

Agenda Item 9

Budget Report 2020 – 2021



Falkirk Integration Joint Board

20 March 2020

Budget Report

For Decision

Executive Summary

1. This report sets out the budget for Falkirk IJB for 2020/21. The report covers the following areas
 - the Scottish Government funding settlement
 - the funding offer from constituent parties
 - the projected expenditure for the year and the resulting funding gap
 - commentary on the Set Aside budget
 - work on the development of savings
 - reserves
2. The funding settlement from the Scottish Government has been issued to Health Boards and Local Authorities and both Forth Valley Health Board and Falkirk Council have complied with the requirements.
3. Despite this, the IJB is facing a funding gap of £6.688m for 2020/21. This includes a gap within the Set Aside delegated budgets of £1.711m. Until the Set Aside arrangements, set out in this report, have been put in place, and agreed by all parties, this risk should remain with the Health Board. This is in line with the approach being taken nationally.
4. For the remaining £4.977m funding gap, savings of £3.080m has been identified, leaving £1.897m still to be identified. Work is ongoing in this area and it is recommended that this work is reported back to the IJB in June in a recovery plan.
5. Along with the recovery plan, there is a need to consider whether budgets are sufficient to deliver the Strategic Plan, what budget realignment may be required and the longer term risk sharing arrangements required, including clarity on budget accountabilities.

Recommendations

The Integration Joint Board is asked to:

6. note the key points arising from the Scottish Government financial settlement.
7. note that the formal settlement offers from Falkirk Council and NHS Forth Valley are in line with Scottish Government guidance.

8. agree that officers from the IJB and NHS Forth Valley enter into negotiations on the NRAC uplift.
9. note that the IJB does not yet have a balanced 2020/21 budget at the time of writing and agree the indicative budget as an interim position.
10. note that work is underway to finalise a medicines efficiency plan and request that this is brought back to the IJB in June for approval.
11. request that a detailed recovery plan for the integrated budget is brought back to the June 2020 IJB meeting, to include a review of the sufficiency of budgets, consideration of the realignment of budgets and clarity on budget accountabilities, linking to the risk sharing work required.
12. note that work is ongoing to fully implement the set aside arrangements during 2020/21.
13. approve the proposals for external organisations funded via a joint working agreement for 2020/21 to 2022/23, with the exception of Aberlour which should be subject to a one year funding agreement.
14. approve the Directions appended to this report.

Background

15. The Integration Scheme of the Falkirk IJB sets out how Falkirk Council and NHS Forth Valley will work together to integrate services. The scheme has a Finance section which outlines the mechanism for agreeing the payments from both partners to the IJB. Section 8.3 of the scheme covers the requirement for a business case to be presented by the IJB to the partners as part of the negotiation process.
16. In December 2019 the IJB approved the draft Business Case for submission to Falkirk Council as part of its budget setting process. Falkirk Council considered the Business Case at their meeting on 4 December 2019. A verbal update on the outcome of that consideration was provided to the IJB at its meeting on 6 December 2019.
17. In December 2019 the IJB approved the Medium Term Financial Plan (MTFP) and the Delivery Plan. This budget should be considered alongside both of these papers. The decisions taken as part of the budget exercise should align with both the Strategic Plan and Delivery Plan, helping to identify the key pieces of investment or disinvestment required to deliver the necessary transformation and change.

Budget Context

Strategic Plan

18. The IJB has approved the Strategic Plan 2019-22. The Strategic Plan sets out how the IJB will plan and deliver services for the Falkirk area over the medium term, using the integrated budgets under their control. The Plan sets out how the IJB will deliver the national outcomes for health and wellbeing, and achieve the core aims of integration to:
- improve the quality and consistency of services for patients, carers, service users and their families
 - provide seamless, integrated, quality health and social care services in order to care for people in their homes, or a homely setting, where it is safe to do so
 - ensure resources are used effectively and efficiently to deliver services that meet the needs of the increasing number of people with long term conditions and often complex needs, many of whom are older
19. The Strategic Plan is supported by the Delivery Plan and the Medium Term Financial Plan. The Delivery Plan provides clarity to the constituent authorities (Falkirk Council and NHS Forth Valley) about what they are required to operationally deliver. This will also be set out in Directions issued by the IJB, following approval of the budget. A separate report on the way the IJB will use Directions going forward is included in the agenda for this meeting.

Scottish Government Financial Settlement

20. The Scottish Government announced its draft budget for 2020/21 on 6 February 2020. This budget was subject to further debate and negotiation, with further announcements and letters from Scottish Government to confirm the position. On 26 February 2020 the Cabinet Secretary for Finance announced a package of further measures impacting on the local government finance settlement. The key elements of the budget settlement, relevant to the IJB, are set out below and included in Appendices 1, 2 and 3.

Local Government Settlement

- Overall the financial settlement to Local Government was essentially flat cash, i.e. no uplift was given to deal with inflation, pay awards etc.
- An additional £100m is to be transferred from the health portfolio to Local Authorities in year for investment in integration. The notional allocation of this budget includes investment as follows:
 - £25m for delivery of the real living wage
 - £2.2m uprating of free personal and nursing care payments

- £11.6m for implementation of the Carers Act
- £4m for school counselling services (not in scope for Falkirk).
- The above funding should be additional and not substitutional to each Council's 2019/20 recurring budgets for social care services that are delegated.
- A further letter dated 28 February 2020 set out flexibility for Local Authorities to offset their adult social care allocations to Integration Authorities by up to £50m in 2020/21 compared to 2019/20 based on local needs (up to 2% of Local Government adult social care allocations).

NHS Settlement

- All Territorial Boards will receive a baseline uplift of 3%, which includes funding for the 2020/21 pay award. All NHS payments to Integration Authorities for delegated health functions must deliver an uplift of at least 3% over the 2019/20 agreed recurring budgets.
- Those boards furthest from NRAC parity will receive a share of £17m which will continue to mean that no Board is further than 0.8% from NRAC parity in 2020/21. NHS Forth Valley received an additional 0.2% uplift (£1.08m) for NRAC parity.
- An increase of £121m in investment for Improving Patient Outcomes, taking the 2019/20 investment of £340m to £461m. This covers primary care, waiting times improvement, mental health and CAMHS, trauma networks and cancer and is in line with the funding allocations that Health Boards had anticipated following earlier funding announcements.

Falkirk IJB – Settlement Offers Received

21. Negotiations have been ongoing with our partners to agree a reasonable financial settlement. There are still some unknown factors, for example some funding which has not yet been allocated by the Scottish Government. It is also expected that some funding may flow to IJBs as a result of the recent UK Government announcements on a funding package to deal with Coronavirus. These areas will be built into the budget and plans reported to the IJB at future meetings.
22. The current settlement position is as follows

	£m
Proposed Settlement from Falkirk Council	66.215
Allocation from additional Scottish Government funding	2.750
	68.965
Proposed Settlement from NHS Forth Valley	
<i>Recurring Funding:</i>	

Funding for Set Aside Services	28.317
Funding for Operational Services	45.493
Funding for Universal Services	75.844
Continuation of Integration Funding	10.055
Pass through of Partnership Funding	3.744
	163.453
Total Recurring Budget	232.418

23. The funding offer from Falkirk Council is in line with the Scottish Government letter. Falkirk Council had set their revenue budget prior to the letter of 28 February being issued. Falkirk Council does not intend to revise their budget settlement to take account of the additional flexibility set out in that letter. Combining the allowable reduction on the 2019/20 budget, along with unfunded 2020/21 pressures, the Council could have reduced the settlement by up to £3.7m. However, the Council has agreed to reduce the settlement by £2.2m.
24. The funding offer from NHS Forth Valley is in line with the Scottish Government letter. The 3% uplift has been passed across to the IJB.
25. NHS Forth Valley has decided not to pass over any of the NRAC parity monies to the IJB. The decision on whether NRAC monies should be passed over or not is a local decision and not specified in the financial settlement letters. However, there are recurring funding pressures that have impacted on the IJB outturn since 2016/17. A share of NRAC monies would help to address this. It is recommended that officers from the IJB and NHS Forth Valley enter into negotiations on this issue.
26. The NHS settlement figure is based on recurring baseline funding received up to November 2019. Following the year end, an adjustment is expected for any recurring funding received after November 2019, along with the baseline uplift.

Financial Projections 2020/21

27. Colleagues from NHS Forth Valley and Falkirk Council have been working on spend projections, taking into account demographic pressures, changes in legislation, pay awards and inflationary assumptions. A summary of the projected recurring spend pressures for 2020/21 is set out below. This excludes Set Aside pressures which have been presented separately in this report.

	%age	£m
Pay Costs		
NHS	c3%	0.874
Local Government	3.0%	0.834
General Price Inflation & Demographics		
NHS	2.5 – 5%	0.503

Local Government	1.5 – 4%	1.987
Specific Inflation		
Prescribing – Community	5.5 – 6.5%	1.722
ASW Provider	3.5%	2.305
Recurring 2019/20 Pressures		
NHS	-	1.365
Local Government	-	0.635
Total Pressures		
NHS	-	4.464
Local Government	-	5.761
Total	-	10.225

28. The allocation of some funding streams and the associated projected spend has not been included in the figures above. These are funding streams which do not form part of the recurring spend and are not therefore subject to the same baseline uplift. This includes funding for:

- Primary Care Improvement Fund
- Mental Health Outcomes Framework
- Mental Health Action 15
- Alcohol and Drug Partnership

29. Throughout the year the funding and expenditure relating to these projects will be included in the IJB finance position. These funds are all under increasing pressure with demand for the services outpacing funding increases. The funding increases will be seen through the budget movements spreadsheets reported to the IJB as part of each projection report. There are clear links between these funding streams and the priorities set out in the Strategic Plan and the actions set out in the Delivery Plan.

Budget Gap

30. A summary of the financial gap for the IJB for 2020/21, excluding Set Aside is summarised below:

	Falkirk Council £m	NHS Forth Valley £m	Total £m
Financial Settlement (recurring)	(68.965)	(135.136)	(204.101)
Spend Projection	71.800	137.278	209.078
Funding Gap	2.835	2.142	4.977

31. The budget gap above includes recurrent pressures carried forward from 2019/20 for both health and adult social care. This is in part because recurring sustainable savings have not been implemented, and in part because demand has overtaken budget provision.

32. The Set Aside funding gap is included in a separate section of this report and is expected to be in the region of £1.711m. If this is included it would bring the total funding gap for health services to £3.853m and the total funding gap for IJB budgets to £6.688m.
33. A summary of the budget is included at Appendix 4. There are some presentational differences as explained in the Appendix. However, this does not affect the overall budget or impact on the Partners budget information.

Meeting the Funding Gap

34. The Medium Term Financial Plan and Delivery Plan were approved by the IJB in December 2019. The Delivery Plan set out a prioritised workplan for many of the services delivered by the Partnership for the next three year period. It was noted that the focus of the plan had to be on reducing demand and cost.
35. The financial report to the Special IJB meeting on 6 March highlighted that the IJB may wish to consider if budgets are sufficient to deliver the outcomes in the Strategic Plan. This recognises that whilst payments to the IJB may meet the requirements of the Scottish Government settlement, they may not be sufficient to deliver the ambitions on the IJB or specific policy initiatives. It is therefore recommended that a review of budgets is undertaken, in collaboration with Partners, for those areas which have been overspending on a recurring basis.
36. In addition, the IJB have previously been informed that underspends in community based health services regularly offset overspends in prescribing for example. A review of the budgets would help to better understand the reasons for the underspends in community based health services. It may be that some realignment of the budget is required. This work must be undertaken in collaboration with Partners.
37. The budget review may require a revision to the agreed delivery plan to take account of the available resources.

Adult Social Work Savings Development

38. The Business Case presented to the IJB in December 2019 set out savings of £2.2m in respect of adult social work services. These savings have been approved by the IJB and have been included at Appendix 5. However, at this stage in the financial year, it is projected that there will be an additional £0.635m of recurring pressures being carried from 2019/20 into 2020/21. It will be essential that additional savings are identified to cover the recurring pressures and that these are brought back to the IJB in June for approval.

Health Services Savings Development

39. NHS Forth Valley require to deliver savings of £20.6m to achieve financial balance in 2020/21 (4% of the recurring baseline budget). The Health Board have identified themes for cost improvements to deliver financial balance but

recognise in their draft Annual Operating Plan that the achievement of financial balance carries a significant level of financial risk. Work is ongoing to identify recurring savings which can be implemented during 2020/21.

40. The draft Annual Operating Plan sets out the six key themes for cost improvement within the Health Board as a whole. NHS Forth Valley have set indicative targets for each of the six savings themes. Further work is required to better understand the total target and impact for the IJB and to enable the HSCP leadership team to develop detailed savings proposals. The six themes are:

Cost Improvement Theme	£m
Medicines management – Primary Care and Hospital based.	3.5
Innovation, Corporate Services and Digital development	2.0
Patient Flow and Demand Management	3.2
Integrated Service Opportunities	3.0
Workforce efficiencies including e-rostering and job planning	3.3
Financial grip and control workstream	2.5
	17.5
Global 1% savings (excludes IJB budgets)	3.1
Total	20.6

41. During 2019/20 NHS Forth Valley have set up a Corporate Portfolio Management Office (CPMO) to help deliver the transformation agenda and drive forward cost improvement activity. It is anticipated that this resource will be available to support the work required across a number of in-scope health services.
42. As discussed at the Special IJB on 6 March 2020, NHS Forth Valley have prepared a recovery plan which impacts on IJB in scope services. At the time of writing, the plan has not been available and therefore it has not been possible to include an analysis of its impact on the IJB budget in this report. However, should information be provided before the 20 March 2020 IJB meeting, a supplementary report will be issued.

