

Local Government Finance Circular No. 9/2014 In 2014 Scotland Welcomes the World

Chief Executives and Directors of Finance of Scottish
Local Authorities

Chief Executive, Convention of Scottish Local
Authorities (COSLA)



Our Reference: A9714624
11 December 2014

Dear Chief Executive/Director of Finance

1. **LOCAL GOVERNMENT FINANCE SETTLEMENT 2015-16**
2. **NON DOMESTIC RATES**
3. **BUSINESS RATES INCENTIVISATION SCHEME (BRIS) – 2014-15 TARGETS**

1. This Local Government Finance Circular provides details of the provisional total revenue and capital funding allocations for 2015-16, as well as the latest information on current known redeterminations for 2014-15. This Circular also provides details of the business rates poundage levels and confirmation of the relief thresholds. Additionally, it sets out the details of the agreed revised Business Rates Incentivisation Scheme (BRIS) including individual local authority targets for 2014-15 and provisional targets for 2015-16.

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 2015 being presented to the Scottish Parliament in February 2015. COSLA is invited to respond to these provisional allocations in writing by **7 January 2015**. In submitting any comments, we expect local authorities to inform COSLA, and for COSLA in turn to inform the Scottish Government of any discrepancies in these distributions. Any redistribution to address any agreed discrepancies 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 February 2015 Circular.

3. The then Cabinet Secretary for Finance, Employment and Sustainable Growth wrote to the COSLA President on 9 October 2014 reaffirming the terms of the settlement to be provided to local government in return for the provisional funding allocations set out in this Circular. The 2015-16 provisional allocations set out in this Circular assume that all councils will sign up to the package and therefore that the **full** amount (£9.501 billion) will be issued.

4. The allocations have been arrived at using the standard agreed needs-based distribution methodology and updated indicators. The Circular also includes a separate column in both Annex B and C showing the general revenue changes since the previous relevant Local Government Finance Circular. As in previous years the final column in Annex C provides the amount of the Council Tax element, for illustrative purposes, which the Scottish Government plans to hold back under the terms of the then Cabinet Secretary for Finance, Employment and Sustainable Growth's letter of 9 October 2014 to COSLA on the sign-off arrangements, set out on a council by council basis. The letter of 9 October 2014 also confirmed that if any council does not agree to the full package available then it will have its allocation reduced by its needs based share of the £70 million provided to deliver the Council Tax freeze.

5. As with last year those Council Leaders who do not intend to take up the offer and agree the full package of measures set out in the 9 October 2014 letter are required to write to the Deputy First Minister and Cabinet Secretary for Finance, Constitution and the Economy setting out the reasons why they do not wish to comply by no later than 10 March 2015, but preferably by the end of February (and ideally as soon as possible after they have set their budgets and announced their council tax rates for 2015-16). If any Council Leader replies to say that their Council does not so agree, the full amount of the Council's needs based share of the £70 million sanction will be withdrawn from the overall local government settlement and redeployed by Scottish Ministers in the Budget Bill which will be laid before Parliament in January 2015. The sanctions in relation to teacher numbers are suspended pending the work to reach an in-principle agreement on an Educational outcomes-based approach as set out in the 9 October settlement letter. This position will be reviewed in the New Year.

6. In early February 2015, it is envisaged that the 2015-16 Budget Bill will complete its stages and be approved by Parliament. Very shortly after that, the Government will table the Local Government Finance (Scotland) Order 2015 setting out the formal allocations of the funding settlement for 2015-16, less the amount of holdback for the Council Tax freeze monies.

7. In mid-March 2015 the Government will table an amendment Order (to the Local Government Finance (Scotland) Order 2015), to pay out the full amount of the council tax holdback monies to all those councils whose Leaders have not written to us as detailed in the preceding paragraphs and whose councils have not increased their 2015-16 council tax above their 2014-15 levels.

8. The figures in this Circular are necessarily provisional and any changes required will be discussed and agreed between the Scottish Government and COSLA, and included in the 2015 Order. Accordingly, if a council considers there are any errors or revisions that require to be addressed they should, in the first instance, contact COSLA immediately.

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: 2015-16 and changes in 2014-15;

Part B: Local Government Finance Settlement – Capital: 2015-16 and changes in 2014-15;

Part C: Non-Domestic Rates for 2015-16; and
Part D Revised Business Rates Incentivisation Scheme (BRIS) and targets for 2014-15 and provisional targets for 2015-16.

Annex A: All Scotland Aggregated Funding Totals 2014-16;
Annex A(1): All Scotland Aggregated Funding Totals 2014-16 with detailed reconciliation of 2014-15 funding with Finance Circular 6/2014;
Annex A(2) All Scotland Aggregated Funding Totals 2014-16 with detailed reconciliation of 2015-16 funding with Finance Circular 6/2014;
Annex B: Individual Revenue Allocations for 2014-15;
Annex C: Individual Revenue Allocations for 2015-16;
Annex D: Explanatory Notes on the Revenue Distribution;
Annex E: Individual Share of the Additional £70 million;
Annex F: Estimates of Ring-Fenced Grant Revenue Funding for 2015-16;
Annex G: Floor calculation for 2015-16
Annex H: Reconciliation of individual council Revenue allocations for 2015-16;
Annex I: Redeterminations of individual council Revenue funding for 2014-15;
Annex J: Capital Settlement for 2014-15 per local authority;
Annex K: Total Capital Funding per local authority for 2014-15;
Annex L: Capital Settlement for 2015-16 per local authority;
Annex M: Total Capital Funding for 2015-16 per local authority;
Annex N: Revised Business Rates Incentivisation Scheme (BRIS);
Annex O: BRIS targets for 2014-15; and
Annex P: (BRIS) provisional targets for 2015-16.

Part A: Local Government Finance Settlement - Revenue: 2015-16 and changes in 2014-15

10. This Finance Circular sets out the provisional distribution of revenue funding allocations for 2015-16. **Annexes A, A(1) and A(2)** of this Circular sets out the all-Scotland aggregate totals for 2014-16 with a full reconciliation of the 2014-15 and 2015-16 total revenue funding figures between this Finance Circular and Finance Circulars 2/2014 and 6/2014 respectively.

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 2014-15 and 2015-16. The basis behind the grant distribution methodology, as explained in Finance Circular 6/2007, has been retained as agreed with COSLA, and the Scottish Government's new 85 per cent floor is included at the end of this process. The explanatory notes contained in **Annex D** explain the basis behind the calculation of the individual council grant allocations.

12. **Annex E** sets out how the additional £70 million available to councils that choose to freeze their 2015-16 council tax levels at no higher than their 2014-15 levels will be distributed.

13. **Annex F** gives a breakdown of the provisional individual council shares of the Gaelic Ring-Fenced revenue grant allocations for 2015-16.

14. The calculation and effects of the main floor adjustment for 2014-15, which provided councils with a maximum *decrease* in funding of -1.4%, was set out in Annex H

of Circular 11/2011 and **Annex G** of this Circular sets out the impact of the 2015-16 main floor adjustment which ensures a maximum *decrease* in funding of -1.9%.

15. The changes to the 2015-16 General Revenue Grant figures since Local Government Finance Circulars 6/2014 are set out in **Annex H**.

16. This Local Government Finance Circular provides details of current known 2014-15 redeterminations at **Annex I** for the General Revenue Grant. The final redetermination allocations for 2014-15 will be included in the Local Government Finance (Scotland) Order 2015.

17. 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 in Annex H of Finance Circular 2/2011. The total amounts included for loan charge support and PPP support are included in the revenue figures in **Annex A** and column 3 of **Annexes B and C**.

Part B: Local Government Finance Settlement – Capital Grants 2015-16, and changes to Capital Grant in 2014-15

18. The Local Government Settlement provides capital grants totalling £839.041 million in 2014-15 and £856.300 million in 2015-16. **Annexes A(1) and A(2)** of this Circular sets out the all-Scotland aggregate totals for 2014-16 with a full reconciliation of the 2014-15 and 2015-16 total capital funding figures between this Finance Circular and Finance Circulars 2/2014 and 6/2014 respectively.

19. The Scottish Government's £1.8 billion Schools for the Future Programme will see the construction of at least 91 new or refurbished schools. Further projects to benefit from the programme will be announced in the coming weeks, and is expected to take this figure to in excess of 100 schools built for over 60,000 pupils by March 2020. These schools will be built in every part of Scotland in partnership with local authorities. £1.13 billion provided by Government and £665 million by local authorities. The programme is being delivered through a funding mix of capital grant and also through the Non-Profit Distributing model. This latter programme is being co-ordinated and managed by the Scottish Futures Trust (SFT).

20. This Finance Circular sets out the changes in the Settlement for capital in 2014-15 and the provisional distribution of capital to local authorities for 2015-16.

21. **Annex J** sets out the changes to the Settlement for Capital Grants per local authority for 2014-15.

22. **Annex K** sets out the changes to the total capital funding per local authority for 2014-15. This includes capital grant paid to a local authority in addition to the capital Settlement agreed, but excludes any capital support for schools.

23. **Annex L** set out the provisional distribution of the Settlement for capital per local authority for 2015-16. Capital grants which remain undistributed are identified as such. The methodologies used to calculate these provisional allocations have been agreed with COSLA.

24. **Annex M** sets out the provisional total capital funding per local authority for 2015-16. This includes capital grant paid to a local authority in addition to the capital Settlement agreed, but excludes any capital support for schools.

