

Scottish Local Government Financial Statistics 2013-14

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EXECUTIVE SUMMARY

Police Scotland and the Scottish Fire and Rescue Service replaced the former Police and Fire Boards. These new bodies are classified as central government, so are no longer included in figures on local government in 2013-14. Where possible, estimates have been produced that exclude expenditure on Police and Fire for 2012-13 and earlier, so that comparisons over time can be made.

Due to the way that Police and Fire Boards were funded, it is not possible to exclude all Police and Fire income from previous years. As such, for many of the income sections, figures from 2013-14 are not strictly comparable with figures from earlier years and comparisons should be made with care.

Revenue Expenditure and Income

Gross revenue expenditure on services was £15.3 billion in 2013-14 (up 1.8% on 2012-13, excluding police and fire). Of this £0.83 billion of expenditure relates to the provision of housing through the Housing Revenue Account (HRA).

Net revenue expenditure on services was £10.5 billion in 2013-14 (up 1.9% on 2012-13 excluding police and fire). The highest spending service in the General Fund is education which had net expenditure of £4.6 billion (44% of net expenditure). Social Work is the next largest service with net expenditure of £3.0 billion (29% of net expenditure).

Financing costs (interest and debt repayment net of investment income and any surplus or deficit on external trading) increases total net revenue expenditure to £11.68 billion in 2013-14, an increase of 1.6% on 2012-13 (excluding police and fire).

Total Revenue Funding was £11.64 billion in 2013-14. As it is not possible to exclude the Police & Fire component of General Revenue Funding from previous years, revenue income figures for 2013-14 are not comparable with previous years. The main source of revenue funding is General Revenue Funding, providing around 62% of revenue funding, with Non-Domestic Rates providing around 21% of funding and council tax providing the remaining 17%.

Council Tax

- The average Band D council tax in Scotland was £1,149 in 2013-14.
- Council tax income was £1.98 billion in 2013-14 (after council tax Reduction).

The total number of chargeable dwellings (i.e. the tax base) has increased slightly each year, rising from 2.365 million in September 2009 to 2.428 million in September 2014.

As a result of the council tax freeze, council tax levels have remained fixed since 2007-08 (except in Stirling where there was a slight drop in the council tax level in 2008-09).

Non-domestic Rates

Non-domestic rates bills are calculated using the rateable value (RV) of a non-domestic property, multiplied by the poundage rate (46.2 pence in 2013-14) and any relevant supplements (for example Large Business Supplement), less any relief entitlement.

- Non-domestic rate income collected increased slightly from £2.347 billion in 2012-13 to £2.367 billion in 2013-14. This is due to the net effect of several factors including an inflationary increase in the poundage rate, the impact of revaluation appeals, and other changes to the tax base (for example due to new or demolished properties).
- Non-domestic rates reliefs (e.g. Charity, Small Business Bonus Scheme, Empty Property) provided relief of £0.590 billion in 2013-14.
- As at 1st April 2014, the tax base was comprised of 221,292 non-domestic properties on the Valuation Roll, with a total rateable value of £6.681 billion.
- The non-domestic rates 'Distributable Amount' (as described in chapter 2) was £2.435 billion in 2013-14.

Capital Expenditure

Total expenditure funded from capital resources was £2.46 billion in 2013-14 (£0.62 billion in the HRA and £1.84 billion in the General Fund), compared to £2.55 billion in 2012-13 – a fall of £0.09 billion. The majority of capital expenditure went on new construction, conversions and enhancements to existing buildings, this category accounted for around 80% of expenditure.

General Fund capital expenditure in 2013-14 was £1.84 billion. The services with the highest capital expenditure were education with £0.524 billion (28%) and roads and transport which had expenditure of £0.459 billion (25%).

Reserves

On 1 April 2013 local authorities had total revenue reserves of £1.784 billion; over the course of the year this fell by £1.6 million (0.1%) to stand at £1.783 billion on 31st March 2014. Capital reserves fell by £9.7 million (1.7%), from £0.57 billion to £0.56 billion.

Local Government Pensions

- Local Government Pension Scheme Funds income in 2013-14 was £3.22 billion.
- Local Government Pension Scheme Funds expenditure in 2013-14 was £1.13 billion

Pension fund expenditure on benefits (including increases under the Pensions (Increase) Acts) has increased from £1.03 billion in 2012-13 to £1.07 billion in 2013-14. Net Investment and Other Income is the most variable component of the total Pension Funds Income and fell from £3.04 billion in 2012-13 to £2.06 billion in 2013-14.

1. Local Government Revenue Expenditure and Income

1.1 Total Revenue Expenditure and Income

The Police and Fire Reform (Scotland) Act 2012 made changes to the way police and fire services are delivered in Scotland. From 1 April 2013 police and fire services are delivered by new central government bodies - Police Scotland and the Scottish Fire and Rescue Service – and not local government. Due to the way these services were delivered and funded whilst part of local government it is not possible to remove all police and fire income and expenditure from prior years' statistics. As such 2013-14 values are not strictly comparable with previous years.

Total gross revenue expenditure by local government in Scotland in 2013-14 was £15.3 billion. Of this, £0.83 billion of expenditure was for the provision of housing through the Housing Revenue Account (HRA).

Net Revenue Expenditure to be met from government grant, local taxation and reserves was £11.7 billion.

Table 1.1 details revenue income and expenditure for 2013-14. The biggest single element of gross expenditure were operating costs (which includes property costs, supplies and services costs, transport and payments to agencies and other bodies) which account for £6.54 billion of all expenditure. The second largest element was employee costs which account for £6.16 billion.

Transfer payments are those made to individuals for which no goods or services are received in return by the local authority. The majority of transfer payments are housing benefits which make up £1.78 billion of the total of £2.05 billion. An adjustment for Inter Account and Inter Authority Transfers is made to the gross expenditure to take account of transfers between local authorities and between different services within an authority and ensure that expenditure is not counted twice.

HRA

The Housing Revenue Account (HRA) records income and expenditure relating to local authority housing stock. Whilst most other local authority services are funded through a combination of non-domestic rates and council tax income plus Government grants, the HRA is a ring-fenced account, and expenditure is funded by housing rents and Government subsidies.

Trading Services

Trading service accounts cover the finances of local authority operated services that are commercial in nature. They are financed by the charges made by a local authority to the recipients of the services they provide.

The main trading services are local authority transport (buses, ferries and other Local Authority transport undertakings), fishery harbours and markets and other trading services (including airports, other harbours and bridges).

Table 1.1 – Total Revenue Expenditure and Income, 2013-14

£ thousands

	General Fund Services¹	HRA Housing Services	Total
EXPENDITURE			
Employee Costs	6,022,760	133,774	6,156,534
Premises Related Costs	928,627	360,029	1,288,656
Transport Related Expenditure	433,682	5,219	438,901
Supplies and Services	1,258,078	71,525	1,329,603
Third Party Payments	3,459,729	24,904	3,484,633
Operating Costs	6,080,116	461,677	6,541,793
Transfer Payments	2,049,333	4,657	2,053,990
Support Services	758,994	70,151	829,145
Revenue Contribution to Capital Expenditure	106,589	187,153	293,742
Adjustment for Inter Account and Inter Authority Transfers	-532,934	-26,704	-559,638
Gross Expenditure	14,484,858	830,708	15,315,566
INCOME			
Specific Revenue Grants	8,584	3,673	12,257
General Capital Grant used to fund grants to third parties	125,312	0	125,312
Other Central Government Grants - Housing Services	1,612,393	0	1,612,393
Other Central Government Grants - Other	214,452	2,299	216,751
Government Grants²	1,960,741	5,972	1,966,713
Other Grants reimbursements and Contributions	770,662	3,209	773,871
Customer and Client Receipts	1,243,867	1,073,362	2,317,229
Income	3,975,270	1,082,543	5,057,813
Service Net Revenue Expenditure/Income(-)	10,509,588	-251,835	10,257,753
Net Revenue Expenditure (with Specific Grants Added Back In)	10,518,172	-248,162	10,270,010
Finance Costs (net of investment income)	589,303	135,615	724,918
Surplus(-)/deficit from Significant Trading Operations	-30,724	0	-30,724
Statutory repayment of debt	598,150	115,626	713,776
Net Revenue Expenditure to be financed from General Revenue Grant, Local Taxation and Reserves	11,674,901	3,079	11,677,980

1. Includes trading services and non-HRA housing. For a breakdown of expenditure in these areas, refer to Table 1.2 and Annexes A & B

2. Excluding General Revenue Funding

1.2 General Fund Revenue Expenditure and Income

The highest spending service in the General Fund is education which had net expenditure of £4.60 billion, which makes up 44% of net expenditure. Of this total £1.77 billion was spent on primary education and £1.87 billion on secondary education with the remainder spent on pre-primary, special and community education. Excluding Police & Fire, Education's share of total net expenditure has stayed the same at around 44% over the seven years to 2013-14.

Social work is the next largest service with net expenditure of £3.04 billion (29% of total net expenditure). Data on social work expenditure is collected on the basis of client groups. Of the client groups identified in the LFRs, older persons has the highest expenditure of £1.32 billion followed by children and families with £0.84 billion and adults with learning disabilities with £0.50 billion. A full breakdown of expenditure by sub-service is available in Annex A.

The single largest income source shown in Table 1.2 are the grants received by local authorities from the Department of Work and Pensions to fund housing benefits. These grants were worth £1.78 billion in 2013-14 and are shown as part of income in non-HRA housing.

Another significant source of income is customer and client receipts (including all charges to service users) which raised £1.24 billion across all services. Social work services also receive income from the NHS to provide services, the value of these payments in 2013-14 were £0.404 billion, up slightly from £0.398 billion in 2012-13. A full breakdown of income by service can be found in Annex B.

Table 1.2 – General Fund Revenue Expenditure and Income, 2013-14

£ thousands

	Gross Expenditure	Income	Net Expenditure	Net Expenditure as % of Total Services	Ring Fenced Revenue Grants
Education	4,805,002	200,440	4,604,562	43.8%	4,357
Cultural and Related Services	708,037	87,265	620,772	5.9%	0
Social Work	3,855,869	819,814	3,036,055	28.9%	0
Roads and Transport	685,426	224,233	461,193	4.4%	0
Environmental Services	802,911	132,515	670,396	6.4%	0
Planning & Economic Development	462,752	178,392	284,360	2.7%	0
Central Services	707,209	194,694	512,515	4.9%	0
Non-HRA Housing	2,389,344	2,059,424	329,920	3.1%	4,227
Trading Services	68,308	69,909	-1,601	0.0%	0
Net Cost of Service	14,484,858	3,966,686	10,518,172	100.0%	8,584
Interest and Investment Income	673,808	84,505	589,303		0
Surplus/deficit from Significant Trading Operations	-30,724	0	-30,724		0
Statutory Repayment of Debt	598,150	0	598,150		0
Total¹	15,726,092	4,051,191	11,674,901		8,584

Table 1.3 – Net Revenue Expenditure by Service, 2009-10 to 2013-14

£ millions

	2009-10	2010-11 ^a	2011-12	2012-13	2013-14
Education	4,633	4,677	4,553	4,595	4,605
Cultural & Related Services	662	638	618	614	621
Social Work	2,825	2,861	2,873	2,962	3,036
Roads & Transport	486	503	477	487	461
Environmental Services	657	664	656	656	670
Planning & Development Services	332	313	292	283	284
Central Services ^{2,3}	610	553	441	412	513
Non-HRA Housing	420	394	331	316	330
Trading Services	-9	-8	-12	-4	-2
Total General Fund Expenditure excluding Police & Fire³	10,617	10,593	10,228	10,319	10,518
Police ²	1,125	978	1,018	1,021	
Fire ²	332	313	286	297	
Central Services (Police & Fire) ^{2,3}	22	7	-22	-50	
Total General Fund Expenditure	12,096	11,892	11,510	11,588	10,518

a. From 2010-11 the funding of Police Pensions changed leading to a reduction in net expenditure. Therefore police expenditure figures from 2010-11 onwards are not directly comparable with figures up to 2009-10.

