



SCOTTISH EXECUTIVE

Finance and Central Services Department
Local Government Finance Division

Victoria Quay
Edinburgh EH6 6QQ

Finance Circular No. 5/2006

Chief Executives of Scottish Local Authorities
The Chief Executive, Convention of
Scottish Local Authorities

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Our ref: B686969

20 July 2006

Dear Chief Executive

LOCAL GOVERNMENT FINANCE - REVENUE AND CAPITAL GRANTS

1. This Circular provides details of the revenue and capital grants which have or will be provided by the Scottish Executive to local government over the years 2005-06 to 2007-08. It represents an update of the information contained at Annex I of Circular 8 of 2005. Once again, a local authority level breakdown of these grants (where that information is available) can be viewed electronically at: <http://www.scotland.gov.uk/Topics/Government/local-government/17999/11203>

2. The updated overall funding position for the period covered by Spending Review 2004 is summarised in the table below:

	2005-06 £m	2006-07 £m	2007-08 £m
Revenue Grant Outwith AEF from Portfolios	1,138	1,036	968
Capital Grants from Portfolios	500	574	427
Supported Borrowing	300	298	305
Total Excluding AEF	1,938	1,908	1,700
AEF	8,087	8,314	8,554
Total	10,025	10,222	10,254

3. The AEF and Supported Borrowing totals and individual allocations were first provided in Finance Circular No 8/2004 and were most recently updated in Finance Circulars No 8/2005 and No 1/2006. The information contained in this circular provides details of the additional revenue and capital grant support provided outwith the core settlement.

Revenue Grants

4. The table above shows that local government have received or will receive over £1 billion of revenue and capital grants outwith the core local government settlements in each year, over the years 2005-06 to 2007-08 in support of specific policy initiatives.

5. A breakdown of all the funding streams that make up these totals for 2005-06 to 2007-08 is set out at Annex A.

Capital Grants

6. Certain services, which were formerly supported by specific consent allocations, are now supported, together with some new ones, by capital grants. Authorities are free to supplement these grants with borrowing under the prudential regime if they so wish.

7. The arrangements for local authorities to receive these capital grants, as listed in Annex B, have been, or will be, notified to authorities by each of the relevant Scottish Executive divisions which administer the grants.

8. The table at Annex B shows the capital grants for 2005-06 to 2007-08.

9. Capital expenditure by authorities, the sources from which it derives, and future forecasts of expenditure, will continue to be monitored through the Capital Payment Returns in order to feed into national data collection by HM Treasury.

Contacts

10. A separate copy of this Circular has been sent by e-mail to your Director of Finance and to Brenda Campbell at COSLA. Enquiries about individual grants should be addressed to the main contact point listed in each of the two Annexes.

Yours sincerely

Graham Owenson

Graham Owenson
Local Government Finance

Revenue					Notes
	2005-06	2006-07	2007-08	Scottish Executive Contact	
	£m	£m	£m		
EDUCATION					
A Curriculum for Excellence	2.80	2.80	tbc	Alison Kerr (0131) 244 0928	
Early Years and Childcare Workforce Development Fund	6.00	6.00	6.00	Steven Bell (0131) 244 7657	
Changing Children's Services Grant	65.50	50.50	30.50	Jim Stephen (0131) 244 0977	£15m transferred to the core settlement in 2006-07, a further £20m included in the core settlement in 2007-08
School Science Education	2.00	0.00	0.00	Frank Creamer (0131) 244 41497	This was a 3 year grant that ended in 2005-06
Modern Languages Fund	4.00	3.90	tbc	Julie McCallum (0131) 244 7015	
Additional Funding for Foster Care	2.73	6.13	3.14	Margaret Rooney (0131) 244 5480	
Education Attainment Pilots	1.13	2.55	2.03	Graham McCann (0131) 244 1425	
Assessment is for Learning (AifL) Core Grant	1.50	0.50	0.00	Alison Walsh (0131) 244 0418	
Assessment is for Learning Associated Schools Group (ASG) Grant	1.00	1.00	1.00	Alison Walsh (0131) 244 0418	

Youth Justice & Children's Hearings (Legal Representations)(Scotland) Grant Scheme	0.15	0.30	0.30	Gordon Watt (0131) 244 3545	
Job Sizing Funding	7.47	0.00	0.00	Stephanie Walsh (0131) 244 0230	For 2006-07 and beyond, the money will be distributed via the National Priorities Action Fund.
Student Placement Scheme	1.93	1.89	1.89	Peter Allan (0131) 244 0981	
Teachers Induction Scheme	18.34	30.50	37.60	John Gunstone (0131) 244 0998	
School Estate/PPP	5.20	tbc	tbc	Graeme Stuart (0131) 244 0944	Payments to authorities are dependent on progress of PPP project procurements so it is difficult to predict allocations for future years
ScotXed Development Work	0.04	0.25	tbc	Raymond Buckley (0131) 244 0233	Current year figure is best estimate. Future allocations will depend on take-up in the current year.
DEVELOPMENT					
Houses of Multiple Occupancy(HMO)	1.00	0.00	0.00	Roger Harris (0131) 244 7952	
Private Landlord Registration	1.25	1.98	1.98	Roger Harris (0131) 244 7952	
Supporting People	419.52	399.19	400.90	Norrie Murray (0131) 244 0380	
Community Voices Programme (on behalf of Community Planning Partnerships)	3.12	3.45	3.27	Alasdair McKinlay (0131) 479 5257	Paid from Community Scotland

