing work to deliver the programme. As previously reported work continues to substantiate the targets for Income Maximisation and Externalisation/In-sourcing and as such these targets for these remain indicative. Otherwise the savings targets have a greater degree of confidence of delivery, recognising however that ultimately the achievement of the savings will be dependent on decisions taken by Council.

Table 4: Council Transformation Programme – 17 February 2015

	2015/16	2016/17	2017/18
	£m	£m	£m
Integrated Service Support	0.750	1.500	1.500
Energy	0.151	0.217	0.217
Customer Service	0.000	0.175	0.350
Income Maximisation	0.075	0.150	0.150
Education	0.150	0.300	0.300
Services to Communities	0.050	0.300	0.950
Externalisation/In-sourcing	0.000	0.500	1.000
Children's Services	0.350	0.700	0.700
Totals	1.526	3.842	5.167

Further details are set out in the Council Transformation Programme update report to Business Transformation Steering Group on 26 January 2015.

6.3 Workforce Strategy

There are three main elements of the Workforce Strategy strand

- Management Review;
- VSER;
- Workforce Planning.

Management Review

The savings arising from the Management Review approved by Council on 13 May 2014 remain as reported to Council on 23 September 2014.

VSER

The financial implications of VSER remain as reported to Council on 23 September 2014.

Workforce Planning

An effective workforce strategy supports the delivery of services by linking workforce planning and development requirements to the Council's strategic and service priorities. Following on from the management review and taking cognisance of the VSER scheme each service is working to develop workforce plans alongside the review staffing establishments.

As the elements of the workforce strategy are developed and financial implications quantified they will be fully reflected in the Financial Strategy.

6.4 Local Government Staff Pay, Grading and Terms and Conditions

The position remains as reported to Council on 23 September 2014.

6.5 Asset Management

The projected savings arising from the EWiM project in 2015/16 have increased by £0.075 million from those previously reported.

6.6 Procurement

The position remains as reported to Council on 16 December 2014.

6.7 Borrowing Costs

The projected budget shortfall set out earlier in table 1 reflects the General Services Capital Plan Strategy approved by Council.

6.8 Service Reviews

The position remains as reported to Council on 16 December 2014.

6.9 Efficiency and Financial Discipline

The position remains as reported to Council on 16 December 2014, including an efficiency target of £0.738 million in 2017/18, work continues to be progressed through Strategic Leadership Group to secure further operational efficiencies.

6.10 Budget Savings Proposals

The savings approved by Council on 16 December 2014 are reflected in the Summary in table 5 below.

6.11 Summary of Financial Strategy

The final projection for 2015/16 and updated projections for later years of the impact of the various strands of the Financial Strategy are as follows.

Table 5: Financial Strategy 2015/16 to 2017/18 – 17 February 2015

	2015/16 £m	2016/17 £m	2017/18 £m
Budget Shortfall	2.095	10.700	16.600
Less Strands:			
Transformation Programme (6.2)	1.526	3.842	5.167
Workforce Strategy (6.3)			
• Management Review	0.220	0.409	0.409
• VSER	1.026	0.933	0.844
Terms & Conditions (6.4)	-	-	-
Asset Management (6.5)	0.214	0.277	0.277
Procurement (6.7)	0.200	0.350	0.505
Service Reviews (6.8)	0.219	0.328	0.328
Efficiency/Financial Discipline(6.9)			
• Financial Discipline	0.571	0.571	0.571
• Operational Savings	0.284	0.341	0.341
• Remaining Efficiency Target	-	0.288	0.738
Budget Savings (6.10)	0.599	2.088	2.475
Shortfall / (Surplus)	(2.764)	1.273	4.945

On 16 December 2014 Council approved that the projected deficit in 2016/17 be offset by the projected surplus in 2015/16.

It is stressed that ultimately the achievement of savings will be dependent on decisions taken by Council. As table 5 highlights there is a continuing challenge in later years with savings of £4.945 million projected to be required to address the 2017/18 budget shortfall.