Prescribing

43. The Delivery Plan presented to the IJB in December 2019 highlighted that work has been set up to consider primary care prescribing.
44. Over the last five years primary care prescribing costs have steadily increased across Forth Valley, resulting in an estimated overspend against budget of £3.3m in total for 2019/20. A summary of the outturn on a Forth Valley wide basis is shown in the table below:

	2015-16	2016-17	2017-18	2018-19	2019-20 *
	£m	£m	£m	£m	£m
Budget	57.50	57.40	57.60	59.30	59.60
Expenditure	57.50	58.90	60.40	61.80	62.90
Underspend/(Overspend)	0.00	(1.50)	(2.80)	(2.50)	(3.30)

* Forecast

45. The projected overspend for Falkirk IJB alone for 2019/20 is £1.9m.
46. The Forth Valley wide Primary Care Medicines Resource Group is in the process of finalising a medicines efficiencies plan which must still be formally approved by the GP sub committee and the IJBs. The draft plan sets out actions to bring primary care prescribing back to a break even position but it is anticipated that it is likely to take two years to reach that position. This in part is due to the lead in time for changes to be implemented across the whole system, particularly in areas where there may be issues with capacity. As a result, it is likely that the prescribing overspend will continue in 2020/21, unless savings are identified from elsewhere in the budget. At this stage, savings in the range of £0.880m to £1.590m have been identified. However, anything beyond £0.880m is seen as very high risk and therefore this figure has been included in the figures below. It is recommended that the plan should come to the June IJB for approval.

Community Hospital Review

47. The bed modelling for the community hospitals will be carried out in the same way as the Set Aside work. It is anticipated that the work will be completed by October 2020 and will encompass the model of care and use of beds across the whole system including Falkirk and Bo'ness Community Hospitals and the proposed new intermediate care facility. There is the potential for the development of a new type of facility which would increase the opportunity for health services in the community and redirect appropriate activity away from the acute site. This work has the potential to deliver significant sustainable savings at the same time as redesigning improved community care. It will be important to link the work with the Falkirk Council Strategic Property Review and the NHS Primary Care Asset Strategy to maximise any opportunity for joint developments. However, the recognition of these savings in 2020/21 is unlikely.

Specialist Services

48. A number of projects are being considered for specialist services. These include:
- A review of beds for adults with a Learning Disability and complex care needs to be looked after locally, rather than in out of area placements, where this is their preference. A proposal for this work is currently being drafted. Savings are still to be developed.
 - A review of the Specialist Mental Health Service is underway which is highlighting the need to review the delivery of forensic services as well as the

whole Bellsdyke site. The focus of this work is on better use of beds and supporting the flow from the Mental Health Unit. This work is at an early stage.

- A systematic review is required of all out of area treatments for complex patients as well as a review of the procurement of in area services. However, given the specialised nature of the services it is unlikely that significant savings will be recognised in 2020/21.

Savings Summary

49. A summary of the savings picture for the operational and universal elements of the budget is provided in the table below:

	£m
Funding Gap	2.142
Savings Identified:	
Prescribing	0.880
Community Hospitals	TBC
Specialist Services	TBC
Other Savings	TBC
	0.880
To be Identified	1.262

50. A summary of the savings position for adult social work is provided in the table below:

51.

	£m
Funding Gap	2.835
Savings Identified:	
Assessment & Planning	0.950
Locality Planning	0.650
Specialist Services	0.300
Income Generation	0.300
Total	2.200
To be Identified	0.635

52. The total savings still to be identified in order to achieve financial balance (excluding Set Aside) is **£1.897m**. It is recommended that the IJB request that a recovery plan is brought back to the June 2020 meeting.

Set Aside

53. IJBs and Health Boards are required to fully implement set aside arrangements in line with the Guidance on Financial Planning for Large Hospital Services and Hosted Services, published by the Scottish Government. In addition to this guidance, the Scottish Government wrote to Integration Authority Chief Officers and Health Board Chief Executives reiterating the six key steps for implementing the risk sharing arrangements. This is a six step process which requires an understanding of the baseline position, development of a plan to set out capacity levels required by each Integration Authority, a process to monitor performance against that plan and finally an accountability framework to clarify risk sharing agreements.
54. The Ministerial Steering Group required all IJBs to complete a self evaluation exercise setting out their position against 25 improvement proposals. Two of these proposals related to Set Aside work. Falkirk IJB agreed a response which was submitted to the Scottish Government on 15 May 2019. The agreed response highlighted that arrangements for delegated hospital budgets and services were “not yet established”.
55. A Set Aside working group has been established for Forth Valley and has jointly commissioned Buchan Associates to develop the plan for set aside capacity (Phase 1). Workshops to progress this work have been well attended from across the Partnership and a development session for IJB members was held on 18 March 2020.
56. Buchan Associates have identified two key areas where there could be significant opportunities for improving patient flow. These are expansion of the front door of the acute site to increase the combined assessment unit bed base and, linked to this, increasing ambulatory care bed provision. This work will require some investment which is to be determined, and the benefits may be offset by the increase in demand as a result of changing demographics and the need to address the current high occupancy rate within FVRH. Overall, it is unlikely that there will be a significant release of resource from the FVRH site at this time.
57. Phase 2 of the Set Aside work, to include mental health, learning disability and bed modelling to support the review of the community hospitals, is due to start in Spring 2020. It is likely that there will be more opportunity for redesign in this area but there is a high risk that these benefits will not be recognised in 2020/21.
58. Until this work is completed and a business case presented and approved by each IJB and the Health Board, it is recommended that Set Aside risk remains with the Health Board. This approach recognises that across Forth Valley, work on Set Aside is at the planning stage. This approach is also in line with treatment of the Set Aside overspend in previous years.

59. The pressures on the Set Aside budget are shown in the table below.

In Year 2020/21 Pressures:	%age	£m
Pay Costs	c3%	0.712
General Price Inflation & Demographics	2.5%	0.053
Drugs	6.5%	0.103
Recurring 2019/20 Pressures		1.667
Total		2.535
2020/21 Additional Funding anticipated		(0.824)
Funding Gap		1.711

60. The total funding position for Set Aside is:

	Set Aside £m
Financial Settlement (recurring)	(28.317)
Spend Projection	30.028
Funding Gap	1.711

61. As the work by Buchan Associates develops, it will become more apparent where cost avoidance, through improved patient flow and bed management, can be recognised. However, at this stage, balance within the Set Aside budget remains very high risk.
62. Risk sharing for Set Aside budgets is subject to the six steps in the Scottish Government letter as outlined above, and highlighted to the IJB at the Special IJB meeting on 6 March 2020. This agreement will need to be agreed by the IJB, Health Board and Council and may require an update to the Integration Scheme.

Reserves

63. The Partnership projected reserves position for 31 March 2020 is set out in the table below. At this stage no presumptions have been made regarding the proposals on risk sharing as discussed at the 6 March 2020 Special IJB meeting.

	£m
General Reserve	0.316
Housing Revenue Account	0.102
Capital Grant	-
Sensory Strategy	0.049
Services for Survivors	-
Dementia Innovation Fund	0.275
British Sign Language Plan	0.016
Choose Life	0.023
Carers Funding	0.030

Integration Funding	0.564
Partnership Funding	2.238
Leadership Funding	1.690
Alcohol & Drugs Partnership	0.043
PC & MH Transformation Funds	0.082
Transforming Urgent Care	-
Mental Health Innovation Fund	0.064
GP Out of Hours Fund	0.003
GP Sub Committees	0.024
Unscheduled Care	-
Primary Care Improvement Fund	-
Total Projected Reserves	5.519

64. The reserves level for the Partnership is high and there is an opportunity to employ these reserves to best effect to support the transformation agenda. These investment opportunities were set out in the report to the Special IJB on 6 March 2020 and an update on the development of the investment plan is included in the Partnership Funding report as a separate item on this agenda. A number of the reserves are clearly ringfenced, such as the Primary Care Transformation Fund, and are already being used to drive system change. Information on a number of other ringfenced reserves is provided in this paper.

Partnership Funding

65. Partnership Funding is subject to a separate report on this agenda. A new investment plan is being developed to align current and new investment with the Delivery Plan.
66. Partnership Funding has a recurring allocation of £2.744m each year. At the time of writing the projected balance on the reserve as at 31 March 2020 is £2.238m. Some of this balance may have been committed but not spent and Project Lead Officers may request to carry some funding over to future years. This will be reported to the IJB. A final figure for the reserve will be presented following completion of year end processes.

Leadership Funding

67. The Leadership Fund allows a more flexible approach to supporting change and innovation within the Partnership. Each proposal is assessed by the Leadership Team and approved by the Chief Officer, Chair and Vice Chair of the IJB. To date the fund has mainly been committed to improve the infrastructure of the Partnership as the IJB has recognised that a lack of capacity has impacted on the ability to deliver change. This investment has included one of the Head of Integration posts. Work is ongoing to recruit to the approved posts which should be in place for much of 2020/21. Investment in the ADL smartcare technology also continues on a recurring basis. Of the £1m recurring allocation to Leadership Funding, approximately £0.760m has been committed on a recurring basis.

68. In 2020/21 it has been agreed to continue to fund additional Occupational Therapist support for the reablement service and support for implementation of the new Social Work information management system (LiquidLogic). Both of these are funded on a non-recurring basis.
69. It is recognised that this funding stream is essential in supporting the Partnership to be able to deliver the transformation expected and required. Further anticipated uses of the fund include:
- Development of a Quality Assurance resource for the Partnership
 - Review of the physio resource across the Partnership (following on from the IPC work referencing the importance of physio resource in the community)
 - Review of administrative support for each of the Localities as well as the HQ functions
 - Development of a Strategic Commissioning team to take forward the identification of funding opportunities across the Partnership, including the support of locality based initiatives.
 - Design of a programme of organisational development.
70. For those projects funded by Leadership Funding, Lead Officers have been asked to provide information on the impact of the investment. This information will be considered by a future Leadership Group.

Following the Public Pound

71. On 6 March 2020, the Audit Committee reviewed information about external organisations that received funding from Falkirk's Integration Joint Board, via Falkirk Council and NHS Forth Valley during the period 1 April 2018 – 31 December 2019. Conclusions and recommendations were provided by Council Officers currently identified as leads for Social Work Adult Services Falkirk Council funds. This included an overview of financial and in-kind contributions, as well as commentary about performance and alignment to HSCP priorities. Additional information was included regarding Partnership Funds or other funds, where known and validated by NHS Forth Valley and/or Partnership Funding leads. The report was in line with Following the Public Pound requirements.
72. The Audit Committee:
- Noted the contents of the report and the valuable contribution made by external organisations to the HSCP; and
 - Requested that a recommendation was referred to the IJB that funding arrangements be developed on a multi-annual basis.

73. The table below, provides a summary of the organisations that were subject to report:

Organisation	Purpose of Funding
Alzheimer Scotland	Core Funding, Day Care, Post Diagnostic Support and Community Connections
Forth Valley Sensory Centre	Contribution towards total service operating costs
FDAMH	Core Funding, Drop-in service, Family Support, Crisis Support, Social Prescribing, Social Spark
Independent Living Association	Contribution towards SDS information service for people with a disability
Falkirk & Clackmannanshire Carers Centre	Core Funding, Carer Training, Engagement, Short breaks, Support Planning
Citizens Advice Bureaux (Falkirk, Grangemouth & Bo'ness, Denny & Dunipace)	Contribution towards income Maximisation
Forth Valley Rape Crisis	Crisis service

74. No significant concerns were noted in relation to services provided by funded organisations during the period 1 April 2018 - 31 December 2019. Monitoring leads however highlighted a number of areas for development and review. This included a proposal to consider the current funding arrangement in place with Alzheimer Scotland in terms of best value. Monitoring leads will continue to work with organisations, with the support of other expertise within the Partnership, to address development needs.
75. A further key area for development is the alignment of Joint Working Agreements or Service Level Agreements with strategic commissioning principles. It is proposed that the duration of funding arrangements will, where possible, be for more than one year. Multi-annual funding arrangements provide stability to organisations and allow for appropriate service planning and the ability to adapt to changes in local service need. Partnership Funds currently operate on a three year investment programme. It is suggested that this approach be adopted for all funding arrangements, unless there is reasonable reason not to do so, for example a short-term pilot/test of change.
76. It should be noted that in line with all contractual arrangements, regular review and evaluation should be included within the terms of the award. Where there is a significant budgetary issue, priorities of the HSCP are no longer being met or there is a persistent deficit in performance, then the HSCP is able to issue a notice period of no less than 90 days.

Funding for External Organisation - 2020/21

77. With reference to confirmation of the valuable contribution that external organisations make towards Falkirk HSCP in being able to deliver positive outcomes for people, as reported above, it is proposed that funding is approved for continuation of funding as set out within Appendix 6.
78. External organisations in receipt of grant funding via a Joint Working Agreement (JWA) or Service Level Agreement are typically funded on an annual basis. Appendix 6 provides an overview of the financial commitment that would be required for 2020/21 to 2022/23. Figures also include an annual uplift, which is in keeping with that applied to Partnership Funding arrangements.
79. In addition, services provided by Aberlour were previously awarded via Quick Quote procurement process. The service provided is to support survivors of trauma. It is proposed that the contract now be amended to a JWA. Falkirk Council's Children's Services has an existing JWA with Aberlour. It is hoped that the monitoring leads from both services can develop a single agreement to reflect all services provided, along with a single monitoring framework. On the basis of this transitional period, it is proposed that funding be approved for 1 year at this time.

