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Local Government Finance Circular No. 12/2020

Chief Executives and Directors of Finance of
Scottish Local Authorities

Chief Executive, Convention of Scottish Local
Authorities (COSLA)

Our ref: A28430467
24 June 2020

Dear Chief Executive/Director of Finance

LOCAL GOVERNMENT FINANCE (CORONAVIRUS) (SCOTLAND) AMENDMENT ORDER 2020 – COVID-19 REDETERMINATIONS FOR 2020-21

1. The Scottish Parliament debated and approved the Local Government Finance (Coronavirus) (Scotland) (Amendment Order 2020 on 23 June 2020. This Order provides the statutory authority to pay the additional General Revenue Grant (GRG) for 2020-21 to support local government's response to the COVID-19 pandemic.
2. This Circular provides a summary of the 2020-21 figures which have been updated from those contained in Local Government Finance Circular No. 4/2020.
3. The additional COVID-19 related funding for 2020-21 approved by Parliament on 23 June includes:
 - £155 million UK Government Consequentials;
 - £50 million Hardship Fund;
 - £22 million Scottish Welfare Fund top up;
 - £15 million Food Fund for Free School Meals and £15 million of the Food Fund; and
 - £0.6 million to enable death registration service to work weekends and bank holidays.
4. Local Authorities will also receive their share of a further £51 million that will be allocated following agreement on the distribution methodologies with the Convention of Scottish Local Authorities (COSLA), including:
 - £23 million Scottish Welfare Fund top up;
 - £0.4 million Community Justice Co-Ordinators; and
 - £27.6 million specific grant to extend Free School Meals and continue support for wider groups at risk until the end of September
5. Local authorities will also benefit from a share of the £50 million available for a Council Tax Reduction Scheme and Social Security Benefits top up, £30 million to assist with digital inclusion for children and young people and £100 million over the next 2 years to support the return to school. Further details will be provided once final decisions have been taken.

6. The various Annexes included in this Circular are as follows:

- Annex A: All Scotland Aggregated Funding Totals 2020-21;
- Annex B: Adjusted Individual Revenue Allocations for 2020-21;
- Annex C: Redeterminations of Individual Revenue funding relating to COVID-19;
- Annex D: Total Local Government Funding Settlement for 2020-21.

7. This Finance Circular sets out the distribution of the adjusted approved revenue funding allocations for 2020-21. **Annex A** of this Circular sets out the all-Scotland aggregate totals for 2020-21.

8. **Annex B** 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 estimated Ring-Fenced Revenue Grants) for each council for 2020-21. 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.

9. **Annex C** sets out the COVID-19 related Redeterminations that have been approved since the last circular was issued (4/2020).

10. **Annex D** summarises the Local Government Finance Settlement for 2020-21.

Non-Domestic Rates for 2020-21

11. The Distributable Amount of Non-Domestic Rates Income for 2020-21 remains unchanged from Local Government Finance Circular 4/2020 at £1,868.030 million. The figure set out in Local Government Finance Circular 4/2020 includes the non-domestic rates measures announced on 18 March 2020 as part of a package of support to support businesses impacted by COVID-19.

Enquiries relating to this Circular

12. 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:

██████████
██████████ [cosla.gov.uk](https://www.cosla.gov.uk)

Any other queries should be addressed to the following:

Local Government Revenue Settlement.
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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/collections/local-government-finance-circulars/>

Yours faithfully

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Deputy Director, Local Government & Analytical Services Division

