

Appendix 2 - General Fund Revenue Resources and Council Tax 2013/14

Scottish Borders Council 5 Year Financial Outlook	2013/14	2014/15	2015/16	2016/17	2017/18	Total	Assumptions
	£'000	£'000	£'000	£'000	£'000	£'000	
2012/13 Budget (approved 9 February 2012)	264,195	252,377	258,920	265,418	271,474	1,312,385	
Full year effects of 12/13 budget	(3,283)	(262)					
Pay award provision	1,415	1,610	3,070	3,095	3,112	12,302	1% pay award year 1 & 2, 2% for last 3 years.
Staff Increments	558	1,747	1,423	455	257	4,440	Increment recommencing from Nov 13. As staff turnover fall increment will not increase at the same levels as staff reach the top of their scale.
Adjustment to pay award and increment	0	0	(46)	(144)	(207)	(397)	To reflect the reduction in pay awards and increments based on reducing workforce identified in the savings proposals.
Living wage	129	0	0	0	0	129	Increase in the living wage to £7.50
Pensions employer contribution following revaluation	0	0	171	0	177	348	SBC pensions contributions are low compared to other local Scottish LA's and it is not likely that this can be maintained. Increase from 18% to 18.25% in years 2 and to 18.5% in year 5.
Employee Costs	2,102	3,357	4,617	3,406	3,339	16,822	
Inflation							
Statutory	36	37	39	40	40	191	Change to existing or new statutory legislation or central government directive.
Contractual	617	724	389	396	397	2,523	Pre-agreed contractual agreement for supply of asset, service or commodity, that increase or decrease annually in line with an inflationary indicator included in the contract.
Business Critical	724	831	662	716	733	3,666	Financial pressures arising as a result of increasing costs of key commodity items or services deemed business critical in terms of how the Council utilises them to maintain essential infrastructural working.
Inflation Total	1,377	1,592	1,089	1,152	1,170	6,379	
Department Pressures							
Demographic-driven pressures/reductions	920	889	904	1,518	1,629	5,860	Changes in demographics that may increase or decrease costs or income.
<u>Government policy changes</u>	676	752	211	(39)	62	1,662	New or changes to government policies that will increase or decrease costs or income.
- Change fund	(206)	239	(297)	0	0	(264)	
- CTAX localised benefit scheme	669	(669)	0	0	0	0	Part funded by Scottish Government
Economic Factors	50	0	(50)	0	0	0	Changes in economic factors that may have an impact in the Borders e.g. Borders Railway, housing market.
Removal of Police & Fire budget	(17,032)						
<u>Other</u>	1,745	115	35	35	160	2,090	Other non controllable external pressure.
Commercial rent increase income	(60)	(11)	(17)	(17)	(17)	(123)	
ER/VS	819	(29)	200	0	0	990	Provision for ER/VS & Redundancy costs.
Wide Area network	406	570	(194)	0	0	782	From Nov 13 the councils broadband costs have been added as the 5 year SG grant finishes.
Cost of Continuing movements	(12,014)	1,856	792	1,497	1,834	(6,035)	
Total increase	(11,818)	6,543	6,498	6,055	6,343	13,621	

Cost of Continuing	252,377	258,920	265,418	271,474	277,816	1,326,006
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Funded By							
Council Tax Income	50,926	51,126	51,426	51,726	52,026	257,230	Income increased by estimated new homes (excluding railway development). Council tax increase for 5 years.
Council Tax increases railway development	0	0	200	400	600	1,200	Increased income from the number of new homes in railway development areas.
Revenue Support Grant	186,233	182,951	182,957	183,469	183,900	919,510	Based on Settlement year 1 & 2 with small cash increases in year 3-5.
RSG reduction for Police & Fire	(17,015)	(17,015)	(17,015)	(17,015)	(17,015)	(85,075)	Based on Settlement.
Non Domestic Rates	28,503	31,183	31,183	31,183	31,183	153,235	Based on Settlement.
Reserves	0	200	0	0	0	200	One off Funding from reserves for ER/VS or redundancy payments.
Total Funding	248,647	248,445	248,751	249,763	250,694	1,246,300	
Residual Shortfall to be met by savings (cumulative)	(3,730)	(10,475)	(16,667)	(21,711)	(27,122)		
The Challenge per Year	(3,730)	(6,745)	(6,192)	(5,043)	(5,412)	(27,122)	