Risk

80. The risks around financial stability within the public sector, and in particular the health and social care sector are growing nationally. Audit Scotland's local government in Scotland financial overview 2018/19 highlighted that the majority of IJBs have underlying financial sustainability issues.
81. Within Falkirk there are a number of areas of activity in which financial pressure is growing and many of these have been flagged up in financial projection reports during 2019/20, including:
 - Increasing numbers of home care hours, particularly in the independent sector
 - Ongoing use of contingency beds, particularly within the community hospitals
 - Significant inflationary increase requests for bed based provision in the care home sector
 - Ongoing use of agency and bank nursing spend
 - Rising prescribing costs
82. Provider inflation for home care, complex care and residential care continues to pose a significant risk to the IJB. Outwith the increase in demand which brings budget pressures, many providers are seeking uplifts for 2020/21 beyond the IJB budgeted level. In some areas increases have been sought of over 10% for the year. In addition, negotiations on the national care home contract have

proven difficult and some providers are indicating that they may withdraw from this contract. That would leave the Partnership in a position of having to negotiate on a local basis with providers, who may be looking for uplifts beyond the budgeted level.

83. Demand on home care is likely to cause a continuing financial pressure for the IJB. With the focus on an ethos of “home first” it is anticipated the demand for care at home will increase. This will have to be closely monitored and the work set out in the Delivery Plan to continue the review of assessment and care planning and the review and redesign of home support will be critical in trying to mitigate this pressure.
84. Coronavirus (covid-19) is a relatively new strain of virus, the spread and transmission of which is rapidly evolving. Preparations to deal with the outbreak are well developed and at the time of writing, the UK as a whole remains in the containment phase of planning (phases are containment, delay, research, mitigate). As part of the planning for covid-19, the Scottish Government has asked all IJBs to target zero delays in discharge, with a material decrease in delayed discharges required in the short term. The delivery of this will have significant financial implications for both 2019/20 and 2020/21. This may include moving more people into care homes, increasing home care packages, and supporting the independent sector. This is likely to impact on some of the savings plans already approved for adult social work and mitigation will need to be considered. At the time of writing it is not clear what if any additional funding will be forthcoming to the IJB. However, in its budget on 11 March 2020 the UK Government announced a £30bn package with £12bn to be specifically targeted at the coronavirus and a further £5bn for the NHS in England. There will be Barnett Consequentials expected to flow to Scotland from this fund.
85. The full impact of withdrawal from the European Union is not yet understood as the negotiations on Brexit continue. The forecasts for growth in the economy remain subdued.
86. For 2019/20 the IJB is forecast to be in an overspend position. This will be the fourth consecutive year and an additional payment has been required from Partners. In 2019/20 it is expected that an additional payment will be required from both NHS Forth Valley and Falkirk Council.
87. The financial outturn in 2019/20 demonstrates the ongoing challenge in identifying sustainable, recurring budget savings to balance the IJB budget. These challenges look set to continue with the 2020/21 budget unbalanced as at 31 March 2020. There is a high risk that the recurring overspend pressures, will continue during 2020/21. It will be critical that a long term risk sharing agreement is reached by Partners. Part of the risk sharing agreement will have to consider budget accountabilities for services which are not managed by the HSCP. This is likely to form part of the work on the Integration Scheme during 2020/21.

Medium Term Financial Plan

88. In December 2019 the IJB approved the medium term financial plan (MTFP) and delivery plan. The MTFP included a savings summary, noting that plans to address the funding gap in the health budgets and the remaining balance in social care were still being developed. In addition the proposals for addressing the funding gaps in years 2 to 5 of the plan needed to be further developed, based on the work outlined in the delivery plan. It is anticipated that the work in this area will be presented to the IJB in June or September 2020, along with updates on the projected funding gaps based on the most up to date information available.

Directions

89. Previous reports to the IJB have noted that a detailed review of the directions issued to Partners is required. This review is included as a separate item on this agenda. Directions to Falkirk Council and NHS Forth Valley for 2020/21 are appended to this report (Appendices 7 & 8). These Directions are in a similar format to previous years in terms of notifying the organisations of the funds available to them.
90. For the June IJB it is anticipated that more detailed directions will be developed, reflecting the priorities and outcomes set out in the Strategic Plan and the Delivery Plan. In the meantime, the directions are clear that:
- a) no material change will be made to policies (for example reablement strategies) or service provision (for example patient pathways) within the functions unless agreed by the IJB.
 - b) any material change to policies or service provision as outlined in (c) must be initiated and discussed through the Leadership Group
91. These directions should ensure that any decisions, which would impact on the budget of the IJB, are fully considered by the Partnership. This will help to ensure that the IJB clearly understands the full impact of any decisions taken.

Conclusions

92. This report presents the budget for the Falkirk IJB for 2020/21. At this stage savings have not been identified to fully balance the budget. This is a significant risk for the IJB as well as the NHS board and the Council.
93. As a matter of urgency identification and delivery of savings needs to be prioritised to balance the budget and deliver financial stability. This is critical if the IJB is going to manage the pressures forecast in 2020/21. A recovery plan should be brought back to the IJB in June 2020 for early consideration.

94. Longer term risk sharing arrangements should be agreed as early as possible in the financial year. The Set Aside work will require much more detailed work to be undertaken before a joint agreement can be reached on the risk sharing element.

Resource Implications

The resource implications are considered in the body of the report.

Impact on IJB Outcomes and Priorities

The report sets out the budget available to the IJB for delivery of the outcomes and priorities of the Strategic Plan. There is a risk that an insufficient budget would negatively impact on the ability to deliver the outcomes and priorities of the Strategic Plan.

Legal & Risk Implications

Key risks are set out in the body of this report. The capacity of the management team to deliver operational services, delivery efficiencies and implement significant service changes remain a risk. A support structure will be developed to mitigate these risks.

A summary of all savings options for the Partnership will be prepared to include risk rating. These risk evaluations will take into account both risks associated with deliverability of the saving and/or the impact of the saving on quality of service, delivery of strategic objectives and the whole systems approach that the Partnership has committed to take.

There is a risk of using non-recurring means to achieve financial balance. This is the case for 2020/21 as the recurring pressures from 2019/20 are carried into the new year. A focus on recurring savings will be essential going forward.

Consultation

This report has been developed through engagement and information sharing with colleagues in NHS Forth Valley and Falkirk Council.

Requirements for consultation on the proposed savings programme will be required to be considered.

Equalities Assessment

An equalities assessment will be prepared for each of the savings proposals. However on the Adult Social Care side initial assessment suggests little or no negative impact. This reflects the focus on outcomes for service users.

Report Author

Approved for submission by: Patricia Cassidy, Chief Officer

Author of report – Amanda Templeman, Chief Finance Officer

List of Background Papers: The papers that may be referred to within the report or previous papers on the same or related subjects.

List of Background Papers

The papers that may be referred to within the report or previous papers on the same or related subjects

Appendices

Appendix 1:	Budget 2020-21 – Indicative Allocation
Appendix 2:	Local Government Financial Settlement 2020-21
Appendix 3:	Budget 2020-21
Appendix 4:	Budget Summary Statement 2020-21
Appendix 5:	Partnership Savings Proposals
Appendix 6:	Proposed: Funding for External Organisations 2020-21
Appendix 7:	Direction to Falkirk Council
Appendix 8:	Direction to Forth Valley Health Board

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Chief Executives, NHS Scotland

Copy to: NHS Chairs
NHS Directors of Finance
Local Authority Chief Executives
Integration Authority Chief Officers
Integration Authority Chief Finance Officers

Issued via email

6 February 2020

Dear Chief Executives

Budget 2020-21 – Indicative Allocation

Following the announcement of the Scottish Government's Budget for 2020-21 by the Minister for Public Finance and Digital Economy in Parliament today, I am writing to provide details of the funding settlement for Health Boards. A breakdown of the total is provided in **Annex A** to this letter.

The Portfolio settlement will make a significant contribution to the central purpose of the National Performance Framework - enhancing population wellbeing through our core work delivering the healthy and active outcome. In addition, there is a wider benefit from investment in the health and sport portfolio, particularly in relation to outcomes for an inclusive and sustainable economy, reducing poverty and inequality, growing and sustaining inclusive and resilient communities, and promoting a bright future through our children and early years.

The settlement will support continued delivery of the core priorities set out in the Programme for Government, which focus on; waiting times improvement, primary care, investment in mental health and delivering further progress in the integration of health and social care, as well as continuing to shift the balance of spend towards community health services. It also recognises the wider inflationary pressures faced by Boards and Integration Authorities.

Baseline Funding

All Territorial Boards will receive a baseline uplift of 3%. In addition to this, those Boards furthest from NRAC parity will receive a share of £17 million, which will continue to maintain all Boards within 0.8% of NRAC parity.

The National Waiting Times Centre, Scottish Ambulance Service, The State Hospital and NHS 24, along with the NHS National Services Division and Scottish National Blood Transfusion Services (within NHS National Services Scotland) will also receive a baseline uplift of 3%. NHS National Services Scotland, Healthcare Improvement Scotland, and NHS Education for Scotland will receive funding uplifts of 2%, which includes funding towards pay costs. The new budget for Public Health Scotland includes funding transferred from NHS Health Scotland and NHS National Services Scotland.

This position continues to assume that the £15 million of National Board savings is fully delivered in 2020-21 and that further progress is made in National Boards collaborating to deliver service improvement and further savings.

Investment in Improving Patient Outcomes

In addition to the baseline funding uplift, a total of £461 million will be invested in improving patient outcomes in 2020-21, as set out below:

Improving patient outcomes	2019-20 Investment in reform (£m)	2020-21 Investment in reform (£m)	Increase for 2020-21 (£m)
Primary Care	155	205	50
Waiting Times Improvement	106	136	30
Mental Health and CAMHS	61	89	28
Trauma Networks	18	31	13
TOTAL	340	461	121

When combining the £121 million increase in investment in reform with an increase of £333 million in baseline funding for frontline NHS Boards, the total additional funding for frontline NHS Boards will amount to £454 million (4.2 per cent) in 2020-21. Further detail is set out in **Annex A**.

Full details of the method of allocation and evidence of delivering against agreed outcomes will be set out by individual policy areas.

Core Areas of Investment

Primary Care

Investment in the Primary Care Fund will increase to £205 million in 2020-21. This will support the implementation of the GP contract and development of new models of primary care - where multidisciplinary teams of nurses, doctors, pharmacists, AHPs and other clinicians work together to meet the needs of their communities. This includes £10 million to be invested in GP premises.

Waiting Times Improvement Plan

Investment of £136 million will be provided to support waiting times improvement and reform. Work will continue to develop Annual Operational Plan submissions, with specific focus on inpatient and day cases, as well as wider plans to deliver sustainable solutions, including progress against the development of the elective centres. Included in this funding is £10 million for winter 2020-21, to allow Boards maximum opportunity to plan as appropriate.

Mental Health and CAMHS

Funding of £89 million will be directed to a range of partners for investment to support mental health, and children and young people's mental health. In the year ahead we will build on previous support to Territorial and National Boards through ongoing delivery of the Mental Health Outcomes Framework, the NHS Workforce Development Programme and support to improve access to high quality mental health services. We will also continue to fund the additional CAMHS staff recommended by the Children & Young People's Mental Health Taskforce from within £5.1 million administered by NHS Education Scotland. This will see a continuation in the Scottish Government's specific investment in Boards to support mental health service delivery. The Minister for Mental Health and her officials will discuss investment plans in more detail with you in the coming months.

The Mental Health Services budget also includes funding to be directed to Integration Authorities for the recruitment of 800 additional mental health workers as outlined in action 15 of the Mental Health Strategy. There will also be investment in perinatal and infant mental health overseen by the Programme Board led by Hugh Masters. Nonetheless the bulk of service provision is funded through NHS Boards' baseline funding, and we expect NHS Boards and Integration Authorities to prioritise spending in these areas in response to increasing demand and in line with Programme for Government commitments to deliver a shift in the balance of overall spending.

Trauma Networks

This funding will increase from £18 million to £31 million, taking forward the implementation of the major trauma networks.

Alcohol and drugs

The Portfolio budget includes an additional £12.7 million to tackle the harm associated with the use of illicit drugs and alcohol. The Minister for Public Health, Sport and Wellbeing and his officials will discuss investment plans in more detail with Boards and Integration Authorities in the coming months. It is expected investment by Boards and Integration Authorities will increase by 3% over and above 2019-20 agreed recurring budgets to address these issues.

Reform Funding

This budget prioritises baseline funding, along with increased investment in particular areas of reform that will improve patient outcomes. We will however work with colleagues to agree investment in specific programmes of work, such as in relation to radiology and laboratories services, as well as in-year funding to support the strategies of NHS 24 and Scottish Ambulance Service, which will have a wider benefit to the service.

Health and Social Care Integration

In 2020-21, NHS payments to Integration Authorities for delegated health functions must deliver an uplift of at least 3% over 2019-20 agreed recurring budgets.

In addition to this, and separate from the Board Funding uplift, the Health Portfolio will invest a further £100 million in Local Authorities for investment in social care and integration, and continued support for school counsellors. This will take the total funding transferred from the health portfolio to £811 million in 2020-21. The additional £100 million for local government includes a contribution to continued delivery of the Living Wage (£25 million), uprating of free personal and nursing care payments (£2.2 million), implementation of the Carers Act in line with the Financial Memorandum of the Carers Bill (£11.6 million), along with further support for school counselling services whether or not delegated under the Public Bodies (Joint Working) (Scotland) Act 2014 (£4 million).

The funding allocated to Integration Authorities should be additional and not substitutional to each Council's 2019-20 recurring budgets for social care services that are delegated. Similarly, the £4 million for school counselling services must be additional. This means that, when taken together, Local Authority social care budgets for allocation to Integration Authorities and funding for school counselling services must be £100 million greater than 2019-20 recurring budgets.

