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<b>Report To:</b>	<b>The Inverclyde Council</b>	<b>Date:</b>	<b>18<sup>TH</sup> February 2016</b>
<b>Report By:</b>	<b>The Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/23/16/AP/LA</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>Approval of the Band D Council Tax for 2016/17</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to provide information to the Council on the latest position of the 2016/17 Revenue Budget to allow it to determine the level of Council Tax for 2016/17.

## 2.0 SUMMARY

- 2.1 Inverclyde Council has always determined its level of Band D Council Tax for the following year at the same time as agreeing the Revenue Budget for the following year. The timescales for setting the Council Tax and considering the budget for the following year seek to accommodate the practical issues and timescales for giving notice and issuing annual Council Tax bills to local taxpayers in sufficient time to meet the first due payment date.
- 2.2 The Local Government Finance Act 1992 ("the 1992 Act") sets a deadline of the 11<sup>th</sup> March for Councils to agree the level of Band D Council Tax for the following financial year. If the Council were to wait until this statutory deadline then bills would not be issued in sufficient time to give notice to Council Tax payers regarding the payments due in the first half of April.
- 2.3 The 2016/17 Local Government Settlement was considerably worse than previously estimated in addition to which there was a lack of clarity around a number of significant matters. The Scottish Government and COSLA have recently concluded detailed discussions regarding these matters and whilst the Grant Settlement conditions and sanctions from the Government are now clearer detailed discussions in relation to the "Health & Social Care £250million" are ongoing. As such the Policy & Resources Committee decided at its meeting on the 2<sup>nd</sup> February 2016 to delay agreement of the overall 2016/18 Revenue Budget until the 10<sup>th</sup> March to allow the options and implications to be fully developed.
- 2.4 Part of the conditions attached to the Council receiving its full Government Grant for 2016/17 is that the Council must agree to freeze Council Tax for the ninth year in a row. Failure to do this would mean the Council would not get its share of £408 million funding and this is estimated at approximately £6.5 million.
- 2.5 In light of the above the Members' Budget Working Group recommend that the Council agree to freezing the Council Tax in 2016/17 and make this decision in advance of the formal agreement of the 2016/18 Revenue Budget. In terms of the 1992 Act, however, this report provides to the Council the relevant information in relation to the 2016/17 budget to allow it to determine the level of Council Tax for 2016/17.

## 3.0 RECOMMENDATIONS

It is recommended that the Council:

- 3.1 considers the terms of Appendix 3 and approves the budget quantum for the financial year 2016/17.

- 3.2 confirms its decision to freeze the Council Tax for 2016/17 at current levels.
- 3.3 thereafter, formally agrees the resolution that the level of Band D Council Tax for the year commencing the 1<sup>st</sup> April 2016 be £1198.
- 3.4 meets on the 10<sup>th</sup> March 2016 to consider the 2016/18 Budget with any further information as is then available or been evaluated by its relevant officers as may impact on the Council's financial planning.

**Alan Puckrin**  
**Chief Financial Officer**

## **4.0 BACKGROUND**

- 4.1 In line with every other Council in Scotland Inverclyde Council has previously set its Council Tax for the following financial year at the same time it has agreed its Revenue Budget for the following financial year. This approach has been taken as it allows the Council to consider the level of Council Tax as an integral part of the budget setting process and balance decisions on the level of Council Tax against other spending/saving decisions.
- 4.2 As has been previously reported the Scottish Government's Local Government Grant Settlement for 2016/17 was significantly poorer than had been projected by Councils. In the case of Inverclyde, the Grant reduction of £6.6 million (3.9%) represented a £4.2 million greater cash cut than had been projected and had been built in to the Budget Consultation exercise.
- 4.3 In addition to the significantly poorer Grant Settlement there are also major areas of uncertainty around a sum of £250 million allocated to Health Boards to be used for Health and Social Care, plus a lack of clarity around potential sanctions and the requirements in respect of teacher numbers.
- 4.4 Detailed discussions have taken place since the 16<sup>th</sup> December and have only recently concluded between the Scottish Government and COSLA leadership. The net result of these discussions resulted in a letter issued by the Deputy First Minister to the COSLA Leader on the 27<sup>th</sup> January 2016 and this is attached as Appendix 1. Despite the letter clarifying the substantive issues, detailed work on the costs to be charged against the Council's share of the £250 million are ongoing and as such it is not possible to finalise the detail on this issue.