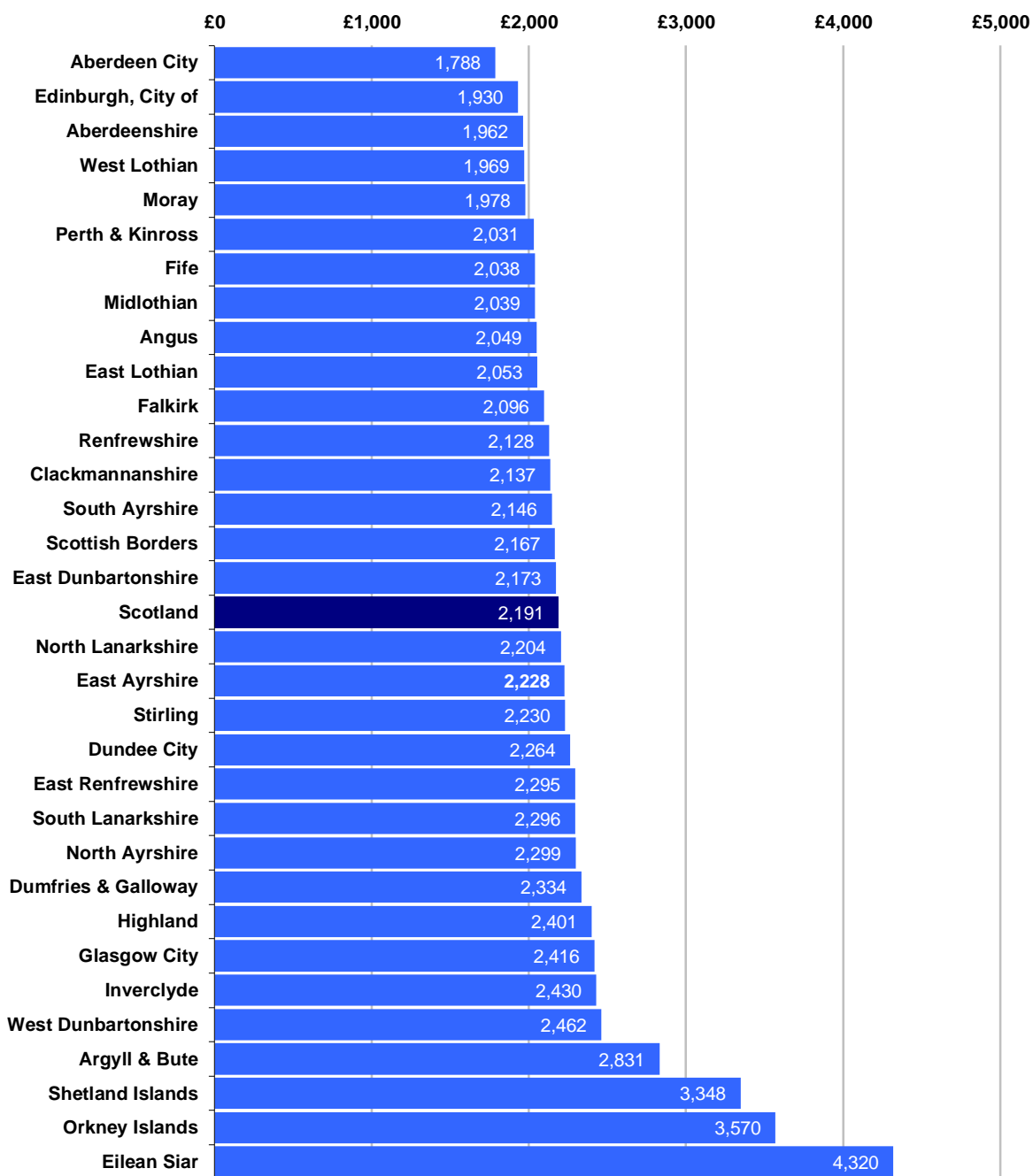
2. Following the Police and Fire Reform (Scotland) Act 2012 figures for 2013-14 may not be comparable with previous years. See section 5.2 for details.

3. Police and fire board net expenditure in central services has been separated from overall General Fund expenditure to allow for time series comparison.

Source: Local Financial Returns – LFR 00

Chart 1.1 shows net revenue expenditure per capita by local authority area. This includes expenditure by all local authority bodies in an area (i.e. including expenditure by councils, valuation boards and regional transport partnerships). The chart shows that on average in Scotland local government spent £2,191 per person in 2013-14, up slightly from £2,166 in 2012-13.

Chart 1.1 – Net Revenue Expenditure per Capita by Local Authority, 2013-14 (£)



Source: Local Financial Returns – LFR 00 and NRS Mid-Year Population Estimates (2013)

1.3 Revenue Expenditure Financing

Revenue expenditure by local authorities is funded by three main sources:

- Grants from Central Government
- Local Taxation (Council Tax and Non Domestic Rates)
- Sales, fees and charges for services (Customer and Client Receipts)

The main source of revenue income for local government is General Revenue Funding, (formerly referred to as the Revenue Support Grant). General Revenue Funding (GRF) is paid by the Scottish Government in support of local authorities' general net revenue expenditure.

Local taxation contributed over £4.4 billion to the funding of local government in 2013-14 and further information on these taxes is set out in the following sections. Other income is mostly composed of grants and subsidies received from central government and other parts of the public sector.

Table 1.4 – Revenue Income by Source, 2009-10 to 2013-14

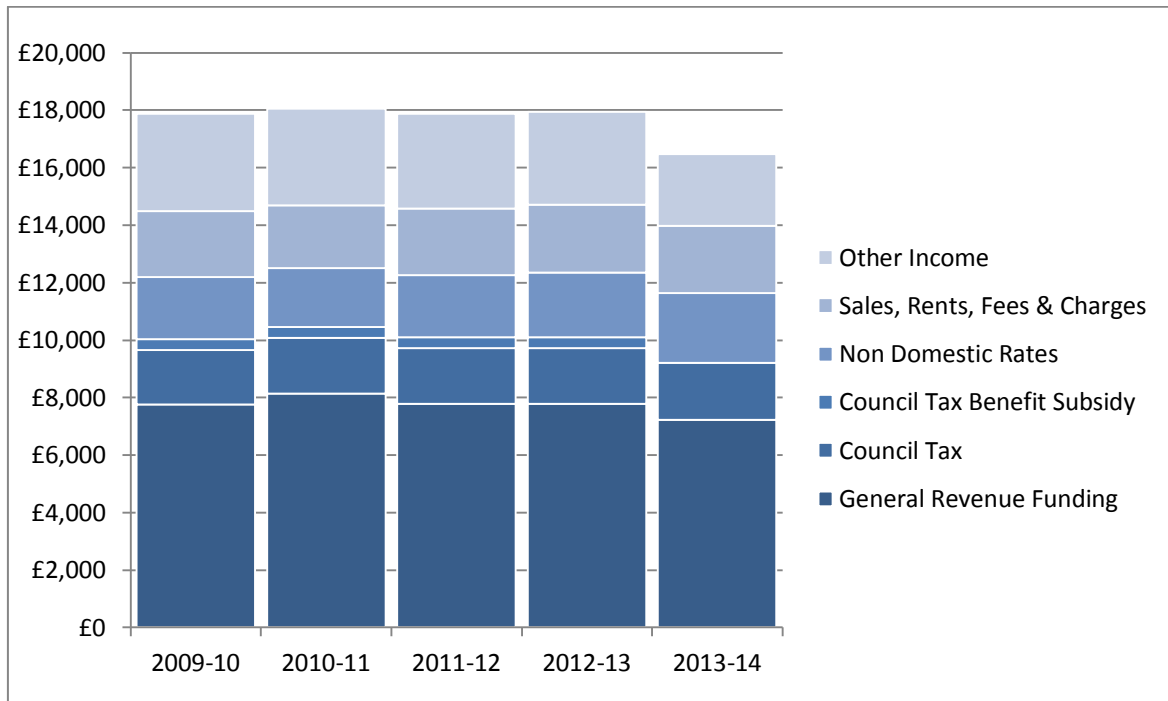
	£ millions				
	2009-10	2010-11	2011-12	2012-13	2013-14
General Revenue Grant ¹	7,757	8,149	7,790	7,782	7,225
Council Tax	1,910	1,923	1,926	1,947	1,981
Council Tax Benefit Subsidy	368	375	376	371	
Non Domestic Rates	2,165	2,068	2,182	2,263	2,435
Customer and Client Receipts	2,287	2,179	2,298	2,341	2,327
Other Income	3,400	3,357	3,308	3,246	2,513
Total revenue income	17,886	18,052	17,879	17,950	16,481

1. Figures for 2013-14 are not comparable as prior years include income relating to police and fire joint board expenditure. See section 5.2 for more details.

2. Council Tax Reduction (CTR) was introduced from 1 April 2013 to replace Council Tax Benefit (CTB), which has been abolished by the UK Government as part of its welfare reform programme.

Sources: General Revenue Funding (Up to 2010-11) – Finance Circulars; Non-Domestic Rates – Finance Circulars; All Other Data – Local Financial Returns (LFRs)

Chart 1.2 – Revenue Income by Source, 2013-14 (£ millions)



1.3.1 Council Tax

In 2013-14, council tax bills were issued to around 2.4 million dwellings in Scotland. The amounts collected in 2013-14 raised a total of almost £2 billion across all local authorities in Scotland.

Council tax was introduced in Scotland on the 1st April 1993 to replace the Community Charge system. It is a tax system based on dwellings and is used as a source of funding in addition to that received from other sources (such as General Revenue Funding, Central Government Grants, ring-fenced revenue grants and other locally raised income).

There are a number of factors that determine the amount of council tax that a dwelling is liable for. These are:

1. The market value of the dwelling as at the 1st April 1991. Each dwelling is placed into one of 8 bands from A to H, with band A dwellings liable for the lowest rates of council tax and band H attracting the highest rates.
2. The band D rate set by the local authority, with other bands being set by a ratio to band D.
3. A range of exemptions, discounts and reductions that are available in certain circumstances, or in some cases an increase in council tax due to the application of a levy.

Table 1.5 shows the number of dwellings that were chargeable for council tax and the number that were exempt each year from 2009 to 2014. There were a total of 2.540 million dwellings in Scotland in 2014, an increase of around 63,000 (2.5 per cent) since 2009. The number of chargeable dwellings has also increased by around 62,500 (2.6 per cent) from 2.365 million chargeable dwellings in 2009, to 2.427 million in 2014. Around 4.5 per cent of dwellings are exempt from council tax each year, 112,525 in 2014.

Table 1.5 - Total number of dwellings, chargeable and exempt in Scotland, 2009 to 2014

	2009	2010	2011	2012	2013	2014
Total dwellings	2,477,397	2,488,928	2,500,769	2,515,042	2,526,703	2,540,330
Dwellings exempt	112,168	111,454	111,740	113,173	116,372	112,525
Chargeable dwellings	2,365,229	2,377,474	2,389,029	2,401,869	2,410,331	2,427,805

Source: Council Tax Base (CTAXBASE) returns

Table 1.6 shows the number of chargeable dwellings in each local authority and council tax band. The three local authorities with the highest number of chargeable dwellings were Glasgow, Edinburgh and Fife and over a quarter of the chargeable dwellings in Scotland are in one of these local authorities. Around three quarters (1.8 million) of all chargeable dwellings were in council tax bands A to D, and 0.5 per cent (12,579 dwellings) in band H.

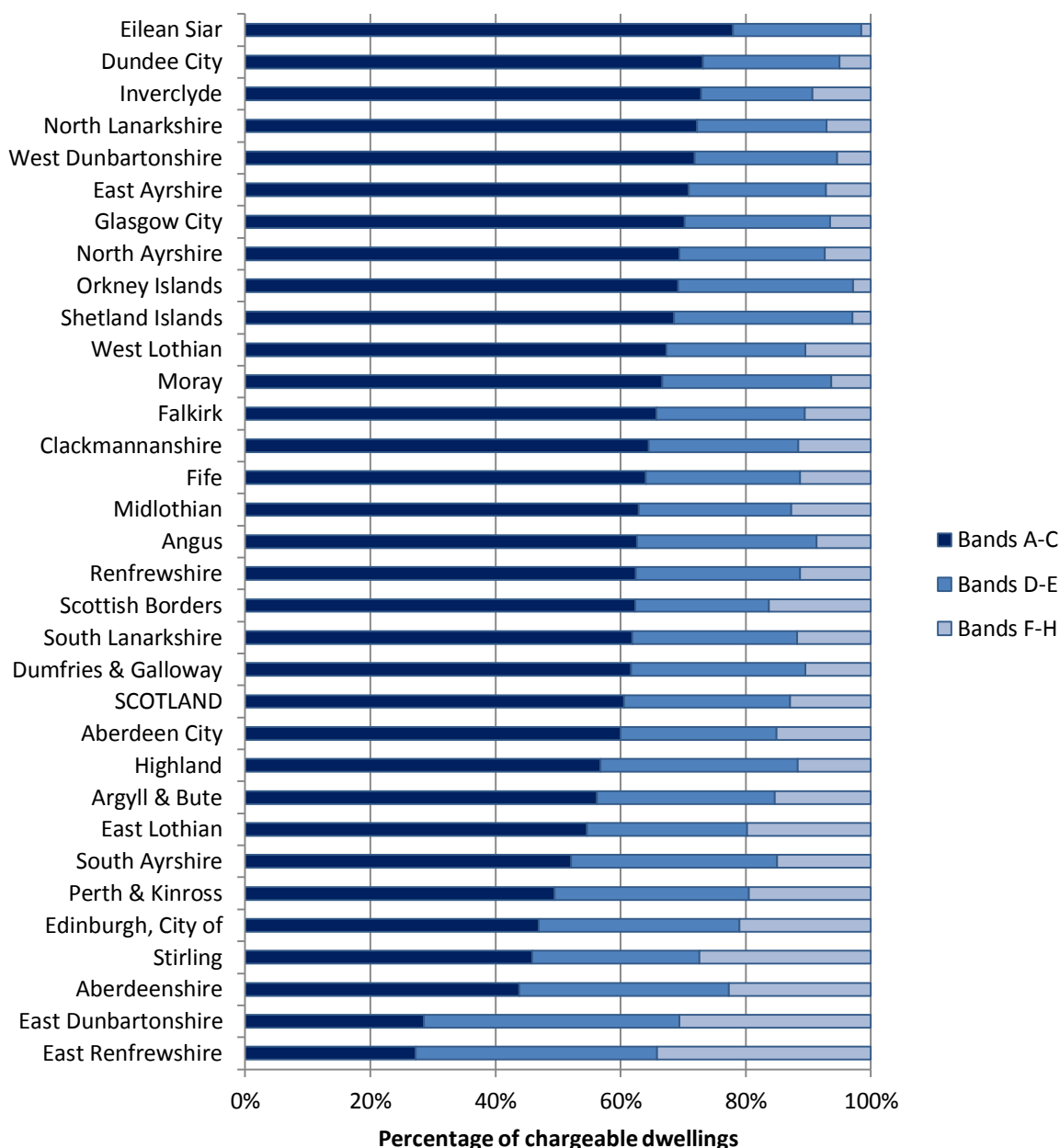
Table 1.6 – Chargeable dwellings¹ by council tax band & local authority (as at 1 September 2014)