In 2020-21 integration will bring together, under the direction of Integration Authorities, more than £9.4 billion of expenditure previously managed separately by NHS Boards and Local Authorities for social care, community health care and some hospital services. Integration Authorities must be empowered and supported by their Local Authority and NHS Board partners to use the totality of these resources, including any targeted investment already committed for specific purposes, to better meet the needs of their local populations.

Capital Funding

Boards should assume an unchanged initial capital formula allocation, with additional investment planned for the elective centres and Baird and Anchor Centre in Aberdeen.

Three Year Financial Plan

We will continue to engage with Boards to finalise Annual Operational Plans and three year planning assumptions. This will set out a number of principles to be delivered in relation to finance and wider performance and I hope the information contained in this letter will assist in the finalising of plans.

Yours sincerely



RICHARD MCCALLUM

Interim Director of Health Finance and Governance

Annex A – Board Funding Uplifts

	Total 2019-20			2020-21 Total
NHS Territorial Boards	Allocation	Uplift	Uplift	allocation
	£m	£m	%	£m
Ayrshire and Arran	740.2	22.2	3.0%	762.4
Borders	213.4	6.4	3.0%	219.8
Dumfries and Galloway	306.9	9.2	3.0%	316.1
Fife	679.3	22.2	3.3%	701.5
Forth Valley	541.5	17.3	3.2%	558.7
Grampian	984.0	29.5	3.0%	1,013.5
Greater Glasgow and Clyde	2,295.8	68.9	3.0%	2,364.7
Highland	645.3	20.7	3.2%	666.0
Lanarkshire	1,231.2	36.9	3.0%	1,268.1
Lothian	1,482.6	57.4	3.9%	1,540.1
Orkney	51.1	1.5	3.0%	52.6
Shetland	52.3	1.6	3.0%	53.9
Tayside	784.9	23.5	3.0%	808.5
Western Isles	77.7	2.3	3.0%	80.0
	10,086.2	319.7	3.2%	10,405.9
NHS National Boards				
National Waiting Times Centre	58.3	1.7	3.0%	60.0
Scottish Ambulance Service	270.3	8.1	3.0%	278.4
The State Hospital	36.5	1.1	3.0%	37.6
NHS 24	70.6	2.1	3.0%	72.7
NHS Education for Scotland*	444.8	16.7	3.8%	461.5
NHS Health Scotland / Public Health Scotland**	18.9	0.4	2.0%	47.9
NHS National Services Scotland**	345.6	9.1	2.6%	327.7
Healthcare Improvement Scotland	25.8	0.5	2.0%	26.3
	1,270.7	39.8	3.1%	1,312.1
Total NHS Boards	11,357.0	359.5	3.2%	11,718.0
Improving Patient Outcomes	340.0	121.0	-	461.0
Total Frontline NHS Boards***	10,861.9	453.8	4.2%	11,315.7

* The uplift for NHS Education for Scotland includes recurring funding for training grades.

** Budget for Public Health Scotland of £47.9 million reflects budget for new public health body and includes transfer of £27.1 million from NHS National Services Scotland.

*** Frontline NHS Boards comprise the 14 NHS Territorial Boards, National Waiting Times Centre, Scottish Ambulance Service, State Hospital, and NHS 24.



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Local Government Finance Circular No 1/2020

Chief Executives and Directors of Finance of
Scottish Local Authorities

Chief Executive, Convention of Scottish Local
Authorities (COSLA)

Our ref: A26645511
6 February 2020

Dear Chief Executive/Director of Finance

1. LOCAL GOVERNMENT FINANCE SETTLEMENT 2020-21 **2. NON-DOMESTIC RATES**

1. This Local Government Finance Circular provides details of the provisional total revenue and capital funding allocations for 2020-21, as well as the latest information on current known redeterminations for 2019-20. This Circular also provides details on a range of Non-Domestic Rates measures, including the 2020-21 poundage and proposed changes to certain reliefs.
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 2020 being presented to the Scottish Parliament, which is currently scheduled for 19 February 2020.
3. We expect local authorities to inform COSLA, and for COSLA in turn to inform the Scottish Government by no later than 14 February 2020, if they think there are any discrepancies or changes required to these provisional allocations. Any redistribution to address any agreed discrepancies or changes 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 with the final allocations not being confirmed until after the end of the consultation period and the publication of the Local Government Finance Circular which will follow the approval of the Local Government Finance (Scotland) Order 2020.
4. The Minister for Public Finance and Digital Economy wrote to the COSLA President, copied to all Council Leaders on 6 February 2020, confirming the package of measures that make up the settlement to be provided to local government in return for the provisional funding allocations set out in this Circular. This Circular should be read in conjunction with that letter. The terms of this settlement have been negotiated through COSLA on behalf of all 32 of its member councils.

5. The Scottish Government will work in partnership with local government to implement the budget and the joint priorities in return for the full funding package worth £11,336 million.
- £201 million revenue and £121.1 million capital to support the expansion in funded Early Learning and Childcare (ELC) entitlement to 1,140 hours by 2020;
 - In addition to the £160 million available in 2019-20, a further £100 million to be transferred from the health portfolio to the Local Authorities in-year for investment in health and social care and mental health services that are delegated to Integration Authorities under the Public Bodies (Joint Working) (Scotland) Act 2014. This brings the total transferred from the health portfolio to support health and social care integration to £811 million in 2020-21. The additional £100 million for local government includes a contribution to continued delivery of the real Living Wage (£25 million), uprating of free personal and nursing care payments (£2.2 million), implementation of the Carers Act in line with the Financial Memorandum of the Carers Bill (£11.6 million), along with further support for school counselling services whether or not delegated under the Public Bodies (Joint Working) (Scotland) Act 2014 (£4 million);
 - Baseline of the £90 million added at Stage 1 of the Budget Bill for 2019-20;
 - The ongoing £88 million to maintain the pupil:teacher ratio nationally and secure places for all probationers who require one under the teacher induction scheme;
 - Provision for the Teachers Pay (£156 million) and Pensions (£97 million);
 - £5.3 million for Barclay implementation costs; and
 - A new capital £50 million Heat Networks Early Adopters Challenge Fund to support local authorities who are ready to bring forward investment-ready heat networks.
6. In addition to the funding set out in this Circular it should be noted that there are a number of further revenue and capital funding streams out-with the local government finance settlement for particular policy initiatives which benefit local government services. Table 6.15 in the Scottish Government's "Budget Document: 2020-21", which was published on 6 February 2020, provides further details of these funding streams.
7. The allocations have been arrived at using the standard agreed needs-based distribution methodology and updated indicators. We will share a separate note providing a full reconciliation of the changes between the 2019-20 and 2020-21 Budgets and between the 2020-21 Budget and the figures in this Circular. We will also provide full details of all the general revenue allocations.
8. 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: 2020-21 and changes in 2019-20;
Part B:- Local Government Finance Settlement – Capital: 2020-21 and changes in 2019-20;
Part C:- Non-Domestic Rates for 2020-21.

The various Annexes included in this Circular are as follows:

Annex A: All Scotland Aggregated Funding Totals 2019-21;
Annex B: Individual Revenue Allocations for 2020-21;
Annex C: Revised Individual Revenue Allocations for 2019-20;
Annex D: Explanatory Notes on the Revenue Distribution;
Annex E: Estimates of Ring-Fenced Grant Revenue Funding for 2020-21;
Annex F: Floor calculation for 2020-21;
Annex G: Redeterminations of Individual Revenue funding for 2019-20;
Annex H: 2008-21 Changes Column;
Annex I: General Capital Grant and Specific Capital Grants 2020-21;
Annex J: General Capital Grant – Flood Allocations Per Local Authority 2020-21;

Annex K: Final Total Capital Funding for 2019-20; and
Annex L: Total Local Government Funding Settlement 2020-21.

Part A: Local Government Finance Settlement - Revenue: 2020-21 and changes in 2019-20

9. This Finance Circular sets out the provisional distribution of revenue funding allocations for 2020-21. **Annex A** of this Circular sets out the all-Scotland aggregate totals for 2019-21.
10. **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 2020-21 and 2019-20. The basis behind the grant distribution methodology is as recommended in the report from the Settlement and Distribution Group (SDG) and as agreed by COSLA Leaders and Scottish Ministers. The explanatory notes contained in **Annex D** explain the basis behind the calculation of the individual council grant allocations.
11. **Annex E** gives a breakdown of the provisional individual council shares of all the Ring-Fenced revenue grant allocations for 2020-21.
12. The calculation and effects of the main floor adjustment for 2020-21, which provided councils with a maximum decrease in the funding used in the calculation of the main floor of 0.44%, is set out in **Annex F** of this Circular. The setting of the floor is in line with the revised arrangements agreed following the SDG review of the floor methodology.
13. This Circular confirms the continuation of the **85% funding floor** for 2020-21. The methodology compares total revenue funding plus local authorities estimated council tax income and any council whose total support under this method falls below 85% will be topped up to ensure that all councils receive 85% of the Scottish average total revenue support per head.
14. This Local Government Finance Circular provides details of current known 2019-20 redeterminations at **Annex G** for the General Revenue Grant. The final redetermination allocations for 2019-20 will be included in the Local Government Finance (Scotland) Order 2020.
15. **Annex H** summarises the column within the settlement titled 2008-2021 Changes Column.

Part B: Local Government Finance Settlement – Capital Grants 2020-21 and changes to Capital Grant in 2019-20

16. In 2020-21 the Local Government Settlement provides capital grants totalling £763.1 million. This is made up of General Capital Grant totalling £467.9 million and Specific Grants totalling £295.2 million.
17. Specific Grants include a new Capital £50 million Heat Networks Early Adopters Challenge Fund to support local authorities who are ready to bring forward investment-ready heat networks.
18. **Annex I** sets out the provisional distribution of the Settlement for capital per local authority for 2020-21. Capital grants which remain undistributed are identified as such. The methodologies used to calculate these provisional allocations have been agreed with COSLA.
19. The provisional distribution for the General Capital Grant includes allocations for flood schemes. The allocations for these schemes is set out in **Annex J**. Where schemes have slipped and the grant paid in a prior year exceeds the grant due the scheme will show a negative value which will reduce the total General Capital Grant payable to that Council.
20. The total Capital Grant figures for 2019-20 has been revised to include £7.5 million for the Dundee City Deal, and £0.5 million for Edinburgh Event Management. Updated allocations are set out in **Annex K**.
21. **Annex L** summarises the Local Government Finance Settlement for 2020-21.

Part C: Non-Domestic Rates for 2020-21

22. The Distributable Amount of Non-Domestic Rates Income for 2020-21 has been provisionally set at £2,790 million. This figure uses the latest forecast of net income from non-domestic rates in 2020-21 and also draws on council estimates of the amounts they will contribute to the Pool from non-domestic rates in 2019-20. The figure incorporates the Scottish Fiscal Commission's estimate of the contributable amount and includes a calculation of gross income; expected losses from appeals; estimated expenditure on mandatory and other reliefs; write-offs and provision of bad debt together; and estimated changes due to prior year adjustments. The distribution of Non-Domestic Rates Income for 2020-21 has been based on the amount each Council estimates it will collect (based on the 2019-20 mid-year estimates provided by councils). General Revenue Grant provides the guaranteed 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.
23. The 2020-21 Non-Domestic Rate poundage rate is provisionally set at 49.8p, which delivers a below-inflation increase for the second consecutive year.
24. The Scottish Budget 2020-21 also introduces the following policies:
 - Properties with a rateable value (RV) above £95,000 will continue to be charged the Higher Property Rate (formerly the poundage plus the Large Business Supplement) of 2.6p on top of the poundage;
 - Properties with an RV of between £51,000 and £95,000 will now only be charged an additional 1.3p on rates on top of the standard poundage. The introduction of this Intermediate Property Rate will improve the progressivity of the system and reduce rates liabilities for around 9,500 medium-sized properties by 1.3p, or 3 per cent;
 - An extension of 100 per cent relief for Enterprise Areas to 31 March 2022;

- An amendment to the reset period for Empty Property Relief from 6 weeks to 6 months, as recommended by the Barclay Review;
- The restriction of the Small Business Bonus Scheme (SBBS) to occupied properties;
- The introduction of a 70-day requirement of actual letting for a self-catering property in order to be considered non-domestic and liable for NDR rather than council tax, as recommended by the Barclay Review;
- The introduction of a new 100 per cent relief for Reverse Vending Machines from 1 April 2020, which will assist retailers in the context of the Deposit Return Scheme and supporting efforts to tackle climate change; and
- The guarantee of district heating relief until 2032 in order to provide certainty to investors.

25. The Scottish Budget 2020-21 maintains the following relief policies:

- SBBS, with the threshold for 100% relief remaining at £15,000, so that the overall scheme is applicable as per the table below. This relief does not constitute de minimis aid under EU State aid rules.

Combined rateable value (RV) of all properties	2020-21 relief
Up to £15,000	100%
£15,001 to £18,000	25%
£18,001 to £35,000	25% on individual property each with rateable value up to £18,000 *

** A ratepayer with multiple properties with a cumulative RV between £15,001 and £35,000 can be eligible for 25% relief for individual properties each with RV up to £18,000.*

- The Business Growth Accelerator which ensures that new build properties are not liable for rates until 12 months after first occupation and any rates bill rises due to improvements to or the expansion of existing properties will not take effect until 12 months after those changes are made to the property;
- Transitional Relief through until 2021-22, which caps annual rates bill increases at 12.5 per cent in real terms (14.4% cash terms) for 2020-21 for Aberdeen City and Aberdeenshire offices and for hospitality properties (with a rateable value up to £1.5 million in 2020-21) across Scotland;
- Day Nursery Relief for all standalone nurseries in the public, private and charitable sectors;
- New Fibre Relief for all new fibre infrastructure for telecommunication;
- relief for mobile masts in selected geographic locations; and
- Fresh Start Relief, which offers 100 per cent relief for all reoccupied properties that have been empty for six months.