Part C: Non-Domestic Rates for 2015-16

25. The Distributable Amount of Non-Domestic Rates Income for 2015-16 has been provisionally set at £2,799.5 million. This figure uses the latest forecast of net income from non-domestic rates in 2015-16 and will also draw on council estimates of the amounts they will contribute to the Pool from non-domestic rate in 2014-15. Included in the estimated figure is 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. The distribution of Non-Domestic Rates Income for 2015-16 will match the amount each Council estimates it will collect (based on the 2013-14 mid-year estimates provided by councils). General Revenue Grant provides the 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.

26. The Scottish Government confirmed the increase for the 2015-16 Non-Domestic Rate poundage rate will be restricted to 2%. The Large Business Supplement for 2015-16 will increase in line with the increase to the equivalent rate in England.

27. The Scottish Government has today published a consultation paper on the rating valuation appeals system, as part of our action plan to review the rates system ahead of the 2017 revaluation. The consultation is open until 6 March 2015, and can be accessed at www.scotland.gov.uk/consultations

Part D: Revised Business Rates Incentivisation Scheme (BRIS) and targets for 2014-15 and provisional targets for 2015-16.

28. Following a review of the original BRIS by a Joint Scottish Government/COSLA Review Group it has been agreed that original scheme should be suspended and a revised scheme introduced in 2014-15. Details of the revised agreed scheme are set out in **Annex N** with the 2014-15 individual targets being set out in **Annex O** and the provisional targets for 2015-16 are set out in **Annex P**.

Enquiries relating to this Circular

29. Following representations from a number of councils about the clarity of tracking funding changes from Circular to Circular the Scottish Government and COSLA held a joint workshop to consider how the presentation of both the revenue and capital funding allocations could be improved. While the presentational improvements have been taken on board in the circular it had been hoped that a revised “mock” circular could have been circulated in advance of this circular to consider the current changes and provide practitioners with the opportunity to propose further improvements. Unfortunately, this was not possible but the Scottish Government would still welcome any comments on the current changes and any other proposals on how the figures could be better presented.

30. 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 COSLA 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:

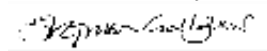
Local Government Revenue Settlement, BRIS and Improvements to Circulars
Bill Stitt 0131 244 7044 bill.stitt@scotland.gsi.gov.uk

Local Government Finance Settlement (Capital)
Louise Hester 0131 244 7950 louise.hester@scotland.gsi.gov.uk

Non-Domestic Rates
Douglas McLaren 0131 244 7588 douglas.mclaren@scotland.gsi.gov.uk

31. This Circular will be made available through the Local Government section of the Scottish Government website at:
<http://www.scotland.gov.uk/Topics/Government/local-government/179>

Yours faithfully



STEPHEN GALLAGHER
Deputy Director, Local Government Division

ALL SCOTLAND AGGREGATE FUNDING TOTALS 2014-16

	2014-15 £ million	2015-16 £ million
Revenue Funding		
General Resource Grant	7,173.537	7,102.759
Non Domestic Rate Income	2,649.500	2,799.500
Specific Revenue Grants	90.932	90.932
Total Revenue	9,913.969	9,993.191
<i>less</i> Teachers' Induction Scheme	0.000	27.600
<i>less</i> Criminal Justice Social Work	86.450	86.450
<i>less</i> Council Tax Reduction Scheme	0.000	343.000
<i>less</i> Discretionary Housing Payments	3.000	35.000
Distributable Revenue Funding	9,824.519	9,501.141
Capital Funding		
General Capital Grant	688.795	711.200
Specific Capital Grants	127.722	123.200
Distributed to SPT	22.524	21.900
Total Capital	839.041	856.300
Total Funding	10,753.010	10,849.491

2014-15 RECONCILIATION FROM FINANCE CIRCULAR 6/2014

General Resource Grant Circular 6/2014		7,108.309
Early Learning and Childcare		18.500
Free School Meals		16.475
Discretionary Housing Payments		15.000
Additional Teacher Support		5.091
Additional Family Support		3.000
Police Transfer Adjustment		0.407
Teachers Pay		2.000
Dundee Airport		1.121
1+2 Languages Addition		1.000
Renfrewshire Housing		1.000
Housing Support Grant transfer		1.000
Blanefield		0.555
Single Fraud Investigation Addition		0.200
Migration and Citizenship		0.150
A83 Road Transfer (Argyll & Bute)		-0.180
Teachers Induction Scheme (Jordanhill)		-0.091
Finance Circular 9/2014		7,173.537
General Capital Grant Circular 6/2014		622.975
Early Learning and Childcare		41.000
Free School Meals		24.820
Finance Circular 9/2014		688.795

2015-16 RECONCILIATION FROM FINANCE CIRCULAR 6/2014

General Resource Grant Circular 6/2014		6,872.819
NDRI Switch		83.500
Free School Meals		53.918
Scottish Welfare Fund		37.873
Discretionary Housing Payments		35.000
Council Tax Reduction Scheme Admin		6.460
Continuing Care*		4.209
Through Care and After Care*		3.872
Kinship Care*		2.600
Age Eligibility*		0.716
GIRFEC*		0.398
CYPA already included*		-6.754
Self Directed Support		3.520
Police Transfer		2.210
Dundee Airport		1.639
Single Fraud Investigation Service		0.200
Housing Support Grant		1.000
Business Gateway		0.160
A83 Road Transfer		-0.281
Children's Legal Representation		-0.300
Finance Circular 9/2014		7,102.759
Non Domestic Rates Circular 6/2014		2,883.000
NDRI Switch		-83.500
Finance Circular 9/2014		2,799.500
General Capital Grant Circular 6/2014		672.200
Early Learning and Childcare		39.000
Finance Circular 9/2014		711.200

Footnote: It should be noted that £112 million was included in the 2014-15 Draft Budget local government allocations for 2015-16 in respect of the Children and Young People Act. This consisted of £82 million revenue and £30 million capital. Of the £82 million revenue £75.151 million was included in the 7 July Circular figures with the balance of £6.849 million included in the 2008-16 Changes column and distributed using shares of GAE plus SINA. We now have agreed distributions for the 5 separate funding streams (see marked above *). The total allocation comes to a revised total of £11.975 million (an increase of £4.946 million which has been added to the overall total revenue funding. To prevent double counting it has been necessary to reduce the 2008-16 Changes figure by the £6.849 million previously included. This figure has been reduced to £6.754 million due to an additional £0.115 million being identified. This figure has been removed as it was originally distributed i.e. on the basis of GAE plus SINA shares.