## **5.0 SETTING THE COUNCIL TAX LEVEL FOR 2016/17 – ISSUES TO CONSIDER**

### **Appendix 1**

- 5.1 It can be seen from the letter attached at Appendix 1 that the freezing of Council Tax levels in 2016/17 at the same level as 2015/16 is one of the conditions which form the package which the Council requires to agree to if it is to access the full settlement.
- 5.2 Failure to agree to a Council Tax freeze (and the other conditions contained in the letter) will result in a significant financial penalty. The letter quotes a figure of £408 million nationally and it is estimated that the Council's share of this sum is approximately £6.50 million. Therefore in simple terms if the Council rejected the offer from the Deputy First Minister then it would require to increase Council Tax by 24% simply to stand still.
- 5.3 It can be seen from the letter in Appendix 1 that the Leader of the Council had until the 9<sup>th</sup> of February to respond to the letter and it is confirmed the offer was not rejected given the significant financial consequences of doing so. A copy of the Council Leader's response is contained in Appendix 2.
- 5.4 On the basis that the Council will agree to freeze Council Tax levels for 2016/17 at the same level as for 2015/16 then this confirms the income side of the Council's 2016/17 Revenue Budget. On the basis that the Council's agreed Budget Strategy is to approve a 2016/18 Revenue Budget then it was agreed by the Policy & Resources Committee on the 2<sup>nd</sup> February 2016 to defer the agreement of the overall 2016/18 Revenue Budget until March to allow officers more time to carry out detailed work in respect of the Council's share of the £250 million Health & Social Care funding.

### **Appendix 3**

- 5.5 The setting of Council Tax for the year is integral to the budget setting process but this year's circumstances require that the Council consider setting it with specific regard to the estimates specified in Appendix 3 in relation to the 2016/17 budget and that further clarification of items of financial impact from the Grant Settlement be considered, if available, at the March 2016 special meeting.

- 5.6 Appendix 3 provides the overall position of the 2016/17 Revenue Budget following the decisions of the Policy & Resources Committee on the 2<sup>nd</sup> February 2016. This appendix shows that in overall terms the 2016/17 Budget is in balance based on a continued freeze on Council Tax. This information specifies the budget quantum and meets the requirements of the 1992 Act for purposes of setting the Council Tax for the following year, 2016/17.

### **Timescales for Public Notice and Arrangements for Collection**

- 5.7 The 1992 Act requires the Council to set its Council Tax for the following year no later than the 11<sup>th</sup> March. The Council is required to issue Council Tax bills no later than the middle of March in order to provide the appropriate statutory notice to Council Tax payers to enable the Council to collect the Council Tax from the beginning of April. In order to achieve this timescale the absolute latest the Council could agree its Council Tax Level for 2016/17 is the 2nd March 2016. This however leaves no room for any delays which may occur at the external printers caused by the fact that many other Councils are requesting their billing to be undertaken at the same point in time. Any delay may impact on Council Tax collection and generate concerns from the public. Given the fact that the Government has announced that were the Council to increase its Council Tax it would have its 2016/17 Grant reduced by up to a further £6.5 million then it is recommended that the Council confirms it will freeze Council Tax for 2016/17. If agreed, this decision will also allow billing to take place in a managed timeframe.

