

REVENUE BUDGET OUTLOOK REPORT

1 SUMMARY

- 1.1 This is the second quarterly revenue budget outlook report. It reflects projections as at the end of September and also includes the most up to date funding assumptions as reported to Council on 31 October 2013.
- 1.2 The information is presented over the period to 2019-20. The requirement is to have a balanced budget for the relevant financial year but the Council also needs to consider the medium/longer term financial outlook. The aim is to keep members aware of the developing budgetary position of the Council in the build-up to approval of the budget in February. The report seeks to provide information rather than committing to decisions on the budget now.

2 RECOMMENDATION

- 2.1 This report is for noting in order that Members are aware of the overall budgetary outlook.

3 DETAIL

3.1 Introduction

- 3.1.1 At the Council meeting on 27 June 2013 a report was considered on the approach to the revenue budget and it was agreed that a budget update report would be brought to Council each quarter. This report is the second of the quarterly revenue budget outlook reports.
- 3.1.2 This report summarises the estimated expenditure and income through to 2019-20 as at the end of September 2013. It includes information on inflation, cost and demand pressures, fees and charges and previously agreed savings.
- 3.1.3 There are further sections on severance, general fund reserve and a financial risks analysis.
- 3.1.4 In considering the figures contained in this report, it should be noted that a budget outlook can only ever be an estimation of the likely outcome at a given point in time using a set of assumptions.

3.2. Funding

3.2.1 Current Finance Settlement

- 3.2.1.1 The Local Government Finance Settlement announced in December 2011 covered

the period 2012-13 to 2014-15. Any changes to this arising from the Scottish Government draft budget announced in September 2012 were factored into an updated local government finance settlement announced on 27 November 2012. These figures were advised to Members as part of the budget pack in February 2013.

- 3.2.1.2 There have been two further Local Government Finance Amendment Orders for 2013 on 7 February and 14 March and it is assumed these changes carry forward into 2014-15.
- 3.2.1.3 The Scottish budget announcement in September set out the proposed funding for local government in Scotland. The underlying settlement was based on a flat cash position carried forward from 2013-14 with a number of adjustments. The only new significant funding relates to providing for commitments in the Children and Young Persons Bill. This is to make allowance for new duties on Councils and the Council will need to consider its own budgetary requirements as part of the review of cost and demand pressures.
- 3.2.1.4 The COSLA Leaders meeting on 27 September 2013 considered a report on proposals for distribution of the local government financing settlement for 2014-15 and 2015-16. As 2014-15 is already part of the current finance settlement there will be no change to individual Council funding allocation except for the distribution of additional funding e.g. Children and Young People Bill. In relation to 2015-16 this is a new year and normally the various indicators used in allocating the overall local government finance settlement to individual Council's would be updated. Leaders agreed to a proposal that the funding allocated to each individual Council in 2015-16 would be on a flat cash basis. This means each council would receive the same level of funding in 2015-16 as it receives in 2014-15. However a final decision on the basis of distribution rests with the Scottish Government and they have still to confirm their position. In addition to flat cash councils will receive a share of the additional funding within the Scottish Budget announcement i.e. the Children and Young Persons Bill funding which is anticipated to increase from £0.842m to £1.351m.
- 3.2.1.5 The updated settlement figures for the period to 2015-16 are noted in the table below. This includes an estimate of our share of the Children and Young People Bill for 2015-16 as to date only 2014-15 funding has been announced.

Scottish Government Funding	2014-15	2015-16
Funding as Per Budget Pack 2014/15	197,394	197,394
Teachers Induction	170	170
Scottish Welfare Fund	428	428
Council Tax Reduction Scheme	4,235	4,235
Revised as per circular 14 March 2013	202,227	202,227
Funding from Children and Young People Bill	842	1,351
Total Funding Estimate	203,069	203,578

3.2.2 Future Years Settlement Estimations

3.2.2.1 In terms of the medium / longer term planning it would be prudent to assume the indicators will be updated for 2016-17 onwards. Further the latest projections for 2016-17 and 2017-18 suggest an even more challenging level of public sector funding in these years. Based on UK Government projections and adjusting for non-domestic rates increases and the impact of the floor adjustment (1.5% lower than the average) it is forecast that funding for the Council could reduce by 2.04% and 2.29% in 2016-17 and 2017-18. This is greater than the 1.9% decrease and 0.5% increase reported to Council on 29 August 2013. There is also an issue around whether future funding is calculated from the flat cash basis for 2015-16 or is rebased on the individual Council allocations for 2015-16 had the indicators been updated.

3.2.2.2 The updated estimated Scottish Government funding over the longer term outlook is set out in the table below and incorporates the estimates noted above.

Scottish Government Funding	2016-17	2017-18	2018-19	2019-20
Overall finance settlement %	-0.54%	-0.79%	+2.0%	+2.0%
ABC funding change %	-2.04%	-2.29%	+0.5%	+0.5%
Scottish Government Funding £000	199,425	194,858	195,832	196,811

3.2.3 Council Tax

3.2.3.1 At the budget meeting on 14 February 2013 no growth and no change to the council tax rate was assumed for the period to 2014-15 and this is still the case. From 2015-16 onwards it has been assumed that the council tax base will grow by 0.25% per annum although no increase in the rate of council tax has been assumed.

3.2.3.2 As part of the welfare reform agenda responsibility for council benefit is transferring from the Department of Work and Pension. In Scotland, the council tax reduction scheme (CTRS) has been developed for 2013-14 and a replacement for/extension of this will need to be put in place on an on-going basis. The funding for CTRS is included in Scottish Government funding so needs to be removed from council tax income to avoid double counting.

3.2.3.3 The Scottish Government also have a further £70m to distribute in respect of the Council Tax Reduction Scheme but this will not be distributed until later in the year. Based on current distribution, our share could be around £1.1m. This is not additional free resources but will simply offset the full estimated cost of CTRS. The level of funding and CTRS will be monitored to identify the emerging gap between cost and funding.

3.2.3.4 The estimated council tax income for the next two years of the finance settlement is noted in the table below.

Council Tax Funding	2014-15 £000	2015-16 £000
Previous Council Tax Base	45,050	
Reduced Council Tax Income re Council Tax Benefits	-4,235	
Revised Council Tax	40,815	40,917
Increase in Council Tax %	0%	0.25%

3.2.3.5 The longer term outlook for council tax income is noted in the table below.

Council Tax Funding	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000
Revised Council Tax	41,019	41,122	41,225	41,328
Increase in Council Tax %	0.25%	0.25%	0.25%	0.25%

3.2.4 Total Funding

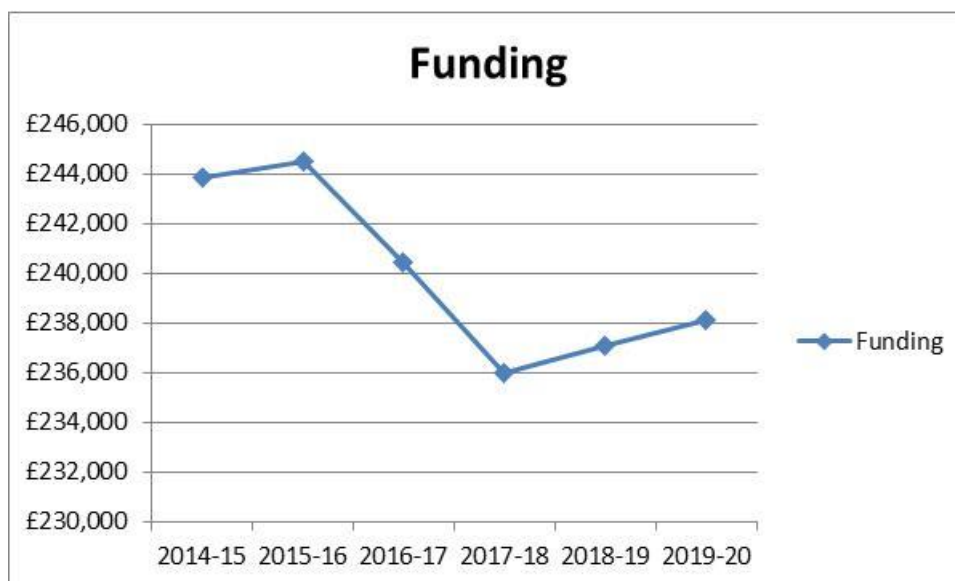
3.2.4.1 The table below summarises the total estimated funding for the next two years of the financial settlement.