26. Some of these measures will be awarded under the EU State Aid de minimis regulations, which are currently assumed to continue irrespective of the terms of any future trading relationship with the European Union. Councils may also offer their own local reliefs under the Community Empowerment (Scotland) Act 2015.

27. On 5 February 2020, the Non-Domestic Rates (Scotland) Bill completed Stage 3 of its Parliamentary process. It delivers a number of the recommendations of the Barclay Review that require primary legislation including:

- Three-yearly valuations from 2022 to ensure that valuations are more closely aligned to current market values;
- A two-stage appeals system (proposal and appeal) to improve the administration and timeliness of the appeals system;

- Greater information-gathering powers for assessors and a new civil penalty for non-provision of information in order to increase 'right first-time' valuations and improve ratepayers' trust in the rating system;
- A new civil penalty for non-provision of information to councils or failure to notify a change in circumstances;
- The power to introduce general anti-avoidance regulations in order to improve fairness for all;
- The power for ministers to introduce statutory guidance on discretionary sports relief; and
- A level playing field between different sectors, such as public and private schools by removing charitable rates relief from mainstream independent schools, whilst retaining the relief for independent special schools and specialist independent music schools - due to commence on 1 September 2020.

28. Details of the Business Rates Incentivisation Scheme (BRIS) outcome for 2018-19, and revised targets for 2019-20 and provisional targets for 2020-21 will be confirmed shortly.

Enquiries relating to this Circular

29. 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 respond to these queries as quickly as possible. Contact details for COSLA are:

Sarah Watters
0131 474 9232 Sarah@cosla.gov.uk

Any other queries should be addressed to the following:

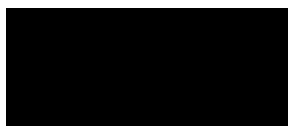
Local Government Revenue Settlement and BRIS.
Bill Stitt 0131 244 7044 Bill.Stitt@gov.scot

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30. This Circular, along with the supporting tables will be made available through the Local Government section of the Scottish Government website at:
<https://www.gov.scot/publications/local-government-finance-circulars-index/>

Yours faithfully



Brenda Campbell
Deputy Director, Local Government & Analytical Services Division

	2019-20 £ million	2020-21 £ million
Revenue Funding		
General Resource Grant	6,948.063	7,073.063
Non Domestic Rate Income	2,853.000	2,790.000
Specific Revenue Grants	507.732	709.750
Total Revenue	10,308.795	10,572.813
less Teachers' Induction Scheme	0.138	37.600
less Discretionary Housing Payments	10.458	11.949
less mental health officer shortfall	0.000	0.500
less Gaelic	0.128	0.014
less Barclay Implementation	0.162	0.378
less Customer First Top-up	0.576	1.410
less Stage 1 Budget Bill - Support for Ferries	0.000	1.000
Distributable Revenue Funding	10,297.333	10,519.962
Capital Funding		
General Capital Grant	711.969	467.937
Specific Capital Grants	357.110	279.877
Distributed to SPT	23.131	15.327
Total Capital	1,092.210	763.141
Total Funding	11,401.005	11,335.954
2019-20 RECONCILIATION FROM FINANCE CIRCULAR 2/2019		
General Resource Grant	6,717.618	
Free Sanitary Products in Schools	2.086	
Appropriate Adults	0.501	
Personal Licence Holder	0.164	
Rapid Rehousing Transition Planning	8.000	
Seatbelts on School Transport	0.230	
EU Exit Preparations	1.600	
National Trauma Training Trials	0.120	
Dundee Airport	1.442	
Social Security Accommodation	0.650	
Ordnance Survey	0.020	
Additional Support for Learning	15.000	
Teachers Pay	141.000	
Teachers Pension	60.803	
ALEO Baseline Reduction	-1.171	
Revised General Resource Grant	6,948.063	
General Capital Grant	703.969	
Dundee City Deal	7.500	
Edinburgh Event Management	0.500	
Revised General Capital Grant	711.969	

INDIVIDUAL REVENUE ALLOCATIONS 2020-21

ANNEX B

	Expenditure					Funding						
	1	2	3	4	5	6	7	8	9	10	11	12
	Updated Service Provision	2008-20 Changes	Loan Charges/ PPP/ LPFS	Main Floor	Total Estimated Expenditure	Assumed Council Tax contribution	Total Ring- fenced Grants	Non Domestic Rates	General Revenue Funding	Total	85% floor	Revised Total
£million	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	423.511	7.175	19.356	4.104	454.146	91.492	29.698	245.563	85.962	361.223	0.000	361.223
Aberdeenshire	541.853	9.812	20.110	-4.905	566.870	110.410	31.324	119.652	304.657	455.633	0.000	455.633
Angus	247.859	4.440	11.864	-2.303	261.860	43.468	12.747	26.537	178.849	218.133	0.000	218.133
Argyll & Bute	216.913	3.655	9.589	15.399	245.556	39.261	10.768	34.776	160.588	206.132	0.000	206.132
Clackmannanshire	114.976	1.899	4.899	-0.228	121.546	19.208	6.765	16.067	79.290	102.122	0.000	102.122
Dumfries & Galloway	344.061	6.042	16.180	-3.241	363.042	59.032	15.680	53.259	235.006	303.945	0.000	303.945
Dundee City	347.548	5.671	10.101	1.485	364.805	47.372	22.978	49.119	245.322	317.419	0.000	317.419
East Ayrshire	277.584	4.651	10.492	-2.614	290.113	42.122	17.471	26.362	203.906	247.739	0.000	247.739
East Dunbartonshire	242.488	4.252	4.239	-0.453	250.526	50.133	12.100	22.759	165.316	200.175	0.000	200.175
East Lothian	225.161	3.939	3.942	-0.243	232.799	44.452	13.474	27.293	146.639	187.406	0.000	187.406
East Renfrewshire	219.690	4.029	9.308	-0.764	232.263	42.634	7.791	14.877	166.747	189.415	0.000	189.415
Edinburgh, City of	953.269	15.963	24.345	11.100	1,004.677	218.026	56.996	356.843	369.907	783.746	8.400	792.146
Eilean Siar	82.680	1.566	7.318	17.044	108.608	9.450	4.348	8.307	86.426	99.081	0.000	99.081
Falkirk	341.720	5.906	20.046	-3.102	364.570	58.642	22.986	69.123	213.391	305.500	0.000	305.500
Fife	795.822	13.910	32.471	-7.390	834.813	138.011	47.384	166.844	481.679	695.907	0.000	695.907
Glasgow City	1,417.664	22.844	100.918	-4.806	1,536.620	213.202	88.175	356.130	878.218	1,322.523	0.000	1,322.523
Highland	548.751	9.688	32.451	-5.254	585.636	96.443	30.718	137.851	319.946	488.515	0.000	488.515
Inverclyde	188.114	3.057	10.725	1.784	203.680	27.532	11.524	19.593	145.060	176.177	0.000	176.177
Midlothian	202.232	3.431	9.589	-1.790	213.462	35.457	15.140	29.254	132.923	177.317	0.000	177.317
Moray	195.552	3.482	8.774	-1.587	206.221	33.870	11.934	43.324	116.694	171.952	0.000	171.952
North Ayrshire	327.276	5.405	10.637	0.428	343.746	49.411	19.565	37.364	237.234	294.163	0.000	294.163
North Lanarkshire	766.868	12.988	10.540	-6.944	783.452	115.606	47.369	106.580	513.095	667.044	0.000	667.044
Orkney Islands	78.616	1.429	6.043	-0.503	85.585	8.025	8.005	10.483	59.028	77.516	0.000	77.516
Perth & Kinross	318.370	5.625	12.641	-2.841	333.795	64.690	15.499	56.569	196.303	268.371	0.000	268.371
Renfrewshire	397.367	6.662	8.254	-3.511	408.772	69.028	26.453	110.286	202.044	338.783	0.000	338.783
Scottish Borders	254.318	4.490	13.384	-2.266	269.926	47.457	13.907	34.931	173.123	221.961	0.000	221.961
Shetland Islands	83.442	1.586	7.765	4.634	97.427	8.162	8.194	25.662	55.361	89.217	0.000	89.217
South Ayrshire	251.363	4.300	9.494	-1.638	263.519	47.547	12.372	42.718	160.294	215.384	0.000	215.384
South Lanarkshire	702.445	12.160	10.630	3.349	728.584	122.370	40.141	337.810	226.746	604.697	0.000	604.697
Stirling	207.429	3.583	11.430	-1.890	220.552	38.628	13.029	42.754	125.995	181.778	0.000	181.778
West Dunbartonshire	224.689	3.594	3.851	2.588	234.722	33.297	13.130	83.583	104.609	201.322	0.000	201.322
West Lothian	389.530	6.885	13.047	-3.643	405.819	63.745	21.071	77.727	242.467	341.265	0.000	341.265
Scotland	11,929.161	204.119	484.433	0.000	12,617.713	2,088.183	708.736	2,790.000	7,012.826	10,511.562	8.400	10,519.962

REVISED INDIVIDUAL REVENUE ALLOCATIONS 2019-20

ANNEX C

	Expenditure					Funding						
	1	2	3	4	5	6	7	8	9	10	11	12
	Updated Service Provision	2008-19 Changes	Loan Charges/ PPP/ LPFS	Main Floor	Total Estimated Expenditure	Assumed Council Tax contribution	Total Ring- fenced Grants	Non Domestic Rates	General Revenue Funding	Total	85% floor	Revised Total
£million	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	412.868	6.220	20.089	3.128	442.305	91.492	20.337	258.560	71.916	350.813	0.000	350.813
Aberdeenshire	528.574	8.563	20.746	-4.797	553.086	110.410	20.697	123.812	298.167	442.676	0.000	442.676
Angus	243.892	3.870	12.137	-2.287	257.612	43.468	8.899	27.468	177.777	214.144	0.000	214.144
Argyll & Bute	213.946	3.199	9.865	15.336	242.346	39.261	7.389	35.634	160.062	203.085	0.000	203.085
Clackmannanshire	113.385	1.641	5.051	-0.392	119.685	19.208	5.161	17.315	78.001	100.477	0.000	100.477
Dumfries & Galloway	338.541	5.270	16.707	-3.211	357.307	59.032	11.305	51.150	235.820	298.275	0.000	298.275
Dundee City	344.178	4.924	14.921	-3.285	360.738	47.372	17.188	64.307	231.871	313.366	0.000	313.366
East Ayrshire	272.205	4.036	10.883	-2.600	284.524	42.122	12.690	27.360	202.352	242.402	0.000	242.402
East Dunbartonshire	239.527	3.688	7.198	-2.080	248.333	50.133	8.113	22.669	167.418	198.200	0.000	198.200
East Lothian	217.654	3.383	4.071	2.385	227.493	44.452	9.006	25.550	148.485	183.041	0.000	183.041
East Renfrewshire	219.962	3.517	9.452	-0.849	232.082	42.634	5.366	15.377	168.705	189.448	0.000	189.448
Edinburgh, City of	929.938	13.849	24.934	13.269	981.990	218.026	40.225	365.250	358.489	763.964	1.700	765.664
Eilean Siar	81.963	1.359	7.565	16.717	107.604	9.450	3.128	8.482	86.544	98.154	0.000	98.154
Falkirk	333.720	5.116	20.470	-3.061	356.245	58.642	15.996	69.739	211.868	297.603	0.000	297.603
Fife	781.819	12.131	33.461	-7.332	820.079	138.011	34.395	165.717	481.956	682.068	0.000	682.068
Glasgow City	1,393.559	19.617	104.578	-1.491	1,516.263	213.202	67.255	356.234	879.572	1,303.061	0.000	1,303.061
Highland	530.394	8.319	33.550	-5.113	567.150	96.443	21.328	143.240	306.139	470.707	0.000	470.707
Inverclyde	186.382	2.667	11.091	0.404	200.544	27.532	8.334	19.834	144.844	173.012	0.000	173.012
Midlothian	195.185	2.937	9.916	-1.760	206.278	35.457	10.372	31.615	128.834	170.821	0.000	170.821
Moray	191.459	3.037	9.064	-1.729	201.831	33.870	8.063	43.563	116.335	167.961	0.000	167.961
North Ayrshire	322.756	4.720	13.881	-3.088	338.269	49.411	14.719	41.124	233.015	288.858	0.000	288.858
North Lanarkshire	746.914	11.219	10.883	-1.894	767.122	115.606	33.501	107.252	510.763	651.516	0.000	651.516
Orkney Islands	78.182	1.254	6.261	-0.823	84.874	8.025	7.156	10.459	59.234	76.849	0.000	76.849
Perth & Kinross	311.414	4.875	13.034	-2.802	326.521	64.690	10.531	56.590	194.710	261.831	0.000	261.831
Renfrewshire	388.706	5.787	8.528	-3.493	399.528	69.028	18.398	104.417	207.685	330.500	0.000	330.500
Scottish Borders	249.066	3.916	13.874	-2.357	264.499	47.457	9.330	36.624	171.088	217.042	0.000	217.042
Shetland Islands	83.813	1.414	8.240	3.139	96.606	8.162	7.107	25.925	55.412	88.444	0.000	88.444
South Ayrshire	246.766	3.719	9.788	-0.903	259.370	47.547	8.868	42.462	160.493	211.823	0.000	211.823
South Lanarkshire	688.726	10.602	10.976	4.423	714.727	122.370	28.144	341.166	223.047	592.357	0.000	592.357
Stirling	203.720	3.119	11.748	-1.879	216.708	38.628	8.990	44.042	125.048	178.080	0.000	178.080
West Dunbartonshire	222.497	3.101	3.976	2.063	231.637	33.297	9.976	84.736	103.628	198.340	0.000	198.340
West Lothian	384.539	6.027	13.532	-3.638	400.460	63.745	15.637	85.327	235.751	336.715	0.000	336.715
Scotland	11,696.250	177.096	510.470	0.000	12,383.816	2,088.183	507.604	2,853.000	6,935.029	10,295.633	1.700	10,297.333

The explanation of each of the columns within the tables at Annex B 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; and the previous loan charge adjustment.