Revised Individual Revenue Allocations for 2014-15

ANNEX B

2014-15	Expenditure					Funding											
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
£million	Updated Service Provision	2008-15 Changes	Loan Charges/ PPP/ LPFS	Main Floor	Total Estimated Expenditure	Assumed Council Tax contribution	Revised Ring-fenced Grants*	Non Domestic Rates	General Revenue Funding	Total	New 85% floor	Fin Circ 1/2013	Changes to Fin Circ 1/2013	Changes to Fin Circ 6/2013	Changes to Fin Circ 1/2014	Changes to Fin Circ 2/2014	Revised Total
Aberdeen City	399.228	29.573	24.350	-1.764	451.387	83.563	0.603	193.738	150.711	345.052	2.054	313.452	2.034	1.681	7.881	4.539	329.587
Aberdeenshire	473.486	36.892	24.459	-2.170	532.667	99.105	0.084	86.371	329.847	416.302	0.000	392.209	3.386	1.698	5.657	4.978	407.928
Angus	225.181	17.284	13.869	-1.049	255.285	40.696	0.045	28.187	177.209	205.441	0.000	192.841	1.418	1.231	4.030	2.421	201.941
Argyll & Bute	213.741	15.533	11.637	15.750	256.661	36.329	0.383	31.171	179.548	211.102	0.000	197.767	1.095	1.067	4.330	1.866	206.125
Clackmannanshire	105.570	7.712	5.984	-0.474	118.792	18.362	0.000	12.988	83.621	96.609	0.000	90.109	0.737	0.746	2.816	1.770	96.178
Dumfries & Galloway	325.809	24.733	21.375	-1.534	370.383	55.704	0.070	48.739	251.758	300.567	0.000	279.370	1.981	1.849	6.799	3.628	293.627
Dundee City	321.055	23.319	20.989	-1.517	363.846	45.515	0.107	59.025	242.178	301.310	0.000	273.423	1.699	2.156	10.343	6.090	293.711
East Ayrshire	246.427	18.309	13.637	-1.148	277.225	39.751	0.459	31.230	196.067	227.756	0.000	212.844	1.294	1.453	8.142	4.094	227.827
East Dunbartonshire	209.355	15.385	10.532	-0.907	234.365	43.366	0.074	25.037	159.232	184.343	0.000	173.331	1.279	0.670	3.713	3.269	182.262
East Lothian	191.527	14.393	13.086	-0.875	218.131	39.833	0.000	25.310	145.723	171.033	0.000	161.534	1.279	0.764	4.248	2.866	170.691
East Renfrewshire	189.493	14.232	15.064	-0.862	217.927	36.626	0.156	15.234	160.852	176.242	0.000	168.235	1.032	0.547	2.986	3.068	175.868
Edinburgh, City of	868.802	63.593	61.889	-3.780	990.504	193.589	0.545	366.101	382.528	749.174	22.946	707.329	5.348	5.040	22.039	10.409	750.165
Eilean Siar	80.569	6.364	15.709	14.842	117.484	9.312	0.991	7.084	97.673	105.748	0.000	101.332	0.383	0.249	1.219	0.722	103.905
Falkirk	306.906	23.044	23.159	-1.420	351.689	54.055	1.131	74.713	209.286	285.130	0.000	264.768	1.343	1.501	7.004	4.721	279.337
Fife	718.465	54.778	39.834	-3.376	809.701	129.240	0.496	159.529	490.355	650.380	0.000	603.237	4.302	3.329	17.121	10.630	638.619
Glasgow City	1359.514	97.771	130.020	-6.497	1580.808	202.435	1.038	365.048	927.129	1293.215	0.000	1172.017	7.029	12.788	56.386	23.916	1272.136
Highland	503.587	38.721	40.541	-2.425	580.424	89.337	0.951	124.890	344.352	470.193	0.000	435.437	3.133	2.627	9.576	5.956	456.729
Inverclyde	178.828	12.699	13.576	0.254	205.357	26.087	0.548	22.832	147.969	171.349	0.000	157.816	0.638	1.175	5.634	2.894	168.157
Midlothian	166.049	12.504	11.254	-0.763	189.044	29.842	0.000	29.172	123.045	152.217	0.000	143.579	1.050	0.784	4.339	2.516	152.268
Moray	175.068	13.459	10.939	-0.833	198.633	31.054	0.450	33.552	125.775	159.777	0.000	148.247	1.111	0.912	3.009	2.050	155.329
North Ayrshire	291.924	21.315	17.510	-1.352	329.397	47.262	0.521	40.417	229.614	270.552	0.000	251.838	1.532	1.850	9.412	4.887	269.519
North Lanarkshire	682.367	50.490	15.030	11.290	759.177	108.072	0.289	119.447	504.078	623.814	0.000	585.037	6.111	4.453	20.533	10.999	627.133
Orkney Islands	66.790	5.280	7.497	-0.371	79.196	7.407	0.000	9.657	60.704	70.361	0.000	67.405	0.291	0.187	0.559	0.519	68.961
Perth & Kinross	289.020	21.855	15.486	-1.286	325.075	59.615	0.415	55.718	198.005	254.138	0.000	237.334	1.883	1.592	4.994	3.286	249.089
Renfrewshire	355.294	25.911	11.152	1.140	393.497	62.528	0.484	106.898	207.656	315.038	0.000	291.784	1.985	2.106	10.936	7.366	314.177
Scottish Borders	234.439	18.047	16.771	-1.112	268.145	44.104	0.004	31.183	182.632	213.819	0.000	197.176	1.489	1.262	4.340	2.425	206.692
Shetland Islands	81.797	6.631	11.498	-0.415	99.511	7.701	1.261	17.699	71.124	90.084	0.000	86.273	0.352	-1.037	0.508	0.526	86.622
South Ayrshire	228.775	17.055	11.954	-1.026	256.758	44.126	0.209	43.370	160.201	203.780	0.000	189.815	1.143	1.307	6.954	3.550	202.769
South Lanarkshire	629.707	47.170	34.792	-2.918	708.751	111.444	1.538	298.920	272.997	573.455	0.000	538.502	3.525	3.508	17.023	10.010	572.568
Stirling	185.865	13.827	13.659	-0.849	212.502	34.489	0.610	32.764	136.778	170.152	0.000	157.941	0.730	1.277	3.356	3.112	166.416
West Dunbartonshire	210.167	14.779	12.075	-0.944	236.077	31.628	0.020	78.978	114.823	193.821	0.000	175.929	1.174	1.584	7.612	4.030	190.329
West Lothian	343.399	26.099	15.901	-1.609	383.790	58.423	0.000	88.998	221.333	310.331	0.000	290.048	2.311	1.829	8.351	5.315	307.854
Scotland	10858.204	808.757	705.228	0.000	12372.189	1920.600	13.482	2664.000	7284.803	9962.285	25.000	9257.961	64.097	62.185	281.850	158.428	9824.521

Revised Individual Revenue Allocations for 2015-16

ANNEX C

	Expenditure					Funding										Share of 2015-16 Council Tax Holdback
	1	2	3	4	5	6	7	8	9	10	11	12	13	14		
£million	Updated Service Provision	2008-16 Changes	Loan Charges/ PPP/ LPFS	Main Floor	Total Estimated Expenditure	Assumed Council Tax contribution	Revised Ring-fenced Grants	Non Domestic Rates	General Revenue Funding	Total	New 85% floor	Additional Funding Circ 6/2014	Additional Funding Circ 9/2014	Revised Total		
Aberdeen City	350.443	25.955	22.919	-0.540	398.777	86.635	0.104	217.237	94.801	312.142	11.251	1.365	3.861	328.619	3.287	
Aberdeenshire	446.600	34.701	22.958	-2.538	501.722	100.136	0.037	95.217	306.332	401.586	0.000	1.111	4.773	407.470	3.589	
Angus	209.498	16.159	13.220	-1.221	237.656	40.757	0.045	31.836	165.018	196.899	0.000	0.796	2.352	200.046	1.398	
Argyll & Bute	192.676	13.773	11.082	15.556	233.087	36.579	0.383	28.783	167.342	196.508	0.000	0.501	1.477	198.486	1.432	
Clackmannanshire	97.063	7.026	5.648	-0.537	109.200	18.110	0.000	16.390	74.700	91.090	0.000	0.623	1.332	93.045	0.659	
Dumfries & Galloway	295.556	22.279	20.173	-1.728	336.280	55.860	0.000	52.549	227.871	280.420	0.000	1.147	3.074	284.641	1.863	
Dundee City	279.636	20.295	19.586	0.132	319.649	45.961	0.000	62.479	211.209	273.688	0.000	1.722	5.386	280.797	1.755	
East Ayrshire	227.683	16.972	12.910	-1.319	256.246	39.915	0.152	33.963	182.216	216.331	0.000	1.318	3.015	220.664	1.480	
East Dunbartonshire	199.376	14.808	9.695	-1.075	222.804	43.980	0.074	26.042	152.708	178.824	0.000	0.470	2.239	181.532	1.607	
East Lothian	178.618	13.529	12.479	-1.019	203.607	40.025	0.000	26.963	136.619	163.582	0.000	0.738	2.199	166.520	1.416	
East Renfrewshire	183.137	14.015	14.565	-1.052	210.665	37.263	0.020	17.114	156.268	173.402	0.000	0.430	2.126	175.958	1.343	
Edinburgh, City of	768.937	56.240	57.273	0.858	883.308	196.168	0.299	404.108	282.733	687.140	13.749	3.362	8.335	712.586	6.994	
Eilean Siar	74.148	5.797	14.955	14.251	109.151	9.422	0.991	8.188	90.550	99.729	0.000	0.118	0.570	100.417	0.304	
Falkirk	280.922	21.405	22.166	-1.624	322.869	53.927	0.012	64.449	204.481	268.942	0.000	1.464	3.650	274.056	1.833	
Fife	651.723	50.150	36.889	-3.380	735.382	129.320	0.000	172.289	433.773	606.062	0.000	3.698	7.845	617.605	4.620	
Glasgow City	1,162.691	83.896	122.193	-0.133	1,368.647	201.971	0.518	395.395	770.763	1,166.676	0.000	7.421	16.736	1,190.833	7.614	
Highland	457.776	34.911	37.793	-2.732	527.748	89.843	0.951	131.721	305.233	437.905	0.000	1.635	4.541	444.081	3.343	
Inverclyde	162.275	11.555	12.909	-0.938	185.800	26.156	0.090	24.443	135.111	159.644	0.000	0.840	2.114	162.598	1.008	
Midlothian	155.504	11.777	10.942	-0.888	177.336	30.607	0.000	32.900	113.829	146.729	0.000	0.838	1.864	149.430	1.154	
Moray	163.858	12.608	10.131	-0.973	185.624	31.532	0.000	38.036	116.056	154.092	0.000	0.580	1.933	156.605	1.156	
North Ayrshire	270.609	19.961	16.601	-1.570	305.601	47.096	0.085	44.386	214.034	258.505	0.000	1.667	3.472	263.645	1.769	
North Lanarkshire	630.170	47.274	13.803	5.475	696.723	108.244	0.289	126.575	461.615	588.479	0.000	3.806	9.141	601.426	3.766	
Orkney Islands	64.910	5.137	7.121	-0.463	76.705	7.507	0.000	9.812	59.386	69.198	0.000	0.063	0.470	69.731	0.243	
Perth & Kinross	266.222	20.067	14.593	-1.460	299.421	59.710	0.080	61.348	178.283	239.711	0.000	0.872	2.914	243.497	2.152	
Renfrewshire	324.761	23.838	10.360	-1.764	357.195	63.024	0.033	106.403	187.735	294.171	0.000	1.599	4.309	300.079	2.327	
Scottish Borders	213.421	16.262	15.790	-1.254	244.219	44.045	0.004	34.849	165.321	200.174	0.000	0.695	2.291	203.160	1.536	
Shetland Islands	75.721	6.325	10.749	0.272	93.067	7.798	0.000	17.454	67.815	85.269	0.000	0.083	0.553	85.905	0.245	
South Ayrshire	210.664	15.774	11.360	-1.174	236.624	44.265	0.000	44.129	148.230	192.359	0.000	0.939	2.500	195.799	1.646	
South Lanarkshire	578.015	43.978	32.797	-3.343	651.447	112.355	0.158	326.692	212.242	539.092	0.000	2.794	7.514	549.399	3.861	
Stirling	170.960	12.755	12.998	-0.971	195.742	34.930	0.137	46.939	113.736	160.812	0.000	0.502	2.061	163.375	1.330	
West Dunbartonshire	185.055	12.999	11.290	-1.019	208.325	31.680	0.020	86.902	89.723	176.645	0.000	1.202	2.486	180.333	1.186	
West Lothian	313.723	24.134	14.999	-1.830	351.026	58.279	0.000	97.409	195.338	292.747	0.000	1.751	4.305	298.803	2.084	
Scotland	9,842.351	736.355	662.947	0.000	11,241.653	1,933.100	4.482	2,883.000	6,421.071	9,308.553	25.000	46.150	121.438	9,501.141	70.000	

EXPLANATORY NOTES ON THE REVENUE DISTRIBUTION

The explanation of each of the columns within the tables at Annexes B and C 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 both the £490 million for the council tax freeze over the period 2008-15 and the £70 million for the council tax freeze in 2015-16.

