

## EAST RENFREWSHIRE COUNCIL

9 February 2017

Report by Head of Accountancy (Chief Financial Officer)

### LATE AMENDMENTS TO LOCAL GOVERNMENT SETTLEMENT 2017/18

#### **PURPOSE OF REPORT**

1. The purpose of this report is to advise Council of significant late amendments to the local government settlement for 2017/18.

#### **RECOMMENDATIONS**

2. The Council is invited to:-
- i. note the revised position; and
  - ii. take this into consideration in finalising budgets for 2017/18.

#### **REPORT**

3. On 2 February 2017 late amendments to the provisional local government settlement for 2017/18 were published. These increase the previously notified government revenue grant by £2.546m and the capital grant by £0.451m for 2017/18. Clarification is being sought on whether these increases are one-off or recurring.

4. On a like for like basis, the revised revenue settlement represents a cash reduction of some £3.77m (2.2%) against the current year.

5. The revenue increase reduces the Council's overall revenue budget shortfall from £9.762m to £7.216m. Applying this to the revenue budget proposals elsewhere on this agenda would reduce the utilisation of reserves from £2.803m to £0.257m.

6. The capital increase reduces the shortfall in the first three years of the Council's 8 year General Fund capital plan from £1.071m to £0.620m. Applying this to the capital budget proposals elsewhere on this agenda would reduce the requirement for borrowing in 2017/18 from £7.0m to £6.55m.

#### **CONCLUSION**

7. The late adjustment to the local government settlement reduces some of the pressures on the Council's revenue and capital budgets.

#### **RECOMMENDATIONS**

8. The Council is invited to:-
- i. note the revised position; and
  - ii. take this into consideration in finalising budgets for 2017/18.

Further information is available from:

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**KEY WORDS**

Local government settlement, late adjustments, revenue budget, capital plan, 2017/18.