



BUDGET BRIEFING PAPER 2

REVENUE BUDGET 2015/20 – SETTLEMENT UPDATE

Grant Settlement – Scottish Government

On 22 November 2013 COSLA voted not to endorse the recommendation of the joint Settlement and Distribution Group that all needs-based indicators for the 2015/16 settlement should be uprated and instead passed a motion to roll forward the 2014/15 settlement to 2015/16 at an individual council level.

On 21 February 2014 John Swinney provided an update on the distribution of the local government finance settlement allocations for 2015/16.

The decision by COSLA in November 2013 was accepted by Mr Swinney and the details of the funding implications were provided to COSLA in terms of the impact of the roll forward as opposed to the needs based uplift. The impact of this was that Aberdeenshire did not benefit from an estimated additional £5.9 million per annum in terms of the revenue funding and an estimated additional £1.2 million per annum in terms of capital funding.

Mr Swinney indicated that confirmation be sought from COSLA following the publication of further detail regarding the funding implications for Councils not to uprate needs based indicators when allocating funding for individual authorities in 2015/16.

The uprated needs based figures have subsequently been checked and confirmed for robustness and accuracy.

COSLA Update

In April 2014 COSLA met to consider the distribution arrangements for the 2015/16 settlement following sight by all individual Councils of the detailed funding implications from the Scottish Government. Leaders were asked to consider whether settlement should be on a flat cash basis at an individual council level or distributed after the updating of the indicators.

It was agreed at the meeting by COSLA to overturn the original decision and to agree to the distribution of the 2015/16 settlement after the updating of the needs based indicators. If the Scottish Government accepts the change then the provisional implication of this decision, given the proviso that there maybe further amendments to arrive at the final settlement position to be confirmed by the Scottish Government, is that Aberdeenshire will receive an additional £5.9 million in revenue funding per annum and £1.2 million in capital funding per annum compared to the budgeted position.

Head of Finance

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