Column 2 – is the new combined total, non-ring-fenced, changes in general provision resulting from Spending Reviews 2007, 2010, 2011 and 2013, and 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 and new 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 amounts and new childcare monies 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.

Column 7 – is each council's share of the on-going Ring-Fenced Gaelic revenue grant.

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 2011-12 mid-year income returns net of prior year adjustments (for 2014-15) and 2013-14 mid-year income returns for 2015-16..

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 that year assuming that Councils accept the full package agreed with COSLA's Leadership.

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 in terms of revenue support at the time of the outcome of Spending Review 2011.

Columns 12-16 (2014-15) and Columns 12 and 13 (2015-16) – represents the changes to the funding allocations since the most recent Finance Circulars.

Column 17 (2014-15) and Column 14 (2015-16) - is the revised total funding including all the changes and the 855 funding floor adjustments.

Column 15 (2015-16)- The final column of **Annex C** shows the amount, for illustrative purposes, which the Scottish Government plans to holdback under the terms of the offer letter, set out on a council by council basis. This has been distributed using the same underlying methodology as was used in calculating the actual settlement.

INDIVIDUAL SHARE OF THE ADDITIONAL £70 MILLION FOR THE COUNCIL TAX FREEZE

Local Authority £million	2015-16 Annual Share of £70 million
Aberdeen City	3.287
Aberdeenshire	3.589
Angus	1.398
Argyll & Bute	1.432
Clackmannanshire	0.659
Dumfries & Galloway	1.863
Dundee City	1.755
East Ayrshire	1.480
East Dunbartonshire	1.607
East Lothian	1.416
East Renfrewshire	1.343
Edinburgh, City of	6.994
Eilean Siar	0.304
Falkirk	1.833
Fife	4.620
Glasgow City	7.614
Highland	3.343
Inverclyde	1.008
Midlothian	1.154
Moray	1.156
North Ayrshire	1.769
North Lanarkshire	3.766
Orkney	0.243
Perth & Kinross	2.152
Renfrewshire	2.327
Scottish Borders	1.536
Shetland	0.245
South Ayrshire	1.646
South Lanarkshire	3.861
Stirling	1.330
West Dunbartonshire	1.186
West Lothian	2.084
Scotland	70.000

ESTIMATES OF RING-FENCED REVENUE GRANT FUNDING FOR 2015-16

	Gaelic*
	£m
Aberdeen City	0.104
Aberdeenshire	0.037
Angus	0.045
Argyll & Bute	0.383
Clackmannanshire	0.000
Dumfries & Galloway	0.000
Dundee City	0.000
East Ayrshire	0.152
East Dunbartonshire	0.074
East Lothian	0.000
East Renfrewshire	0.020
Edinburgh, City of	0.299
Eilean Siar	0.991
Falkirk	0.012
Fife	0.000
Glasgow City	0.518
Highland	0.951
Inverclyde	0.090
Midlothian	0.000
Moray	0.000
North Ayrshire	0.085
North Lanarkshire	0.289
Orkney Islands	0.000
Perth & Kinross	0.080
Renfrewshire	0.033
Scottish Borders	0.004
Shetland Islands	0.000
South Ayrshire	0.000
South Lanarkshire	0.158
Stirling	0.137
West Dunbartonshire	0.020
West Lothian	0.000
Scotland	4.482

*Note: The figures for this specific revenue grant are provisional and represent the figures previously included. The actual allocation of this specific revenue grant will be notified to the relevant local authorities in due course and included in the February Local Government Finance Circular.

MAIN FLOOR CALCULATION FOR 2015-16

Local Authority	Grant Without Floor	Change Without Floor	Floor Change	Grant With Floor	Change With Floor
	£m	%	£m	£m	%
Moray	131.054	3.08	-0.973	130.081	2.31
Orkney	62.395	2.81	-0.463	61.932	2.05
East Renfrewshire	141.630	2.30	-1.052	140.578	1.54
East Dunbartonshire	144.729	2.27	-1.075	143.655	1.51
North Ayrshire	211.420	1.97	-1.570	209.850	1.21
Stirling	130.740	1.37	-0.971	129.769	0.61
Angus	164.374	1.23	-1.221	163.153	0.48
Midlothian	119.503	0.92	-0.888	118.615	0.17
Falkirk	218.657	0.89	-1.624	217.033	0.13
Inverclyde	126.364	0.60	-0.938	125.425	-0.15
Aberdeenshire	341.683	0.59	-2.538	339.145	-0.16
Scottish Borders	168.906	0.41	-1.254	167.652	-0.34
South Ayrshire	158.032	0.38	-1.174	156.858	-0.37
East Ayrshire	177.628	0.27	-1.319	176.309	-0.48
East Lothian	137.180	0.24	-1.019	136.161	-0.51
West Dunbartonshire	137.137	-0.01	-1.019	136.118	-0.76
West Lothian	246.431	-0.27	-1.830	244.601	-1.02
Renfrewshire	237.480	-0.47	-1.764	235.716	-1.21
Dumfries & Galloway	232.631	-0.57	-1.728	230.903	-1.32
Highland	367.817	-0.59	-2.732	365.085	-1.34
Perth & Kinross	196.633	-0.61	-1.460	195.173	-1.35
Clackmannanshire	72.362	-0.72	-0.537	71.824	-1.46
South Lanarkshire	450.175	-1.11	-3.343	446.832	-1.85
Fife	509.273	-1.25	-3.380	505.893	-1.90
Aberdeen City	249.259	-1.69	-0.540	248.720	-1.90
Glasgow City	917.384	-1.89	-0.133	917.252	-1.90
Dundee City	217.316	-1.96	0.132	217.448	-1.90
Edinburgh, City of	540.123	-2.06	0.858	540.981	-1.90
Shetland	78.853	-2.24	0.272	79.125	-1.90
North Lanarkshire	480.034	-3.01	5.475	485.510	-1.90
Argyll & Bute	141.182	-11.64	15.556	156.738	-1.90
Eilean Siar	75.630	-17.46	14.251	89.881	-1.90
Scotland	7584.016	-1.04	0.000	7584.016	-1.04

RECONCILIATION OF INDIVIDUAL COUNCIL REVENUE ALLOCATIONS FOR 2015-16 (Part 1)