Domestic Abuse Service Development Fund	1.03	0.00	0.00	Jillian Gilchrist (0131) 244 4531	
Violence Against Women Service Development Fund	0.22	0.00	0.00	Jillian Gilchrist (0131) 244 4531	
Violence Against Women Fund	0.00	1.03	1.07	Jillian Gilchrist (0131) 244 4531	
Money Advice CSOs DAS	2.00	2.00	2.00	Catriona Mckay (0131) 244 0615	
CTOG fund - Financial inclusion	5.30	5.30	0.00	Catriona Mckay (0131) 244 0615	
Money advice general	3.00	3.00	3.00	Catriona Mckay (0131) 244 0615	£1.9m of this money comes from Justice Department
Working for Families	10.00	15.00	15.00	Margaret Barbier (0131) 244 0809	
Transfer for the Management of Development Funding (TMDF)	1.12	1.12	1.12	Alistair Dickson (0131) 479 5222	There is also a capital element of this grant separately listed
Common Housing Register	0.88	0.94	0.00	Ian Hathaway (0131) 479 5338	Programme formally ended in 2005-06 - £939k is underspend carried forward into 2006-07.
Community Ownership Programme (Support costs)	7.41	9.40	0.00	Alistair Dickson (0131) 479 5223	
Hostels Grant	5.03	5.19	0.00	John Ritchie (0131) 244 5568	
Housing Support Grant	4.90	4.50	0.00	John Ritchie (0131) 244 5568	HSG projected to reduce when Eilean Siar transfers houses during 2006

Community Regeneration Fund	104.52	106.12	107.44	Thomas Glen (0131) 479 5325	
Homelessness Task Force	20.00	20.50	21.00	Ian Hathaway (0131) 479 5338	
Furniture Grant	3.15	3.00	3.00	Ian Hathaway (0131) 479 5338	
Glasgow Hostels Decommissioning	15.00	15.00	15.00	Ian Hathaway (0131) 479 5338	
HEALTH					
Delayed Discharges	29.00	29.00	29.00	Shaun Eales (0131) 244 5430	The distribution method employed here means that the grant is allocated through NHS Boards for use by local authorities and NHS partners.
ERAD					
Hazardous Household WEEE	N/A	1.24	N/A	John Convery (0131) 244 0100	One off payment
Antisocial Behaviour Neighbour Noise Grant Scheme	3.07	5.28	5.32	Susan Gilroy (0131) 244 7747	Grant contains a mixture of Capital and Revenue.
Strategic Waste Fund	91.86	69.84	52.25	Gordon Jackson (0131) 244 7660	Grant contains a mixture of Capital and Revenue.
Child Pedestrian Pilot Training scheme	0.20	0.10	0.00	Ann Whatcott (0131) 244 0837	
FCSD					
Modernising Government Fund	13.76	N/A	N/A	Anna Johnston (0131) 244 0532	From 01 April 2006 this fund merged with the Efficient Government Fund to become the Efficiency & Reform Fund

Efficiency and Reform Fund	N/A	25.48	26.27	Anna Johnston (0131) 244 0532	Total budget available 2006-07 and 2007-08. Final allocations will be made following assessment of applications to fund. Contains the following capital allocation 06-07 - 10.25m, 07-08 - 10.506m
Bellwin Scheme	1.03	0.01	0.00	Irene Little (0131) 244 7004	Grant is demand led so future allocations are not known. 2006-07 figure shows payments made as at June 2006
ETLLD					
Education Maintenance Allowance (EMA) programme	22.43	N/A	N/A	John Paul Liddle (0141) 242 0134	This money will be paid to Schools and Further Education colleges. EMAs are HM Treasury funded. Unable to provide information for future years as programme is demand led
Scottish Enterprise	17.58	13.41	2.27	Anne Buchanan (0141) 242 5668	This is a mixture of capital and revenue grants. These figures include: repayable & non-repayable grants and Scottish Enterprise Network contributions towards partnership projects.
Highlands and Islands Enterprise (rev)	0.39	0.40	1.26	Anne Buchanan (0141) 242 5668	
School Travel Co-ordinators	1.00	1.03	1.05	Karen Furey (0131) 244 4074	
R.T.P Travel plan officers	0.00	0.50	0.50	David Keenan (0131) 244 7960)	