Valuation band ranges	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
	Under 27,000	27,001 to 35,000	35,001 to 45,000	45,001 to 58,000	58,001 to 80,000	80,001 to 106,000	106,001 to 212,000	Over 212,000	
	Ratio to band D 6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Scotland	508,900	569,608	391,611	320,715	323,153	183,233	118,006	12,579	2,427,805
Aberdeen City	19,912	26,218	17,507	12,977	13,519	8,046	7,146	848	106,173
Aberdeenshire	19,526	15,453	13,667	16,697	20,547	15,212	9,455	550	111,107
Angus	14,416	12,288	6,818	8,114	7,243	2,909	1,585	150	53,523
Argyll & Bute	7,204	9,529	8,736	5,766	7,094	4,014	2,741	217	45,301
Clackmannanshire	6,052	7,048	1,920	2,441	3,126	1,829	832	42	23,290
Dumfries & Galloway	10,613	22,076	11,535	9,724	10,209	4,997	2,360	155	71,669
Dundee City	25,251	15,278	7,983	8,184	6,249	2,277	1,025	33	66,280
East Ayrshire	25,417	9,156	4,941	6,352	5,897	3,046	920	41	55,770
East Dunbartonshire	1,042	3,577	8,059	7,936	10,210	6,758	6,250	595	44,427
East Lothian	1,122	8,938	14,386	5,722	5,732	4,618	3,637	622	44,777
East Renfrewshire	1,211	4,980	3,895	6,294	7,964	5,918	6,048	681	36,991
Edinburgh, City of	19,988	43,203	40,496	34,623	36,288	22,738	20,096	3,713	221,145
Eilean Siar	4,436	3,610	2,709	1,682	1,159	171	33	3	13,803
Falkirk	21,346	18,813	6,370	8,409	8,345	5,022	2,419	61	70,785
Fife	38,725	46,617	21,251	19,166	21,895	12,491	6,043	409	166,597
Glasgow City	57,261	73,943	62,892	37,888	26,382	11,694	5,821	621	276,502
Highland	18,614	22,145	22,444	17,658	17,512	8,539	4,146	310	111,368
Inverclyde	18,019	5,606	3,397	3,216	3,385	1,853	1,395	209	37,080
Midlothian	946	12,045	10,315	4,743	4,282	2,756	1,821	162	37,070
Moray	11,265	10,087	6,230	5,767	5,417	1,979	591	51	41,387
North Ayrshire	21,060	17,830	6,616	6,520	8,670	3,656	1,140	52	65,544
North Lanarkshire	52,190	36,358	18,690	15,485	15,220	7,682	2,691	129	148,445
Orkney Islands	2,203	2,699	2,225	1,665	1,205	274	19	4	10,294
Perth & Kinross	8,415	14,123	11,206	10,082	11,123	7,028	5,636	645	68,258
Renfrewshire	12,218	24,407	13,989	11,179	10,109	5,657	3,308	200	81,067
Scottish Borders	15,672	12,239	6,626	5,622	6,157	4,470	4,140	444	55,370
Shetland Islands	2,860	1,757	2,649	1,723	1,309	253	56	0	10,607
South Ayrshire	6,945	12,214	8,541	8,081	9,385	4,760	2,952	284	53,162
South Lanarkshire	34,917	28,842	24,623	19,379	18,286	10,766	5,671	459	142,943
Stirling	5,388	8,148	4,004	4,268	5,952	4,964	4,881	660	38,265
West Dunbartonshire	7,713	16,310	7,308	5,669	4,272	1,600	693	64	43,629
West Lothian	16,953	24,071	9,583	7,683	9,010	5,256	2,455	165	75,176
<i>% of all dwellings</i>	<i>21%</i>	<i>23%</i>	<i>16%</i>	<i>13%</i>	<i>13%</i>	<i>8%</i>	<i>5%</i>	<i>1%</i>	<i>100%</i>

1. Excludes dwellings exempt from council tax
2. Council Tax Reduction recipients are included in this Table.
Source: Council Tax Base 2014 (CTAXBASE)

Chart 1.3 shows the distribution of chargeable dwellings across council tax bands in each local authority. Across the whole of Scotland, 60.6 per cent of all chargeable dwellings are in bands A to C. The distribution varies across local authorities because of variations in property market values. Eilean Siar has the largest proportion of its dwellings in bands A to C (77.9 per cent), whereas East Renfrewshire has the lowest proportion of its properties in bands A to C (27.3 per cent).

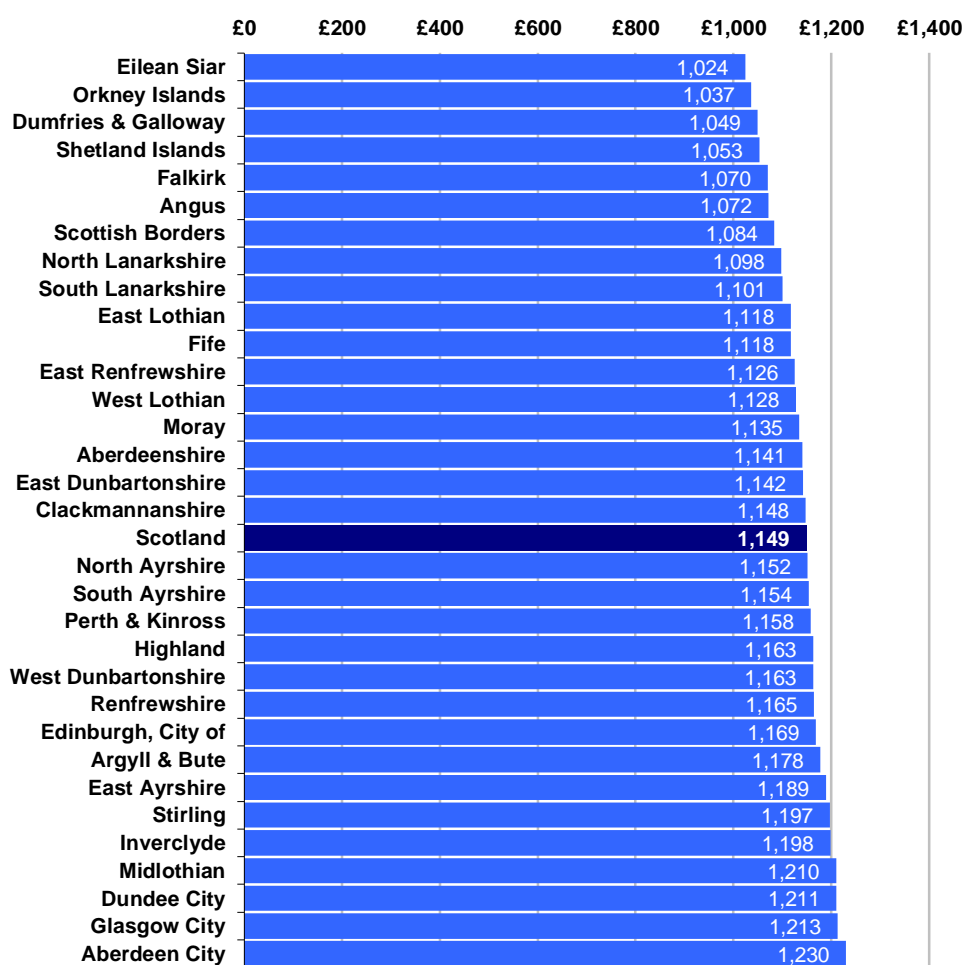
Chart 1.3 - Percentage of chargeable dwellings by council tax band for each local authority, 1 September 2014



As well as the valuation band of the dwelling, the rates for each local authority also determine the council tax liability for each dwelling. Scottish Government and local Government have worked in partnership to freeze council tax rates each year since 2007-08. Prior to this, each local authority determined its own rates of council tax as part of their budget setting process. As a result, each local authority area has different council tax rates. The range of band D council tax levels for each local authority are shown in Chart 1.4. The rates range from £1,024 in Eilean Siar to £1,230 in Aberdeen City.

The council tax charged for all other bands is a proportion of the band D level set. For example, the band A council tax rate is 6/9 (or 67 per cent) of the band D rate for each local authority (the ratios for all bands can be seen in the top row of Table 1.6).

Chart 1.4 – Band D council tax rate by local authority, 2013-14 (£)



Source: Council Tax Assumptions (CTAS) returns

Table 1.7 shows how the average band D council tax rates for Scotland have changed each year from 2010-11 to 2014-15. Since 2008-09, the council tax freeze has resulted in each local authority maintaining their rates at 2007-08 levels. The one exception is Stirling where the council took the decision to reduce the band D council tax from £1,223 in 2007-08 to £1,209 in 2008-09, and subsequently to £1,197 in 2012-13. This has caused the Scotland Average band D council tax rate to remain steady at £1,149 since 2007-08 – a fall in real terms.

The average band D council tax bill per dwelling is £989 in 2014-15. This average takes in to account the distribution of dwellings across council tax bands. The average bill per dwelling is lower than the average band D rate because there are a greater proportion of dwellings in the lower value council tax bands than the higher valued bands, as can be seen in Table 1.6.

The impact of Scotland's CTR scheme, which was introduced in 2013 following the UK Government's abolition of the Council Tax benefit, on the average council tax bill per dwelling can also be seen in Table 1.7. Figures on the total value of reductions through CTR for 2014-15 will be available in the 2014-15 version of this publication. The CTR scheme reduces the council tax liability of vulnerable people in Scotland, including people on low incomes, pensioners and lone parents. After taking these reductions in liability into account, the average bill per dwelling for 2013-14 reduced by £150 from £988 to £838.

Table 1.7 – Scotland council tax levels

	2010-11	2011-12	2012-13	2013-14	2014-15
Scotland Average band D council tax rate(£) ¹	1,149	1,149	1,149	1,149	1,149
Band D % increase (cash terms)	0.0%	0.0%	0.0%	0.0%	0.0%
Band D % increase (real terms) ²	-2.7%	-1.8%	-1.6%	-2.1%	-2.1%
Average council tax bill per dwelling (£) ³	985	984	985	988	989
Average council tax bill per dwelling, after Council Tax Reduction/Benefit ⁴	827	826	830	838	n/a

1. Since 2008-09, council tax rates have been frozen at 2007-08 levels.

2. Real terms figures are calculated using GDP deflators (HM Treasury, Dec 2014)

3. This average is taken over all chargeable dwellings and is affected to a minor extent by a number of factors such as the distribution of dwellings across council tax bands, discounts and exemptions, new construction and removal of demolished housing from the roll.

4. Council Tax Benefit for all years up to 2012-13, Council Tax Reduction from 2013-14 onwards.

Source: Council Tax Assumptions (CTAS), Council Tax Base (CTAXBASE), Local Financial Returns – LFR 12

Not all dwellings are liable to pay the full rate of council tax. Discounts and exemptions are available for certain types of dwellings, and the CTR scheme is available to support vulnerable people in meeting their council tax liabilities. Long term empty properties in some local authorities may be liable for an increased amount of council tax. Table 1.8 below summarises the range of discounts, exemptions and reductions available and the rate of decrease in liability that applies to each type. Numbers of dwellings that are in receipt of each of these schemes from 2009 to 2014 are shown in Table 1.9. Note that in some cases, a council tax liability may be affected by more than one type of discount, exemption or reduction; e.g. an individual may live on their own and be on a low income, therefore in receipt of the 25 per cent discount and a CTR.

Table 1.8 - Council tax discounts, exemptions, reductions and increases, and amounts of decrease/increase in liability

Support	Typical dwellings that are eligible	Decrease in liability
Exemption		
Occupied	Persons who are exempt from council tax e.g. full time students.	100%
Unoccupied	Empty for less than 6 months, cannot be occupied because in need of repair, residents have moved out due to care needs.	100%
Reduction in liability		
Disability reduction	Homes that have been adapted for a disabled person	One council tax band (e.g. liable for band C when property is band D)
Discounts		
25% discount	Occupied by only one council tax liable adult.	25%
Second Homes	Occupied by those living in tied accommodation (e.g. farm workers, members of the clergy), when they are contributing to the local economy.	Between 10 and 50%, depending on local authority policy (see Table 1.10)
Long Term Empty - 6 to 12 months	Empty and unfurnished for more than 6 months	50%
Long Term Empty - more than 12 months	Empty and unfurnished for more than 12 months	Discount between 10% and 50%, or an increase, depending on local authority (see Table 1.10).
Occupied entirely by disregarded adults	Dwellings with one or more residents where each of them falls to be disregarded for the purposes of discount.	50%
Council Tax Reduction		
Passported	In receipt of Pension Credit (Guarantee), JSA (Income based), ESA (Income Based), Income Support.	100%
Not passported	Low income household	Up to 100%, depending on means test

1. The examples given here are typical but not exhaustive. For a full explanation of council tax discounts and exemptions, download the Scottish Government leaflet here:

<http://www.scotland.gov.uk/Resource/0042/00423608.pdf>

2. Some council tax bill amounts may be affected by more than one type of discount or reduction.

Table 1.9 shows the number of dwellings eligible for each type of discount, exemption or reduction. Of the 2.4 million chargeable dwellings in Scotland, around 1 million were eligible for a discount in 2014. The most common type of discount was the 25 per cent discount, which is available for dwellings where only one person is liable to pay council tax. More than one in three chargeable dwellings are entitled to the 25 per cent discount. Almost 60,000 dwellings are classified as second homes or long term empty properties. Local authorities have discretionary powers to vary the discount, remove the discount, or increase council tax in 2013-14 on long term empty properties (this does not apply to second homes) - an analysis of these figures by local authority is given below. Around 2,800 dwellings received a 50 per cent discount because they were occupied entirely by disregarded adults. The CTR scheme which was introduced in April 2013, supports over half a million, or around a fifth of chargeable dwellings, in meeting their council tax liability.