2015-16	NDRI/GRG Switch	GRG/NDRI Switch	Free School Meals	Scottish Welfare Fund	Teachers' Induction Scheme	CTRS Admin	Continuing Care	Through Care and Aftercare	Kinship Care	Changed Eligibility for Aftercare	GIRFEC	CYP Adjustment	Self Directed Support	Total Carried Forward
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	-6.292	6.292	1.970	1.061	0.331	0.174	0.101	0.131	0.076	0.015	0.014	-0.238	0.128	3.763
Aberdeenshire	-2.758	2.758	3.275	0.540	0.530	0.143	0.118	0.084	0.078	0.019	0.021	-0.318	0.131	4.621
Angus	-0.922	0.922	1.267	0.491	0.227	0.113	0.097	0.064	0.057	0.015	0.009	-0.148	0.096	2.288
Argyll & Bute	-0.834	0.834	0.863	0.428	0.170	0.094	0.073	0.049	0.046	0.009	0.006	-0.126	0.087	1.699
Clackmannanshire	-0.475	0.475	0.535	0.420	0.100	0.068	0.071	0.049	0.047	0.009	0.004	-0.065	0.067	1.305
Dumfries & Galloway	-1.522	1.522	1.568	0.719	0.301	0.173	0.112	0.093	0.070	0.018	0.011	-0.204	0.114	2.975
Dundee City	-1.809	1.809	1.282	1.512	0.282	0.236	0.147	0.155	0.089	0.026	0.010	-0.186	0.108	3.661
East Ayrshire	-0.984	0.984	1.168	1.067	0.227	0.189	0.129	0.122	0.076	0.022	0.009	-0.156	0.095	2.948
East Dunbartonshire	-0.754	0.754	1.354	0.381	0.238	0.073	0.071	0.049	0.048	0.009	0.008	-0.136	0.086	2.181
East Lothian	-0.781	0.781	1.231	0.447	0.187	0.095	0.079	0.064	0.056	0.011	0.008	-0.124	0.086	2.140
East Renfrewshire	-0.496	0.496	1.334	0.294	0.244	0.062	0.073	0.040	0.047	0.010	0.008	-0.129	0.082	2.065
Edinburgh, City of	-11.704	11.704	3.933	2.555	0.657	0.472	0.235	0.326	0.157	0.045	0.031	-0.516	0.220	8.115
Eilean Siar	-0.237	0.237	0.306	0.055	0.068	0.033	0.040	0.012	0.030	0.002	0.002	-0.053	0.061	0.556
Falkirk	-1.867	1.867	1.749	1.065	0.313	0.181	0.124	0.115	0.082	0.021	0.012	-0.196	0.103	3.569
Fife	-4.990	4.990	3.839	2.152	0.706	0.413	0.276	0.298	0.165	0.054	0.028	-0.460	0.181	7.652
Glasgow City	-11.452	11.452	4.340	8.728	0.960	1.184	0.569	0.592	0.299	0.119	0.040	-0.770	0.279	16.340
Highland	-3.815	3.815	2.595	0.918	0.464	0.223	0.136	0.108	0.088	0.023	0.018	-0.320	0.132	4.385
Inverclyde	-0.708	0.708	0.703	0.863	0.146	0.130	0.103	0.068	0.058	0.016	0.006	-0.106	0.084	2.071
Midlothian	-0.953	0.953	0.916	0.448	0.170	0.090	0.083	0.065	0.058	0.012	0.007	-0.108	0.079	1.820
Moray	-1.102	1.102	1.050	0.437	0.174	0.077	0.068	0.048	0.048	0.008	0.008	-0.116	0.083	1.885
North Ayrshire	-1.285	1.285	1.313	1.243	0.270	0.220	0.152	0.138	0.089	0.027	0.011	-0.183	0.103	3.383
North Lanarkshire	-3.666	3.666	3.763	3.379	0.702	0.501	0.292	0.304	0.168	0.058	0.028	-0.434	0.159	8.920
Orkney	-0.284	0.284	0.236	0.061	0.051	0.016	0.037	0.007	0.028	0.002	0.002	-0.047	0.057	0.450
Perth & Kinross	-1.777	1.777	1.591	0.670	0.271	0.121	0.096	0.070	0.060	0.015	0.011	-0.184	0.110	2.831
Renfrewshire	-3.082	3.082	1.809	1.365	0.316	0.246	0.147	0.137	0.088	0.026	0.013	-0.219	0.112	4.040
Scottish Borders	-1.009	1.009	1.233	0.472	0.223	0.117	0.085	0.065	0.055	0.012	0.009	-0.149	0.096	2.218
Shetland	-0.505	0.505	0.296	0.068	0.067	0.014	0.040	0.009	0.030	0.002	0.002	-0.058	0.058	0.528
South Ayrshire	-1.278	1.278	1.042	0.803	0.220	0.150	0.098	0.083	0.061	0.015	0.008	-0.145	0.098	2.433
South Lanarkshire	-9.462	9.462	3.392	2.441	0.639	0.409	0.228	0.244	0.136	0.044	0.024	-0.404	0.161	7.314
Stirling	-1.359	1.359	0.997	0.582	0.185	0.077	0.078	0.059	0.050	0.010	0.008	-0.117	0.081	2.010
West Dunbartonshire	-2.517	2.517	0.872	0.966	0.180	0.167	0.109	0.094	0.069	0.017	0.007	-0.119	0.084	2.446
West Lothian	-2.821	2.821	2.096	1.242	0.381	0.199	0.142	0.130	0.091	0.025	0.015	-0.222	0.099	4.198
Scotland	-83.500	83.500	53.918	37.873	10.000	6.460	4.209	3.872	2.600	0.716	0.398	-6.756	3.520	116.810

RECONCILIATION OF INDIVIDUAL COUNCIL REVENUE ALLOCATIONS FOR 2015-16 (Part 2)

2015-16	Total Brought Forward	Police Transfer	Dundee Airport	Single Fraud Investigation Service	Former Housing Support Grant	Business Gateway	A83 Road transfer	Children's Legal Representation Scheme	Total	Still to be confirmed			Non settlement
										1+2 Languages	Council Tax Reduction Scheme	Discretionary Housing Payments	Stepchange Broadband Adjustment
										£m	£m	£m	£m
Aberdeen City	3.763	0.078	0.000	0.005	0.035	0.000	0.000	-0.020	3.861	0.000	0.000	0.000	0.000
Aberdeenshire	4.621	0.104	0.000	0.004	0.047	0.000	0.000	-0.003	4.773	0.000	0.000	0.000	-4.000
Angus	2.288	0.049	0.000	0.003	0.022	0.000	0.000	-0.010	2.352	0.000	0.000	0.000	0.000
Argyll & Bute	1.699	0.041	0.000	0.003	0.019	0.000	-0.281	-0.004	1.477	0.000	0.000	0.000	0.000
Clackmannanshire	1.305	0.021	0.000	0.002	0.010	0.000	0.000	-0.006	1.332	0.000	0.000	0.000	0.000
Dumfries & Galloway	2.975	0.067	0.000	0.005	0.030	0.000	0.000	-0.003	3.074	0.000	0.000	0.000	0.000
Dundee City	3.661	0.061	1.639	0.007	0.028	0.000	0.000	-0.010	5.386	0.000	0.000	0.000	0.000
East Ayrshire	2.948	0.051	0.000	0.006	0.023	0.000	0.000	-0.013	3.015	0.000	0.000	0.000	0.000
East Dunbartonshire	2.181	0.044	0.000	0.002	0.020	0.000	0.000	-0.008	2.239	0.000	0.000	0.000	0.000
East Lothian	2.140	0.041	0.000	0.003	0.018	0.000	0.000	-0.003	2.199	0.000	0.000	0.000	0.000
East Renfrewshire	2.065	0.042	0.000	0.002	0.019	0.000	0.000	-0.002	2.126	0.000	0.000	0.000	0.000
Edinburgh, City of	8.115	0.169	0.000	0.015	0.076	0.000	0.000	-0.040	8.335	0.000	0.000	0.000	0.000
Eilean Siar	0.556	0.017	0.000	0.001	0.008	0.000	0.000	-0.012	0.570	0.000	0.000	0.000	0.000
Falkirk	3.569	0.064	0.000	0.006	0.029	0.000	0.000	-0.018	3.650	0.000	0.000	0.000	0.000
Fife	7.652	0.151	0.000	0.013	0.068	0.000	0.000	-0.039	7.845	0.000	0.000	0.000	0.000
Glasgow City	16.340	0.252	0.000	0.037	0.114	0.000	0.000	-0.007	16.736	0.000	0.000	0.000	0.000
Highland	4.385	0.105	0.000	0.007	0.047	0.000	0.000	-0.003	4.541	0.000	0.000	0.000	0.000
Inverclyde	2.071	0.035	0.000	0.004	0.016	0.000	0.000	-0.012	2.114	0.000	0.000	0.000	0.000
Midlothian	1.820	0.035	0.000	0.003	0.016	0.000	0.000	-0.010	1.864	0.000	0.000	0.000	0.000
Moray	1.885	0.038	0.000	0.002	0.017	0.000	0.000	-0.009	1.933	0.000	0.000	0.000	0.000
North Ayrshire	3.383	0.060	0.000	0.007	0.027	0.000	0.000	-0.005	3.472	0.000	0.000	0.000	0.000
North Lanarkshire	8.920	0.142	0.000	0.016	0.064	0.000	0.000	-0.001	9.141	0.000	0.000	0.000	0.000
Orkney	0.450	0.015	0.000	0.000	0.007	0.000	0.000	-0.002	0.470	0.000	0.000	0.000	0.000
Perth & Kinross	2.831	0.060	0.000	0.004	0.027	0.000	0.000	-0.008	2.914	0.000	0.000	0.000	0.000
Renfrewshire	4.040	0.072	0.000	0.008	0.032	0.160	0.000	-0.003	4.309	0.000	0.000	0.000	0.000
Scottish Borders	2.218	0.049	0.000	0.004	0.022	0.000	0.000	-0.002	2.291	0.000	0.000	0.000	0.000
Shetland	0.528	0.019	0.000	0.000	0.009	0.000	0.000	-0.003	0.553	0.000	0.000	0.000	0.000
South Ayrshire	2.433	0.047	0.000	0.005	0.022	0.000	0.000	-0.007	2.500	0.000	0.000	0.000	0.000
South Lanarkshire	7.314	0.132	0.000	0.013	0.060	0.000	0.000	-0.005	7.514	0.000	0.000	0.000	0.000
Stirling	2.010	0.038	0.000	0.002	0.017	0.000	0.000	-0.006	2.061	0.000	0.000	0.000	0.000
West Dunbartonshire	2.446	0.039	0.000	0.005	0.018	0.000	0.000	-0.022	2.486	0.000	0.000	0.000	0.000
West Lothian	4.198	0.072	0.000	0.006	0.033	0.000	0.000	-0.004	4.305	0.000	0.000	0.000	0.000
Scotland	116.810	2.210	1.639	0.200	1.000	0.160	-0.281	-0.300	121.438	tbc	343.000	35.000	-4.000