Stepchange	0.11	0.00	0.00	David Keenan (0131) 244 7960	
European Social Fund (ESF)	10.66	10.18	10.81	Graeme Watson (0141) 242 5479	
European Regional Development Fund (ERDF)	34.27	23.34	29.22	Graeme Watson (0141) 242 5479	
Rural Public Passenger Transport Grant	6.10	6.30	6.40	Graeme Watson (0141) 242 5479	
Rural Demand Responsive Transport	0.39	1.00	1.00	George Davidson (0131) 244 7983	From 2006-2007 funding for Rural Demand Responsive Transport and Urban Community Transport has been combined.
Urban Community Transport	0.50	0.00	0.00	George Davidson (0131) 244 7983	From 2006-2007 funding for Rural Demand Responsive Transport and Urban Community Transport has been combined.
Bus Route Development Grant	6.40	6.03	2.82	Tom Macdonald (0131) 244 1502	
Determined To Succeed	17.87	19.38	19.60	Michael Cross (0141) 242 0107	The totals include £1.5m of supplementary funding that shall be available to authorities in 2006- 07 and 2007-08 via a bidding process.
Concessionary Travel	45.00	0.00	0.00	Tom Macdonald(01 31) 244 1502	The total here includes payments made for previous years
JUSTICE					
Criminal Justice Social Work Services	78.17	86.45	86.45	Henry Snedden (0131) 244 3511	The revenue costs contain a small element of capital funding

Community Safety Partnership Funding	3.60	3.60	3.60	Helen McAfee (0131) 244 4919	
Antisocial Behaviour Funding	26.22	30.83	33.16	Helen McAfee (0131) 244 4919	
TOTAL	1137.83	1036.41	968.22		



Capital					
	2005-06	2006-07	2007-08	Scottish Executive Contact	Notes
	£m	£m	£m		
ERAD					
Air quality monitoring	0.71	0.69	0.30	Andrew Taylor (0131) 244 7813	The amounts paid out to local authorities were greater than the total grant fund as money was transferred in from another budget during the year.
Contaminated Land Grants	7.42	6.71	10.00	Bob Cuthbertson (0131) 244 0394	Funding for 2006-07 includes resources not fully utilised in 2005-06. Indicative grant of £5m announced for 2007-08. £5m top sliced for specific remediation projects (subject to bidding process).
Flood Prevention and Coast Protection Grants	7.97	33.00	42.00	Stan Irvine (0131) 244 0220	
JUSTICE					
Police Capital Grant	31.40	31.40	31.40	Ann Tocher (0131) 244 2148	
Fire Capital Grant	23.60	24.60	24.60	Neil MacLennan (0131) 244 5339	This money is paid directly to the Fire and Rescue Services so a local authority level breakdown is not available
ETLLD					
20 mph speed limits around schools and home zones	11.00	11.30	11.60	Ann Whatcott (0131) 244 0837)	
Cycling, Walking and Safer Streets	8.65	8.87	9.09	Karen Furey (0131) 244 7074)	

Local Roads	3.43	1.65	2.05	Iain Gardiner (0131) 244 0838	This is a mixture of three separate Sect. 70 roads grants, elements of which are demand led therefore future years show total allocations available
Regional Transport Partnership Capital Grant	11.00	46.60	46.30	Ian Kernohan (0141) 244 0840	
Highlands and Islands Enterprise (cap)	0.79	1.84	0.23	Anne Buchanan (0141) 242 5668	
Public Transport Fund	25.50	30.46	2.35	Alasdair Robertson (0131) 244 0849	These totals do not include allocations to SPT
Piers and Harbours Grant	1.83	7.48	3.78	David Todd (0131) 244 1679	From 2006-07 grant covers local authorities, independent harbour trusts and CalMac. Totals will be split between the three. Difficult to determine what local authorities will get in future years because all grant awards will be based on a priority basis.
EDUCATION					
Schools Fund	96.70	101.35	106.05	Harry McWilliams(0 131) 244 0943	
DEVELOPMENT DEPARTMENT					
Private Sector Housing Grant	80.30	68.45	65.92	Ian Hathaway (0131) 479 5338	
Vacant & Derelict Land Fund	12.00	12.10	12.20	Ellen Searle (0131) 244 0516	The funding stream was reclassified from revenue to capital from 2005-06 onwards.

Community Ownership Programme-Early Action Fund	32.59	33.60	0.00	Alistair Dickson (0131) 479 5222	Some of this funding, although allocated at a local authority level, is spent directly via Registered Social Landlords and some on demolition of houses.
Assistance to owners affected by Glasgow stock transfer	4.70	17.00	17.00	Douglas Hamilton (0131) 244 5588	Figures for 2006-08 are estimates of provision required.
Transfer for the Management of Development Funding (TMDF)	103.02	86.00	0.00	Alistair Dickson (0131) 479 5222	There is also a revenue element of this grant separately listed. Ministers yet to announce approved programme for 2007-08.
Housing Estate Regeneration Fund	0.00	5.60	0.00	Alistair Dickson (0131) 479 5222	Ministers yet to announce approved programme for 2007-08.
FCSD					
Cities Growth Fund	32.35	45.00	42.03	Laura Sexton (0131) 244 7047	£68.525m is available in 2006-07 which includes £27.525m carried forward from 2003-06 funding round. At this stage (end of June 2006) estimated outturn for 2006-07 is around £45m.
HEALTH					
Equipment and Adaptions	5.00	N/A	N/A	Susan Buckle (0131) 244 4020	One off payment
TOTAL	499.95	573.71	426.89		