Total Funding	2014-15 £000	2015-16 £000
Scottish Government Funding	203,069	203,578
Council Tax	40,815	40,917
Total	243,884	244,495

3.2.4.2 The table below summarises the total estimated funding for the longer term outlook.

Total Funding	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000
Scottish Government Funding	199,425	194,858	195,832	196,811
Council Tax	41,019	41,122	41,225	41,328
Total	240,444	235,980	237,057	238,139

3.2.4.3 The trend in the estimated funding from 2014-15 to 2019-20 is also noted in the chart below.



3.3 Base Budget

3.3.1 As with previous years, the base budget for 2014-15 is the current year's approved budget which will be adjusted as follows:

- for any one-off items included within 2013-14 that aren't carried forward into 2014-15
- for any previously agreed items for future years
- for any funding adjustments since the 2013-14 budget was agreed.

3.3.2 The split of the base budget across services and other central commitments will be based on a snapshot of the copy budget as this is the most up to date budget position reflecting any coding improvement and virements up until this time.

3.3.3 There are savings agreed as part of service reviews in previous years and also as part of the budget agreed in February 2013 where the full effect of the saving takes effect in 2014-15. These have been adjusted in the base budget.

3.3.4 The revised base budget following adjustments for the next two years is noted in the table below.

Base Budget		2014-15 £000	2015-16 £000
Approved Budget	2013-14	245,466	245,466
One-Off Items:			
Severance		-1,560	-1,560
Inveraray project	CARS	-350	-350
Hermitage Park		-300	-300
Campbeltown House	Picture House	-150	-150
Kilmartin House	Museum	-19	-19
One-off saving agreed for 2013-14 only	(Teachers)	230	230

Induction funding)		
Previously agreed Items:		
NPDO Increase to reflect full cost of NPDO following removal of smoothing fund.	289	289
Revenue Contribution to Capital	-3,347	-4,216
Reduction in Loan Charges due to Debt Fall Out	-600	-7,257
Funding Adjustments:		
Remove Council Tax Reduction Funding agreed for 2013-14 only	-297	-297
Teachers Induction Scheme	170	170
Scottish Welfare Fund	428	428
Other Adjustments:		
Year 3 Service Review Savings	-711	-711
Savings Approved in February 2013	-822	-822
Not Proceed with Struan Lodge Saving	400	400
Total Adjusted Base Budget	238,827	231,301

3.3.4 The base budget moving into the longer term outlook is noted in the table below.

Base Budget	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000
Adjusted Base Budget 2015-16	231,301	231,301	231,301	231,301
Reduction in Loan Charges due to Debt Fall Out	-1,000	-2,000	-3,000	-4,500
Total Adjusted Base Budget	230,301	229,301	228,301	226,801

3.4 Budget Challenge

3.4.1 A challenge process was carried out in 2010 and in light of the surplus at the end of 2012-13 it was agreed that another challenge process should be carried out to compare the expenditure at the end of 2012-13 to the base budget for 2014-15.

3.4.2 Explanations/justification for ongoing budget were required at cost centre level or groups of cost centres and only variances above the threshold of +/- £10,000 required explanation.

3.4.3 The following table provides a summary reconciliation between the 2012-13 actuals to the 2014-15 base budget. In order to give a “like for like” comparison, the 2012-13 actuals need to be adjusted for budget decisions agreed in February 2013, earmarked reserves spent during 2012-13 and earmarked grants and contributions carried forward at the end of 2012-13.

	£000	£000	Explanation of Figures
Surplus at end of 2012-13		-11,567	As per Audited Accounts
Funding 2012-13		262,720	Revenue Support Grant and Council Tax
Expenditure 2012-13		251,153	
Agreed Budgets Adjustments 2013-14:			
Cost and Demand Pressures	2,262		Agreed in February 2013
Fees and Charges	-350		Agreed in February 2013
Non-Pay Inflation	2,070		Agreed in February 2013
Pay Inflation	1,017		Agreed in February 2013
Pay Increments	718		Agreed in February 2013
		5,717	
Earmarked Reserves Used During 2012-13		-2,565	Earmarked Reserves used during 2012-13 require to be deducted as they relate to one-off expenditure.
Earmarked Grants and Contributions at end of 2012-13		1,232	Grants and Contributions earmarked at the end of 2012-13 require to be added on in order to net off the income and expenditure in relation to the grants and contributions.
Adjusted Expenditure 2012-13		255,537	Expenditure Adjusted in order to compare "like for like" to 2014-15 Base Budget
Base Budget		238,816	Base Budget as Per Quarterly Outlook Report
Reduction from 2012-13 to 2014-15		16,721	Overall Reduction between expenditure in 2012-13 and Base Budget 2014-15

3.4.4 There is an overall reduction between the adjusted 2012-13 actual and the 2014-15 base budget of £16.721m. A summary of the main variances are noted within the table below.

Variance	£m
Joint Boards	12.674
Loans Charges	0.742
Reductions to Services Budgets	2.001
Other Central Reductions	1.304
Total	16.721

3.4.5 The reduction for Joint Boards is due to the removal of the funding and the requisitions for Police and Fire in 2013-14. The reduction in loans charges reflects the repayment of historic debt. The other central reductions are in relation to

redundancy payments, NDR, Insurances etc.

- 3.4.6 There is an overall reduction to service budgets of £2.001m. Service budgets were subject to the detailed challenge process and explanations were required for variances.
- 3.4.7 In addition to an overall reduction in service budgets, £414,000 was identified as further savings.
- 3.4.8 Within Customer Services there is a saving of £240,000 in relation to the re-tendering of the bus contracts and is effectively a pay-back of the cost pressures included within the 2013-14 budget. This amount will be removed from the 2014-15 base budget.
- 3.4.9 Within Development and Infrastructure there is a saving of £174,000 in relation to over-provision in employer national insurance and superannuation contributions. Development and Infrastructure intend to transfer this balance within the department to Economic Development to fund the Regeneration Programme which will avoid another cost pressure.