Table 1.9 – Number of dwellings in receipt of council tax discounts and reductions, September 2014 ¹

Type of support	2009	2010	2011	2012	2013	2014
All chargeable dwellings	2,365,229	2,377,474	2,389,029	2,401,869	2,410,331	2,427,805
Disability reduction	13,864	14,015	13,999	13,994	13,791	13,736
25% discount	936,957	941,915	945,515	948,208	952,251	953,612
Second homes ²	37,060	38,002	39,250	40,599	35,734	27,879
Long Term Empty (empty over 6 months)	22,169	24,598	25,356	25,454	27,327	31,884
Occupied entirely by disregarded adults	2,668	1,887	1,910	1,809	1,579	2,802
Dwellings not subject to discount	1,366,375	1,371,072	1,376,998	1,385,799	1,393,440	1,411,628
Council Tax Reduction/Benefit ³	549,220	563,720	565,730	560,880	548,070	533,980

1. All figures as at September of each year

2. Long term empty properties have been empty for 6 months or more. It is not possible for some councils to separately identify second homes and long term empty dwellings. For these councils, the total number of second homes and long term empty dwellings have been recorded under second homes.

3. Council Tax Benefit figures from 2009 to 2012 were published by Department for Work & Pensions and are available here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/229795/hbctb_release_may13_revised.xls

4. Some dwellings can be eligible for more than one type of support. E.g. if a dwelling's council tax liability is affected by the 25 per cent discount and CTR, it will be counted twice in the table above.

Source: Council Tax Base (CTAXBASE) Returns, Council Tax Reduction data extract, Single Housing Benefit Extract (SHBE).

In 2013-14 local authorities gained the discretionary power to remove the empty properties discount or set a council tax increase of 100 per cent on properties which have been empty for one year or more. Table 1.10 summarises the policies on second homes and long term empty properties that were introduced by each local authority for billing years 2013-14 and 2014-15. In 2013-14, 28 of the 32 local authorities chose to retain the council tax discount at 10 per cent. Glasgow City and North Lanarkshire reduced the discount for long-term empty properties by 50 per cent. Highland removed the discount and Eilean Siar imposed an increase of 100 per cent on long-term empty properties. In 2014-15, the number of local authorities implementing a 10 per cent discount on all long term empty properties decreased to 18. Argyll & Bute, North Lanarkshire, and Stirling opted for a 100 per cent increase (i.e. double the council tax liability) for long term empty properties. Aberdeen City, Aberdeenshire, East Lothian, Edinburgh, Eilean Siar, Fife, Perth & Kinross and West Dunbartonshire introduced a range of policies depending on the circumstances of the household. East Renfrewshire chose a 50 per cent discount, Moray chose a 50 per cent increase. Highland again chose to remove the discount on long term empty properties.

Table 1.10 - Local authority discretionary reductions on Second Homes and Long-Term Empty properties in 2013-14 and 2014-15

Local authority	Second Homes		Long-Term Empty properties	
	2013-14	2014-15	2013-14	2014-15
Aberdeen City	10%	10%	10%	10% to -100%
Aberdeenshire	10%	10%	10%	10% to -100%
Angus	10%	10%	10%	10%
Argyll & Bute	10%	10%	10%	-100%
Clackmannanshire	10%	10%	10%	10%
Dumfries & Galloway	10%	10%	10%	10%
Dundee City	10%	10%	10%	10%
East Ayrshire	10%	10%	10%	10%
East Dunbartonshire	10%	10%	10%	10%
East Lothian	10%	10%	10%	0% to -100%
East Renfrewshire	10%	10%	10%	50%
Edinburgh, City of	10%	10%	10%	50% to -100%
Eilean Siar	10%	10%	-100%	50% to -100%
Falkirk	10%	10%	10%	10%
Fife	10%	10%	10%	50% to -100%
Glasgow City	10%	10%	50%	10%
Highland	10%	10%	0%	0%
Inverclyde	10%	10%	10%	10%
Midlothian	10%	10%	10%	10%
Moray	10%	10%	10%	-50%
North Ayrshire	10%	10%	10%	10%
North Lanarkshire	10%	10%	50%	-100%
Orkney Islands	10%	10%	10%	10%
Perth & Kinross	10%	10%	10%	10% to -100%
Renfrewshire	10%	10%	10%	10%
Scottish Borders	10%	10%	10%	10%
Shetland Islands	25%	10%	10%	10%
South Ayrshire	10%	10%	10%	10%
South Lanarkshire	10%	10%	10%	10%
Stirling	10%	10%	10%	-100%
West Dunbartonshire	10%	10%	10%	10% to -100%
West Lothian	10%	10%	10%	10%

Source: Council Tax Assumptions.

1. Increased council tax levels are shown as negative (e.g. -100% indicates a 100% increase, or a double in the rate).
2. Removal of discount is shown as 0%.
3. Some local authorities' policies were subject to review at the time of giving the information.
4. Some local authorities chose to implement a range of discounts and increases depending on the circumstances of the property. For brevity, the range has been, e.g. 10% to -100% where certain properties receive a maximum of 10% discount, ranging to a 100% levy.

Table 1.11 shows the number of long term empty properties (i.e. empty for more than 6 months), the number that have been empty for over 12 months and the number of those that are subject to a reduced discount or an increase in council tax as at September 2014. These figures relate to the policies for billing year 2014-15, as shown in Table 1.10. In September 2014, of the 16,527 dwellings that had been empty for over 12 months, 5,747 dwellings were affected by a discount below 10 per cent or an increase in council tax. This

provision does not apply to second homes. Over 43,137 dwellings were classified as exempt due to being unoccupied.

Table 1.11 - Number of Second Homes, Long Term Empty Properties and Unoccupied Exemptions, September 2014

	Number of dwelling entitled to a discount due to being second homes ¹	Long term empty properties			Unoccupied exemptions ²
		Number of dwellings entitled to a discount or increase due to being long term empty	Of which, empty for over 12 months	Of which a discount below 10% or an increase has been applied	
Scotland	27,879	31,884	16,527	5,747	43,137
Aberdeen City	615	691	427	386	1,353
Aberdeenshire	1,162	2,012	0	0	2,056
Angus	772	726	726	0	1,228
Argyll & Bute	3,379	1,358	778	620	1,002
Clackmannanshire	32	294	0	0	250
Dumfries & Galloway	1,868	1,166	886	0	1,413
Dundee City	976	599	331	0	1,653
East Ayrshire	136	735	518	0	1,070
East Dunbartonshire	198	120	120	0	444
East Lothian	550	384	290	118	541
East Renfrewshire	192	28	11	0	350
Edinburgh, City of	2,317	1,770	751	751	2,264
Eilean Siar	776	259	160	134	641
Falkirk	449	693	487	0	1,157
Fife	2,098	4,931	2,262	1,350	2,655
Glasgow City	823	2,685	2,040	0	8,282
Highland	4,280	1,159	660	511	1,848
Inverclyde	204	566	355	0	1,107
Midlothian	36	406	0	0	472
Moray	660	911	760	539	862
North Ayrshire	1,492	1,412	1,137	0	982
North Lanarkshire	80	647	492	420	1,579
Orkney Islands	380	316	0	0	416
Perth & Kinross	1,224	1,631	1,293	338	1,185
Renfrewshire	484	1,172	502	0	1,459
Scottish Borders	1,186	1,421	0	0	1,337
Shetland Islands	164	425	0	0	250
South Ayrshire	459	509	201	0	678
South Lanarkshire	120	941	225	0	2,257
Stirling	412	633	497	497	647
West Dunbartonshire	84	530	398	83	716
West Lothian	271	754	220	0	983

1. Long term empty properties are properties liable for council tax, which have generally been empty for 6 months or more.

2. Unoccupied exemptions are properties which are empty and exempt from paying council tax.

3. More details on council tax discounts and exemptions can be found on the Scottish Government Website at: <http://www.scotland.gov.uk/Topics/Government/local-government/17999/counciltax>

Local authorities are responsible for billing and collecting the correct amounts of council tax. Each individual bill is calculated by applying the multiplier for each band to the band D council tax level, then applying any discounts, exemptions or reductions as detailed above. Immediately before the start of each financial year local authorities issue council tax bills to dwellings. They collect council tax income relating to these bills over the year, and also continue to collect late amounts from previous billing years¹. The amounts of council tax collected by each local authority in 2013-14 are reported in Table 1.12 below. In 2013-14 for Scotland as a whole, the total amount of council tax collected (after CTR) was £1.98 billion.

The provisional in-year Council Tax collection rate for 2013-14 was 95.2 per cent. More information about bills issued in 2013-14 and the provisional amounts collected are available in the statistics publication Council Tax Collection Statistics, 2013-14.¹

¹ For more information on late collections of Council Tax please see the Council Tax Collection Statistics publications, <http://www.scotland.gov.uk/Topics/Statistics/Browse/Local-Government-Finance/PubScottishCounTaxStats>

Table 1.12 – Council tax income by local authority, 2013-14

£ thousands

	Net Council tax income
Scotland	1,980,733
Aberdeen City	102,739
Aberdeenshire	113,348
Angus	41,368
Argyll & Bute	42,066
Clackmannanshire	18,113
Dumfries & Galloway	54,824
Dundee City	46,482
East Ayrshire	39,636
East Dunbartonshire	47,099
East Lothian	41,572
East Renfrewshire	40,893
Edinburgh, City of	208,086
Eilean Siar	9,056
Falkirk	51,913
Fife	131,340
Glasgow City	182,087
Highland	99,052
Inverclyde	26,492
Midlothian	33,363
Moray	34,526
North Ayrshire	45,756
North Lanarkshire	97,811
Orkney Islands	7,604
Perth & Kinross	67,083
Renfrewshire	63,506
Scottish Borders	45,241
Shetland Islands	8,284
South Ayrshire	45,279
South Lanarkshire	108,265
Stirling	40,122
West Dunbartonshire	29,385
West Lothian	58,342

1. Figures are after Council Tax Reduction is taken in to account and include Community Charge and additional amount billed for reduced discount for second homes and long term empty properties.

2. Figures relate to income collected in financial year 2013-14, which can include amounts that were billed in previous years.

Source: Council Tax Receipts & Returns, 2013-14. Local Financial Returns, 2013-14.

CTR is funded jointly by the UK Government, Scottish Government, and local government. In 2013-14, CTR funding from Government totalled £351 million (£328 from UK Government and £23 million from Scottish Government). Local authorities agreed to contribute an additional £17 million from their own budgets to the cost of the scheme, as part of the joint commitment between Scottish Government and local government to mitigate the UK Government's 10% cut in funding, which was estimated at £40m for 2013-14. The amounts distributed to each local authority and the final total value of reductions awarded are shown in Table 1.13. The total value of reductions through the CTR scheme

across Scotland was £359.7 million. This figure is £8.7 million more than the £351 million funding provided by UK Government and Scottish Government, and £8.3 million less than the £368 million total budget which included the £17 million from local authorities.

Table 1.13 - Council Tax Reduction funding and final out-turn by local authority, 2013-14.

£ thousands

	Government (SG and UKG)	Final total reduction in liability
Scotland	351,000	359,708
Aberdeen City	9,926	9,838
Aberdeenshire	7,752	7,620
Angus	5,483	5,473
Argyll & Bute	5,577	5,781
Clackmannanshire	3,498	3,687
Dumfries & Galloway	8,792	8,935
Dundee City	12,573	12,833
East Ayrshire	9,737	10,033
East Dunbartonshire	4,538	4,754
East Lothian	5,388	5,574
East Renfrewshire	3,970	3,927
Edinburgh, City of	27,131	27,687
Eilean Siar	1,607	1,608
Falkirk	8,508	8,720
Fife	21,081	21,747
Glasgow City	69,954	71,791
Highland	12,573	12,679
Inverclyde	6,806	7,073
Midlothian	5,294	5,346
Moray	3,876	3,918
North Ayrshire	11,533	11,874
North Lanarkshire	24,768	25,548
Orkney Islands	756	776
Perth & Kinross	6,712	6,867
Renfrewshire	13,235	13,763
Scottish Borders	5,672	5,777
Shetland Islands	756	690
South Ayrshire	8,602	8,841
South Lanarkshire	21,175	21,765
Stirling	4,538	4,613
West Dunbartonshire	9,359	9,799
West Lothian	9,831	10,371

1.3.2 Non-Domestic Rates

Non-Domestic Rates (NDR) is a property tax paid by the owner/occupier or tenant of a non-domestic property.