### **Balanced Budget and Current Position**

- 5.8 The Council requires to set a balanced budget for 2016/17 prior to the end of March. Preferably this should be not later than the first half of March to allow the agreed budgets to be finalised and disseminated to budget holders prior to the 1<sup>st</sup> April. The impact of a late budget setting date can be mitigated by the Council confirming as much as possible of the 2016/17 budget in advance which has been the process adopted by the Council to date. The Budget Strategy and the stated aim of the Council has been to approve a 2016/18 Revenue Budget but this has become far more challenging given the significantly poorer Grant Settlement from the Scottish Government. The legal requirement is for the Council to set a 2016/17 Revenue Budget only.
- 5.9 The consideration of the 2016/18 budget and the setting of the 2016/17 Council Tax need to be separated in the current, specific circumstances. Firstly, there are outstanding items of financial clarification arising from the Grant Settlement which affect the Council's Budget plan for 2016/18 in respect of which adequate financial provision has been made in relation to 2016/17 as reflected in the budget quantum. The items to be clarified may have a subsequent impact on the detail of the 2016/17 estimates and will impact on the budget for 2017/18. Secondly, information to clarify these financial issues is not yet available or cannot yet be fully assessed. In setting the Council Tax on 18 February, reasonable provision is being made in relation to estimates that are available. Equally, it is not advised by officers that there be a delay in setting the Council Tax until such clarification is available: the reasons for this involve (a) the continuation of the Council Tax freeze and the financial consequences arising from not so doing and (b) the practical billing, printing and preparation issues for public notice and collection of the Council Tax.

## **6.0 PROPOSALS**

- 6.1 It is proposed that, subject to the agreement of the Provost, a special meeting of the Inverclyde Council be held on the 10<sup>th</sup> March 2016 at 4pm for the purpose of considering and approving the 2016/18 Budget.
- 6.2 It is proposed that the Council Tax level for 2016/17 be frozen at the same level as 2015/16 meaning that the Band D Council Tax for 2016/17 be confirmed as £1198.00. This represents the ninth consecutive year of Council Tax freeze nationally and means the Council Tax was last increased within Inverclyde in 2005/06.

## 7.0 IMPLICATIONS

### 7.1 Finance Implications

In agreeing the Council Tax at this point prior to the approval of the 2016/17 Revenue Budget it means that a Council Tax increase is no longer an option for the Council to utilise in 2016/17 when approving its Revenue Budget in March. However given the significant financial penalties which the Council would incur were it to increase Council Tax then realistically increasing Council Tax is not an option. On the basis that Councils will have to contain any Council Tax Reduction costs then it is estimated that a 1% Council Tax increase in Inverclyde will raise £270,000.

It is clear advice to the Council that the detail behind the figures in Appendix 3 has been considered by the Members' Budget Working Group and by the Policy and Resources Committee at its February meeting and this is the reasonable total estimated expenses of the Council for 2016/17 as is required by the 1992 Act.

The Council is also asked to note that the latest position of the 2016/17 budget contains no unallocated savings and any further refinements to the budget in the period up to 10 March 2016 will not result in a change to the current 2016/17 budgeted income from Council Tax of £26.7 million shown in Appendix 3.

#### Financial Implications:

##### One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

##### Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments
N/A					

### 7.2 Legal

There is a legal requirement of the Council arising from the Local Government Finance Act 1992 Paragraph 93 for the Council to determine its level of Council Tax for the following financial year no later than the 11<sup>th</sup> March. Approval of this report will fulfil that legal requirement. Council Tax must be set in relation to the total estimated expenses to be incurred by the Council for the relevant year and Appendix 3 specifies that key financial information for 2016/17 in terms required by the 1992 Act. This report specifies the relevant current issues affecting the timescales for the Council's financial planning and the implications of the information that is awaited. Relevant and reasonable provision has been made to deal with these specified circumstances.

### 7.3 Human Resources

There are no HR implications arising from this report.

### 7.4 Equalities

Has an Equality Impact Assessment been carried out?

Yes See attached appendix

No This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

## 7.5 Repopulation

There are no repopulation issues arising from this report.

## 8.0 CONSULTATIONS

8.1 The contents of this report have been agreed with the Corporate Management Team and the proposal to freeze Council Tax for the financial year 2016/17 is supported by the Members' Budget Working Group. In addition the Council's External Auditors have been made aware of the proposals in this report and have not raised any concerns.

## 9.0 LIST OF BACKGROUND PAPERS

9.1 None.

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



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



Copy to: The Leaders of all Scottish local authorities

27 January 2016

Dear David

I write now to confirm the final details of the Local Government Finance settlement for 2016-17, following the conclusion of our partnership discussions to consider the package of measures contained in my initial letter of 16 December 2015.

This funding package is focussed on delivery of our joint priorities to deliver sustainable economic growth, protect front-line services and support the most vulnerable in our society.