3.5 Employee Budgets

- 3.5.1 Strategic Finance have undertaken an exercise to populate salary templates with the employee establishment and this has been confirmed with budget holders.
- 3.5.2 After reviewing and updating to reflect the latest pupil census in September 2013 and also current staffing requirements, the overall effect is a saving on the departmental employee base of £0.717m.
- 3.5.3 A decision was taken at the COSLA Convention on 25 October 2013 around pay increases for employees whose terms and conditions of service come within the framework of the Scottish Joint Council for Local Government Employees. The period of settlement covers 2013-14 and 2014-15 and agrees an increase of 1% for 2013-14 and also 1% for 2014-15. These increases are consistent with what was already assumed in the previous quarterly budget outlook. An estimate of 2% has been assumed from 2015-16 onwards. Although these rates cannot be imposed on teachers, the same assumptions have been used.
- 3.5.4 The pay uplift is accompanied by the introduction of the Scottish Local Government Living Wage set at £7.50 per hour for 2013-14 and at £7.58 per hour for 2014-15 as agreed by COSLA Leaders on 30 August 2013. If the Living Wage Foundation decide on an hourly rate above the 2014-15 rate of £7.58 in November 2013 then Scottish Local Government will match this figure for application from 1 April 2014. For the budget, the living wage increase for 2013-14 is already included within the base budget and the increase between 2013-14 and 2014-15 is included within the pay inflation figure.
- 3.5.5 The cost of employee increments for 2014-15 equates to £0.792m. This is slightly higher than the estimate of £0.525m in the previous quarterly outlook. The cost of increments has been estimated for 2015-16 also and it would be prudent to build in

an estimate which equates to 0.5% of basic pay. From 2016-17 onwards, it is assumed that most employees will be on the top of the scale so no increment assumption is required.

- 3.5.6 As a result of increases in employee costs due to increments and inflation, National Insurance and Superannuation budgets have also been increased in line with the pay award and incremental allowance.
- 3.5.7 Auto enrolment will require the Council to automatically enrol all staff in the pension scheme. This is underway for new staff and a small number of other qualifying existing staff, however the majority of existing staff who are not members of the pension scheme do not need to be auto enrolled until 2017. There will be an additional cost arising from employers pension contributions. Since May 2013 a total of 235 employees have been auto-enrolled into the pension scheme and of these 57 have opted out of the scheme, therefore to date approximately 75% of employees auto-enrolled into the pension scheme have remained in the scheme. In addition communication from HR has been issued to employees to advise on the auto enrolment programme and as a result of this 53 employees have contacted HR to voluntarily join the pension scheme. The extent to which staff who are auto enrolled remain in the pension scheme or choose to leave will determine the overall cost to the Council, it is too early in the process to gauge an accurate assessment of this. An initial assessment suggests this could be in a range between £200,000 to £2m per annum from 2017-18. This position will be monitored and an attempt will be made to make a more accurate assessment of the cost for inclusion in the December budgetary outlook.
- 3.5.8 There are currently proposals being considered at a UK level that would see the removal of the contracting out rebate from national insurance where employers have an occupational pension scheme. These proposals are continuing and are currently going through UK Parliament and will coincide with the ending of the second state pension which is forecast to be from 1 April 2016. The Council benefits from this rebate where employees are members of the Strathclyde Pension Fund and Teachers Pension Scheme. If the contracting out rebate is removed this will increase the Council's national insurance costs. The current estimate of this cost is £2.027m and this has been built into the budget projections from 2016-17.
- 3.5.9 The new Local Government Pensions Scheme (LGPS)(Scotland) will take effect from 1 April 2015 replacing the existing scheme from that date. As the new scheme commences all existing scheme members and new entrants will become members of the new LGPS (Scotland). There are a number of headline features of the new scheme which were agreed at the COSLA Leaders meeting at the end of September. There is still an outstanding issue in regards the definition of pensionable pay. It is likely that additional hours worked up to and including 37 hours will become pensionable as well as any excess or enhanced hours worked. The latest assessment of the cost is £553,600 and this has been built into the budget from 2015-16.
- 3.5.10 The total change to the employee costs estimated for the next two years of the financial settlement are summarised in the table below.

Employee Assumptions	2014-15 £000	2015-16 £000
Adjustment to Employee Base as a result of staffing changes	-717	-717
Pay Award	1,006	3,118
Increments	792	1,320
NI & SA increase due to increments and inflation	397	870
Pensionable Pay	0	554
Total	1,478	5,145

3.5.11 The total change to the employee costs estimated for the longer term is summarised in the table below.

Employee Assumptions	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000
Adjustment to Employee Base as a result of staffing changes	-717	-717	-717	-717
Pay Award	5,284	7,494	9,747	12,046
Increments	1,320	1,320	1,320	1,320
NI & SA increase due to increments and inflation	1,364	1,908	2,463	3,029
Impact of Auto Enrolment	No allowance included at this stage			
Removal of Contracted Out	2,027	2,027	2,027	2,027
Pensionable Pay	554	554	554	554
Total	9,832	12,586	15,394	18,259

3.6 Non Pay Inflation

3.6.1 Over the last few years the Council have only included inflation on costs where it was considered to be unavoidable or inescapable. This has placed increased pressure on services to absorb inflation within their existing budgets and is now becoming increasingly difficult as costs have increased over the years. As part of the budget in February 2013 it was recommended that a general inflation provision on all non-pay costs be built into the budget from 2015-16 onwards. In view of the updated budget strategy only unavoidable/inescapable inflation has been included for 2015-16 with a general inflation on all non-pay costs from 2016-17 onwards.

3.6.2 The inflation assumptions for 2014-15 have been reviewed at the end of September 2013 and the cost of applying unavoidable or inescapable inflation for 2014-15 is £2.296m which is similar to the amount estimated in February 2013 of £2.241m.

3.6.3 The Bank of England Inflation report for August 2013 indicates that CPI inflation for quarter 3 in 2013 is 2.8%, with an expectation that inflation could fall to an average of 2.3% in financial year 2014-15. The probability of CPI being greater than 2.5% in 2014-15 is 46%.

3.6.4 Inflation totals by Department estimated over the next two years of the financial settlement are summarised in the table below.

Non-Pay Inflation	2014-15 £000	2015-16 £000
Chief Executive's Unit	1	1
Community Services	838	885
Customer Services	699	735
Development and Infrastructure	757	904
Joint Boards	0	0
Other Operating Income and Expenditure	1	2
Total	2,296	2,527
Cumulative Total	2,296	4,824

3.6.5 In terms of the longer term outlook, the previous assumption was 2.5% for general inflation, however, in light of the updated Bank of England projections this has been reduced to 2.0% on all costs from 2016-17 to 2019-20. If general inflation was included in other non-pay costs budgets for 2015-16, this would require a further provision of £0.268m in 2015-16 and due to the year on year effect, this figure would rise to £0.291m by 2019-20.

3.6.6 Inflation totals by Department estimated over the longer term are summarised in the table below.

Non-Pay Inflation	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000
Chief Executive's Unit	25	24	24	25
Community Services	1,335	1,360	1,388	1,412
Customer Services	811	828	851	862
Development and Infrastructure	654	667	680	694
Joint Boards	-7	-11	27	28
Other Operating Income and Expenditure	59	61	63	63
Total	2,877	2,929	3,033	3,084
Cumulative Total	7,701	10,630	13,663	16,747

3.6.7 Further detail of each inflation category is provided within Appendix 1.

3.7 Cost And Demand Pressures

3.7.1 All services face pressure to increase expenditure. A cost pressure is defined as an unavoidable cost increase to the service.

3.7.2 A demand pressure is defined as an additional cost associated with expanded or additional service delivery that is required due to circumstances that place more demand on the service.