	2020-21 £ million
Revenue Funding	
General Resource Grant	8,371.033
Non Domestic Rate Income	1,868.030
Specific Revenue Grants	737.350
Total Revenue	10,976.413
<i>less</i> Teachers' Induction Scheme	37.600
<i>less</i> Discretionary Housing Payments	11.949
<i>less</i> mental health officer shortfall	0.500
<i>less</i> Gaelic	0.014
<i>less</i> Barclay Implementation	0.378
<i>less</i> Customer First Top-up	1.410
<i>less</i> Stage 1 Budget Bill - Support for Ferries	0.046
<i>less</i> Community Justice Co-ordinators	0.400
<i>less</i> Scottish Welfare Fund Top Up	23.000
<i>less</i> Extension Free school Meals and Access to Food	27.600
Distributable Revenue Funding	10,873.516
Capital Funding	
General Capital Grant	467.937
Specific Capital Grants	294.877
Distributed to SPT	15.327
Total Capital	778.141
Total Funding	11,754.554
2020-21 RECONCILIATION FROM FINANCE CIRCULAR 4/2020	
General Resource Grant	8,090.033
Non Domestic Rate Income	1,868.030
Specific Revenue Grants	709.750
COVID-19 Additional Revenue Support	281.000
COVID-19 Additional Specific Grant	27.600
Revised Total Revenue	10,976.413
TOTAL SETTLEMENT FINANCE CIRCULAR 12/2020	11,754.554

Council Tax Reduction Scheme and Social Security Benefits 50.000
Local Authorities will get a share of the £50 million once it has been agreed.

ADJUSTED INDIVIDUAL REVENUE ALLOCATIONS FOR 2020-21

Annex B

£million	Expenditure					Funding						
	1	2	3	4	5	6	7	8	9	10	11	12
	Updated Service Provision	2008-21 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
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	426.864	7.175	19.356	4.104	466.128	92.923	29.712	164.415	179.078	373.205	0.000	373.205
Aberdeenshire	546.410	9.812	20.110	-4.905	582.832	111.237	31.314	80.112	360.169	471.595	0.000	471.595
Angus	249.910	4.440	11.864	-2.303	269.369	43.727	12.732	17.768	195.142	225.642	0.000	225.642
Argyll & Bute	219.556	3.655	9.589	15.399	252.612	39.424	11.710	23.284	178.194	213.188	0.000	213.188
Clackmannanshire	115.860	1.899	4.899	-0.228	124.900	19.424	6.765	10.757	87.954	105.476	0.000	105.476
Dumfries & Galloway	346.877	6.042	16.180	-3.241	373.411	59.097	15.684	35.659	262.971	314.314	0.000	314.314
Dundee City	350.217	5.671	10.101	1.485	375.148	47.386	23.007	32.888	271.867	327.762	0.000	327.762
East Ayrshire	279.772	4.651	10.492	-2.614	298.454	42.374	17.494	17.651	220.935	256.080	0.000	256.080
East Dunbartonshire	244.460	4.252	4.239	-0.453	257.467	50.351	12.093	15.238	179.785	207.116	0.000	207.116
East Lothian	226.994	3.939	3.942	-0.243	239.382	45.393	13.474	18.274	162.241	193.989	0.000	193.989
East Renfrewshire	221.557	4.029	9.308	-0.764	238.756	42.848	7.783	9.961	178.164	195.908	0.000	195.908
Edinburgh, City of	960.699	15.963	24.345	11.100	1,031.377	220.931	56.996	238.922	514.528	810.446	8.400	818.846
Eilean Siar	83.409	1.566	7.318	17.044	111.154	9.527	4.348	5.562	91.717	101.627	0.000	101.627
Falkirk	344.441	5.906	20.046	-3.102	374.733	59.070	22.958	46.281	246.424	315.663	0.000	315.663
Fife	802.304	13.910	32.471	-7.390	859.075	138.906	47.392	111.709	561.068	720.169	0.000	720.169
Glasgow City	1,428.246	22.844	100.918	-4.806	1,579.090	214.097	88.125	238.445	1,038.423	1,364.993	0.000	1,364.993
Highland	553.243	9.688	32.451	-5.254	601.820	97.121	30.701	92.297	381.701	504.699	0.000	504.699
Inverclyde	189.537	3.057	10.725	1.784	209.193	27.503	11.524	13.118	157.048	181.690	0.000	181.690
Midlothian	203.834	3.431	9.589	-1.790	219.291	36.145	15.145	19.587	148.414	183.146	0.000	183.146
Moray	197.171	3.482	8.774	-1.587	212.057	34.269	11.933	29.008	136.847	177.788	0.000	177.788
North Ayrshire	329.814	5.405	10.637	0.428	353.550	49.583	19.587	25.017	259.363	303.967	0.000	303.967
North Lanarkshire	772.913	12.988	10.540	-6.944	806.438	116.408	47.369	71.360	571.301	690.030	0.000	690.030
Orkney Islands	79.281	1.429	6.043	-0.502	87.835	8.069	8.005	7.019	64.742	79.766	0.000	79.766
Perth & Kinross	321.004	5.625	12.641	-2.841	343.127	65.424	15.515	37.876	224.312	277.703	0.000	277.703
Renfrewshire	400.468	6.662	8.254	-3.511	420.430	69.989	26.453	73.841	250.147	350.441	0.000	350.441
Scottish Borders	256.388	4.490	13.384	-2.266	277.458	47.965	13.888	23.388	192.217	229.493	0.000	229.493
Shetland Islands	84.185	1.586	7.765	4.634	99.913	8.210	8.199	17.182	66.322	91.703	0.000	91.703
South Ayrshire	253.376	4.300	9.494	-1.638	270.960	48.135	12.384	28.601	181.840	222.825	0.000	222.825
South Lanarkshire	708.103	12.160	10.630	3.349	749.814	123.887	40.140	226.179	359.608	625.927	0.000	625.927
Stirling	209.106	3.583	11.430	-1.890	226.529	38.774	13.039	28.626	146.090	187.755	0.000	187.755
West Dunbartonshire	226.370	3.594	3.851	2.588	241.237	33.400	13.138	55.963	138.736	207.837	0.000	207.837
West Lothian	392.746	6.885	13.047	-3.643	417.727	64.554	21.083	52.042	280.048	353.173	0.000	353.173
Scotland	12,025.115	204.119	484.433	0.000	12,971.267	2,106.151	709.690	1,868.030	8,287.396	10,865.116	8.400	10,873.516