REDETERMINATIONS OF INDIVIDUAL COUNCIL REVENUE FUNDING FOR 2014-15 (Part 1)
ANNEX I

Local Authority	Council Tax Reduction Holdback	Teachers Induction Holdback	Free School Meals P1-P3	Looked After Children	Workforce Development	Discretionary Housing Payments	Additional Teacher Support	Family Support	Police Transfer	Teachers Pay	Total Carried Forward
2014-15	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	1.833	0.776	0.602	0.444	0.104	0.379	0.158	0.086	0.015	0.065	4.461
Aberdeenshire	1.455	1.437	1.001	0.343	0.080	0.000	0.255	0.179	0.019	0.106	4.875
Angus	1.039	0.389	0.387	0.256	0.060	0.000	0.120	0.066	0.009	0.047	2.372
Argyll & Bute	1.124	0.215	0.264	0.159	0.037	0.000	0.094	0.073	0.008	0.035	2.009
Clackmannanshire	0.714	0.365	0.163	0.206	0.048	0.152	0.048	0.030	0.004	0.019	1.749
Dumfries & Galloway	1.691	0.587	0.479	0.370	0.086	0.000	0.162	0.115	0.012	0.062	3.564
Dundee City	2.424	0.501	0.392	0.567	0.132	0.602	0.145	0.074	0.012	0.058	4.908
East Ayrshire	1.891	0.386	0.357	0.433	0.101	0.626	0.118	0.074	0.009	0.047	4.042
East Dunbartonshire	0.911	1.373	0.414	0.144	0.034	0.120	0.129	0.043	0.008	0.048	3.224
East Lothian	1.086	0.749	0.376	0.239	0.056	0.121	0.097	0.056	0.007	0.037	2.824
East Renfrewshire	0.781	1.350	0.408	0.131	0.031	0.092	0.138	0.040	0.007	0.047	3.025
Edinburgh, City of	5.334	0.985	1.202	1.102	0.257	0.687	0.327	0.192	0.032	0.128	10.246
Eilean Siar	0.307	0.182	0.094	0.035	0.008	0.000	0.039	0.026	0.003	0.014	0.708
Falkirk	1.649	1.000	0.534	0.479	0.112	0.569	0.160	0.081	0.012	0.060	4.656
Fife	4.086	1.781	1.173	1.213	0.283	1.228	0.341	0.204	0.028	0.140	10.477
Glasgow City	13.595	2.936	1.326	2.464	0.575	1.725	0.468	0.331	0.049	0.192	23.661
Highland	2.447	1.418	0.793	0.523	0.122	0.000	0.263	0.176	0.019	0.095	5.856
Inverclyde	1.348	0.443	0.215	0.276	0.064	0.355	0.078	0.043	0.006	0.031	2.859
Midlothian	1.019	0.436	0.280	0.274	0.064	0.235	0.087	0.047	0.006	0.033	2.481
Moray	0.705	0.567	0.321	0.186	0.043	0.000	0.094	0.055	0.007	0.035	2.013
North Ayrshire	2.287	0.437	0.401	0.550	0.128	0.744	0.135	0.082	0.011	0.053	4.829
North Lanarkshire	4.866	1.365	1.150	1.198	0.280	1.127	0.360	0.187	0.025	0.142	10.700
Orkney	0.149	0.203	0.072	0.018	0.004	0.000	0.030	0.018	0.003	0.010	0.507
Perth & Kinross	1.332	0.773	0.486	0.279	0.065	0.000	0.134	0.095	0.011	0.053	3.228
Renfrewshire	2.651	1.428	0.553	0.524	0.122	0.690	0.163	0.086	0.013	0.062	6.292
Scottish Borders	1.130	0.356	0.377	0.222	0.052	0.000	0.108	0.079	0.009	0.044	2.377
Shetland	0.124	0.190	0.090	0.023	0.005	0.000	0.039	0.023	0.003	0.016	0.514
South Ayrshire	1.702	0.621	0.318	0.305	0.071	0.262	0.111	0.059	0.009	0.045	3.503
South Lanarkshire	4.187	2.016	1.036	0.911	0.213	0.877	0.316	0.171	0.024	0.123	9.874
Stirling	0.882	0.935	0.305	0.158	0.037	0.000	0.103	0.055	0.007	0.038	2.520
West Dunbartonshire	1.893	0.444	0.266	0.397	0.093	0.710	0.091	0.051	0.007	0.037	3.990
West Lothian	1.958	0.865	0.640	0.570	0.133	0.699	0.180	0.102	0.013	0.078	5.239
Scotland	68.600	27.509	16.475	15.000	3.500	12.000	5.091	3.000	0.407	2.000	153.582

CAPITAL SETTLEMENT PER AUTHORITY FOR 2014-15

Spending Review 2011	Capital Settlement £m								
2014-15 Authority	General Capital Grant FC 2/2014	Changes			Revised Capital Grant FC 9/2014	Specific Grant FC 2/2014	Changes Vacant & Derelict Land Fund	Revised Specific Grant FC 9/2014	Total Capital Grants FC 9/2014
		Flooding	Early Years & Childcare	Free School Meals					
Aberdeen City	23.088	0.000	1.069	0.450	24.607	0.341	0.000	0.341	24.948
Aberdeenshire	29.034	0.000	1.767	0.700	31.501	0.385	0.000	0.385	31.886
Angus	12.862	3.901	0.838	0.750	18.351	0.173	0.000	0.173	18.524
Argyll & Bute	14.068	0.000	0.846	0.550	15.464	0.140	0.000	0.140	15.604
Clackmannanshire	5.676	0.000	0.476	0.140	6.292	0.079	0.000	0.079	6.371
Dumfries & Galloway	20.139	0.000	1.567	0.600	22.306	0.232	0.000	0.232	22.538
Dundee City	18.286	0.000	1.259	1.000	20.545	0.226	1.577	1.803	22.348
East Ayrshire	10.580	0.000	1.095	0.310	11.985	0.189	0.000	0.189	12.174
East Dunbartonshire	9.406	0.000	0.383	0.105	9.894	0.164	0.000	0.164	10.058
East Lothian	10.614	0.000	0.650	0.460	11.724	0.153	0.000	0.153	11.877
East Renfrewshire	7.311	0.000	0.352	1.050	8.713	0.140	0.000	0.140	8.853
Edinburgh, City of	50.658	0.000	2.517	4.500	57.675	33.274	0.000	33.274	90.949
Eilean Siar	8.719	0.000	0.407	0.300	9.426	0.041	0.000	0.041	9.467
Falkirk	13.933	0.000	1.150	0.200	15.283	0.240	0.000	0.240	15.523
Fife	34.556	0.000	2.914	0.280	37.750	0.573	0.000	0.573	38.323
Glasgow City	69.758	0.000	5.446	0.040	75.244	76.959	4.054	81.013	156.257
Highland	46.290	0.000	2.533	5.000	53.823	0.348	1.351	1.699	55.521
Inverclyde	8.251	0.000	0.626	0.060	8.937	0.125	0.000	0.125	9.062
Midlothian	9.258	0.000	0.686	0.100	10.044	0.127	0.000	0.127	10.171
Moray	25.883	0.000	0.657	0.710	27.251	0.138	0.000	0.138	27.389
North Ayrshire	13.864	0.000	1.306	0.290	15.460	0.212	0.000	0.212	15.672
North Lanarkshire	32.083	0.000	2.739	0.500	35.322	0.512	2.297	2.809	38.131
Orkney Islands	6.458	0.000	0.249	0.010	6.717	0.032	0.000	0.032	6.749
Perth & Kinross	16.725	0.000	1.027	0.250	18.002	0.232	0.000	0.232	18.234
Renfrewshire	16.869	0.000	1.222	0.450	18.541	0.267	0.000	0.267	18.808
Scottish Borders	14.922	6.114	1.016	0.050	22.102	0.177	0.000	0.177	22.279
Shetland Islands	6.717	0.000	0.279	0.030	7.026	0.035	0.000	0.035	7.061
South Ayrshire	11.450	0.000	0.834	1.150	13.434	0.175	0.000	0.175	13.609
South Lanarkshire	29.959	0.000	2.285	0.135	32.379	0.489	1.712	2.201	34.580
Stirling	10.144	0.000	0.563	0.100	10.807	0.141	0.000	0.141	10.948
West Dunbartonshire	9.294	0.000	0.880	0.200	10.374	0.142	0.000	0.142	10.516
West Lothian	16.105	0.000	1.363	4.350	21.818	0.270	0.000	0.270	22.088
Undistributed - Councils	10.014	-10.014	0.000	0.000	0.000	10.991	-10.991	0.000	0.000
Councils Total	622.975	0.000	41.000	24.820	688.795	127.722	0.000	127.722	816.517
Strathclyde Partnership for Transport	0.000	0.000	0.000	0.000	0.000	22.524	0.000	22.524	22.524
Grand Total	622.975	0.000	41.000	24.820	688.795	150.246	0.000	150.246	839.041

In 2014-15 local authorities contributed £20.2 million from the Local Government Settlement to delivering next generation broadband across Scotland. The contribution was taken from the Settlement as one sum and not identified as individual local authority contributions

TOTAL CAPITAL FUNDING PER AUTHORITY FOR 2014-15

PAID AS GENERAL CAPITAL GRANT

2014-15 Authority	General Capital Grant - Settlement £m	Other Funding / Adjustments £m			Total General Capital Grant Payable £m
		Shetland Infrastructure	Urban Broadband Contributions	Moray Flood Project	
Aberdeen City	24.607	0.000	0.000	0.000	24.607
Aberdeenshire	31.501	0.000	0.000	0.000	31.501
Angus	18.351	0.000	-1.000	0.000	17.351
Argyll & Bute	15.464	0.000	0.000	0.000	15.464
Clackmannanshire	6.292	0.000	-0.200	0.000	6.092
Dumfries & Galloway	22.306	0.000	-4.200	0.000	18.106
Dundee City	20.545	0.000	0.000	0.000	20.545
East Ayrshire	11.985	0.000	-1.200	0.000	10.785
East Dunbartonshire	9.894	0.000	0.000	0.000	9.894
East Lothian	11.724	0.000	0.000	0.000	11.724
East Renfrewshire	8.713	0.000	0.000	0.000	8.713
Edinburgh, City of	57.675	0.000	0.000	0.000	57.675
Eilean Siar	9.426	0.000	0.000	0.000	9.426
Falkirk	15.283	0.000	0.000	0.000	15.283
Fife	37.750	0.000	0.000	0.000	37.750
Glasgow City	75.244	0.000	0.000	0.000	75.244
Highland	53.823	0.000	0.000	0.000	53.823
Inverclyde	8.937	0.000	0.000	0.000	8.937
Midlothian	10.044	0.000	-0.250	0.000	9.794
Moray	27.251	0.000	0.000	5.481	32.732
North Ayrshire	15.460	0.000	-0.400	0.000	15.060
North Lanarkshire	35.322	0.000	-0.350	0.000	34.972
Orkney Islands	6.717	0.000	0.000	0.000	6.717
Perth & Kinross	18.002	0.000	-0.800	0.000	17.202
Renfrewshire	18.541	0.000	0.000	0.000	18.541
Scottish Borders	22.102	0.000	-4.200	0.000	17.902
Shetland Islands	7.026	5.000	0.000	0.000	12.026
South Ayrshire	13.434	0.000	-0.500	0.000	12.934
South Lanarkshire	32.379	0.000	0.000	0.000	32.379
Stirling	10.807	0.000	-0.600	0.000	10.207
West Dunbartonshire	10.374	0.000	0.000	0.000	10.374
West Lothian	21.818	0.000	-1.660	0.000	20.158
Undistributed - Councils	0.000	0.000	0.000	0.000	0.000
Councils Total	688.795	5.000	-15.360	5.481	683.916
Strathclyde Partnership for Transport					
Grand Total	688.795	5.000	-15.360	5.481	683.916