3.7.3 Departments consider any cost and demand pressures facing their service on a quarterly basis. The current estimate of cost and demand pressures over the next two years of the financial settlement is summarised in the table below. These will be reviewed on an ongoing basis until the budget is agreed in February 2014. It should be noted, that these are the latest cost and demand pressures as prepared by Strategic Finance. They still require further scrutiny by the Strategic

Management Team and also the Policy Leads and further review and refinement of the cost and demand pressures will take place for inclusion in the December budget outlook.

Cost and Demand Pressures	2014-15 £000	2015-16 £000
Cost Pressures		
Customer and Support Services	796	853
Facility Services	13	26
Governance and Law	0	0
Planning and Regulatory Services	150	150
Roads and Amenity Services	425	225
Chief Executive's Unit	102	92
Total Cost Pressures	1,486	1,346
Demand Pressures		
Adult Care	536	1,100
Children and Families	913	2,063
Education	150	650
Total Demand Pressures	1,599	3,813
Grand Total	3,085	5,159

3.7.4 The changes to the cost and demand pressure estimates since the previous quarterly outlook are reconciled below.

	2014-15 £000	2015-16 £000
Previous Estimate	1,815	3,020
Revised Estimate	3,085	5,159
Increase/(Decrease)	1,270	2,139
Change to Concessionary Travel Scheme estimates	-9	-48
Waverley Excursion Cost Pressure removed and funding allocated from general fund as per Council meeting (see para 3.10.3)	-15	-10
New – Street Lighting Inventory	200	0
New – Resourcelink Phase 4 Project	102	92
New – Children and Families Demand Pressures as a result of Children and Young Persons Bill (partly offset by additional funding)	842	1,955
Central Repairs/Maintenance in Schools	150	150
Increase/(Decrease)	1,270	2,139

3.7.5 Depending on the recommendations from the Short Life Working Group on the political management arrangements there is likely to be an additional cost pressure within Governance and Law in respect of meeting the requirements of an enhanced committee structure. Until details have been finalised, no estimate has been built

into the budget outlook.

3.7.6 It is difficult to accurately estimate cost and demand pressures through to 2019-20. More certainty can be assumed in the assessment of cost and demand pressures for say the next 3 years but the longer the period the more scope for additional cost and demand pressures to arise. It is also worth noting that at this stage no allowance has been included for the costs associated with auto enrolment as noted within the employee section of this report. With this in mind an allowance for unknown cost and demand pressures of £1m each year and a contingency provision of £1m each year is included within the forecast from 2017-18 – the period after the initial 3 years.

3.7.7 The cost and demand pressures estimated for the longer term are summarised in the table below.

Cost and Demand Pressures	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000
Cost Pressures				
Customer and Support Services	910	967	1,024	1,081
Facility Services	42	58	75	94
Governance and Law	0	315	0	0
Economic Development	0	0	0	0
Planning and Regulatory Services	150	150	150	240
Roads and Amenity Services	225	225	225	225
Chief Executive's Unit	12	12	12	12
Total Cost Pressures	1,339	1,727	1,486	1,652
Demand Pressures				
Adult Care	1,100	1,100	1,100	1,100
Children and Families	2,006	2,006	2,006	2,006
Education	650	650	500	500
Total Demand Pressures	3,756	3,756	3,606	3,606
Future Years Cost and Demand Pressures	0	1,000	2,000	3,000
Contingency Allowance	0	1,000	2,000	3,000
Grand Total	5,095	7,483	9,092	11,258

3.7.8 Further detail on the cost and demand pressures is included within Appendix 2.

3.8 Fees And Charges

3.8.1 The budget agreed in February 2013 assumed a 3% increase in fees and charges for 2014-15 and 2015-16, which equates to £0.360m in 2014-15 and an additional £0.363m in 2015-16. No increase beyond 2015-16 has been assumed at this stage.

3.8.2 If a 3% increase was included from 2016-17 through to 2019-20 this would yield at additional £1.4m.

3.8.3 The fees and charges schedules are reviewed on an annual basis and will be issued to Council in January 2014 for approval at the Council meeting in February 2014.

3.9 Updated Budget Outlook - September 2013

3.9.1 The updated budget outlook for the next two years of the financial settlement, taking account of all the factors above is summarised in the table below.

Financial Position	2014-15 £000	2015-16 £000
Adjusted Base Budget	238,827	231,301
Revenue Budget Challenge	-240	-240
Employee Cost Increases	1,478	5,145
Non-Pay Inflation	2,296	4,824
Cost and Demand Pressures	3,085	5,159
Fees and Charges	-360	-723
Total	245,086	245,466
Funding	243,884	244,495
Funding Surplus/(Gap)	-1,202	-971
Year on Year Funding Gap	-1,202	231

3.9.2 The funding gap over the next two years is a cumulative gap of around £1m by 2015-16. A separate report has been prepared in respect of the overall budget strategy. It is proposed to set a savings target for 2014-15 and 2015-16 of 1% to be met by efficiency savings. This would allow time for plans to be developed for aligning future resources and spending to the commitments in the Single Outcome Agreement.

3.9.3 The longer term outlook is summarised in the table below.

Financial Position	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000
Adjusted Base Budget	230,301	229,301	228,301	226,801
Revenue Budget Challenge	-240	-240	-240	-240
Employee Cost Increases	9,832	12,586	15,394	18,259
Non-Pay Inflation	7,701	10,630	13,663	16,747
Cost and Demand Pressures	5,095	7,483	9,092	11,258
Fees and Charges	-723	-723	-723	-723
Total	251,966	259,037	265,487	272,102
Funding	240,444	235,980	237,057	238,139
Funding Surplus/(Gap)	-11,522	-23,057	-28,430	-33,963
Year on Year Funding Gap	-10,551	-11,535	-5,373	-5,533

3.10 General Fund Reserve

3.10.1 The audited General Fund Reserve balance at 31 March 2013 was £46.138m. Of this balance £36.044m is earmarked with an unallocated General Fund Reserve balance of £10.094m.

3.10.2 The unallocated General Fund Reserve Balance as at 31 March 2013 of £10.094m represents 4.1% of the net revenue expenditure for 2013-14. The Council has a policy of maintaining an unallocated/"free" balance of 1.5% of budgeted net expenditure, which equates to £3.666m. Therefore, at the start of 2013-14 the Council had a surplus in reserves over and above the minimum requirement of

£6.428m.

- 3.10.3 The projected outturn position for 2013-14 as at the end of September is a £0.225m overspend. The surplus within reserves will require to be adjusted for this projected outturn, leaving a surplus of £6.158m. The table below shows the updated surplus General Fund Reserve balance.

	£'000
Free General Fund Balance at 31 March 2013	10,094
Current Projected Outturn Position (as at 30 September 2013)	(225)
Additional Funding Agreed from Reserves	0
Free General Fund Balance at 30 September 2013	9,869
Payment of £45,000 to Waverley Excursions Ltd as agreed by Council on 31 October 2013 (2013-14 £20,000, 2014-15 £15,000, 2015-16 £10,000)	45
1.5% Contingency	3,666
Surplus General Fund Balance	6,158

- 3.10.4 The balance on the General Fund Reserve is significant. The Council needs to be mindful of the risks associated with funding recurring costs from a one-off source funding. The budgetary outlook is one of significant longer term savings albeit the savings in 2014-15 and 2015-16 are lower. There are also forecast reductions in the resources available to support capital expenditure. Finally no provision for any severance costs associated with future budget savings has been made in the budgetary outlook. Bearing these comments in mind the balance on the General Fund will be monitored as part of development of the budget and Members may wish to consider how best to utilise the General Fund Balance in due course given the various financial pressures it faces.