In 2013-14, the NDR income collected was £2.37 billion.

The principles of non-domestic rates were established in the Lands Valuation (Scotland) Act of 1854. This act also provided for the appointment of the [Scottish Assessors](#), who are responsible for determining the classification and valuation of non-domestic and domestic properties, and are independent of both the Scottish Government and local authorities. A non-domestic property is an individual property used for non-domestic purposes. Examples include businesses, public buildings and advertising hoardings. The value given to a property for NDR purposes is called its rateable value (RV).

The RV of a property is a legally defined valuation provided by the Assessor, broadly based on the rental values the property could achieve. As such it is not a reflection of the profitability, turnover or output of the business. It is established at revaluation where the Scottish Assessors assess rateable values for all non-domestic properties in Scotland, taking account of the type and nature of the property. All non-domestic properties and their corresponding RVs are listed on the Valuation Roll, which is maintained by the [Scottish Assessors](#).

NDR bills are calculated using the rateable value (RV) of non-domestic properties, multiplied by a poundage set nationally by Scottish Ministers, less any relief or exemption entitlement.

$$(NDR\ bill)_{Property} = (RV)_{Property} \times (Poundage)_{National} - (Reliefs)_{Property}$$

For properties with a rateable value greater than £35,000, the Large Business Supplement (LBS) applies in addition to the poundage (the poundage is effectively increased slightly by adding the LBS).

Table 1.14 shows the composition of properties (and associated RV) on the Valuation Roll by property type. As at 1st April 2014, there were 221,292 properties with a total RV of £6.7 billion. Shops were the most prevalent type of property on the valuation roll, making up nearly a quarter (24%) of the number of properties and RV on the roll. Industrial subjects and offices are the next two largest categories in terms of numbers and RV. Together, these three categories account for 63% of properties on the valuation roll, and 58% of the RV.

Table 1.14 – Non-Domestic Rates Properties by Classification (as at 1 April 2014)

CATEGORY	Number of properties	Rateable value (£000s)	% of properties on the Valuation Roll	% of Rateable Value on the Valuation Roll
	1st April 2014	1st April 2014	1st April 2014	1st April 2014
Advertising	2,048	8,100	0.9%	0.1%
Care Facilities	3,030	104,337	1.4%	1.6%
Communications	324	15,212	0.1%	0.2%
Cultural	1,385	46,468	0.6%	0.7%
Education and Training	3,774	507,276	1.7%	7.6%
Garages and Petrol Stations	4,360	64,569	2.0%	1.0%
Health and Medical	3,172	204,015	1.4%	3.1%
Hotels	4,962	183,421	2.2%	2.7%
Industrial Subjects	46,642	1,124,139	21.1%	16.8%
Leisure, Entertainment, Caravans etc.	20,996	236,243	9.5%	3.5%
Offices	39,345	1,135,722	17.8%	17.0%
Other	13,315	91,374	6.0%	1.4%
Petrochemical	142	107,994	0.1%	1.6%
Public Houses	3,815	109,254	1.7%	1.6%
Public Service Subjects	9,921	317,384	4.5%	4.8%
Quarries, Mines, etc.	688	23,613	0.3%	0.4%
Religious	6,267	55,118	2.8%	0.8%
Shops	53,081	1,603,339	24.0%	24.0%
Sporting Subjects	3,369	17,738	1.5%	0.3%
Statutory Undertaking	656	725,399	0.3%	10.9%
TOTAL ALL NON-DOMESTIC PROPERTIES	221,292	6,680,715	100%	100%

Source: Scottish Assessors Valuation Roll, 1st April 2014

Table 1.15 provides a breakdown of properties on the Valuation Roll by local authority and RV band. In terms of the Small Business Bonus Scheme and the application of the Large Business Supplement, £18,000 and £35,000 represent the rateable value thresholds for small and large businesses respectively. Around 78% of all properties (172,540 properties) have a Rateable Value less than or equal to £18,000.

Table 1.15 – Non-Domestic Rates Subjects by Local Authority (as at 1 April 2014)¹

Local Authority	Rateable Value Band			Total Non-Domestic Properties
	<= £18,000	£18,001 to £35,000	> £35,000	
Scotland	172,540	19,937	28,815	221,292
Aberdeen City	5,006	1,138	2,263	8,407
Aberdeenshire	9,866	796	1,032	11,694
Angus	4,040	357	396	4,793
Argyll & Bute	7,554	349	342	8,245
Clackmannanshire	1,315	123	143	1,581
Dumfries & Galloway	8,145	482	541	9,168
Dundee City	4,190	595	952	5,737
East Ayrshire	3,184	312	411	3,907
East Dunbartonshire	1,720	302	299	2,321
East Lothian	2,744	271	322	3,337
East Renfrewshire	1,267	216	217	1,700
Edinburgh, City of	13,398	2,407	3,907	19,712
Eilean Siar	2,051	107	113	2,271
Falkirk	3,595	475	678	4,748
Fife	10,317	1,210	1,593	13,120
Glasgow City	17,429	2,931	4,749	25,109
Highland	15,134	1,011	1,361	17,506
Inverclyde	1,768	210	306	2,284
Midlothian	2,204	256	364	2,824
Moray	3,954	251	361	4,566
North Ayrshire	4,149	391	486	5,026
North Lanarkshire	6,938	1,058	1,547	9,543
Orkney Islands	1,882	130	96	2,108
Perth & Kinross	7,051	589	714	8,354
Renfrewshire	4,711	609	942	6,262
Scottish Borders	6,236	419	412	7,067
Shetland Islands	1,737	110	151	1,998
South Ayrshire	3,786	417	555	4,758
South Lanarkshire	7,058	1,109	1,460	9,627
Stirling	3,956	432	564	4,952
West Dunbartonshire	2,143	280	409	2,832
West Lothian	4,012	594	1,129	5,735

1. Includes a small percentage of properties with zero rateable value.

Source: Scottish Assessors Valuation Roll, 1st April 2014

Table 1.16 shows a time series of annual NDR Income, total Rateable Value, Poundage Rate and Large Business Supplement. Revaluations typically take place on a 5-year cycle and are intended to be 'revenue neutral'. As a consequence of the 2010 revaluation, the poundage was reduced from 48.1p in 2009-10 to 40.7p in 2010-11 and the total RV of non-domestic properties (the tax base) increased from £5.3 billion in 2009-10 to £6.6 billion in 2010-11. The next revaluation will take place in 2017.

Table 1.16 – Non-Domestic Rates Income, Total Rateable Values and Poundage Rate

	2009-10	2010-11 ¹	2011-12	2012-13	2013-14 ²
Non Domestic Rates Income (£m)	2,010	2,138	2,251	2,347	2,367
Total Rateable Value ³ (£m)	5,299	6,612	6,678	6,718	6,716
Poundage Rate (pence)	48.1	40.7	42.6	45.0	46.2
Large Business Supplement ⁴ (pence)	0.4	0.7	0.7	0.8	0.9

1. Revaluation took place in 2010

2. All income figures, including 2013-14, are the final audited income collected by councils.

3. Total rateable value is given at the start (1 April) of the relevant financial year

4. The Large Business Supplement is applied in addition to the poundage for properties with a rateable value over £35,000

Source: NDR Income – Non-domestic Rate Income Returns, Rateable Value – Scottish Assessors Valuation Roll as at 1st April

Table 1.16 also shows that the total RV has increased slightly since the 2010 revaluation from £6.61 billion at 1st April 2010 to £6.72 billion at 1st April 2013. This is due to the net impact of several factors including increases in the tax base from new properties or extension of existing properties and decreases as demolished properties are deleted from the valuation roll or as the RV is reduced as a result of appeals². As Non-Domestic Rates bills in Scotland are directly related to the rateable values of individual non-domestic properties, changes in the total RV impact on the amount of NDR available for collection, along with other factors such as the poundage rate and backdated revaluation appeals losses which also affect the final income.

Inflation is a key driver of growth in NDR income as the poundage rate, set nationally by Scottish Ministers³, is typically tied to the Retail Price Index (other than in the first year of a revaluation). NDR bills are calculated by multiplying the RV of a property by the poundage rate, and then applying discounts and exemptions. Large business properties (those with a RV greater than £35,000) also pay a supplement to the poundage rate, known as the Large Business Supplement (LBS), which is used to fund a portion of the Small Business Bonus Scheme (SBBS). The LBS was 0.9p in 2013-14. For the period 2012-13 to 2014-15, large retailers that sell both alcohol and tobacco also pay the Public Health Supplement (PHS) - an additional 13p on the poundage rate in 2013-14. These supplements increase the amount paid in NDR bills. Conversely, exempt properties (which do not pay rates), and relief schemes such as the Small Business Bonus Scheme can significantly reduce the amount paid in NDR bills, and therefore the NDR income.

² Statistics on revaluation appeals are published quarterly in the [Non-Domestic Rates Revaluation Appeal Statistics](#) publication.

³ Since 2007-08, Scottish Ministers have committed to equalisation of the Scottish poundage rate with that in England.

Table 1.17 summarises the total number of properties and rateable value as at 1st April 2014 and the NDR income collected in 2013-14 by local authority (net of reliefs).

Table 1.17 – Non-Domestic Rates Properties, Rateable Values and Income By Local Authority^{1,4}

Authority	Non-Domestic Properties ² April 2014	Non-Domestic Rateable Values April 2014 (£000s)	Non-Domestic Rate income 2013-14 ³ (£000s)
Scotland	221,292	6,680,715	2,366,885
Aberdeen City	8,407	447,933	178,271
Aberdeenshire	11,694	220,161	81,228
Angus	4,793	76,795	25,418
Argyll & Bute	8,245	89,218	28,544
Clackmannanshire	1,581	37,950	12,684
Dumfries & Galloway	9,168	118,755	41,532
Dundee City	5,737	188,943	62,180
East Ayrshire	3,907	81,741	25,210
East Dunbartonshire	2,321	67,649	21,691
East Lothian	3,337	68,969	21,637
East Renfrewshire	1,700	39,147	13,399
Edinburgh, City of	19,712	907,064	325,990
Eilean Siar	2,271	22,429	6,817
Falkirk	4,748	173,372	63,058
Fife	13,120	432,116	159,398
Glasgow City	25,109	980,686	322,438
Highland	17,506	305,860	106,356
Inverclyde	2,284	60,260	19,013
Midlothian	2,824	77,300	27,074
Moray	4,566	86,591	31,504
North Ayrshire	5,026	107,017	35,874
North Lanarkshire	9,543	297,916	101,280
Orkney Islands	2,108	25,982	8,303
Perth & Kinross	8,354	148,090	47,274
Renfrewshire	6,262	236,244	84,316
Scottish Borders	7,067	90,768	29,865
Shetland Islands	1,998	44,254	13,646
South Ayrshire	4,758	107,286	35,746
South Lanarkshire	9,627	638,862	244,337
Stirling	4,952	113,945	39,156
West Dunbartonshire	2,832	171,349	73,479
West Lothian	5,735	216,062	80,166

1. Rates bills for specific utilities are collected by specified councils on behalf of all 32 councils, and appear on the valuation roll for those councils: South Lanarkshire (Electricity), West Dunbartonshire (Gas), Fife (Water), Falkirk (Docks and Harbours), Highland (Railways), and Renfrewshire (Telecommunications). This increases the take for those authorities.

2. Includes properties with a zero rateable value

3. Final Audited income collected by councils.

4. Totals may not sum exactly due to rounding.

Source: Number of Properties and Rateable Value - Scottish Assessors Valuation Roll 1st April 2014;
NDR Income - Non-domestic Rate Income Returns provided by Councils

Table 1.17 shows geographical variations in the number of properties, rateable value and NDR income. It should be noted however that some councils have responsibility for

collection of NDR for specific utilities as detailed in the footnote to the table. For these councils, the entries on the valuation roll and NDR income include Scotland-wide data for the specified utilities sectors. To avoid the need for revisions, only final (audited) NDR income figures are included in this publication. The deadline for NDR income returns was brought forward to allow audited 2013-14 NDR income data to be included.

Table 1.18 – Amount of Non-Domestic Rates Relief Provided by Relief Type¹

£000s

	2009-10	2010-11	2011-12	2012-13	2013-14 ²
Unoccupied Property/Partly Unoccupied Property	153,361	145,936	157,862	169,134	146,496
Charities	122,132	136,731	151,276	164,979	173,623
Sports Clubs	11,604	11,476	12,059	12,431	12,911
Disabled persons relief	45,484	51,901	54,372	57,580	58,299
SBBS	108,420	123,259	134,719	150,196	161,002
Religious Properties	20,218	24,016	22,960	24,573	25,205
Rural Rate Relief	3,918	4,129	4,218	4,305	4,323
Renewable Energy Relief Scheme ³		3,560	4,126	4,811	7,333
New Start ⁴					130
Fresh Start ⁵					189
Other ⁶	19	4	43	10	63
Gross Amount⁷	465,157	501,013	541,635	588,018	589,574

1. Estimates include mandatory and discretionary elements of relief where applicable, but exclude backdated payments of relief

2. Reliefs for all years, including 2013-14, are final audited figures.

3. The Renewable Energy Relief Scheme was introduced at 1 April 2010.

4. The new start relief scheme was introduced at 1 April 2013 and will run for 3 years.

5. The fresh start relief scheme was introduced at 1 April 2013.

6. Other includes Hardship and Enterprise Areas.

7. Totals may not sum exactly due to rounding.

Source: Non-domestic Rate Income Returns

There are a number of types of NDR relief that reduce the NDR bill for qualifying properties. Table 1.18 shows the main types of relief available⁴ and the amount of relief provided each year from 2009-10 to 2013-14.