6.12 Comprehensive Review Programme

Work is ongoing to develop a comprehensive review programme as part of the Transformation Programme. As previously reported this will focus on the securing continued and sustainable service improvement alongside the delivery of savings to address the 2017/18 shortfall and ensure longer term financial sustainability thus placing the Council in a strong position to meet the ongoing financial challenge. The review programme will also have a key role in ensuring that resources are directed towards the priorities set out in the Midlothian Single Plan.

7 Governance and Timeline

Each element of the Financial Strategy continues to have clear governance in place to ensure the timely delivery of the work stream, with proposals being reported through Business Transformation Steering Group and then to Council as appropriate.

The timetable outlined in previous Financial Strategy reports provided for a final service by service budget statement for 2015/16 to be presented to Council today for approval.

Members are reminded that Council has a duty as set out in Section 93 of the Local Government Finance Act 1992 (as amended) to set its Council Tax and a balanced budget for the following financial year commencing 1 April by 11 March.

8 Focussing Resources to Key Priorities

The Financial Strategy is designed to ensure that available resources are as far as possible targeted on delivery improved outcomes, particularly against the key priorities of Early Years, Positive Destinations and Economic Growth. The Midlothian Community Planning Partnership is working collectively to prioritise the available resources towards the delivery of the partnerships key priorities and the Financial Strategy sets out for partners the parameters the Council is working within and provides a means to better facilitate the sharing of budget and resource planning information. The Transformation Programme continues to have a key role in ensuring that resources are directed towards the priorities set out in the Midlothian Single Plan.

9 Reserves

The latest projection of useable reserves at 31 March 2015 reflecting the projected reported elsewhere on today's agenda are as follows:-

Table 6 –Useable Reserves – 31 March 2015

	Total £m	Uncommitted £m
General Fund Reserve	11.909	8.102
HRA Balance	21.173	4.747
Capital Fund	14.817	8.817
Repairs and Renewal Reserve	2.553	0.000
Total Useable Reserves	50.452	21.666

It is necessary for the Council to retain reserves to meet unplanned or unforeseen costs. In terms of the General Fund Council agreed on 4 February 2014 that a prudent level of general reserve be around £8.000 million or 4% of net expenditure.

The uncommitted balance on Capital Fund reflects the decisions of Council on 4 February 2014 and is retained to provide for unforeseen capital expenditure and to provide flexibility between financial years, its utilisation is subject to annual review.

Repairs and Renewal Reserves are fully committed. An update on the position with the HRA Balance is encompassed in a separate report on today's agenda.

10 Report Implications

10.1 Resources

Whilst this report deals with financial issues there are no financial implications arising directly from it.

10.2 Risk

Within any financial plan there are a number of inherent assumptions in arriving at figures and budget provisions, and therefore risks that may be faced if costs change or new pressures emerge. The following key risks and issues are highlighted in the context of this report:

- Impact of economic climate on range of factors including: inflation, interest rates, employment, tax and income levels, service demands;
- Outstanding pay award settlements;
- Decision by Scottish Government on future years grant settlements and grant distribution;
- Extreme weather events (or other unforeseen events) and provision for immediate response as well as longer-term implications;
- Cost pressures exceeding budget estimates;
- Non-delivery or late delivery of planned savings, including those arising from reductions in the staffing establishment;
- Impact of Welfare Reform and Pension changes;
- The costs of implementation of national policies varying from the resources provided by Government; and
- Capital investment requirements and associated cost.

The Financial Strategy aims to mitigate a number of these risks by setting out forward plans, and the early identification of future saving proposals. Alongside this the Mi-Future programme has been designed and implemented to increase flexibility across the workforce.