Column 2 – is the new combined total, non-ring-fenced, changes in general provision resulting from Spending Reviews 2007, 2010, 2011, 2013, 2015 and budget revisions for 2016 - 2020 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 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 using the revised methodology agreed following the 2018 review.

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, as well as the estimated additional council tax income to be collected and retained by each local authority as a result of the changes to bands E to H.

Column 7 – is each council's estimated share of the on-going Ring-Fenced Grants for Gaelic, Pupil Equity Fund, Criminal Justice Social Work, Early Learning and Childcare, and Inter-Island Ferries.

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 2019-20 mid-year income.

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 2020-21.

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 per head in terms of revenue support.

Columns 12 - is the revised total funding including all the changes and the 85% funding floor adjustments.

Local Authority	Gaelic	Pupil Equity Fund	Criminal Justice Social Work	Early Learning and Childcare Expansion	18-19 Stage 1 Budget Bill Support for Ferries
	£m	£m	£m	£m	£m
Aberdeen City	0.088	3.042	4.054	22.514	0.000
Aberdeenshire	0.000	2.807	2.771	25.746	0.000
Angus	0.022	2.128	1.609	8.988	0.000
Argyll & Bute	0.365	1.314	0.963	8.126	0.000
Clackmannanshire	0.002	1.392	1.083	4.288	0.000
Dumfries & Galloway	0.000	2.827	2.475	10.378	0.000
Dundee City	0.000	4.992	3.444	14.542	0.000
East Ayrshire	0.144	3.444	2.228	11.655	0.000
East Dunbartonshire	0.066	1.628	0.756	9.650	0.000
East Lothian	0.008	1.561	1.068	10.837	0.000
East Renfrewshire	0.013	1.323	0.606	5.849	0.000
Edinburgh, City of	0.320	6.988	8.199	41.489	0.000
Eilean Siar	1.115	0.273	0.315	2.645	0.000
Falkirk	0.014	3.650	2.773	16.549	0.000
Fife	0.010	9.748	6.114	31.512	0.000
Glasgow City	0.540	21.716	15.301	50.618	0.000
Highland	0.905	3.894	3.130	22.789	0.000
Inverclyde	0.070	2.387	1.302	7.765	0.000
Midlothian	0.008	2.147	1.275	11.710	0.000
Moray	0.000	1.340	1.249	9.345	0.000
North Ayrshire	0.090	4.252	2.771	12.452	0.000
North Lanarkshire	0.260	9.105	5.452	32.552	0.000
Orkney Islands	0.000	0.225	0.241	2.039	5.500
Perth & Kinross	0.105	1.672	1.812	11.910	0.000
Renfrewshire	0.017	4.331	2.550	19.555	0.000
Scottish Borders	0.001	1.762	1.253	10.891	0.000
Shetland Islands	0.000	0.204	0.264	2.726	5.000
South Ayrshire	0.015	2.348	1.715	8.294	0.000
South Lanarkshire	0.170	8.110	4.193	27.668	0.000
Stirling	0.115	1.347	1.275	10.292	0.000
West Dunbartonshire	0.015	3.127	1.684	8.304	0.000
West Lothian	0.008	4.916	2.525	13.622	0.000
Scotland	4.486	120.000	86.450	487.300	10.500

Note: These figures are provisional and represent the current best estimates.

The distribution of funding for Inter-Island Ferries has still to be agreed

The actual allocation of these specific revenue grants will be notified to the relevant local authorities in due course by the relevant Policy Team

Local Authority	Grant Without Floor	Change Without Floor	Floor Change	Grant With Floor	Change With Floor
	£m	%	£m	£m	%
Highland	414.502	3.00%	-5.254	409.248	1.70%
Midlothian	141.186	2.31%	-1.790	139.396	1.01%
Falkirk	244.698	1.51%	-3.102	241.596	0.22%
Aberdeenshire	386.947	1.48%	-4.905	382.042	0.20%
North Lanarkshire	547.776	1.30%	-6.944	540.832	0.02%
Perth & Kinross	224.094	1.24%	-2.841	221.253	-0.04%
Fife	582.960	1.14%	-7.390	575.571	-0.14%
Dumfries & Galloway	255.691	1.13%	-3.241	252.449	-0.15%
East Ayrshire	206.213	1.07%	-2.614	203.599	-0.21%
Renfrewshire	276.962	0.97%	-3.511	273.451	-0.31%
Stirling	149.061	0.92%	-1.890	147.171	-0.36%
West Lothian	287.351	0.85%	-3.643	283.708	-0.43%
Angus	182.035	0.83%	-2.303	179.732	-0.44%
Clackmannanshire	82.092	-0.17%	-0.228	81.864	-0.44%
East Dunbartonshire	163.592	-0.17%	-0.453	163.139	-0.44%
East Lothian	154.858	-0.29%	-0.243	154.615	-0.44%
East Renfrewshire	157.516	0.04%	-0.764	156.751	-0.44%
Glasgow City	1,095.745	-0.01%	-4.806	1,090.939	-0.44%
Moray	144.725	0.66%	-1.587	143.138	-0.44%
Orkney	64.670	0.33%	-0.503	64.167	-0.44%
Scottish Borders	186.903	0.78%	-2.266	184.637	-0.44%
South Ayrshire	179.729	0.47%	-1.638	178.091	-0.44%
North Ayrshire	240.467	-0.62%	0.428	240.895	-0.44%
Dundee City	254.959	-1.02%	1.485	256.444	-0.44%
Inverclyde	141.651	-1.68%	1.784	143.435	-0.44%
West Dunbartonshire	156.910	-2.06%	2.588	159.497	-0.44%
South Lanarkshire	490.665	-1.12%	3.349	494.014	-0.44%
Aberdeen City	290.659	-1.83%	4.104	294.763	-0.44%
Shetland	72.051	-6.46%	4.634	76.685	-0.44%
Edinburgh, City of	618.675	-2.20%	11.100	629.775	-0.44%
Argyll & Bute	154.211	-9.48%	15.399	169.610	-0.44%
Eilean Siar	70.656	-19.79%	17.044	87.700	-0.44%
Scotland	8,620.209	-0.44%	0.000	8,620.209	-0.44%

REDETERMINATIONS OF INDIVIDUAL REVENUE FUNDING 2019-20

ANNEX G

	Free Sanitary Products in Schools	Appropriate Adults	Personal Licence Holder	Rapid Rehousing Transition Planning	Seatbelts on School Transport	EU Exit Preparation s	National Trauma Training Trials	Dundee Airport	Social Security Accommodation	Teacher Induction Scheme	Custom er First	Ordnance Survey	Counselling through Schools	Additional Support for Learning	Teachers Pay	Teachers Pension	Barclay Implementation	ALEO Baseline Reduction	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	0.065	0.021	0.005	0.311	0.006	0.050	0.000	0.000	0.000	0.677	0.000	0.000	0.350	0.507	4.545	1.960	0.020	0.000	8.517
Aberdeenshire	0.107	0.024	0.007	0.261	0.018	0.050	0.000	0.000	0.000	1.083	0.000	0.000	0.574	0.775	7.246	3.125	0.020	0.000	13.290
Angus	0.047	0.011	0.003	0.172	0.004	0.050	0.000	0.000	0.000	0.521	0.000	0.000	0.264	0.326	3.174	1.369	0.020	-0.013	5.948
Argyll & Bute	0.032	0.008	0.006	0.095	0.009	0.050	0.040	0.000	0.000	0.200	0.000	0.000	0.286	0.219	2.366	1.020	0.020	0.000	4.351
Clackmannanshire	0.018	0.005	0.002	0.103	0.002	0.050	0.000	0.000	0.000	0.442	0.000	0.000	0.131	0.144	1.412	0.609	0.020	0.000	2.938
Dumfries & Galloway	0.060	0.014	0.006	0.143	0.010	0.050	0.000	0.000	0.000	0.965	0.000	0.000	0.385	0.400	3.954	1.705	0.020	0.000	7.712
Dundee City	0.053	0.014	0.004	0.300	0.004	0.050	0.000	1.442	0.650	0.870	0.000	0.000	0.299	0.397	3.694	1.593	0.020	-0.438	8.952
East Ayrshire	0.049	0.011	0.004	0.119	0.005	0.050	0.000	0.000	0.000	0.943	0.000	0.000	0.287	0.346	3.259	1.405	0.020	-0.025	6.473
East Dunbartonshire	0.053	0.010	0.003	0.120	0.004	0.050	0.000	0.000	0.000	2.566	0.000	0.000	0.308	0.364	3.476	1.499	0.020	0.000	8.473
East Lothian	0.042	0.010	0.003	0.160	0.004	0.050	0.000	0.000	0.000	0.691	0.000	0.000	0.242	0.313	2.646	1.141	0.020	-0.040	5.282
East Renfrewshire	0.057	0.008	0.002	0.076	0.004	0.050	0.000	0.000	0.000	2.931	0.000	0.000	0.311	0.364	3.557	1.534	0.020	0.000	8.914
Edinburgh, City of	0.138	0.049	0.010	1.005	0.013	0.050	0.000	0.000	0.000	1.286	0.000	0.000	0.705	1.129	9.478	4.087	0.020	0.000	17.970
Eilean Siar	0.011	0.002	0.002	0.034	0.004	0.050	0.000	0.000	0.000	0.131	0.000	0.000	0.140	0.071	0.899	0.387	0.020	0.000	1.751
Falkirk	0.064	0.015	0.005	0.211	0.005	0.050	0.000	0.000	0.000	1.799	0.000	0.000	0.352	0.474	4.513	1.946	0.020	0.000	9.454
Fife	0.148	0.034	0.012	0.524	0.014	0.050	0.000	0.000	0.000	3.686	0.000	0.000	0.738	1.074	9.714	4.189	0.020	0.000	20.203
Glasgow City	0.192	0.058	0.016	1.322	0.016	0.050	0.040	0.000	0.000	4.120	0.000	0.000	0.955	1.521	14.464	6.237	0.020	-0.212	28.799
Highland	0.096	0.022	0.010	0.280	0.023	0.050	0.000	0.000	0.000	1.243	0.000	0.000	0.754	0.667	6.592	2.842	0.020	0.000	12.599
Inverclyde	0.031	0.007	0.002	0.053	0.003	0.050	0.000	0.000	0.000	0.600	0.000	0.000	0.195	0.211	2.048	0.883	0.020	0.000	4.103
Midlothian	0.038	0.008	0.004	0.141	0.003	0.050	0.040	0.000	0.000	0.625	0.000	0.000	0.220	0.288	2.571	1.108	0.020	0.000	5.116
Moray	0.035	0.009	0.005	0.097	0.005	0.050	0.000	0.000	0.000	0.318	0.000	0.000	0.208	0.257	2.377	1.025	0.020	0.000	4.406
North Ayrshire	0.056	0.012	0.006	0.187	0.005	0.050	0.000	0.000	0.000	0.733	0.000	0.000	0.329	0.384	3.819	1.647	0.020	0.000	7.248
North Lanarkshire	0.151	0.031	0.006	0.389	0.012	0.050	0.000	0.000	0.000	2.456	0.964	0.020	0.765	1.044	9.758	4.208	0.020	-0.186	19.688
Orkney	0.009	0.002	0.002	0.022	0.001	0.050	0.000	0.000	0.000	0.069	0.000	0.000	0.146	0.060	0.694	0.299	0.020	-0.024	1.350
Perth & Kinross	0.054	0.014	0.006	0.203	0.008	0.050	0.000	0.000	0.000	0.480	0.000	0.000	0.328	0.391	3.776	1.629	0.020	-0.069	6.890
Renfrewshire	0.074	0.016	0.005	0.186	0.006	0.050	0.000	0.000	0.000	1.132	0.000	0.000	0.389	0.507	4.598	1.983	0.020	-0.001	8.965
Scottish Borders	0.047	0.011	0.004	0.153	0.008	0.050	0.000	0.000	0.000	0.533	0.000	0.000	0.263	0.310	2.955	1.274	0.020	-0.038	5.590
Shetland	0.010	0.002	0.002	0.031	0.003	0.050	0.000	0.000	0.000	0.025	0.000	0.000	0.197	0.071	0.898	0.387	0.020	0.000	1.696
South Ayrshire	0.045	0.011	0.004	0.173	0.005	0.050	0.000	0.000	0.000	0.983	0.000	0.000	0.253	0.305	2.925	1.262	0.020	0.000	6.036
South Lanarkshire	0.141	0.029	0.007	0.461	0.011	0.050	0.000	0.000	0.000	1.743	0.000	0.000	0.709	0.959	9.141	3.942	0.020	-0.054	17.159
Stirling	0.043	0.009	0.003	0.101	0.005	0.050	0.000	0.000	0.000	0.997	0.000	0.000	0.262	0.269	2.564	1.106	0.020	0.000	5.429
West Dunbartonshire	0.038	0.008	0.003	0.265	0.003	0.050	0.000	0.000	0.000	0.815	0.000	0.000	0.226	0.268	2.624	1.132	0.020	0.000	5.452
West Lothian	0.082	0.016	0.005	0.302	0.007	0.050	0.000	0.000	0.000	1.799	0.000	0.000	0.429	0.585	5.263	2.270	0.020	-0.071	10.757
Scotland	2.086	0.501	0.164	8.000	0.230	1.600	0.120	1.442	0.650	37.462	0.964	0.020	12.000	15.000	141.000	60.803	0.640	-1.171	281.511