The gross amount of relief provided has increased substantially from £465 million in 2009-10 to £590 million in 2013-14. Key reasons for this are increases in the poundage rate (due to normal annual inflation) and an increase in relief provided through the Small Business Bonus Scheme, with expansion of the scheme thresholds and greater awareness of the scheme likely to be contributory reasons. Other reasons for change are likely to include growth in the tax base over this period (i.e. an increase in the overall Rateable Value) and changes to amounts awarded for other reliefs (for example an increase in Charity Relief and the introduction of the new relief schemes).

The total NDR income collected by Local Authorities is pooled at the Scotland level⁵. Each council reports the NDR collected to the Scottish Government to be included in the central

⁴ More information on NDR relief can be found on the Scottish Government Website at: <http://www.scotland.gov.uk/Topics/Government/local-government/17999/11199>

pool. The amount to be re-distributed to each authority from the pool is known as the Distributable Amount (DA) and is set by the Scottish Government before the start of the financial year in question.

From 1st April 2011, the distribution methodology provides that Councils retain what it is estimated they can collect in business rates (rather than the previous policy where it was redistributed on the basis of population shares). As the combined total of NDR income and General Revenue Funding (GRF) provided to councils is guaranteed by the Scottish Government, any reduction in the amount of NDR collected is compensated for by a corresponding increase in GRF and vice versa. Any surpluses or deficits are paid out or recovered from Councils in the calculation of future years distributable business rates totals. The DA is based upon a forecast of the NDR income and prior year adjustments, and is therefore not guaranteed to match the total contributions to the pool for that year.

The calculation of the distributable amount for 2013-14 is given in Annex F and the 2013-14 distributable amount per Local Authority is shown in Table 1.19.

⁵ A Business Rates Incentivisation Scheme (BRIS) was introduced from April 2012 to incentivise Councils to maximise existing business rates income and attract new economic growth by allowing all authorities that exceed their annual business rates target to retain 50% of any additional income.

Table 1.19 – Amount of Non-Domestic Rates Distributed to Each Local Authority, 2013-14

	Non-Domestic Rate Income (£000s)
Scotland	2,435,000
Aberdeen City	177,084
Aberdeenshire	78,947
Angus	25,764
Argyll & Bute	28,492
Clackmannanshire	11,872
Dumfries & Galloway	44,549
Dundee City	53,951
East Ayrshire	28,546
East Dunbartonshire	22,885
East Lothian	23,134
East Renfrewshire	13,924
Edinburgh, City of	334,630
Eilean Siar	6,475
Falkirk	68,291
Fife	145,816
Glasgow City	333,668
Highland	114,154
Inverclyde	20,869
Midlothian	26,665
Moray	30,668
North Ayrshire	36,943
North Lanarkshire	109,179
Orkney Islands	8,827
Perth & Kinross	50,928
Renfrewshire	97,709
Scottish Borders	28,503
Shetland Islands	16,177
South Ayrshire	39,642
South Lanarkshire	273,224
Stirling	29,948
West Dunbartonshire	72,189
West Lothian	81,347

Source: Local Government Finance (Scotland) Order 2013

1.3.3 Customer and Client Receipts

Local Authorities receive income from sales, rents, fees and charges as a result of providing services. These services are wide ranging in nature, as is the amount of income associated with each service, as detailed in Table 1.20 below.

Table 1.20 – Customer and Client Receipts – 2009-10 to 2013-14

	£thousands				
	2009-10	2010-11	2011-12	2012-13	2013-14 ^b
Education	87,115	95,006	115,017	113,355	120,563
Cultural & Related Services	85,516	81,521	77,479	70,728	71,185
Social Work	246,014	251,167	268,101	276,450	276,012
Roads & Transport	165,941	146,068	171,674	154,117	175,218
Environmental Services	123,164	120,400	117,767	117,969	117,457
Planning & Development Services	120,146	97,897	118,518	116,541	121,077
Central Services	144,819	113,862	143,521	110,889	131,709
Non-HRA Housing	189,150	164,339	179,116	165,412	160,800
Trading Services	66,992	66,852	63,526	58,045	69,843
Total GF Customer and Client Receipts excluding Police & Fire	1,228,857	1,137,112	1,254,719	1,183,506	1,243,864
Police, Fire & Emergency Planning	93,043	55,098	66,575	111,992	
Total GF Customer and Client Receipts	1,321,900	1,192,210	1,321,294	1,295,498	1,243,864
HRA ¹	955,710	979,571	965,920	1,034,306	1,073,362
Common Good Fund	9,073	7,168	10,809	11,113	9,867
Road Bridges	133	89	82	80	166
Total Customer and Client Receipts	2,286,816	2,179,038	2,298,105	2,340,997	2,327,259

1. The Housing Revenue Account (HRA) records income and expenditure relating to Local Authority housing stock

b. Following the Police and Fire Reform (Scotland) Act 2012 figures from 2013-14 may not be comparable with previous years.

See section 5.2 for details.

Source: Local Financial Returns (LFRs)

2. Local Government Capital Expenditure and Financing

2.1 Total Capital Expenditure and Financing

Capital expenditure by local authorities is mainly for purchasing, constructing or enhancing physical assets, such as buildings (e.g. care homes or schools), land (e.g. playing fields), infrastructure (e.g. roads), and vehicles, plant and machinery. Capital expenditure also includes expenditure that the Scottish Ministers have permitted the local authorities to treat as capital expenditure and meet from capital resources.

Capital expenditure is financed by one or more of the following types of income:

- Capital grants and contributions
- Borrowing/Finance leases
- Contributions from revenue funds
- Capital receipts from asset sales

The Local Government in Scotland Act 2003, provides local authorities with the power to finance capital expenditure by borrowing without securing Government approval. Local authorities have a statutory duty to set their own maximum capital expenditure limits. These limits must be set with regard to the CIPFA Prudential Code, which requires that capital expenditure undertaken by local authorities must be affordable, prudent and sustainable. Detailed breakdowns of Capital Expenditure can be found in Annexes G and H.

Table 2.1 – Total Capital Expenditure and Financing, 2013-14

£ thousands

	General Fund Services	Housing Revenue Account	Total
Acquisition of land, leases, existing buildings or works	49,759	40,576	90,335
New construction, conversions & enhancement to existing buildings	1,415,322	551,988	1,967,310
Vehicles, machinery & equipment	163,523	25,986	189,509
Intangible assets	13,096	23	13,119
Total Gross Capital Expenditure	1,641,700	618,573	2,260,273
Revenue Expenditure funded from Capital Resources	199,585	143	199,728
Total Expenditure to be met from Capital Resources	1,841,285	618,716	2,460,001
Scottish Government General Capital Grant	438,163	0	438,163
Scottish Government Specific Capital Grants	136,731	43,818	180,549
Grants from Scottish Government Agencies and NDPBs	145,737	5,024	150,761
Other Grants and Contributions	124,601	17,476	142,077
Borrowing	788,568	316,958	1,105,526
Capital receipts used from asset sales/disposals	43,794	48,373	92,167
Capital Reserves (Capital Fund)	23,438	1,360	24,798
Capital funded from current revenue	109,628	185,707	295,335
Assets acquired under credit arrangements (e.g. finance leases, PPP/PFI)	30,625	0	30,625
Total Financing	1,841,285	618,716	2,460,001

Source: Capital Returns (CR Final)

In 2013-14 total gross capital expenditure was £2.26 billion. In addition to this, local authorities funded £0.20 billion of revenue expenditure from capital resources – this was mostly funding third party capital housing projects. This means that total expenditure funded from capital resources was £2.46 billion in 2013-14 (£0.62 billion in the housing revenue account and £1.84 billion in the General Fund). The majority (around 80%) of capital expenditure went on new construction, conversions and enhancements to existing buildings.

The largest source of financing for capital expenditure in 2013-14 was borrowing. Local authorities borrowed £1.11 billion (45% of total financing) to fund capital expenditure (£0.79 billion for the General Fund and £0.32 billion for the HRA). The second most significant source of financing were grants from the Scottish Government and its Agencies. These funded a further £0.77 billion (31% of total financing) of capital expenditure.

The capital data from 2009-10 include the cost of changes arising from accounting changes from the introduction of International Financial Reporting Standards (IFRS). Based on these standards, more assets are now recognised as assets of the local authority (on-balance sheet) which they were not under the previous arrangements. The associated liability to finance the asset is a type of debt which is known as a finance lease or credit arrangement. The 2009-10 figures will not be comparable with earlier or later years as they include an adjustment to implement the new accounting standards.

Table 2.2 – Total Capital Expenditure and Financing, 2009-10 to 2013-14

	£ thousands				
	2009-10 ^a	2010-11	2011-12	2012-13	2013-14 ^b
Acquisition of land, leases, existing buildings or works	477,203	98,730	137,332	146,930	90,335
New construction, conversions & enhancement to existing buildings	2,385,906	1,876,692	2,142,293	2,037,385	1,967,310
Vehicles, machinery & equipment	183,013	156,289	194,836	197,022	189,509
Intangible assets	11,197	5,042	6,052	6,638	13,119
Total Gross Capital Expenditure	3,057,319	2,136,753	2,480,513	2,387,975	2,260,273
Revenue Expenditure funded from Capital Resources	214,040	211,409	181,021	161,349	199,728
Total Expenditure to be met from Capital Resources	3,271,359	2,348,162	2,661,534	2,549,324	2,460,001
Scottish Government General Capital Grant	462,640	352,652	565,541	450,088	438,163
Scottish Government Specific Capital Grants	268,370	228,865	234,365	217,281	180,549
Grants from Scottish Government Agencies and NDPBs	160,281	115,726	82,764	141,311	150,761
Other Grants and Contributions	104,575	94,486	85,714	124,311	142,077
Borrowing from Loans fund	1,091,548	1,113,929	1,261,468	1,165,387	1,105,526
Capital receipts used from asset sales/disposals	164,746	114,722	94,020	105,937	92,167
Capital Fund applied	28,616	14,916	21,653	36,867	24,798
Capital funded from current revenue	166,141	208,894	209,122	294,087	295,335
Assets acquired under credit arrangements (e.g. finance leases, PPP/PFI)	824,442	103,972	106,888	14,055	30,625
Total Financing	3,271,359	2,348,162	2,661,534	2,549,324	2,460,001

a. Figures for 2009-10 include assets acquired through PPP/PFI for past years. (more information on the changes can be found here - <http://www.scotland.gov.uk/Topics/Government/local-government/17999/LACapital/CapExReport200910>)

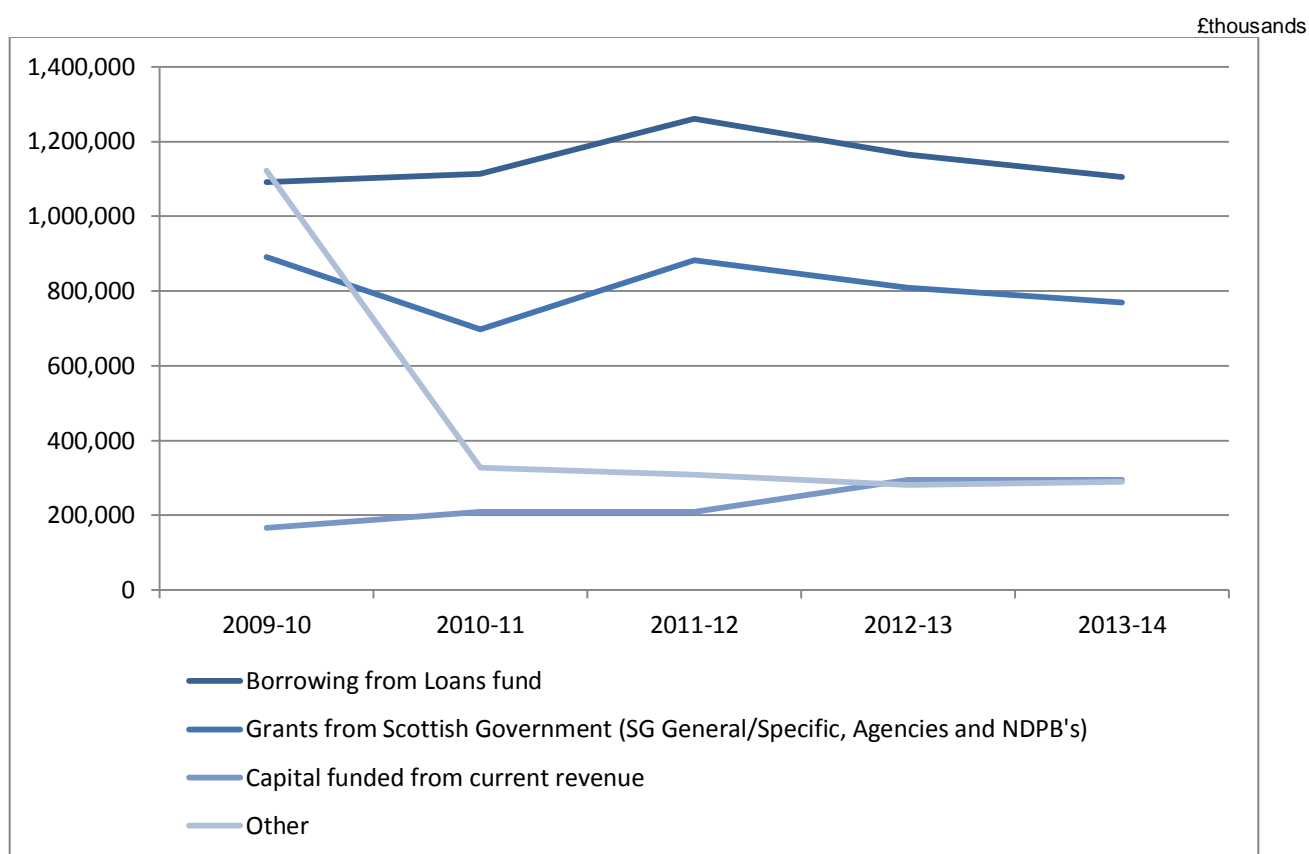
b. Following the Police and Fire Reform (Scotland) Act 2012 figures for 2013-14 may not be comparable with previous years. See section 5.2 for details.