SUMMARY OF FUNDING

Summary £m		Total Capital Funding £m
Total General Capital Grant Payable	Specific Grants	
24.607	0.341	24.948
31.501	0.385	31.886
17.351	0.173	17.524
15.464	0.140	15.604
6.092	0.079	6.171
18.106	0.232	18.338
20.545	1.803	22.348
10.785	0.189	10.974
9.894	0.164	10.058
11.724	0.153	11.877
8.713	0.140	8.853
57.675	33.274	90.949
9.426	0.041	9.467
15.283	0.240	15.523
37.750	0.573	38.323
75.244	81.013	156.257
53.823	1.699	55.521
8.937	0.125	9.062
9.794	0.127	9.921
32.732	0.138	32.870
15.060	0.212	15.272
34.972	2.809	37.781
6.717	0.032	6.749
17.202	0.232	17.434
18.541	0.267	18.808
17.902	0.177	18.079
12.026	0.035	12.061
12.934	0.175	13.109
32.379	2.201	34.580
10.207	0.141	10.348
10.374	0.142	10.516
20.158	0.270	20.428
0.000	0.000	0.000
683.916	127.722	811.638
	22.524	22.524
683.916	150.246	834.162

CAPITAL SETTLEMENT PER AUTHORITY FOR 2015-16

Budget 2015-16	Capital Settlement £m				
2015-16 Authority	General Capital Grant FC 6/2014	Changes	Revised General Capital Grant FC 9/2014	Specific Grant FC 9/2014	Total Capital Grants FC 9/2014
		Early Years Child Care			
Aberdeen City	25.501	1.017	26.518	0.338	26.856
Aberdeenshire	32.336	1.681	34.018	0.384	34.402
Angus	23.048	0.797	23.845	0.174	24.019
Argyll & Bute	14.686	0.805	15.491	0.131	15.622
Clackmannanshire	6.058	0.453	6.511	0.078	6.589
Dumfries & Galloway	21.928	1.490	23.418	0.228	23.646
Dundee City	19.661	1.198	20.859	0.223	21.082
East Ayrshire	11.490	1.041	12.531	0.185	12.716
East Dunbartonshire	10.343	0.365	10.708	0.160	10.868
East Lothian	11.494	0.618	12.112	0.151	12.263
East Renfrewshire	7.859	0.335	8.194	0.137	8.331
Edinburgh, City of	55.067	2.394	57.461	32.392	89.853
Eilean Siar	8.861	0.387	9.248	0.041	9.289
Falkirk	14.878	1.093	15.972	0.236	16.208
Fife	37.440	2.772	40.212	1.868	42.080
Glasgow City	74.830	5.180	80.010	77.681	157.691
Highland	35.285	2.409	37.694	1.883	39.577
Inverclyde	10.585	0.595	11.180	0.121	11.301
Midlothian	10.211	0.652	10.863	0.127	10.990
Moray	11.931	0.625	12.556	0.139	12.695
North Ayrshire	14.741	1.242	15.983	0.207	16.190
North Lanarkshire	34.117	2.605	36.722	2.743	39.466
Orkney Islands	7.065	0.237	7.302	0.032	7.334
Perth & Kinross	29.803	0.977	30.780	0.223	31.003
Renfrewshire	18.024	1.163	19.186	0.262	19.448
Scottish Borders	35.262	0.966	36.228	0.171	36.399
Shetland Islands	7.363	0.265	7.629	0.035	7.664
South Ayrshire	12.475	0.793	13.268	0.170	13.438
South Lanarkshire	31.711	2.173	33.884	2.140	36.024
Stirling	10.936	0.536	11.471	0.138	11.609
West Dunbartonshire	9.852	0.837	10.689	0.137	10.826
West Lothian	17.359	1.296	18.655	0.265	18.920
Undistributed - Councils	0.000	0.000	0.000	0.000	0.000
Councils Total	672.200	39.000	711.200	123.200	834.400
Strathclyde Partnership for Transport				21.900	21.900
Grand Total	672.200	39.000	711.200	145.100	856.300

TOTAL CAPITAL FUNDING PER AUTHORITY

PAID AS GENERAL CAPITAL GRANT

Budget 2015-16 2015-16 Authority	General Capital Grant - Settlement £m	Other Funding / Adjustments £m			Total General Capital Grant £m
		Urban Broadband Contributions	Shetland Infrastructure	Moray Flood Project	
Aberdeen City	26.518	0.000	0.000	0.000	26.518
Aberdeenshire	34.018	0.000	0.000	0.000	34.018
Angus	23.845	-1.000	0.000	0.000	22.845
Argyll & Bute	15.491	0.000	0.000	0.000	15.491
Clackmannanshire	6.511	-0.100	0.000	0.000	6.411
Dumfries & Galloway	23.418	-6.000	0.000	0.000	17.418
Dundee City	20.859	0.000	0.000	0.000	20.859
East Ayrshire	12.531	0.000	0.000	0.000	12.531
East Dunbartonshire	10.708	0.000	0.000	0.000	10.708
East Lothian	12.112	0.000	0.000	0.000	12.112
East Renfrewshire	8.194	0.000	0.000	0.000	8.194
Edinburgh, City of	57.461	0.000	0.000	0.000	57.461
Eilean Siar	9.248	0.000	0.000	0.000	9.248
Falkirk	15.972	0.000	0.000	0.000	15.972
Fife	40.212	-1.400	0.000	0.000	38.812
Glasgow City	80.010	0.000	0.000	0.000	80.010
Highland	37.694	0.000	0.000	0.000	37.694
Inverclyde	11.180	0.000	0.000	0.000	11.180
Midlothian	10.863	-0.250	0.000	0.000	10.613
Moray	12.556	0.000	0.000	2.119	14.675
North Ayrshire	15.983	-0.350	0.000	0.000	15.633
North Lanarkshire	36.722	-0.350	0.000	0.000	36.372
Orkney Islands	7.302	0.000	0.000	0.000	7.302
Perth & Kinross	30.780	-0.400	0.000	0.000	30.380
Renfrewshire	19.186	0.000	0.000	0.000	19.186
Scottish Borders	36.228	0.000	0.000	0.000	36.228
Shetland Islands	7.629	0.000	5.000	0.000	12.629
South Ayrshire	13.268	-0.250	0.000	0.000	13.018
South Lanarkshire	33.884	0.000	0.000	0.000	33.884
Stirling	11.471	0.000	0.000	0.000	11.471
West Dunbartonshire	10.689	0.000	0.000	0.000	10.689
West Lothian	18.655	-0.840	0.000	0.000	17.815
Undistributed - Councils	0.000	0.000	0.000	0.000	0.000
Councils Total	711.200	-10.940	5.000	2.119	707.379
Strathclyde Partnership for Transport	0.000	0.000	0.000	0.000	0.000
Grand Total	711.200	-10.940	5.000	2.119	707.379

SUMMARY OF FUNDING

Other Funding	Summary £m			Total Capital Funding £m
	Total General Capital Grant	Specific Grants	Other Funding	
Glasgow Clyde Valley City Deal	0.000	0.000	0.000	0.000
	26.518	0.338	0.000	26.856
	34.018	0.384	0.000	34.402
	22.845	0.174	0.000	23.019
	15.491	0.131	0.000	15.622
	6.411	0.078	0.000	6.489
	17.418	0.228	0.000	17.646
	20.859	0.223	0.000	21.082
	12.531	0.185	0.000	12.716
	10.708	0.160	0.000	10.868
	12.112	0.151	0.000	12.263
	8.194	0.137	0.000	8.331
	57.461	32.392	0.000	89.853
	9.248	0.041	0.000	9.289
	15.972	0.236	0.000	16.208
	38.812	1.868	0.000	40.680
	80.010	77.681	0.000	157.691
	37.694	1.883	0.000	39.577
	11.180	0.121	0.000	11.301
	10.613	0.127	0.000	10.740
	14.675	0.139	0.000	14.814
	15.633	0.207	0.000	15.840
	36.372	2.743	0.000	39.116
	7.302	0.032	0.000	7.334
	30.380	0.223	0.000	30.603
	19.186	0.262	0.000	19.448
	36.228	0.171	0.000	36.399
	12.629	0.035	0.000	12.664
	13.018	0.170	0.000	13.188
	33.884	2.140	0.000	36.024
	11.471	0.138	0.000	11.609
	10.689	0.137	0.000	10.826
	17.815	0.265	0.000	18.080
	0.000	0.000	30.000	30.000
	707.379	123.200	30.000	860.579
		21.900	0.000	21.900
	707.379	145.100	30.000	882.479

REVISED BUSINESS RATES INCENTIVISATION SCHEME (BRIS)

Background

1. Following the discussions of the joint Scottish Government/COSLA Officers Review Group meetings held on 3 July and 7 August the proposed revised BRIS received political sign off at the end of August/early September. Following this sign-off the Scottish Government, COSLA and local government officials have worked together to agree the terms and conditions of a revised BRIS which will now operate from 2014-15 and these are set out below.