10.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- ☐ Community safety
- ☐ Adult health, care and housing
- ☐ Getting it right for every Midlothian child
- ☐ Improving opportunities in Midlothian
- ☒ Sustainable growth
- ☒ Business transformation and Best Value
- ☐ None of the above

10.4 Impact on Performance and Outcomes

The Financial Strategy is at the heart of the way Council allocates and uses its limited resources and as such has fundamental implications for service performance and outcomes. The budget projections indicate that in 2017/18 the Council will have available in the region of £192 million for the provision of services and the pursuit of the priorities set out in the Single Midlothian Plan.

10.5 Adopting a Preventative Approach

Whilst the proposals in this report do not directly impact on the adoption of a preventative approach, an effective Financial Strategy in turn allows resources to be prioritised to support prevention.

10.6 Involving Communities and Other Stakeholders

Any proposed changes in the staffing establishment arising from the elements of the Financial Strategy or Transformation programme will be subject to meaningful consultation in accordance with the Council's Human Resources policies.

As the various elements of the Financial Strategy are developed and proposals emerge there will be meaningful consultation and engagement with those on who the proposals may impact.

10.7 Ensuring Equalities

There are no equality implications arising directly from this report. An overarching EQIA encompassing the revenue budget for 2015/16 was incorporated in the report considered by Council on 16 December 2014.

10.8 Supporting Sustainable Development

There are no direct sustainability issues arising from this report.

10.9 IT Issues

There are no direct IT implications arising from this report.

11 Summary

The report provides:-

- An update on Scottish Government Grant Settlements;
- The final 2015/16 budget for approval;
- An update on the budget projections for 2016/17 to 2017/18;
- An update on delivery of the strands of the Financial Strategy, including the Transformation Programme;
- An update on reserves.

12 Recommendations

Council is recommended to;

- a) Receive a verbal update on the ongoing attempts by COSLA to seek a collective solution to teacher numbers;
- b) Subject to a) consider the terms of the revised settlement offer as set out in appendix 1, specifically whether or not it agrees to deliver the revised teacher commitment, and authorise the Leader of the Council to write to The Deputy First Minister to convey the Council's position;
- c) Subject to any changes arising from recommendations a) and b) approve the 2015/16 budget as summarised in appendix 2.

- d) Note that the projected deficit in 2016/17 will be offset by the projected surplus in 2015/16.
- e) Note the remaining projected budget shortfall for 2017/18 of £4.945 million and the proposals to address this as set out in the report.

Date 10 February 2015

Report Contact:

Gary Fairley Tel No 0131 271 3110

gary.fairley@midlothian.gov.uk

Background Papers:

Deputy First Minister
and Cabinet Secretary for Finance, Constitution and Economy
John Swinney MSP

T: 0300 244 4000
E: dfm@scotland.gsi.gov.uk

Councillor David O'Neill
President
COSLA
Verity House
19 Haymarket Yards
Edinburgh
EH12 5BH



Copy to: The Leaders of all Scottish local authorities

5 February 2015

TEACHER NUMBERS 2015-16

Further to my letter of 9 October 2014 setting out the terms of the local government finance settlement for 2015-16, I write now to confirm the terms of a revised offer and commitment with regard to teacher numbers.

The Scottish Government has been consistent in our commitment to maintain teacher numbers in line with pupil numbers as a central part of our priority to raise attainment and we have provided significant additional funding through the settlement specifically to support that commitment.

As part of this year's budget process we agreed to enter discussions with COSLA on moving towards an outcomes based approach to educational including teacher numbers. However, as a result of the disappointing results of the Pupil and Teacher census published in December, which saw the number of teachers decline last year and the ratio of pupils to teachers rise, the Scottish Government advised COSLA that we had cause to review our approach.

As I was at pains to stress in my statement to Parliament yesterday in the debate on the Budget Bill, we have worked successfully in partnership with local authorities through COSLA and the Government remains fully committed to that partnership.

In recent discussion with COSLA, and in line with our objective to maintain teacher numbers, I have offered to suspend the penalty for 2014-15 that the Government would otherwise have been entitled to apply as a result of the rise in Pupil – Teacher Ratio (PTR) shown in the Pupil Teacher Census published in December 2014. I also offered to provide a further £10 million, the amount requested by COSLA, in 2015-16 on top of the £41 million already included in the settlement allocation to support the employment of teachers.