Source: Capital Returns (CR Final)

Because of the changes in accounting practice noted above and Police and Fire Reform, it is difficult to draw conclusions about changes in capital expenditure and financing over the time period presented in Table 2.2 and Chart 2.1. In particular the figures for 2009-10 include all of the expenditure financed by PPP/PFI in the years up to then that would be counted as expenditure under the new regime – this is illustrated by the high level of capital expenditure financing for 2009-10 shown in chart 2.1. Figures for 2013-14 do not include Police or Fire Boards, which were replaced by new national bodies that are not classified as local government.

The majority of capital expenditure is financed by borrowing from the Loans Fund, with 45% of capital expenditure funded from borrowing in 2013-14. The next largest source of financing is Grants from Scottish Government (SG General/Specific, Agencies and NDPBs) which financed 31% of capital expenditure in 2013-14. Capital funded from current revenue has steadily increased since 2009-10, increasing from 5% of capital financing to 12% in 2013-14.

Chart 2.1 – Capital Expenditure Financing^{1, 2}



1. Figures for 2009-10 include assets acquired through PPP/PFI for past years. (more information on the changes can be found here - <http://www.scotland.gov.uk/Topics/Government/local-government/17999/LACapital/CapExReport200910>)

2. Following the Police and Fire Reform (Scotland) Act 2012 figures for 2013-14 may not be comparable with previous years. See section 5.2 for details.

Source: Capital Returns (CR Final)

2.2 General Fund Capital Expenditure

General fund capital expenditure in 2013-14 was £1,841 million. The service with the highest capital expenditure was education with 28% (£524 million) of capital expenditure. It should be noted that expenditure for 2009-10 includes a large amount of expenditure funded by PPP/PFI for past years and this disproportionately affects education expenditure.

The next biggest service for capital expenditure is roads and transport which had expenditure of £459 million (25% of General Fund expenditure).

Table 2.3 – Capital Expenditure by Service, 2009-10 to 2013-14

£ thousands

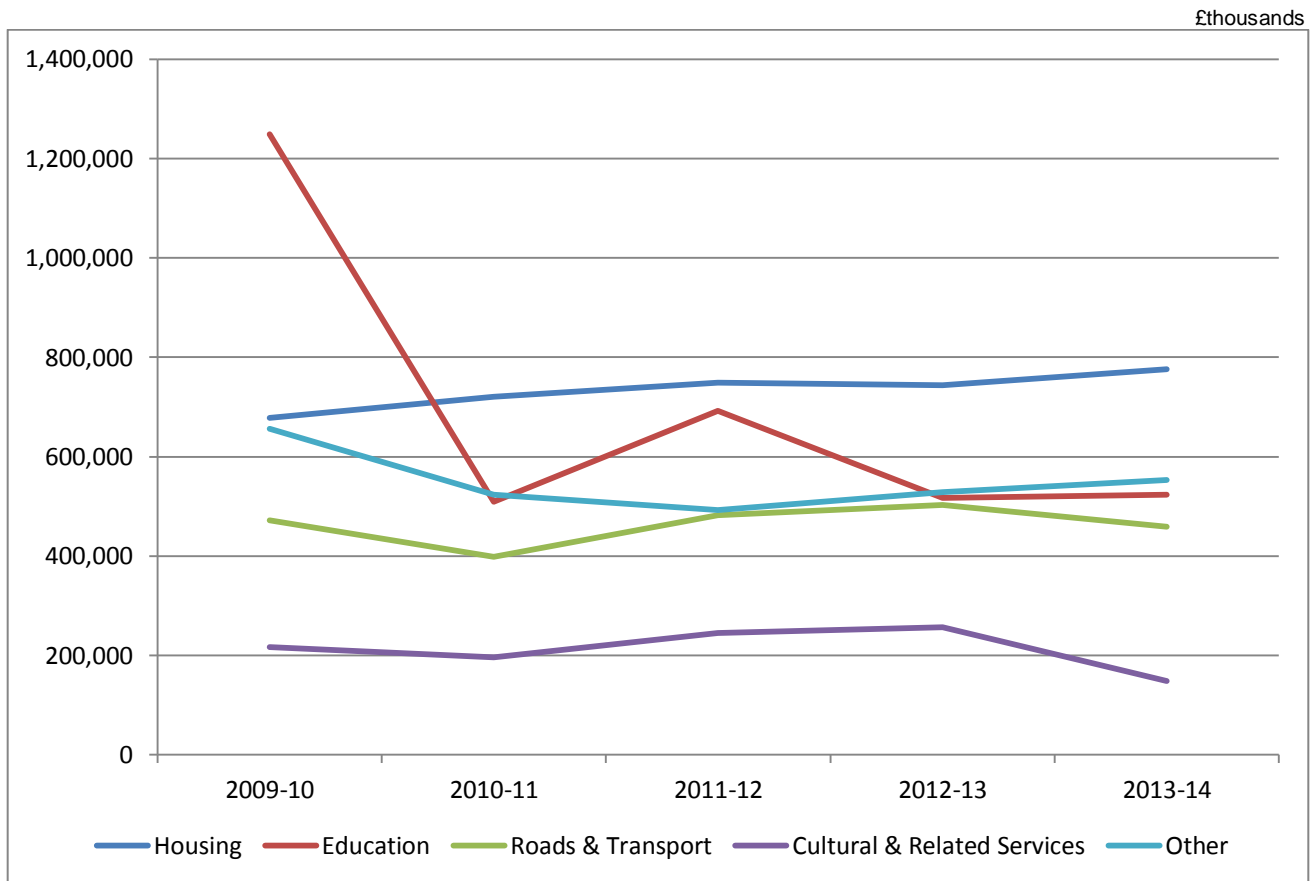
	2009-10 ^a	2010-11	2011-12	2012-13	2013-14
Education	1,248,645	508,691	691,878	517,158	523,776
Cultural & Related Services	216,345	196,014	245,371	257,040	148,933
Social Work	66,379	51,256	46,487	73,812	80,849
Roads & Transport	471,795	399,084	482,554	503,480	458,876
Environmental Services	121,769	102,458	105,036	126,631	188,525
Planning & Development Services	171,613	120,742	113,476	118,282	94,415
Central Services	212,250	180,486	143,678	123,740	175,153
Non-HRA Housing	182,808	174,404	149,002	136,363	156,699
Trading Services	21,935	12,687	10,390	18,419	14,059
Total General Fund Capital Expenditure excluding Police & Fire	2,713,539	1,745,822	1,987,872	1,874,925	1,841,285
Police ²	37,744	25,241	30,188	45,365	
Fire ²	24,759	30,983	43,856	21,755	
Total General Fund Capital Expenditure	2,776,042	1,802,046	2,061,916	1,942,045	1,841,285
Housing Revenue Account	495,317	546,116	599,618	607,279	618,716
Total Capital Expenditure	3,271,359	2,348,162	2,661,534	2,549,324	2,460,001

a. From 2009-10 onwards assets acquired through PPP/PFI are included. In addition, figures for 2009-10 include assets acquired through PPP/PFI for past years. (more information on the changes can be found here - <http://www.scotland.gov.uk/Topics/Government/local-government/17999/LACapital/CapExReport200910>)

2. Following the Police and Fire Reform (Scotland) Act 2012 figures for 2013-14 may not be comparable with previous years. See section 5.2 for details.

Source: Capital Returns (CR Final)

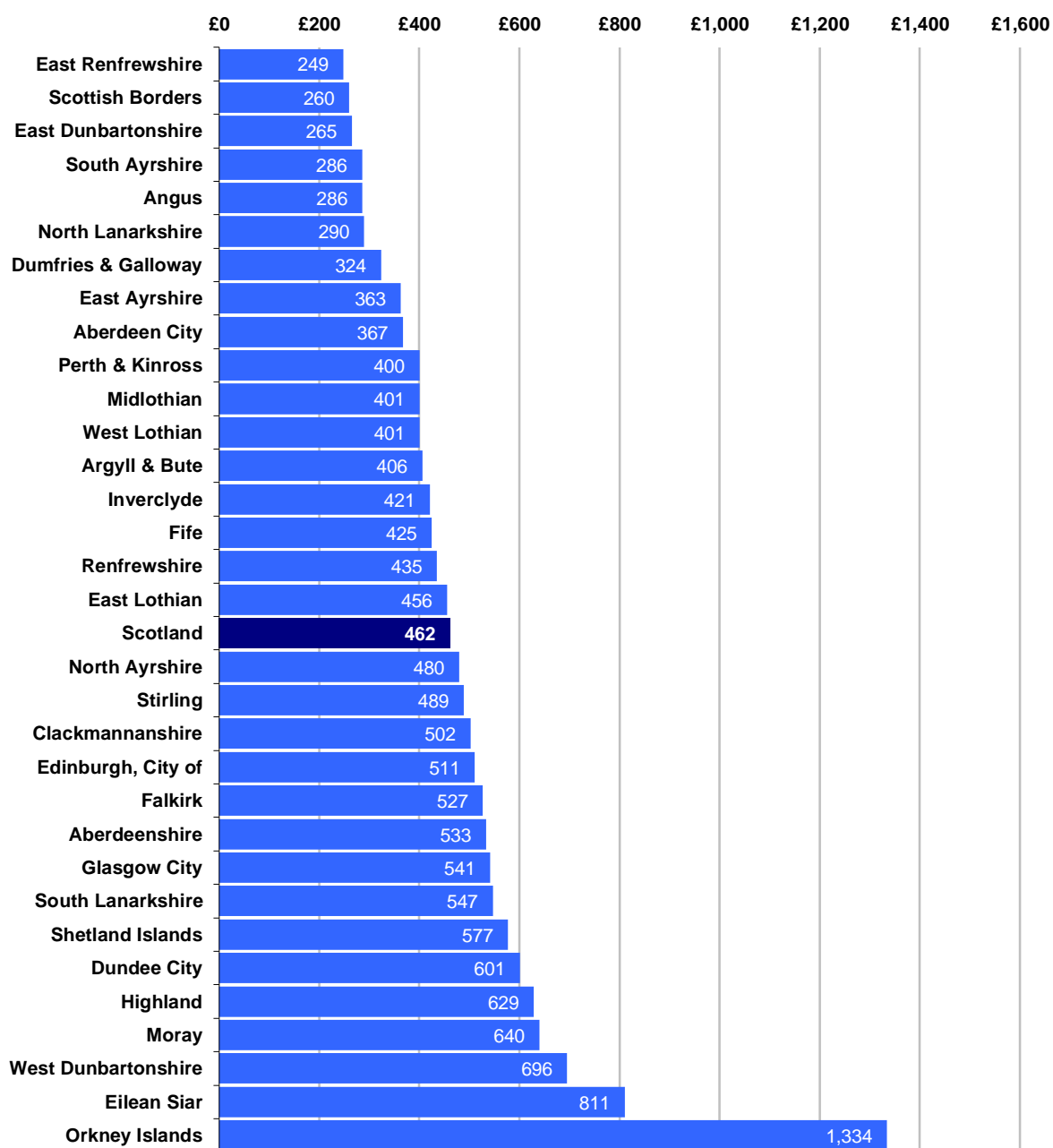
Chart 2.2 – Capital Expenditure



Figures for 2009-10 include assets acquired through PPP/PFI for past years. (more information on the changes can be found here - <http://www.scotland.gov.uk/Topics/Government/local-government/17999/LACapital/CapExReport200910>)

In any given year capital expenditure per capita varies substantially between local authority areas. This will in part reflect the different priorities of local authorities however it also reflects differences in the timing of capital projects. Expenditure on capital projects is uneven and expenditure per head in local authority areas will move (possibly substantially) from year to year.

Chart 2.3 – Gross Capital Expenditure per Capita by Local Authority Area 2013-14



Source: Capital Returns (CR Final) & National Records of Scotland Mid-Year Population Estimates (2013)

2.3 General Fund Capital Financing

2.3.1 Capital Grants

Capital grants are grants provided to local authorities to fund capital investment. The Scottish Government provides two types of grant funding to local authorities – a General Capital Grant and a number of ring-fenced grants. Scottish Government Agencies, such as Transport Scotland, and Non-Departmental Bodies such as sportscotland may also award grants for projects. Other grants and contributions include grants from other local authorities, European Structural Funds, contributions from private developers or persons,

and grants from the National Lottery. Table 2.4 details capital grants by source, and type of local authority.