I have considered the representations made to me by COSLA and this is reflected in the detail of the settlement and the package of measures included in this letter. My aim throughout our extensive discussions has been to reach an agreement with councils around the implementation of these commitments. I invite local authorities to agree the terms of the settlement.

The measures set out in the settlement offer must be viewed as a package to protect shared priorities and intensify a journey of reform. In order to access all of the funding involved, of £408 million, local authorities must agree to deliver all of the measures set out below and will not be able to select elements of the package.

#### Integration Fund

The offer being made is that £250 million will be provided from the Health budget to integration authorities in 2016-17 for social care:

That of the £250 million, £125 million is provided to support additional spend on expanding social care to support the objectives of integration, including through making progress on charging thresholds for all non-residential services to address poverty. This additionality reflects the need to expand capacity to accommodate growth in demand for services as a consequence of demographic change.

That of the £250 million, £125 million is provided to help meet a range of existing costs faced by local authorities in the delivery of effective and high quality health and social care services in the context of reducing budgets. This includes our joint aspiration to deliver the Living Wage for all social care workers as a key step in improving the quality of social care. The allocation of this resource will enable councils to ensure that all social care workers including in the independent and third sectors are paid £8.25 an hour. This assumes that private and third sector providers will meet their share of the costs. The Government would prefer implementation on the 1 April but we accept COSLA's point that preparatory work will be required to ensure effective implementation. We therefore agree to an implementation date of 1 October. In 2016-17, Councils can allocate up to £125 million of their 2015-16 costs of providing social care services to Integrated Joint Boards including the uprating of staff to the Living Wage. This will ensure an overall benefit to the provision of health and social care of £250 million. To ensure transparency for the flow of funding support for local authorities and delivery of the Living Wage commitment the arrangements will be signed off at a local level by the appropriate Integration Authority Section 95 Officer.

### Teacher Numbers

The Scottish Government has been consistent that the protection of teacher numbers is a central part of our priority to raise attainment. Following our discussions and the further representations COSLA has made, the Scottish Government have agreed that the measure for the implementation of that target, against a forecast that pupil numbers will increase over the coming academic year, will be the maintenance at a national level of the pupil teacher ratio.

The objective will be to maintain the pupil teacher ratio nationally at a value of 13.7 (the same level as in 2015) in local authority schools as shown in the Teacher and Pupil Census published in December 2016 and the teacher and probationer commitments in 2016-17. In order to support delivery, the Scottish Government will continue to monitor these commitments throughout the year.

### Council Tax Freeze

The Scottish Government was elected on a commitment to freeze the council tax for the entirety of this Parliamentary session and is committed to delivering this policy. Many local authorities have a commitment to freeze the Council Tax over a similar timescale. Against the questions of the wider revenue-raising challenges raised in the Budget the Scottish Government believes that it is important to provide protection for household incomes in what has been a very financially challenging period for many households.

The Scottish Government has now received the report from the Commission on Local Tax Reform and the Government believes now is not the time to dispense with the protection the freeze offers. Looking ahead we will be bringing forward plans for reform of the present Council Tax, reflecting the principles of the report, and we are committed to working in partnership with local government on the implementation of that.

For 2016-17 individual local authorities will again require to agree to work with the Scottish Government to deliver a council tax freeze for the ninth consecutive year.



Any council that does not sign up to the complete package will not receive their share of the Integration Funding (£250 million), support for teachers (£88 million) and the council tax freeze support (£70 million). Should that be the case, steps will be taken to recover the latter two elements that have been distributed from the individual council's allocations in the local government finance settlement in-year.

If in the event, however, a council that does sign up then does not deliver any of the remaining specific commitments on council tax freeze, social care spend, including delivery of the £8.25 per hour Living Wage or national teacher targets then the Scottish Government reserves its position to take action to remove access to or recover that element of the additional funding support earmarked to deliver each of the remaining specific measures. In the case of pupil teacher ratio not being maintained nationally then the Scottish Government reserves its position to recover monies allocated to individual authorities whose pupil teacher ratio rises. This action will be proportionate and apply only to that element of the funding for a specific measure that a local authority subsequently does not deliver as set out in the paragraph above.