3.11 Severance

- 3.11.1 At this stage no estimate of future severance costs has been made. No provision has been made in the budget outlook for severance costs. In due course an estimate of severance costs will need to be made and a source of funding identified either by inclusion in the revenue budget or use of reserves.

3.12 Analysis Of Budget Outlook

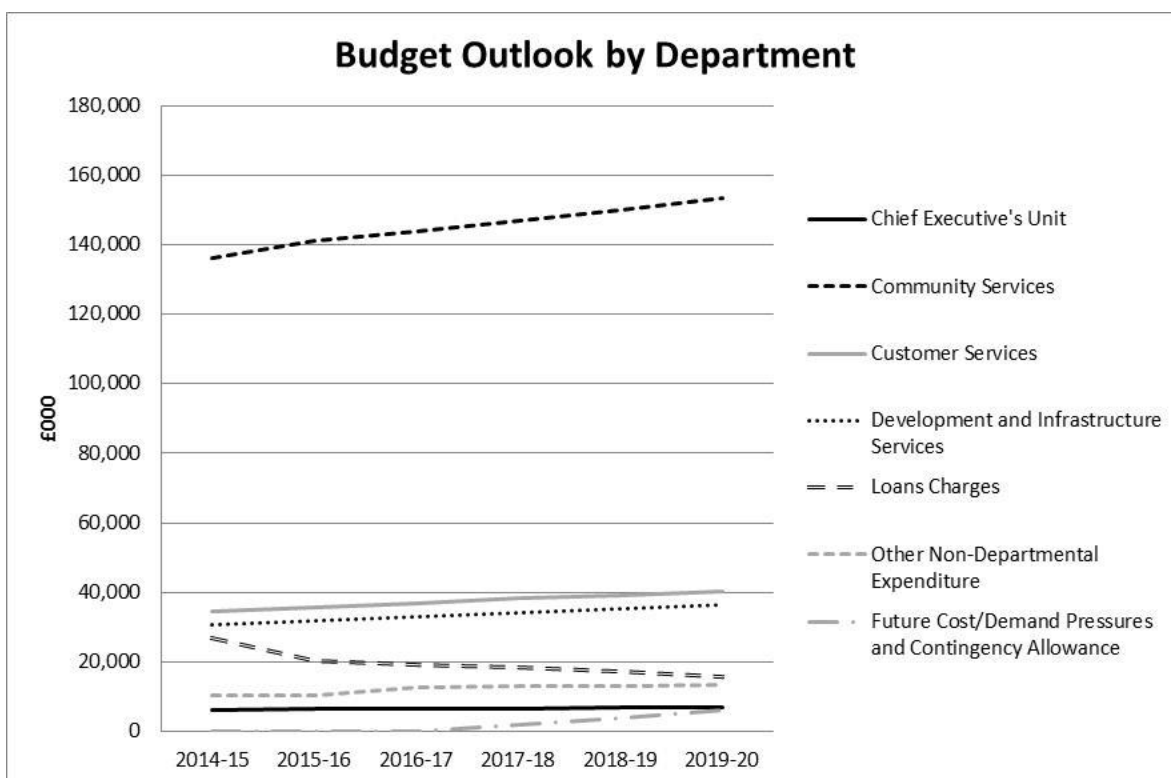
- 3.12.1 The updated budget outlook for the next two years of the financial settlement, split across departments, non-departmental costs and loans charges is noted in the table below.

Department	2014-15 £000	2015-16 £000
Chief Executive's Unit	6,288	6,404
Community Services	136,070	141,006
Customer Services	34,547	35,627
Development and Infrastructure Services	30,777	31,759
Loans Charges	26,893	20,236
Other Non-Departmental Expenditure	10,511	10,434
Total	245,086	245,466

3.12.2 The updated budget outlook for the longer term, split across departments, non-departmental costs and loans charges is noted in the table below.

Department	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000
Chief Executive's Unit	6,455	6,587	6,722	6,859
Community Services	143,977	147,064	150,063	153,272
Customer Services	36,788	38,285	39,183	40,414
Development and Infrastructure Services	32,868	33,999	35,152	36,419
Loans Charges	19,236	18,236	17,236	15,736
Other Non-Departmental Expenditure	12,642	12,866	13,131	13,402
Future Cost/Demand Pressures and Contingency Allowance	0	2,000	4,000	6,000
Total	251,966	259,037	265,487	272,102

3.12.3 The budget outlook for the period 2014-15 to 2019-20 split across departments, non-departmental costs and loans charges is shown in the following chart. An analysis by service is included within Appendix 3.

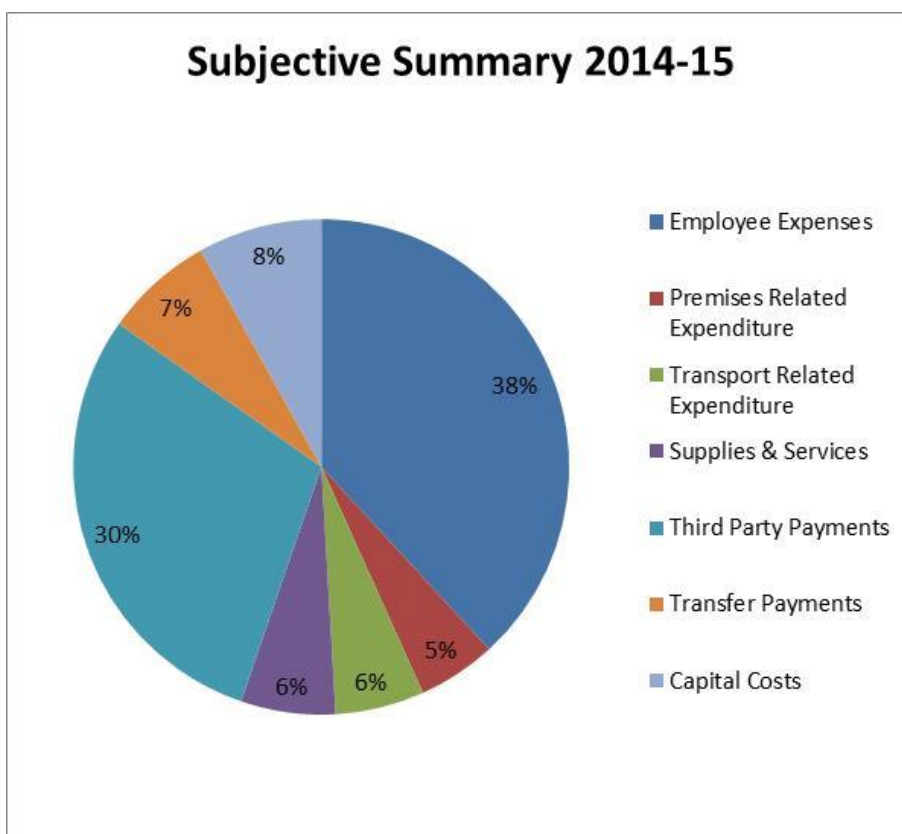


3.12.4 The table below summarises the split across the subjective (cost type) categories for the next two years of the financial settlement.