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.scotland.gov.uk



However, so far, COSLA Leaders have collectively been unable to agree what I consider to be a fair and generous offer of funding support from the Government to maintain teacher numbers.

Given that I was addressing the final stage of the Budget Bill in Parliament yesterday, I therefore had no alternative, in order to protect teacher numbers and deliver the educational standards we want to see, but to make that funding available on a council by council basis to those who are prepared to sign up to a clear commitment to protect teacher numbers.

Specifically, individual local authorities are invited to agree formally for 2015-16 to protect the number of teachers within their authority in order to secure:

- The maintenance as a minimum of the total number of teachers employed by individual local authorities at 2014-15 levels and also the maintenance, as a maximum, of Pupil Teacher Ratio for schools within their authority at the 2014-15 levels, for each individual local authority both as reported in the Pupil and Teacher Census published in December 2014; and
- Places for all probationers who require one under the teacher induction scheme.

In return, provided local authorities sign up to the terms of the offer the £41 million already included in the settlement will continue to be available from the start of the new financial year as planned. Provided the commitment is met, as confirmed in the publication of the annual Pupil Teacher Census statistics in December 2015, the Scottish Government will make available a share of an additional £10 million for 2015-16 to those authorities in recognition of the general budget pressures authorities are facing to help ensure the delivery of the teacher numbers commitment. A failure to deliver will also result in a further clawback in relation to the £41 million funding currently included in the settlement.

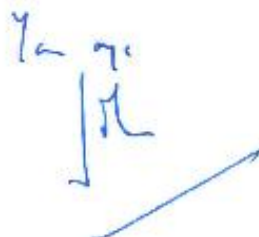
Delivery of this commitment will be monitored and the Scottish Government will gather updated information on teacher numbers at an individual local authority level in March, June and August 2015. This may be subject to review if this information identifies a potential failure to deliver.

However, any council which does not formally make that commitment and demonstrate that it can be achieved will have their share of the £41 million removed from their settlement allocation before the start of the new financial year.

I will require all Council Leaders to write to me confirming that they intend to take up the terms of this revised offer and agree to deliver the revised teachers commitment set out above by no later than 20 February in order to enable appropriate funding to be available.

Looking ahead, work on an educational outcome based approach which we have embarked on jointly to consider a broader range of indicators of improvement, and which would also include teacher numbers as an important contributory factor, will continue over the course of 2015-16 and continue to engage other parties, in particular trade unions, parent bodies and others with an interest in educational outcomes.

All other terms of the local government finance settlement offer for 2015-16, including the commitment to deliver a council tax freeze, as set out in my letter of 9 October 2014 remain unchanged.



JOHN SWINNEY

REVENUE BUDGET 2015/16 SUMMARY

Service Function	Budget 2015/16 £
Management and Members	1,587,685
<u>Education Communities and Economy</u>	
Children's Services	16,817,198
Communities and Economy	2,500,235
Education	76,258,191
<u>Health and Social Care</u>	
Adult Social Care	37,487,139
Customer and Housing Services	11,989,267
<u>Resources</u>	
Commercial Services	15,270,479
Finance and Integrated Service Support	11,431,538
Properties and Facilities Management	13,241,050
Lothian Valuation Joint Board	555,551
Centrally Held Budget Provisions	2,292,000
Non Distributable Costs	1,338,436
GENERAL FUND SERVICES NET EXPENDITURE	190,768,769
Loan Charges	7,493,305
Investment Income	(180,285)
Council Transformation Programme savings targets	(973,000)
Allocations to HRA, Capital Account etc.	(4,877,164)
NET EXPENDITURE	192,231,625
Enhancement of Reserves	(2,764,375)
Scottish Government Grant	154,996,000
Council Tax	40,000,000
TOTAL FUNDING	192,231,625