Terms and Conditions of the Revised BRIS

2. A joint COSLA Scottish Government Review Group met on 3 July and 7 August to discuss how a revised BRIS might create a more accurate incentivisation for individual local authorities while at the same time providing protection for the Scottish Government from a possible significant loss of income not connected with the incentivisation scheme.

It has now been agreed that the revised BRIS should;

- be tightly focussed on incentivising growth in the business tax base by creating targets based on buoyancy alone;
- be based on 32 individual local rather than national targets to enable a closer correlation between local circumstances, actions and results;
- provide targets for more than one year at a time to match the local government finance settlements provided after each Spending Review;
- include a clear process of how targets are recalculated at the end of an agreed review period and the period of retention of any accrued benefits;
- have a clear, agreed, definition of a significant event expressed as a percentage change and incorporating the relevant cause e.g. business closures;
- not focus on collection figures given existing very high collection rates; and
- not change the current risk sharing arrangements e.g. no need to reach an overall national target.

Implications of the revised BRIS

3. It was agreed that the revised BRIS better incentivises the growth of the local tax base within a local authority area and better directly reflects the factors impacting growth that are within the local authority's control and not adversely influenced by factors completely outwith their ability to influence.

4. It is recognised, however, that the amount that the local targets will be based on will only be linked to the buoyancy element of the total estimated NDRI for any

one year. This will ensure that each authority will have the ability to influence their own local tax base without interference from other changes in NDRI outwith their control that are not linked to growth in the tax base. The Scottish Government will continue to carry the risk for variances in these other factors and underwrite any shortfalls in individual local authority's annual NDRI by providing additional General Revenue Grant as recompense this includes the impact of any business displacement.

Details behind the revised BRIS

Calculation of Buoyancy Targets

5. Given the local targets will be based on buoyancy alone, it should be noted that the existing calculation of the Distributable Non-Domestic Rate estimates includes a Scottish Government assumption about the level of buoyancy at a national level. There are no plans to change the basis of this calculation and so an increase in an individual local authority's local buoyancy rate will need to be over and above the already built in estimate. i.e. the target will be set on a baseline which will include a share of the national buoyancy assumption.

Statutory Undertakings (Utilities)

6. It was agreed that in calculating individual local authority buoyancy targets the rateable value of statutory undertakings (utilities) as defined by (The Non-Domestic Rating (Valuation of Utilities) (Scotland) Order 2005) and (The Non Domestic Rating (Telecommunications and Canals) (Scotland) Amendment Order 2008) should be excluded from the calculation on the grounds that; a) they cannot be disaggregated to an individual council level; and b) growth or otherwise in this sector cannot be influenced by the individual parent authority and those authorities should not benefit or be penalised simply because they are responsible for the collection of statutory undertakings. The current designated utilities include; Electricity Generation, Electricity Transmission and Distribution, Telecommunications, Gas, Water, Docks and Harbours, and Railways. Any local wind farms not linked to these statutory undertakings will be included in the relevant local authority's buoyancy figures.

New non-domestic properties which pay reduced or zero rates

7. As the purpose of the BRIS is to grow the business tax base and increase overall business rates income it will be necessary to determine that any increase in buoyancy has been matched by a corresponding increase in NDRI. This is because some properties may be entered on the valuation roll, but will pay no rates as they benefit from a relief or exemption. For example, a new university campus or cultural facility may be built which has a significant rateable value, but benefits from charity relief (which will be between 80- 100%). Small businesses benefitting from 100 per cent rates relief through the Small Business Bonus Scheme would also contribute to an increase in RV but not a corresponding increase in NDRI. This means that where a council has demonstrated an increase in the tax base (rateable value increase), without any evidence of a corresponding increase in tax take (rates collected) this will not trigger rates retention under the buoyancy focussed targets.

Annual Targets

8. The local targets based on local buoyancy targets would be calculated using historical average growth figures at an individual local authority level rather than for a single year. Local targets would be issued as part of each Spending Review for each of the years of that Spending Review with the first year being final and the subsequent years being provisional subject to final confirmation. The final annual targets would be published in the Local Government Finance Circular in late November/early December as part of the annual local government finance settlement consultation process and agreed through discussion between individual local authorities, through COSLA, with the Scottish Government.

9. The 2014-15 targets and provisional 2015-16 targets are include in the Circular at **Annexes O and P**.

Retained Benefits

10. Each local authority that exceeds its individual local buoyancy calculated target would retain a 50 per cent share of the additional rates income generated (where there was a corresponding increase in rateable value), with the Scottish Government would retain the other 50 per cent excess.

11. Those local authorities that did not reach their target will continue to be compensated by the Scottish Government up to the level of their agreed published distributable amount of NDR for the year in question through increased General Revenue Grant. Any benefits gained would continue to be retained until the end of the Review Period assuming the additional rates income also continued during that period.

End of Review Period Recalculation

12. The individual local targets would be rebased following the NDR revaluation cycle (usually every five years). The next revaluation will take place in 2017 which would fit with the plan to issue immediate targets up to and including 2016-17.

13. At each revaluation the overall tax base will shift (depending on underlying changes in rental markets) and may increase or decrease. This will vary at different rates across Council areas. At each revaluation targets will be rebased to take into account the differing changes in the tax base which occur as a result of revaluation and will again be subject to discussion and agreement with COSLA prior to the next revaluation.

Definition of a Significant Event

14. The current Non Domestic Rates (NDR) system allows for a local authority to seek a downward recalculation of their estimated NDR income (NDR) in year to prevent that local authority from suffering a shortfall of income in-year and creating a cash flow problem for that local authority with the Scottish Government providing additional General Revenue Grant in-year rather than the authority having to wait until the following financial year to be recompensed. The current trigger for such a

request is 3 per cent of total estimated NDRI for the year in question. A 3 per cent reduction in annual business rates income is therefore deemed to be “significant” for local government funding purposes and as the local targets will be based on the much smaller buoyancy element of the total NDRI figure it was agreed that the target for triggering a significant event should also be 3 per cent above or below the total estimated NDRI for the year.

15. There are a number of circumstances where a “significant event” could be proposed. From an individual local authority perspective this could occur where a significant business or businesses close after the beginning of the financial year which would severely impact on that local authority’s ability to grow its tax base for the year in question. The Scottish Government may wish to invoke the significant event for a future year’s target where there was a significant change in the rateable values across Scotland as, for example, a result of a revaluation of business rates or a legislative change.

16. The triggering of a significant event should be available to an individual local authority and/or COSLA and the Scottish Government. Any proposed significant event would require to be agreed by both parties.

Timing of NDRI Returns

17. It was agreed that action should be taken by COSLA and the Scottish Government with Audit Scotland to bring forward the return date for the NDRI audited returns. Any retention of BRIS rewards to be retained will be linked to the NDRI Notified returns with any final adjustments being made on receipt of the final audited returns.

BUSINESS RATES INCENTIVISATION TARGETS FOR 2014-15

	Local buoyancy target for 2014-15
Aberdeen City	1.6%
Aberdeenshire	2.0%
Angus	1.6%
Argyll & Bute	1.7%
Clackmannanshire	1.5%
Dumfries & Galloway	1.4%
Dundee City	1.4%
East Ayrshire	1.6%
East Dunbartonshire	1.7%
East Lothian	1.7%
East Renfrewshire	1.5%
Edinburgh, City of	1.5%
Eilean Siar	1.9%
Falkirk	1.5%
Fife	1.7%
Glasgow City	1.5%
Highland	1.6%
Inverclyde	1.6%
Midlothian	1.7%
Moray	2.0%
North Ayrshire	1.7%
North Lanarkshire	1.6%
Orkney Islands	1.8%
Perth & Kinross	1.6%
Renfrewshire	1.3%
Scottish Borders	1.7%
Shetland Islands	1.6%
South Ayrshire	1.4%
South Lanarkshire	1.8%
Stirling	1.5%
West Dunbartonshire	1.5%
West Lothian	1.7%

PROVISIONAL BUSINESS RATES INCENTIVISATION TARGETS FOR 2015-16

	Provisional local buoyancy target for 2015-16
Aberdeen City	1.2%
Aberdeenshire	1.7%
Angus	1.2%
Argyll & Bute	1.3%
Clackmannanshire	1.1%
Dumfries & Galloway	1.0%
Dundee City	1.1%
East Ayrshire	1.3%
East Dunbartonshire	1.3%
East Lothian	1.4%
East Renfrewshire	1.2%
Edinburgh, City of	1.1%
Eilean Siar	1.6%
Falkirk	1.2%
Fife	1.3%
Glasgow City	1.1%
Highland	1.3%
Inverclyde	1.3%
Midlothian	1.4%
Moray	1.6%
North Ayrshire	1.3%
North Lanarkshire	1.2%
Orkney Islands	1.4%
Perth & Kinross	1.3%
Renfrewshire	1.0%
Scottish Borders	1.3%
Shetland Islands	1.3%
South Ayrshire	1.1%
South Lanarkshire	1.5%
Stirling	1.1%
West Dunbartonshire	1.2%
West Lothian	1.4%