Local Authority	Associated with COVID 19	Local Authority Hardship Fund	Scottish Welfare Fund Top Up	Food Fund	Registrars of Death
	£m	£m	£m	£m	£m
Aberdeen City	5.448	1.758	0.596	0.802	0.025
Aberdeenshire	7.452	2.404	0.497	1.023	0.029
Angus	3.372	1.088	0.383	0.602	0.013
Argyll & Bute	2.776	0.895	0.293	0.440	0.009
Clackmannanshire	1.444	0.465	0.243	0.312	0.006
Dumfries & Galloway	4.588	1.480	0.579	0.890	0.016
Dundee City	4.308	1.389	0.809	1.152	0.016
East Ayrshire	3.532	1.139	0.631	0.838	0.013
East Dunbartonshire	3.228	1.042	0.251	0.436	0.012
East Lothian	2.992	0.965	0.334	0.447	0.012
East Renfrewshire	3.06	0.987	0.221	0.348	0.010
Edinburgh, City of	12.121	3.910	1.531	1.651	0.057
Eilean Siar	1.189	0.384	0.094	0.147	0.003
Falkirk	4.484	1.447	0.615	0.878	0.018
Fife	10.564	3.407	1.514	2.254	0.041
Glasgow City	17.348	5.596	4.076	4.799	0.069
Highland	7.356	2.373	0.738	1.199	0.026
Inverclyde	2.32	0.749	0.447	0.565	0.009
Midlothian	2.605	0.840	0.326	0.446	0.010
Moray	2.644	0.853	0.261	0.448	0.011
North Ayrshire	4.104	1.324	0.785	1.038	0.015
North Lanarkshire	9.864	3.181	1.744	2.114	0.038
Orkney	1.084	0.350	0.049	0.099	0.002
Perth & Kinross	4.272	1.378	0.41	0.621	0.017
Renfrewshire	5.06	1.632	0.782	1.063	0.020
Scottish Borders	3.408	1.100	0.365	0.576	0.013
Shetland	1.204	0.388	0.044	0.104	0.003
South Ayrshire	3.264	1.053	0.474	0.625	0.012
South Lanarkshire	9.233	2.978	1.389	1.937	0.035
Stirling	2.72	0.878	0.275	0.417	0.010
West Dunbartonshire	2.728	0.880	0.532	0.684	0.010
West Lothian	5.228	1.687	0.712	1.045	0.020
Undistributed	0.000	0.000	0.000	0.000	0.000
Scotland	155.000	50.000	22.000	30.000	0.600