Subjective Category	2014-15 £000	2015-16 £000
Employee Expenses	131,213	134,946

Premises Related Expenditure	17,578	18,581
Transport Related Expenditure	19,977	20,593
Supplies & Services	21,186	21,302
Third Party Payments	101,588	104,585
Transfer Payments	24,506	24,557
Capital Costs	27,762	20,236
Income	-98,724	-99,334
Total	245,086	245,466

3.12.6 The split/share of the budget based on cost type for 2014-15 is shown in the chart below.



3.12.7 The table below summarises the split across the subjective (cost type) categories for the longer term outlook. A comparison of the subjective summary between 2014-15 and 2019-20 is shown within Appendix 4.

Subjective Category	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000
Employee Expenses	139,688	142,501	145,368	148,294
Premises Related Expenditure	18,894	19,214	19,390	19,719
Transport Related Expenditure	20,938	21,289	21,647	22,013
Supplies & Services	21,656	22,333	22,393	22,769
Third Party Payments	106,298	108,177	110,134	112,222
Transfer Payments	24,580	24,603	24,627	24,651
Capital Costs	19,236	18,236	17,236	15,736
Income	-99,324	-99,316	-99,308	-99,302

Future Cost/Demand Pressures/Contingency	0	2,000	4,000	6,000
Total	251,966	259,037	265,487	272,102

3.13 Financial Risk Analysis

3.13.1 In developing the budget and addressing both restricted resources and cost and demand pressures there are a number of risks the Council needs to consider and manage.

3.13.2 The budget pack in February 2013 included a report on financial risks. Each of the main activities/teams/business units within a service were considered and risks were identified that related to cost levels, service demands and income. The probability, service impact and financial impact of each risk was assessed.

3.13.3 The probability and service impact is a combination of the likelihood of an event happening and the impact that it would have. Each element is scored out of 5 with a combined score of up to 25. The probability and service impact scores have been categorised as low, medium and high, as follows:

Low	Score 1-5
Medium	Score 6-12
High	Score 13-25

3.13.4 A review of financial risks was undertaken at the end of September 2013 and the current top five risks within each category, in terms of financial impact and probability and impact are noted in the following paragraphs. The financial risks noted are those that are not currently budgeted for and are not included within cost and demand pressures.

3.13.5 Risks to Cost Levels: Costs for services are not always fixed and in line with the current economic climate are subject to fluctuation. The risks identified are only concerned with risk in relation to costs that are required to maintain the current level of service delivery.

3.13.6 Risks to Service Demand: A demand pressure is created where there is a need to expand or provide additional services to those already delivered as a result of circumstances that place more demand on a service.

3.13.7 Risks to Service Income: The incomes risks are in relation to income received for services provided.

3.13.8 The current top five risks in terms of financial impact are:

Type of Risk	Service	Description	Probability & Service Impact	Budget Impact £000	Management/ Control
Service Demand	Roads and Amenity Services	Winter Maintenance - Adverse weather conditions	High – 16	1,199	Monitor weather conditions and apply gritting policy to minimise costs.

		which require greater than budgeted number of gritting runs			
Cost Levels	Adult Care	Learning Disability Increased Provider Charges	Medium - 12	850	Ensure services are targeted at priority need clients. Review of client assessments and selection of appropriate provider via commissioning of service.
Service Demand	Adult Care	Population Growth	Medium – 12	705	Restrict service provision within available budget. Ensure services targeted at priority need clients. Continue to shift balance of care where average community care packages cost less than institutional.
Service Demand	Adult Care	Older People - Level of service demand remains at current commitment or increases due to needs becoming more complex	Medium – 12	564	Restrict service provision within available budget. Ensure services targeted at priority need clients. Continue to shift balance of care where average community care packages cost less than institutional. Target funding at preventative services to reduce risk of higher dependency.
Service Demand	Education	Schools ASN Assistants – Client base increasing	High – 16	460	Priority Need Framework, Active Management of Distribution/ allocations

3.13.9 The current top five risks in terms of the probability and the impact on service are:

Type of Risk	Service	Description	Probability & Service Impact	Budget Impact £000	Management/ Control
Service Demand	Central Governance	Changes in political management arrangements resulting in increased number of Committees and meetings with additional support required for Members.	High - 20	70	Liaise with members to maximise council facilities/ resources in first instance.
Service Demand	Area Governance	Changes in political management arrangements resulting in increased number of Committees and meetings with additional support required for Members.	High - 20	128	Liaise with members to maximise council facilities/ resources in first instance.
Service Demand	Roads and Amenity Services	Winter Maintenance - Adverse weather conditions which require greater than budgeted number of gritting runs	High – 16	1,199	Monitor weather conditions and apply gritting policy to minimise costs.
Service Demand	Education	Schools ASN Assistants – Client base increasing	High – 16	460	Priority Need Framework, Active Management of Distribution/ allocations
Service Demand	Roads and Amenity Services	Street Lighting - Age of lighting stock requires greater maintenance as health and safety becomes a consideration.	High – 16	98	Manage maintenance budgets to ensure that spend is prioritised to deal with safety defects.

3.13.10 The following table summarises the current number of risks with their probability/service impact and budget impact and also provides comparative figures to the risks at the end of June 2013.

Probability & Service Impact	No. of Risks	No. of Risks < £100k	No. of Risks £100k-£250k	No. of Risks £250-£500	No. of Risks > £500k	Budget Impact £000
Low – June 2013	19	14	5	0	0	1,114
Low - now	19	15	4	0	0	1,030
Medium – June 2013	58	42	12	1	3	6,825
Medium – now	56	42	12	1	3	6,771
High – June 2013	5	3	0	1	1	1,867
High – now	7	4	1	1	1	2,065
Total – June 2013	82	57	18	3	4	9,806
Total – now	82	61	17	2	4	9,865

3.13.11 There are currently 82 financial risks identified with a value of £9.865m. Out of the risks identified 61 (74%) have a financial value of less than £0.100m with only 4 (5%) that have a financial value of greater than £0.500m.

4 CONCLUSION

4.1 This report sets out the updated outlook in relation to the Council revenue budget. The report is for information only to keep members aware of the developing budgetary position.

5 IMPLICATIONS

- 5.1 Policy – None directly from this report.
- 5.2 Financial – None directly from this report.
- 5.3 Human Resources – None directly from this report.
- 5.4 Legal – None directly from this report.
- 5.5 Risk Management – None directly from this report.
- 5.6 Customer Service – None directly from this report.
- 5.7 Equalities – None directly from this report.

6 APPENDICES

- 6.1 Appendix 1 - Summary of Inflation Estimates
- 6.2 Appendix 2 – Cost and Demand Pressures
- 6.3 Appendix 3 – Analysis of Budget Outlook by Department and Service
- 6.4 Appendix 4 – Subjective Summary Comparison