I will require those Council Leaders who intend to take up the offer and agree the full package of measures to write to me to set out their position, including on the council tax. Given that I am setting out changes to the proposals we previously discussed, I want to give local authorities every opportunity to consider these issues in full. Leaders should therefore provide their response to me by no later than Tuesday 9 February 2016.

I fully understand the pressures on budgets, which is being felt across the whole of the public sector, but I firmly believe that the funding proposals I have set out for local government protects our shared priorities and delivers practical financial support to intensify the pace of reform. I hope you and your fellow Council Leaders can agree that in the circumstances the proposals deliver a strong but challenging financial settlement. The key to addressing this challenge is reform and local government is a key partner in our programme to reform and improve public services.

**JOHN SWINNEY**

**Councillor Stephen McCabe**  
**Ward 1 – Inverclyde East**  
Municipal Buildings  
Greenock  
PA15 1LX

Appendix 2

**Leader of the Council**

Mr. J Swinney, MSP  
Deputy First Minister  
The Scottish Government  
St. Andrew's House  
Regent Road  
EDINBURGH  
EH1 3DG

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Our Ref: SMcC/sc  
Your Ref:  
Date: 3 February 2016

Dear Mr. Swinney

### **2016/17 Local Government Finance Settlement**

I refer to your letter dated 27 January 2016 to Councillor David O'Neill, COSLA President, which was copied to the Leaders of all Scottish local authorities, where you advised that you require those Council Leaders who intend to take up the "Offer" contained in your letter to write to you to set out their position no later than Tuesday 9 February 2016.

I would initially state that I find both the terms of the "Offer" and the manner in which it has been conveyed by the Scottish Government to be extremely disappointing. You demonstrate no recognition of either the legitimate role of Local Government to make its own decisions or the very significant financial pressures which local authorities now face directly as a result of the actions of the Scottish Government. If you want to communicate with me in future please do so directly rather than through a copy of a letter to a third party. That is only common courtesy. Please also remember that Council Leaders do not exercise executive authority and that any correspondence should more correctly request a response from the Council.

I have written to you twice, previously on 24 December and 12 January, and have had no responses to the matters I raised. This is extremely discourteous on your part. For your ease, I repeat my previous requests within this letter.

Firstly, I requested that consideration be given to an average cash reduction in the floor calculation of 3.9% rather than the range of -1.5% to -4.5% outlined in your latest circular. This would provide a modicum of protection for those local authorities who have been hit the hardest financially which invariably are those with higher levels of inequality and deprivation, the reduction of which is a stated aim of the current Scottish Government.

Secondly, I raised the issue about the Scottish Welfare Fund where Inverclyde Council is receiving a 7% cut in 2016/17 and a further 14% cut over 2017/19 as part of a redistribution exercise. Given that Inverclyde Council is expected to overspend its Scottish Welfare Fund allocation by almost £100,000 this financial year then a cut in the Council's share can only lead to further hardship for some of the most vulnerable within Inverclyde. I asked how this approach squares with the Government's often repeated statement of using its resources to mitigate the impact of UK Government Welfare Reform and would again ask for increased funding for this area.

/...

2.

3 February 2016

Mr. J Swinney, MSP

In my letter dated the 12 January I highlighted that on top of the cash reduction applied by the Scottish Government of £6.6 million between 2015/16 and 2016/17, other unavoidable cost increases arising from inflation, changes to the National Insurance contracting out rate, demographic pressures and other increases in demands result in the Council having to find £12 million savings in 2016/17 simply to stand still. Your offer effectively increases the savings required within Inverclyde by a further £2.28 million were we not to comply with the terms of the offer in respect of Council Tax, teacher numbers and probationers. This equates to a 7.1% reduction in the Council's budget which would have a significant impact on the services provided and the community which we serve. I am, therefore, bemused as to how you can portray this as a 2% cut, a claim you made again when giving evidence on the 3 February to the Local Government & Regeneration Committee.

In the above analysis I have deliberately excluded the issue of the £250 million "Health & Social Care" funding, as the actual impact which this aspect of the offer has on our budget is still unclear.