Local Authority	2020-21 GAE plus SINA	Percentage Shares	2008-21 Changes	2008-20 Changes	Movement in Changes
	£m	£m	£m	£m	£m
Aberdeen City	290.592	3.52	7.175	6.220	0.955
Aberdeenshire	397.411	4.81	9.812	8.563	1.249
Angus	179.814	2.18	4.440	3.870	0.570
Argyll & Bute	148.044	1.79	3.655	3.199	0.456
Clackmannanshire	76.914	0.93	1.899	1.641	0.258
Dumfries & Galloway	244.719	2.96	6.042	5.270	0.772
Dundee City	229.699	2.78	5.671	4.924	0.747
East Ayrshire	188.370	2.28	4.651	4.036	0.615
East Dunbartonshire	172.215	2.08	4.252	3.688	0.564
East Lothian	159.521	1.93	3.939	3.383	0.556
East Renfrewshire	163.170	1.97	4.029	3.517	0.512
Edinburgh, City of	646.527	7.82	15.963	13.849	2.114
Eilean Siar	63.440	0.77	1.566	1.359	0.207
Falkirk	239.203	2.89	5.906	5.116	0.790
Fife	563.386	6.81	13.910	12.131	1.779
Glasgow City	925.202	11.19	22.844	19.617	3.227
Highland	392.387	4.75	9.688	8.319	1.369
Inverclyde	123.807	1.50	3.057	2.667	0.390
Midlothian	138.972	1.68	3.431	2.937	0.494
Moray	141.013	1.71	3.482	3.037	0.445
North Ayrshire	218.902	2.65	5.405	4.720	0.685
North Lanarkshire	526.023	6.36	12.988	11.219	1.769
Orkney	57.871	0.70	1.429	1.254	0.175
Perth & Kinross	227.819	2.76	5.625	4.875	0.750
Renfrewshire	269.829	3.26	6.662	5.787	0.875
Scottish Borders	181.829	2.20	4.490	3.916	0.574
Shetland	64.215	0.78	1.586	1.414	0.172
South Ayrshire	174.142	2.11	4.300	3.719	0.581
South Lanarkshire	492.472	5.96	12.160	10.602	1.558
Stirling	145.096	1.76	3.583	3.119	0.464
West Dunbartonshire	145.545	1.76	3.594	3.101	0.493
West Lothian	278.854	3.37	6.885	6.027	0.858
Scotland	8267.003	100.000	204.119	177.096	27.023

2020-21	Capital Settlement 2020-21			Specific grants to be paid in 2020-21						
£m	General Capital Grant	Specific Grants	Total Capital Grants	Strathclyde Partnership	Vacant and Derelict Land	TMDF	Cycling Walking & Safer Streets	Heat Networks Early Adopters Challenge Fund	Early Years Expansion	Total
Aberdeen City	18.654	6.374	25.028	0.000	0.000	0.000	0.374	0.000	6.000	6.374
Aberdeenshire	26.439	7.329	33.768	0.000	0.000	0.000	0.429	0.000	6.900	7.329
Angus	11.926	2.391	14.317	0.000	0.000	0.000	0.191	0.000	2.200	2.391
Argyll & Bute	8.877	1.842	10.719	0.000	0.000	0.000	0.142	0.000	1.700	1.842
Clackmannanshire	4.362	1.384	5.746	0.000	0.000	0.000	0.084	0.000	1.300	1.384
Dumfries & Galloway	14.666	2.444	17.110	0.000	0.000	0.000	0.244	0.000	2.200	2.444
Dundee City	14.449	2.944	17.393	0.000	0.000	0.000	0.244	0.000	2.700	2.944
East Ayrshire	9.037	5.900	14.937	0.000	0.000	0.000	0.200	0.000	5.700	5.900
East Dunbartonshire	7.392	2.178	9.570	0.000	0.000	0.000	0.178	0.000	2.000	2.178
East Lothian	8.870	4.074	12.944	0.000	0.000	0.000	0.174	0.000	3.900	4.074
East Renfrewshire	5.646	3.356	9.002	0.000	0.000	0.000	0.156	0.000	3.200	3.356
Edinburgh, City of	38.225	38.801	77.026	0.000	0.000	27.950	0.851	0.000	10.000	38.801
Eilean Siar	6.396	0.844	7.240	0.000	0.000	0.000	0.044	0.000	0.800	0.844
Falkirk	13.017	4.263	17.280	0.000	0.000	0.000	0.263	0.000	4.000	4.263
Fife	25.033	9.024	34.057	0.000	1.313	0.000	0.611	0.000	7.100	9.024
Glasgow City	51.044	78.739	129.783	0.000	2.316	64.295	1.028	0.000	11.100	78.739
Highland	24.999	8.787	33.786	0.000	0.000	0.000	0.387	0.000	8.400	8.787
Inverclyde	6.174	1.628	7.802	0.000	0.000	0.000	0.128	0.000	1.500	1.628
Midlothian	7.080	4.450	11.530	0.000	0.000	0.000	0.150	0.000	4.300	4.450
Moray	8.214	2.057	10.271	0.000	0.000	0.000	0.157	0.000	1.900	2.057
North Ayrshire	27.565	4.445	32.010	0.000	1.323	0.000	0.222	0.000	2.900	4.445
North Lanarkshire	23.197	7.914	31.111	0.000	1.956	0.000	0.558	0.000	5.400	7.914
Orkney Islands	5.061	0.636	5.697	0.000	0.000	0.000	0.036	0.000	0.600	0.636
Perth & Kinross	11.970	4.048	16.018	0.000	0.000	0.000	0.248	0.000	3.800	4.048
Renfrewshire	12.045	3.892	15.937	0.000	0.000	0.000	0.292	0.000	3.600	3.892
Scottish Borders	11.623	1.989	13.612	0.000	0.000	0.000	0.189	0.000	1.800	1.989
Shetland Islands	5.204	0.938	6.142	0.000	0.000	0.000	0.038	0.000	0.900	0.938
South Ayrshire	8.610	4.185	12.795	0.000	0.000	0.000	0.185	0.000	4.000	4.185
South Lanarkshire	21.224	5.921	27.145	0.000	0.697	0.000	0.524	0.000	4.700	5.921
Stirling	7.795	1.955	9.750	0.000	0.000	0.000	0.155	0.000	1.800	1.955
West Dunbartonshire	11.599	1.546	13.145	0.000	0.000	0.000	0.146	0.000	1.400	1.546
West Lothian	11.544	3.599	15.143	0.000	0.000	0.000	0.299	0.000	3.300	3.599
Undistributed	0.000	50.000	50.000	0.000	0.000	0.000	0.000	50.000	0.000	50.000
Councils Total	467.937	279.877	747.814	0.000	7.605	92.245	8.927	50.000	121.100	279.877
Strathclyde Partnership for Transport		15.327	15.327	15.327	0.000	0.000	0.000	0.000	0.000	15.327
Grand Total	467.937	295.204	763.141	15.327	7.605	92.245	8.927	50.000	121.100	295.204

Council	Flood Scheme	Total 2020-21 £m
Aberdeenshire Council	Stonehaven	4.517
Aberdeenshire Council	Huntly	0.000
Angus Council	Arbroath	2.236
Argyll & Bute Council	Campbeltown	-0.940
Comhairle nan Eilean Siar	South Fords	0.000
Dumfries & Galloway Council	Dumfries/ River Nith/ Whitesands FPS	-0.369
Dumfries & Galloway Council	Stranraer work item 4 &6	0.320
Dumfries & Galloway Council	Langholm	0.087
Dumfries & Galloway Council	Newton Stewart/ River Cree	-0.390
Dundee City Council	Broughty Ferry	1.018
Dundee City Council	Dundee	0.000
East Ayrshire Council	New Cumnock	0.240
East Dunbartonshire Council	Park Burn	0.000
East Lothian Council	Musselburgh	0.794
East Lothian Council	Haddington	0.018
Falkirk Council	Grangemouth FPS	2.650
Fife Council	Kinness Burn	0.000
Glasgow City Council	White Cart Water Phase 3	0.080
Glasgow City Council	Camlachie Burn	0.000
Highland Council	Smithton and Culloden	0.105
Highland Council	Caol and Lochyside	0.198
Highland Council	Drumnadrochit	0.956
Inverclyde Council	Inverclyde FPS - Glenmosston Burn	0.000
Inverclyde Council	Inverclyde FPS - Coves Burn	0.000
Inverclyde Council	Inverclyde FPS - Bouverie Burn	0.000
Inverclyde Council	Quarrier's Village	0.000
Moray Council	Newmill	-0.035
North Ayrshire Council	Millport Coastal	10.536
North Ayrshire Council	Upper Garnock FPS	6.538
North Ayrshire Council	Mill Burn Millport	0.480
Orkney Islands Council	Kirkwall	0.000
Perth & Kinross Council	Comrie	-0.660
Perth & Kinross Council	Milnathort	0.082
Perth & Kinross Council	South Kinross	0.061
Perth & Kinross Council	Scone	0.000
Scottish Borders Council	Hawick	0.474
Stirling Council	Bridge of Allan	0.108
Stirling Council	Stirling	-0.343
Stirling Council	Callander	0.203
West Dunbartonshire Council	Gruggies Burn	4.636
	Total	33.600

2019-20	Capital Settlement 2019-20			Specific grants to be paid in 2019-20						
	General Capital Grant	Specific Grants	Total Capital Grants	Strathclyde Partnership	Vacant and Derelict Land	TMDF	Cycling Walking & Safer Streets	Early Years Expansion	Town Centre Fund	Total
£m										
Authority										
Aberdeen City	27.949	10.325	38.274	0.000	0.000	0.000	0.374	8.600	1.351	10.325
Aberdeenshire	37.590	13.714	51.304	0.000	0.000	0.000	0.428	10.000	3.286	13.714
Angus	19.872	4.471	24.343	0.000	0.000	0.000	0.191	3.200	1.080	4.471
Argyll & Bute	19.269	3.885	23.154	0.000	0.000	0.000	0.143	2.500	1.242	3.885
Clackmannanshire	6.208	2.567	8.775	0.000	0.000	0.000	0.084	1.800	0.683	2.567
Dumfries & Galloway	24.408	4.973	29.381	0.000	0.000	0.000	0.244	3.200	1.529	4.973
Dundee City	30.747	4.878	35.625	0.000	0.000	0.000	0.243	3.900	0.735	4.878
East Ayrshire	14.630	10.000	24.630	0.000	0.000	0.000	0.199	8.100	1.701	10.000
East Dunbartonshire	11.046	3.821	14.867	0.000	0.000	0.000	0.177	2.700	0.944	3.821
East Lothian	10.066	7.046	17.112	0.000	0.000	0.000	0.171	5.600	1.275	7.046
East Renfrewshire	8.257	5.736	13.993	0.000	0.000	0.000	0.155	4.600	0.981	5.736
Edinburgh, City of	59.246	51.824	111.070	0.000	0.000	33.877	0.834	14.500	2.613	51.824
Eilean Siar	9.151	1.468	10.619	0.000	0.000	0.000	0.045	1.200	0.223	1.468
Falkirk	16.084	8.037	24.121	0.000	0.000	0.000	0.261	5.800	1.976	8.037
Fife	38.329	16.914	55.243	0.000	1.772	0.000	0.607	10.200	4.335	16.914
Glasgow City	80.628	101.477	182.105	0.000	3.528	77.928	1.011	16.000	3.010	101.477
Highland	37.743	15.449	53.192	0.000	0.000	0.000	0.384	12.100	2.965	15.449
Inverclyde	9.403	2.989	12.392	0.000	0.000	0.000	0.129	2.200	0.660	2.989
Midlothian	10.575	7.356	17.931	0.000	0.000	0.000	0.146	6.300	0.910	7.356
Moray	12.412	4.190	16.602	0.000	0.000	0.000	0.157	2.800	1.233	4.190
North Ayrshire	18.179	7.981	26.160	0.000	2.141	0.000	0.222	4.200	1.418	7.981
North Lanarkshire	35.947	14.392	50.339	0.000	2.886	0.000	0.556	7.700	3.250	14.392
Orkney Islands	7.454	1.036	8.490	0.000	0.000	0.000	0.036	0.800	0.200	1.036
Perth & Kinross	28.484	7.830	36.314	0.000	0.000	0.000	0.247	5.600	1.983	7.830
Renfrewshire	18.391	6.848	25.239	0.000	0.000	0.000	0.289	5.100	1.459	6.848
Scottish Borders	25.247	4.409	29.656	0.000	0.000	0.000	0.188	2.800	1.421	4.409
Shetland Islands	7.690	1.542	9.232	0.000	0.000	0.000	0.037	1.300	0.205	1.542
South Ayrshire	12.897	7.048	19.945	0.000	0.000	0.000	0.184	5.800	1.064	7.048
South Lanarkshire	33.029	11.046	44.075	0.000	1.120	0.000	0.520	6.900	2.506	11.046
Stirling	12.205	3.830	16.035	0.000	0.000	0.000	0.153	2.600	1.077	3.830
West Dunbartonshire	11.186	3.106	14.292	0.000	0.000	0.000	0.147	2.100	0.859	3.106
West Lothian	17.647	6.922	24.569	0.000	0.000	0.000	0.296	4.800	1.826	6.922
Undistributed	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Councils Total	711.969	357.110	1,069.079	0.000	11.447	111.805	8.858	175.000	50.000	357.110
Strathclyde Partnership for Transport		23.131	23.131	23.131	0.000	0.000	0.000	0.000	0.000	23.131
Grand Total	711.969	380.241	1,092.210	23.131	11.447	111.805	8.858	175.000	50.000	380.241