Bruce West
Head of Strategic Finance
20 November 2013

Summary of Inflation Estimates

Appendix 1

	2014-15		2015-16		2016-17		2017-18		2018-19		2019-20	
	%	£000	%	£000	%	£000	%	£000	%	£000	%	£000
CPI	0.00%	0	0.00%	0	2.00%	1,952	2.00%	1,989	2.00%	2,035	2.00%	2,067
Fuel	15.00%	275	15.00%	316	2.00%	48	2.00%	49	2.00%	50	2.00%	51
Electricity	15.00%	302	15.00%	348	2.00%	53	2.00%	54	2.00%	55	2.00%	57
Street Lighting	15.00%	98	15.00%	146	2.00%	22	2.00%	23	2.00%	23	2.00%	24
Water	3.00%	22	3.00%	23	2.00%	16	2.00%	16	2.00%	16	2.00%	17
Gas	15.00%	79	15.00%	91	2.00%	14	2.00%	14	2.00%	15	2.00%	15
Heating Oil	15.00%	144	15.00%	166	2.00%	25	2.00%	26	2.00%	26	2.00%	27
Homelessness - short term accommodation	5.60%	49	5.60%	52	2.00%	20	2.00%	20	2.00%	20	2.00%	21
Service Level Agreements - Events and Festivals	7.01%	7	7.01%	7	2.00%	2	2.00%	2	2.00%	2	2.00%	2
Lease Agreement Mid Argyll Hospital and Intergrated Care Centre	3.00%	2	3.00%	2	2.00%	2	2.00%	2	2.00%	2	2.00%	2
Private Residential Care	2.75%	165	2.00%	127	2.00%	133	2.00%	136	2.00%	138	2.00%	141
Free Personal Care Subsidy	2.00%	37	2.00%	39	2.00%	41	2.00%	42	2.00%	43	2.00%	43
Pre-Primary Partner Providers	3.00%	31	3.00%	57	2.00%	46	2.00%	47	2.00%	48	2.00%	49
Foster Care Payments	3.00%	24	2.00%	17	2.00%	17	2.00%	17	2.00%	18	2.00%	18
Kinship Carer Payments	3.00%	11	2.00%	7	2.00%	7	2.00%	8	2.00%	8	2.00%	8
Adoption Allowances	3.00%	3	2.00%	2	2.00%	2	2.00%	2	2.00%	2	2.00%	2
Weekly Throughcare	0.60%	2	2.00%	6	2.00%	10	2.00%	10	2.00%	10	2.00%	11
Non-Domestic Rates Relief	1.50%	1	1.50%	2	2.00%	2	2.00%	2	2.00%	2	2.00%	2
Non-Domestic Rates	5.00%	216	5.00%	227	2.00%	95	2.00%	97	2.00%	99	2.00%	101

Summary of Inflation Estimates

Appendix 1

	2014-15		2015-16		2016-17		2017-18		2018-19		2019-20	
	%	£000	%	£000	%	£000	%	£000	%	£000	%	£000
School and Public Transport	4.90%	354	4.90%	359	2.00%	154	2.00%	157	2.00%	160	2.00%	163
Landfill Tax	12.50%	286	12.50%	322	2.00%	58	2.00%	59	2.00%	60	2.00%	61
Waste PPP Contract	1.60%	80	2.00%	101	2.00%	103	2.00%	105	2.00%	107	2.00%	110
Postages	2.50%	14	2.00%	12	2.00%	12	2.00%	12	2.00%	12	2.00%	13
Annual Software Maintenance Charges	1.70%	10	1.70%	10	2.00%	12	2.00%	12	2.00%	12	2.00%	12
Catering Purchases (including Milk)	5.00%	84	5.00%	89	2.00%	37	2.00%	38	2.00%	39	2.00%	39
Joint Boards	0.00%	0	0.00%	0	-0.54%	-7	-0.79%	-11	2.00%	27	2.00%	28
TOTAL		2,296		2,527		2,878		2,929		3,033		3,085
CUMULATIVE TOTAL		2,296		4,824		7,701		10,631		13,664		16,748

Ref	Service	Detail	Risk	Cost Pressure 2014-15 £000	Cost Pressure 2015-16 £000	Cost Pressure 2016-17 £000	Cost Pressure 2017-18 £000	Cost Pressure 2018-19 £000	Cost Pressure 2019-20 £000
CP01	Customer & Support Services	The introduction of Universal Credit in 2013 will mean new claimant cases for housing benefit no longer being handled under the current system, thereby impacting on LA caseload. Before the migration begins the DWP will also need to agree the methodology for distributing the overall subsidy allocation. As this policy is currently being worked through, they have advised that it is too early to be able to announce any funding beyond 2012/13. Housing Benefit administration subsidy circular HB/CTB 56/2011 has detailed that nationally the main subsidy will reduce by 4.85% from £488.4m to £464.7m. The additional subsidy has reduced by 6.12% from £49m to £46m. From 2013/14 the universal credit will further impact as there will be no new claims. An ongoing reduction of 10% per annum is anticipated for 2014-15 onwards.	Failure to re-instate the employee budget that corresponds to this income would impact on our ability to deal with the remaining caseload.	63	120	177	234	291	348
CP02	Customer & Support Services	Scottish Government funding for Broadband Pathfinder ends on 20 March 2014. We have been advised that no further funding will be forthcoming. Provision is being made for the expected cost of a similar wide area network but with reduced bandwidth in 2014/15 and 2015/16. From 2016 the intention is to procure from the new Scottish Wide Area Network (SWAN) following completion of the Next Generation Broadband (NGB) projects which may allow for better value to be obtained allowing some bandwidth increases at that time to meet future needs. There is no provision for any contribution to the NGB projects. The SWAN contract is expected to be awarded by the end of 2013 at which time there may be early indications of likely costs from 2016 onwards however, the cost pressure of an additional £733k is assumed to continue from 2014-15 to 2019-20.	Failure to increase the budget would mean that the council could not operate many of its IT systems over the council network adversely affecting service delivery.	733	733	733	733	733	733
CP03	Facility Services	SPT payments for the concessionary travel scheme. Assumptions are based on the 2014/15 requisition which had a 7.05% increase.	Failure to increase the budget would impact on our ability to meet concessionary travel scheme requirements within base budget.	13	26	42	58	75	94
CP04	Governance & Law	Local Council Election	Failure to increase the budget would impact on our ability to meet additional election costs.	0	0	0	315	0	0
CP06	Planning and Regulatory Services	Local Plan Inquiry	Failure to provide a budget to meet costs will result in the planning service not complying with a statutory requirement set out in Government legislation	0	0	0	0	0	90
CP07	Planning and Regulatory Services	Building Warrant Fees	Failure to provide a budget to meet costs will result in a shortfall of income.	150	150	150	150	150	150

REVENUE BUDGET 2014-15 - QUARTERLY UPDATE SEPTEMBER 2013
 COST PRESSURES

Appendix 2

Ref	Service	Detail	Risk	Cost Pressure 2014-15 £000	Cost Pressure 2015-16 £000	Cost Pressure 2016-17 £000	Cost Pressure 2017-18 £000	Cost Pressure 2018-19 £000	Cost Pressure 2019-20 £000
CP08	Roads and Amenity Services	Street Lighting Electricity Costs have increased by 26% over a two year period but budget only increased by 15%. A full review of the street lighting inventory will be completed to establish an accurate basis for communications with power suppliers. This may impact on the level of budget required.	Failure to increase the budget will result in an overspend within this service area.	225	225	225	225	225	225
CP09	Roads and Amenity Services	Street Lighting Inventory Identification of existing inventory at a detail level to allow a spend to save projects to be developed for reduction in energy costs and options appraisal for future service delivery i.e migration to low energy technology such as LED	Increasing energy costs and aging infrastructure	200	0	0	0	0	0
CP10	Improvement and HR	Resourcelink Phase 4 Project Requirement for two additional system administrator posts for 2 years to support the Phase 4 Project as well as additional ongoing software costs. The project involves and update to the time management system as well as linkages from resourcelink to the PRD process.	The cost of this project could be higher if consultancy support is required to be bought in and the project timescales would slip.	102	92	12	12	12	12
COST PRESSURES CUMULATIVE TOTAL				1,486	1,346	1,339	1,727	1,486	1,652