Whilst it is welcome that demographic pressures can be met from the first £125 million, the other aspects around reviewing charging thresholds and additional services will have no direct impact on closing the 2016/17 budget gap. In a similar vein the passporting of a significant proportion of the second £125 million to external providers of Social Care services to enable them to pay the £8.25 per hour living wage does nothing to alleviate the pressure on Councils budgets as this was not a cost factored into the 2016/17 budget planning. Therefore, there is only limited benefit in terms of closing the 2016/17 funding gap deriving from the £250 million, rather than your claim that this sum effectively reduces the £350 million Grant cut to £100 million.

In fact what the stipulations outlined in your "Offer" regarding the use of the £250 million has done is effectively ring-fence the Council Social Care Budget and limited the extent to which it can contribute to the extremely challenging financial position faced by the Council.

In terms of your "Offer", therefore, I would respond as follows:

- 1) It is not my intention to propose that the Council increase Council Tax in 2016/17, although this will not be formally decided until 18 February.
- 2) It is not my intention to propose that the Council contribute to an increase in the national pupil teacher ratio in 2016, although this will not be formally decided until 10 March. I am bemused, however, as to how there can be a national agreement when the national body representing 28 of Scotland's 32 Councils has rejected a voluntary agreement on the terms of your overall "Offer".
- 3) It is my intention to propose that the Council offer a place for all probationers who require one under the Teachers Induction Scheme. Again, this will not be formally decided until 10 March.

In respect of the commitment to pay the £8.25 Living Wage to all Social Care Sector workers, while I am supportive in principle, before this can be implemented, I believe I need the Scottish Government to:

3.

3 February 2016

Mr. J Swinney, MSP

- provide all 32 local authorities with a legally compliant implementation route both in relation to (i) all different types of service provision and (ii) the differing positions of existing and new providers;
- confirm how to “ensure all social care workers are paid £8.25 per hour” when it is not legally possible to make payment of the Living Wage a mandatory requirement as part of a competitive tender process, as detailed in SPPN 1/2015;
- provide confirmation to local authorities that the chosen implementation route is state aid compliant;
- confirm that local authorities face no risk of legal challenge from providers should the allocation be insufficient to pay all social care workers £8.25 per hour; and
- confirm how this hourly rate is to be sustained in future years.

In all my years in Local Government I cannot recall such a draconian settlement, both financially and in terms of the penalties threatened. You should be aware that I am in discussion with colleagues in other Councils about the possibility of seeking a judicial review of your draconian sanctions.

I find it totally baffling that a Government which portrays itself at every turn as being anti-austerity would support a settlement that will undoubtedly have a devastating impact on local communities, services and jobs in the years to come when it had other levers at its disposal to avoid such an outcome.

I require your response by no later than Friday 26 February.

Yours sincerely

Stephen McCabe  
Leader of the Council

## DRAFT REVENUE BUDGET 2016/18

<b>OBJECTIVE SUMMARY</b>	<b>Draft Budget 2016/17</b>
<b>Chief Executive Services</b>	<b>395,860</b>
<b>Environment, Regeneration &amp; Resources Directorate</b>	<b>29,425,490</b>
<b>Education, Communities &amp; Organisational Development Directorate</b>	<b>88,542,960</b>
<b>Health &amp; Social Care Partnership Directorate</b>	<b>47,982,780</b>
<b>Directorate Sub-Total</b>	<b>166,347,090</b>
<b>Miscellaneous</b>	<b>8,554,570</b>
<b>Loan Charges</b>	<b>14,293,340</b>
<b>Contribution to / (from) Statutory Funds (Note 1)</b>	<b>(240,000)</b>
<b>Total Expenditure</b>	<b>188,955,000</b>
<b>Financed By:</b>	
<b>General Revenue Grant/ Non Domestic Rates</b>	<b>(162,260,000)</b>
<b>Council Tax</b>	<b>(26,695,000)</b>
<b>Total Income</b>	<b>(188,955,000)</b>
<b>Net Expenditure</b>	<b>-</b>

## Notes:

1 Contribution from Capital Fund to SEMP model.

2 Work is on going to clarify the detail of the use of £250 million Health monies and the latest information is factored into the above figures. In the event that current figures change then the movement will be accommodated within the contingency allowance within Miscellaneous and will have no net impact on the £188.955 million Total Expenditure.