Note: There are sums that are currently **undistributed** at the time of this circular being published. They are;

1. Scottish Welfare Fund Top Up - £23.000 million;
2. Community Justice Co-Ordinators - £0.400 million;
3. A share of the Council Tax Reduction Scheme and Social Security Benefits - £50.000 million; and
4. Specific grant for Extending Free school Meals and food funding for wider groups at risk - £27.600 million

TOTAL LOCAL GOVERNMENT FUNDING SETTLEMENT FOR 2020-21

Annex D

Local Authority	Ring-Fenced Grants	Non Domestic Rates	General Revenue Funding	Total 2020-21 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	29.712	164.415	179.078	373.205	18.493	7.002	25.495	398.700
Aberdeenshire	31.314	80.112	360.169	471.595	26.305	8.050	34.355	505.950
Angus	12.732	17.768	195.142	225.642	12.442	2.711	15.153	240.795
Argyll & Bute	11.710	23.284	178.194	213.188	8.836	2.080	10.916	224.104
Clackmannanshire	6.765	10.757	87.954	105.476	4.328	1.526	5.854	111.330
Dumfries & Galloway	15.684	35.659	262.971	314.314	14.565	2.854	17.419	331.733
Dundee City	23.007	32.888	271.867	327.762	14.894	3.354	18.248	346.010
East Ayrshire	17.494	17.651	220.935	256.080	8.956	6.236	15.192	271.272
East Dunbartonshire	12.093	15.238	179.785	207.116	7.458	2.477	9.935	217.051
East Lothian	13.474	18.274	162.241	193.989	8.840	4.366	13.206	207.195
East Renfrewshire	7.783	9.961	178.164	195.908	5.639	3.619	9.258	205.166
Edinburgh, City of	56.996	238.922	522.928	818.846	38.129	40.231	78.360	897.206
Eilean Siar	4.348	5.562	91.717	101.627	6.421	0.918	7.339	108.966
Falkirk	22.958	46.281	246.424	315.663	13.029	4.705	17.734	333.397
Fife	47.392	111.709	561.068	720.169	24.784	10.050	34.834	755.003
Glasgow City	88.125	238.445	1,038.423	1,364.993	50.737	80.467	131.204	1,496.197
Highland	30.701	92.297	381.701	504.699	24.967	9.437	34.404	539.103
Inverclyde	11.524	13.118	157.048	181.690	6.470	1.844	8.314	190.004
Midlothian	15.145	19.587	148.414	183.146	7.144	4.702	11.846	194.992
Moray	11.933	29.008	136.847	177.788	8.186	2.321	10.507	188.295
North Ayrshire	19.587	25.017	259.363	303.967	27.521	4.818	32.339	336.306
North Lanarkshire	47.369	71.360	571.301	690.030	23.165	8.852	32.017	722.047
Orkney	8.005	7.019	64.742	79.766	5.046	0.697	5.743	85.509
Perth & Kinross	15.515	37.876	224.312	277.703	11.866	4.465	16.331	294.034
Renfrewshire	26.453	73.841	250.147	350.441	12.072	4.382	16.454	366.895
Scottish Borders	13.888	23.388	192.217	229.493	11.545	2.307	13.852	243.345
Shetland	8.199	17.182	66.322	91.703	5.199	1.001	6.200	97.903
South Ayrshire	12.384	28.601	181.840	222.825	8.569	4.496	13.065	235.890
South Lanarkshire	40.140	226.179	359.608	625.927	21.373	6.801	28.174	654.101
Stirling	13.039	28.626	146.090	187.755	7.777	2.215	9.992	197.747
West Dunbartonshire	13.138	55.963	138.736	207.837	11.659	1.792	13.451	221.288
West Lothian	21.083	52.042	280.048	353.173	11.522	4.101	15.623	368.796
Undistributed	27.660	0.000	75.237	102.897	0.000	50.000	50.000	152.897
Strathclyde Passenger Transport	0.000	0.000	0.000	0.000	0.000	15.327	15.327	15.327
Scotland	737.350	1,868.030	8,371.033	10,976.413	467.937	310.204	778.141	11,754.554