TOTAL LOCAL GOVERNMENT FUNDING SETTLEMENT 2020-21

ANNEX L

Local Authority	Ring-Fenced Grants	Non Domestic Rates	General Revenue Funding	Total 2019-20 Revenue	General Capital Grant	Specific Grant	Total 2020-21 Capital	2020-21 Local Government Finance Settlement
	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	29.698	245.563	85.962	361.223	18.654	6.374	25.028	386.251
Aberdeenshire	31.324	119.652	304.657	455.633	26.439	7.329	33.768	489.401
Angus	12.747	26.537	178.849	218.133	11.926	2.391	14.317	232.450
Argyll & Bute	10.768	34.776	160.588	206.132	8.877	1.842	10.719	216.851
Clackmannanshire	6.765	16.067	79.290	102.122	4.362	1.384	5.746	107.868
Dumfries & Galloway	15.680	53.259	235.006	303.945	14.666	2.444	17.110	321.055
Dundee City	22.978	49.119	245.322	317.419	14.449	2.944	17.393	334.812
East Ayrshire	17.471	26.362	203.906	247.739	9.037	5.900	14.937	262.676
East Dunbartonshire	12.100	22.759	165.316	200.175	7.392	2.178	9.570	209.745
East Lothian	13.474	27.293	146.639	187.406	8.870	4.074	12.944	200.350
East Renfrewshire	7.791	14.877	166.747	189.415	5.646	3.356	9.002	198.417
Edinburgh, City of	56.996	356.843	378.307	792.146	38.225	38.801	77.026	869.172
Eilean Siar	4.348	8.307	86.426	99.081	6.396	0.844	7.240	106.321
Falkirk	22.986	69.123	213.391	305.500	13.017	4.263	17.280	322.780
Fife	47.384	166.844	481.679	695.907	25.033	9.024	34.057	729.964
Glasgow City	88.175	356.130	878.218	1,322.523	51.044	78.739	129.783	1,452.306
Highland	30.718	137.851	319.946	488.515	24.999	8.787	33.786	522.301
Inverclyde	11.524	19.593	145.060	176.177	6.174	1.628	7.802	183.979
Midlothian	15.140	29.254	132.923	177.317	7.080	4.450	11.530	188.847
Moray	11.934	43.324	116.694	171.952	8.214	2.057	10.271	182.223
North Ayrshire	19.565	37.364	237.234	294.163	27.565	4.445	32.010	326.173
North Lanarkshire	47.369	106.580	513.095	667.044	23.197	7.914	31.111	698.155
Orkney	8.005	10.483	59.028	77.516	5.061	0.636	5.697	83.213
Perth & Kinross	15.499	56.569	196.303	268.371	11.970	4.048	16.018	284.389
Renfrewshire	26.453	110.286	202.044	338.783	12.045	3.892	15.937	354.720
Scottish Borders	13.907	34.931	173.123	221.961	11.623	1.989	13.612	235.573
Shetland	8.194	25.662	55.361	89.217	5.204	0.938	6.142	95.359
South Ayrshire	12.372	42.718	160.294	215.384	8.610	4.185	12.795	228.179
South Lanarkshire	40.141	337.810	226.746	604.697	21.224	5.921	27.145	631.842
Stirling	13.029	42.754	125.995	181.778	7.795	1.955	9.750	191.528
West Dunbartonshire	13.130	83.583	104.609	201.322	11.599	1.546	13.145	214.467
West Lothian	21.071	77.727	242.467	341.265	11.544	3.599	15.143	356.408
Undistributed	0.014	0.000	52.837	52.851	0.000	50.000	50.000	102.851
Strathclyde Passenger Transport	0.000	0.000	0.000	0.000	0.000	15.327	15.327	15.327
Scotland	708.750	2,790.000	7,074.063	10,572.813	467.937	295.204	763.141	11,335.954

Directorate for Health Finance and Governance
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Chief Executives, Local Authorities
Chief Executives, NHS Boards
Chief Officers, Integration Authorities

Copy to: Directors of Finance, Local Authorities
Directors of Finance, NHS Boards
Chief Finance Officers, Integration Authorities

Issued via email

28 February 2020

Dear Colleagues

Budget 2020-21

The Scottish Government's Budget for 2020-21, which was announced in Parliament on 6 February by the Minister for Public Finance and Digital Economy, confirmed that the Health Portfolio will transfer a further £100 million to Local Authorities for investment in social care and integration, and for continued support for school counselling services. This will take the total funding transferred from the health portfolio to £811 million in 2020-21.

The distribution of the additional £100 million for Local Authorities is set out in the **Annex**, and includes a contribution to continued delivery of the Living Wage (£25 million), uprating of free personal and nursing care payments (£2.2 million), implementation of the Carers Act in line with the Financial Memorandum of the Carers Bill (£11.6 million), along with further support for school counselling services whether or not delegated under the Public Bodies (Joint Working) (Scotland) Act 2014 (£4 million).

The funding allocated to Integration Authorities should be additional and not substitutional to each Council's 2019-20 recurring budgets for social care services that are delegated. Similarly, the £4 million for school counselling services must be additional. This means that, when taken together, Local Authority social care budgets for allocation to Integration Authorities and funding for school counselling services must be £100 million greater than 2019-20 recurring budgets.

Similar to last year, flexibility will be available to Local Authorities to offset their adult social care allocations to Integration Authorities by up to 2% and a maximum of £50 million in 2020-21 based on local needs.

The Scottish Government and COSLA have agreed joint work to support ongoing local plans to manage the deficit position with a small number of Integration Joint Boards (IJBs) and their partner Health Boards and Local Authorities. The aim of this support is to ensure that structural deficits in funding do not impact on the operational budgets of IJBs, giving them the time and space to redesign and reform services to deliver within agreed budget parameters.

Finally, the Scottish Government and COSLA have agreed joint political oversight to drive improved performance in health and social care through a combination of enhanced joint accountability and a streamlined improvement and development offer for IJBs. This will be achieved by working with Local

Government and NHS Boards to agree a shared national and local approach to accountability for delivery. This will take account of standards, data and measures and we have agreed to work together to develop a small number of deliverable outcomes to help ensure Integration Authorities use their total resources to focus on delivery of key areas for improvement, including reducing delays in care. This work will be progressed quickly using normal mechanisms and we will keep you informed of progress.

Yours sincerely

RICHARD MCCALLUM

Interim

ELINOR MITCHELL

Annex

Allocation of £100m from Health and Social Care Budget	
	Total (£m)
Aberdeen City	3.51
Aberdeenshire	3.99
Angus	2.29
Argyll and Bute	1.74
Clackmannanshire	0.87
Dumfries and Galloway	3.14
Dundee City	2.77
East Ayrshire	2.26
East Dunbartonshire	1.93
East Lothian	1.80
East Renfrewshire	1.63
Edinburgh, City of	8.28
Eilean Siar	0.62
Falkirk	2.75
Fife	6.62
Glasgow City	10.98
Highland	4.24
Inverclyde	1.63
Midlothian	1.45
Moray	1.80
North Ayrshire	2.70
North Lanarkshire	5.69
Orkney	0.43
Perth and Kinross	2.96
Renfrewshire	3.20
Scottish Borders	2.24
Shetland	0.36
South Ayrshire	2.41
South Lanarkshire	5.75
Stirling	1.57
West Dunbartonshire	1.63
West Lothian	2.77
SCOTLAND	96.00
School Counselling (to Education)	4.00
Total	100.00

Appendix 4

BUDGET SUMMARY STATEMENT 2020/21

	<u>Budget</u>	
	£m	
Adult Social Work Services	91.430	
NHS Forth Valley - Set Aside	28.361	
NHS Forth Valley - Operational & Universal	112.491	
Partnership Funding Spend	3.744	
Sub - Total	236.026	
NET EXPENDITURE	236.026	
<u>Funded By :</u>		
Falkirk Council Contribution	66.218	
Falkirk Council Pass Through of SG Funding	2.747	
NHS Forth Valley Contribution	137.879	
Integration Funding (via Health Boards)	10.055	
Resource Transfer (via Health Boards)	11.775	
Partnership Funding (via Health Boards)	3.744	
NET INCOME	232.418	
<u>Funding Gap:</u>		
Adult Social Work Services	(0.635)	
NHS Forth Valley - Operational & Universal	(1.262)	
	(1.897)	
NHS Forth Valley - Set Aside	(1.711)	
TOTAL SAVINGS TO BE IDENTIFIED	(3.608)	Note 1

Notes

- 1 These figures include identified savings.
- 2 The figures in this appendix are shown as in previous finance reports. However, the budget information in the report is shown as presented by the Partners. For example in this appendix ASW spend includes resource transfer and integration funding which is passed through from NHS to Council. The budget report shows this as NHS spend as this is the presentation used by Partners in their budget information.

This presentational difference has no impact on the Partners or overall budget position.

Appendix 5: Partnership Savings Proposals

Ref	Saving Description	Savings Amount £m	Risk	Equality & Poverty Impact Assessment	Notes
	Review of existing care packages: Younger Adults	0.500	Amber	Low	
	Review of existing care packages: Low Level Supports for Older Adults	0.250	Amber	Low	
	Review of external home care packages	0.200	Amber	Low	
	Review of residential provision; links to Thornton Gardens	0.300	Amber	Low	
	Shifting the balance of bed based care within Adult Social Work (residential care budget)	0.500	Amber	Low	
	Day Care Review – Older Adults	0.150	Amber	Low	
	Home Care Review	-	Amber	Low	No saving has been included in this work as any improvements in efficiency will, at this stage, be reinvested in improvements to services delivered in the community.
	Inflationary Uplift to Charging	0.300	Green	Low	
	TOTAL	2.200			

Proposed: Funding for External Organisations 2020/21

	2019/20	Proposed		
		2020/21	2021/22	2022/23
Alzheimer Scotland	180,261	59,503	61,288	63,127
Forth Valley Sensory Centre	60,135	61,939	63,797	65,711
FDAMH	205,777	211,950	218,309	224,858
Independent Living Association	40,124	40,968	41,837	42,732
Clackmannanshire & Falkirk Carers Centre	141,898	146,155	150,540	155,056
Falkirk, Grangemouth & Bo'ness, Denny & Dunipace Citizens Advice Bureaux	28,872	29,738	30,630	31,549
Forth Valley Rape Crisis	20,000	20,600	21,218	21,855
Aberlour	62,000	63,860		
Total	739,067	634,713	587,619	604,887

1. 3% Uplift has been applied to financial allocations (not in-kind support)
2. £40,124 Independent Living Association includes £12,000 in-kind support
3. Alzheimer Scotland - 19/20 included Day Care. Change to payment process requirements means service will no longer be block/grant funded
4. Services for Survivors funding has been included within FDAMH and Aberlour figures. This allocation was previously allocated via QQ, however will continue within JWA under FPP arrangements.

PUBLIC BODIES (JOINT WORKING) (SCOTLAND) ACT 2014

DIRECTION TO FALKIRK COUNCIL

Direction for Financial Year 2020/21

1. The Integration Joint Board has the authority to make decisions in respect of services commissioned from Falkirk Council ("the Council"). The Integration Joint Board directs the Council in terms of section 26 of the Public Bodies (Joint Working) (Scotland) Act 2014 to carry out each of the functions listed in Annex 2 of the Integration Scheme ("the functions"), subject to the following conditions:-
 - (a) the functions will be carried out consistent with the existing policies of the Council and any relevant decisions of the Council in relation to its revenue budget;
 - (b) the functions will be carried out in a manner consistent with the strategic plan; and
 - (c) no material change will be made to policies (for example eligibility criteria) or service provision (for example Discharge to Assess services) within the functions (with the exception of the function under section 24 of the Local Government and Planning (Scotland) Act 1982) unless agreed by the IJB.
 - (d) any material change to policies or service provision as outlined in (c) must be initiated and discussed through the Leadership Group (agreed by the IJB on 7 October 2016)
2. The IJB will make a payment to the Council of £91.430m to carry out the functions.
3. This direction will remain in force until revoked in full or part by the IJB.

Falkirk Integration Joint Board
20 March 2020

PUBLIC BODIES (JOINT WORKING) (SCOTLAND) ACT 2014

DIRECTION TO FORTH VALLEY HEALTH BOARD

Direction for Financial Year 2020/21

1. The Integration Joint Board has the authority to make decisions in respect of services commissioned from Forth Valley Health Board ("the Health Board"). The Integration Joint Board directs the Health Board in terms of section 26 of the Public Bodies (Joint Working) (Scotland) Act 2014 to carry out each of the functions listed in Annex 1 of the Integration Scheme ("the functions"), subject to the following conditions:-
 - (a) the functions will be carried out consistent with the existing policies of the Health Board and any relevant decisions of the Health Board in relation to its revenue budget;
 - (b) the functions will be carried out in a manner consistent with the strategic plan; and
 - (c) no material change will be made to policies (for example reablement strategies) or service provision (for example patient pathways) within the functions unless agreed by the IJB.
 - (d) any material change to policies or service provision as outlined in (c) must be initiated and discussed through the Leadership Group (agreed by the IJB on 7 October 2016)
2. The IJB will make a payment to the Health Board of £112.491m to carry out the functions in respect of operational and universal services. The Health Board will make use of the sum of £28.361m set aside in relation to Large Hospital Services.
3. The Health Board will pass through £10.055m of Integration Funding to Falkirk Council in line with Scottish Government allocations. A further £11.775m will be passed to Falkirk Council in respect of resource transfer funding. £3.744m of funding for the Integrated Care Fund and Delayed Discharge will be allocated in line with the agreed Partnership Funding governance process.
4. This direction will remain in force until revoked in full or part by the IJB.