Ref	Service	Detail	Risk	Demand Pressure 2014-15 £000	Demand Pressure 2015-16 £000	Demand Pressure 2016-17 £000	Demand Pressure 2017-18 £000	Demand Pressure 2018-19 £000	Demand Pressure 2019-20 £000
DP01	Adult Care	Growth of Elderly Population Based on an assumed demand increase of 3%. Demand Pressure beyond 2015-16 has been included within future cost/demand pressures.	No budgetary increase for growth in elderly population could lead to overcommitment of budget and this could affect service delivery if steps are required to bring spend back into line with budget.	536	1,100	1,100	1,100	1,100	1,100
DP02	Children and Families	Fostering Additional cost of implementing new kinship care rates. This demand pressure was included in the 2012-13 budget estimate	Kinship placements break down and children have to be accommodated	37	74	74	74	74	74
DP03	Children and Families	Pre Five Units - New units are opening in a number of locations. These are driven by lack of existing provision (Geographical) and/or insufficient capacity (External /Internal)	Failure to comply with legislative requirement to provide Pre Five provision.	34	34	34	34	34	34
DP04	Children and Families	Anticipated Pressure arising from Implementation of Children and Young People (Scotland) Bill - Throughcare and Aftercare. Extension of existing threshold for support to formerly looked after young people from age 21 up to age 25.	Failure to comply with new Children and Young People Bill legislation	0	171	171	171	171	171
DP05	Children and Families	Anticipated Pressure arising from Implementation of Children and Young People (Scotland) Bill - Kinship Care Orders. Enhanced support for those kinship carers considering application for Kinship Care Orders.	Failure to comply with new Children and Young People Bill legislation	0	584	527	527	527	527
DP06	Children and Families	Anticipated Pressure arising from Implementation of Children and Young People (Scotland) Bill - Early Learning and Childcare. Increase from 475 to 600 flexible early learning hours per year. Costings are indicative until decisions have been taken on configuration of service.	Failure to comply with new Children and Young People Bill legislation	842	1,200	1,200	1,200	1,200	1,200
Total Children and Families Demand Pressures as a result of Children and Young Persons Bill				842	1,955	1,898	1,898	1,898	1,898
Additional Funding received for Children and Young Persons Bill				842	1,351	1,323	1,293	1,319	1,345
Net Children and Families Demand Pressures as a result of Children and Young Persons Bill				0	604	575	605	579	553
DP07	Education	Additional operating cost in 2015-16 for Dunoon and Campbeltown Schools.	If this budget pressure is not agreed there will be insufficient budget to meet the running costs of the new schools in Dunoon and Campbeltown.	0	500	500	500	500	500

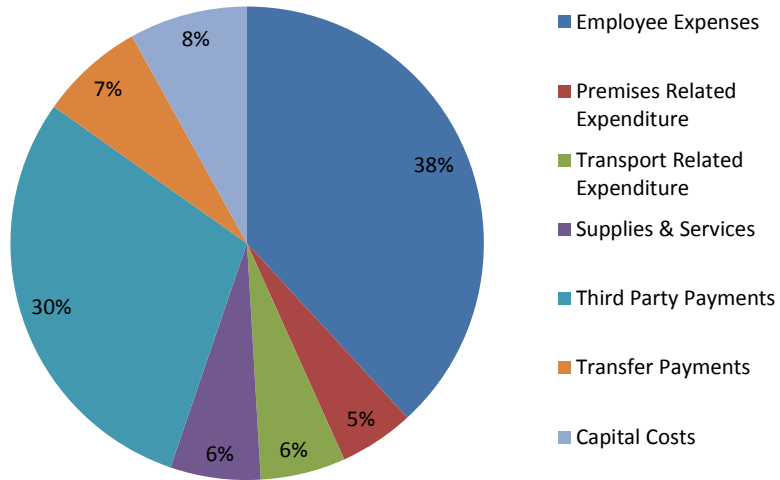
Ref	Service	Detail	Risk	Demand Pressure 2014-15 £000	Demand Pressure 2015-16 £000	Demand Pressure 2016-17 £000	Demand Pressure 2017-18 £000	Demand Pressure 2018-19 £000	Demand Pressure 2019-20 £000
DP08	Education	Central Repairs /Maintenance. Property Services have highlighted a requirement undertake a programme of painting at numerous schools. This work is deemed essential to avoid further deterioration of infrastructure. Full cost of works required for all properties is estimated to be £600k. A phased approach initially targeting only the worst rated establishments would be £150k.	If this pressure is not agreed then deterioration of infrastructure will escalate and establishments will further fall into a state of disrepair potentially resulting in more expensive remedial works.	150	150	150	150	0	0
DEMAND PRESSURES CUMULATIVE TOTAL				1,599	3,813	3,756	3,756	3,606	3,606

Analysis of Budget Outlook 2014-15 to 2019-20 by Department and Service

Appendix 3

Department	Service	2014-15 £000	2015-16 £000	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000
Chief Executive's Unit	Chief Executive	260	266	271	276	282	288
Chief Executive's Unit	Improvement and HR	4,135	4,200	4,205	4,290	4,377	4,464
Chief Executive's Unit	Strategic Finance	1,893	1,938	1,979	2,021	2,063	2,107
Total Chief Executive's Unit		6,288	6,404	6,455	6,587	6,722	6,859
Community Services	Community Services Directorate	188	196	210	224	239	254
Community Services	Adult Care	43,867	45,008	46,059	47,131	48,225	49,340
Community Services	Children and Families	16,997	18,510	18,838	19,230	19,629	20,036
Community Services	Community and Culture	10,124	10,395	10,696	11,004	11,318	11,639
Community Services	Education	64,894	66,897	68,174	69,475	70,652	72,003
Total Community Services		136,070	141,006	143,977	147,064	150,063	153,272
Customer Services	Customer Services Directorate	13,373	13,383	13,692	14,009	14,332	14,660
Customer Services	Customer and Support Services	7,758	7,983	8,238	8,497	8,760	9,028
Customer Services	Facility Services	11,761	12,565	13,121	13,687	14,265	14,857
Customer Services	Governance and Law	1,655	1,696	1,737	2,092	1,826	1,869
Total Customer Services		34,547	35,627	36,788	38,285	39,183	40,414
Development and Infrastructure Services	Development and Infrastructure Services Directorate	1,847	1,885	1,924	1,963	2,003	2,044
Development and Infrastructure Services	Economic Development	2,474	2,450	2,589	2,729	2,872	3,019
Development and Infrastructure Services	Planning and Regulatory Services	3,322	3,435	3,549	3,665	3,784	3,994
Development and Infrastructure Services	Roads and Amenity Services	23,134	23,989	24,806	25,642	26,493	27,362
Total Development and Infrastructure		30,777	31,759	32,868	33,999	35,152	36,419
Loans Charges	Loans Charges	26,893	20,236	19,236	18,236	17,236	15,736
Other Non-Departmental Expenditure	Other Non-Departmental Expenditure	10,511	10,434	12,642	12,866	13,131	13,402
Future Cost/Demand Pressures and Contingency Allowance	Future Cost/Demand Pressures and Contingency Allowance	0	0	0	2,000	4,000	6,000
Total Other		37,404	30,670	31,878	33,102	34,367	35,138
Grand Total		245,086	245,466	251,966	259,037	265,487	272,102

Subjective Summary 2014-15



Subjective Summary 2019-20