Table 2.4 – Capital Grants, 2013-14 ^{a, b}

£ thousands

	Scotland	Unitary Authorities	Regional Transport Partnerships	Bridge Authorities	Valuation Boards
Grants from Scottish Government Agencies and NDPBs	662,704	649,888	7,860	4,956	0
Grants from other Local Authorities/Joint Boards	15,943	13,537	2,383	0	23
European Union Structural Funds	9,545	9,545	0	0	0
Contributions from private developers or persons	17,034	17,034	0	0	0
Grants from the National Lottery	12,311	12,311	0	0	0
Other grants/ contributions	91,119	87,491	3,530	0	98
Total Grants	808,656	789,806	13,773	4,956	121

a. These figures are those reported by local authorities in their 2013-14 Final Capital Return for Income. They will not, therefore, match the figures for financing in Table 2.2

b. Figures include Housing Revenue Account

Source: Capital Returns (CR Final)

2.3.2 Capital Receipts

'Capital receipts' is the term used to recognise income from the sale or disposal of a fixed asset, such as land or council housing. Under statute capital receipts may only be used to fund capital expenditure or for the repayment of the principal of loans.

Table 2.5 details capital receipts categorised by service from 2009-10 to 2013-14. In order to reflect the corporate nature of assets and to promote good asset management practices local authorities commonly move assets to "Central Services" (which includes "Other Services" categorisation in this table) when they become identified as surplus for disposal. This can be seen from the table where in recent years for General Fund services, the greatest value of capital receipts has generally been reported against "Central Services". From 2009-10, Local authorities have been required to report Capital Receipts against the service with which the asset was last in use. A detailed breakdown of Capital Receipts by Service for 2013-14 can be found in Annex J.

Capital receipts can be used to finance capital expenditure and repay debt (principal but not interest). These receipts are generated through the sale or disposal of assets, such as a council house or other local authority land/building. Revenue raised from capital receipts has been falling for a number of years, but because of the changes in recording practice it is difficult to attribute this fall to a particular service.

Table 2.5 – Capital Receipts Raised by Service, 2009-10 to 2013-14^a

£ thousands

	2009-10	2010-11	2011-12	2012-13	2013-14
Education	4,089	18,822	20,177	5,623	13,798
Culture & Related Services	2,243	12,013	746	1,025	3,574
Social Work	285	2,026	3,477	3,155	2,632
Roads & Transport	742	913	6,087	2,778	1,742
Environmental Services	1,113	799	611	507	1,378
Planning & Development Services	8,996	17,901	13,962	15,011	58,276
Central Services	142,394	18,613	15,663	23,925	28,128
Non-HRA Housing	602	453	344	81	198
Trading Services	133	1,082	1	35	6
Total GF Capital Receipts excluding Police & Fire	160,597	72,622	61,068	52,140	109,732
Police & Fire ¹	3,709	3,834	4,926	7,206	
Total GF Capital Receipts	164,306	76,456	65,994	59,346	109,732
Housing Revenue Account	65,091	65,515	46,326	42,369	53,529
Total Capital Receipts	229,397	141,971	112,320	101,715	163,261

a. Following the Police and Fire Reform (Scotland) Act 2012 figures for 2013-14 may not be comparable with previous years. See section 5.2 for details.

2. In 2012-13 fire boards had £41k in education capital receipts raised.

Source: Capital Returns (CR Final)

Table 2.6 – Capital receipts summary, 2013-14

£ thousands

	General Fund	Housing Revenue Account	TOTAL
Capital Receipts brought forward at 1 April 2013	45,123	2,821	47,944
Capital receipts from the sale/ disposal of fixed assets	109,732	53,529	163,261
Total capital receipts available for use	154,855	56,350	211,205
Capital receipts used from asset sales/disposals	43,794	48,373	92,167
Capital receipts used to repay debt	55,231	3,955	59,186
Capital receipts transferred to Capital Fund	34,228	0	34,228
Capital receipts held 31 March 2014	21,602	4,022	25,624

Source: Capital Returns (CR Final)

Table 2.6 shows the impact capital receipts raised and used have on the capital receipts brought forward at 1 April 2013 (£48.0m), resulting in capital receipts held at 31 March 2014 of £25.6m.

2.3.3 Borrowing

Local Authorities have the statutory power to borrow under Schedule 3 of the Local Government (Scotland) Act 1975. Local Authorities may borrow for the purposes of:

- Acquiring land
- Construction of buildings
- Undertaking permanent work or provision of plant and machinery
- Lending to relevant authorities or Community Councils
- Any other purpose for which the authority is authorised under any enactment to borrow

Borrowing is a major component of the funding of capital expenditure as shown in Table 2.7.

Local authorities are required by legislation to operate a loans fund. All money borrowed by local authorities must be paid into this loans fund, which then makes advances to service accounts to fund capital expenditure. The Scottish Government monitors the value of debt recorded in the loans fund (rather than the level of external debt) because it is this amount of debt that is charged to services over a period of time. It is not expected, however, that the levels of loan pool debt and external debt will be significantly different in value.

Table 2.7 – Loans Fund Borrowing to Finance Capital Expenditure – 2009-10 to 2013-14

	£ thousands				
	2009-10	2010-11 ^a	2011-12	2012-13	2013-14
General Fund	779,807	808,181	918,890	852,238	788,568
Advances for Capital Expenditure	758,526	794,407	915,766	846,269	751,634
Advances for Consented Borrowing	21,281	13,774	3,124	5,969	36,934
Housing Revenue Account	311,741	305,748	342,578	313,149	316,958
Advances for Capital Expenditure	311,741	305,748	342,578	313,053	316,815
Advances for Consented Borrowing	0	0	0	96	143
Total Loans Fund Borrowing	1,091,548	1,113,929	1,261,468	1,165,387	1,105,526

a. Data from Valuation Boards was collected for the first time in 2010-11
Source: Capital Returns (CR Final)

The costs of servicing debt on Local Authority trading services (e.g. piers and harbours) are mainly met through the charges made for these services, while the costs of servicing Housing Revenue Account (HRA) debt are met principally through income from rents. The costs of servicing debt are detailed in Table 1.1 which shows interest paid and the cost of repayments can be seen in Annex B (Statutory Repayment of Debt).

3. Local Government Reserves, Fixed Assets and Debt

3.1 Reserves

Revenue reserves reflect an accumulation of surplus income. These are used to finance future spending on services. The surplus or deficit on the provision of service is laid out in Table 1.1; in order to be consistent with that table income is shown as negative and expenditure as positive in the following tables. Road Bridges are included in the General Fund values.

On 1 April 2013 local authorities had total revenue reserves of £1.784 billion. Over the course of the year total reserves decreased by £1.6 million (less than 0.1%) to £1.783 billion on 31 March 2014. Capital reserves fell by £9.7 million (1.7%), from £0.569 billion to £0.559 billion.

Table 3.1 – Movements in Reserves by Account, 2013-14

£thousands

	<u>Revenue Reserves</u>					Total Revenue Reserves
	General Fund	Housing Revenue Account	Renewal and Repairs	Insurance Fund	Other Statutory Funds	
Level of Reserves held 1 April 2013	-1,099,062	-116,117	-190,828	-79,442	-298,872	-1,784,321
Surplus or Deficit on provision of services	637,962	195,562				833,524
Statutory Adjustments	-575,189	-203,374				-778,563
Total Statutory Adjustments	62,773	-7,812				54,961
Movement between Accounts	-56,101	6,417	11,135	-4,561	5,178	-37,932
Capital receipts for the year	0	0	0	0	0	0
Capital Expenditure funded from Reserves	0	-1,148	8,560	0	0	7,412
Other Movements in Reserves	4,025	581	7,351	1,358	-36,124	-22,809
Movement in Reserves	-52,076	5,850	27,046	-3,203	-30,946	-53,329
Level of Reserves held 31 March 2014	-1,088,365	-118,079	-163,782	-82,645	-329,818	-1,782,689

£thousands

	<u>Capital Reserves</u>			Total Capital Reserves
	Capital Fund	Capital Receipts	Capital Grants Unapplied	
Level of Reserves held 1 April 2013	-449,885	-56,716	-62,520	-569,121
Surplus or Deficit on provision of services				
Statutory Adjustments			-33,581	-33,581
Total Statutory Adjustments			-33,581	-33,581
Movement between Accounts	-6,583	44,357	0	37,774
Capital receipts for the year	-48,486	-74,004	0	-122,490
Capital Expenditure funded from Reserves	28,932	52,761	10,637	92,330
Other Movements in Reserves	32,483	3,147	0	35,630
Movement in Reserves	6,346	26,261	10,637	43,244
Level of Reserves held 31 March 2014	-443,539	-30,455	-85,464	-559,458

Source: Local Financial Returns (LFR 23) and Capital Return Final

3.2 Fixed Assets

Capital Expenditure creates local authority assets. The value of Local Authority fixed assets is shown in Table 3.2 below.

Table 3.2 – Value of Fixed Assets, 2010 to 2014

£ thousands

	Value of fixed assets as at 31 March 2010	Value of fixed assets as at 31 March 2011	Value of fixed assets as at 31 March 2012 ^a	Value of fixed assets as at 31 March 2013	Value of fixed assets as at 31 March 2014
Operational Assets					
Council dwellings	9,140,999	9,780,140	9,475,119	10,450,805	10,839,706
Other land and buildings	18,182,691	19,132,148	18,955,480	18,978,739	18,276,923
Vehicles, plant and machinery	769,104	928,814	937,152	1,022,046	1,003,162
Infrastructure assets	3,941,374	4,335,085	4,432,109	4,751,596	4,987,041
Community assets	172,117	177,755	165,502	168,819	161,728
Heritage assets ²			417,174	1,804,230	1,803,074
Total operational assets	32,206,285	34,353,942	34,382,536	37,176,235	37,071,634
Non-operational assets					
Assets under construction	983,249	1,275,873	1,456,501	1,271,111	1,200,830
Surplus assets held for disposal	583,577	492,701	397,053	377,632	365,120
Investment properties	702,732	209,196	205,613	205,220	197,445
Total non-operational assets	2,269,558	1,977,770	2,059,167	1,853,963	1,763,395
Intangible Assets	42,756	18,052	77,184	19,747	23,913
<i>Total Assets excluding Police & Fire</i>	<i>33,663,509</i>	<i>35,560,848</i>	<i>36,299,949</i>	<i>38,214,124</i>	<i>38,858,942</i>
Total Assets	34,518,599	36,349,764	37,168,112	39,049,945	38,858,942

a. Total Assets for 2011-12 includes £649,225 thousand for South Ayrshire Council that couldn't be broken down into the above categories.

2. Heritage assets was collected as a category from 2012-13 onwards.

Source: Capital Returns (CR Final)

3.3 Debt

The result of borrowing to finance capital expenditure gives rise to a liability to repay the debt. The levels of outstanding debt are shown in Table 3.3.

Total Loans fund debt at 31st March 2014 was £12.95 billion (of which £9.93 billion was General Fund debt and £3.02 billion was HRA debt). General Fund loans fund debt decreased by £5.4 million (0.1%) in 2013-14 against an overall increase of £1.23 billion (14.2%) since 31st March 2010. HRA loans fund debt rose by £183 million (6.5%) in 2013-14 against an overall increase of £807 million (36.5%) since 31st March 2010.

At 31st March 2013, the Scottish average General Fund loans fund debt was equal to £1,865 per person and the average HRA loans fund debt was equal to £9,533 per HRA dwelling.

Table 3.3 – General Fund and HRA Loans Fund Debt, 2009-10 to 2013-14

	£ thousands				
	31st March 2010	31st March 2011	31st March 2012	31st March 2013	31st March 2014
General Fund					
Total Debt (£ thousands)	8,701,375	9,107,360	9,513,353	9,939,022	9,933,613
Per Head (£)	1,675	1,744	1,810	1,870	1,865
Housing Revenue Account					
Total Debt (£ thousands)	2,209,731	2,383,441	2,621,205	2,833,400	3,016,569
Per HRA dwelling (£)	6,896	7,502	8,284	8,973	9,533
Total Debt	10,911,106	11,490,801	12,134,558	12,772,422	12,950,182

Source: Capital Returns (CR Final), Housing Revenue Account: Local authority housing income and expenditure, NRS Mid-Year Population Estimates (2013)

Table 3.4 – Outstanding Loans Fund Debt for each Local Authority, 2013-14

	General Fund Services		Housing Revenue Account		Total All Debt (£000s)
	Total Debt (£000s)	Per Head (£)	Total Debt (£000s)	Per HRA dwelling (£)	
Scotland	9,933,613	1,865	3,016,569	9,533	12,950,182
Aberdeen City	432,069	1,902	196,665	8,686	628,734
Aberdeenshire	386,007	1,498	133,128	10,302	519,135
Angus	124,428	1,070	36,425	4,680	160,853
Argyll & Bute ¹	181,924	2,066	0	0	181,924
Clackmannanshire	88,089	1,718	30,762	6,263	118,851
Dumfries & Galloway ¹	258,141	1,718	0	0	258,141
Dundee City	302,807	2,044	181,041	14,200	483,848
East Ayrshire	225,882	1,845	80,143	6,252	306,025
East Dunbartonshire	136,534	1,290	26,114	7,362	162,648
East Lothian	221,616	2,186	135,914	16,171	357,530
East Renfrewshire	84,772	926	27,675	9,167	112,447
Edinburgh, City of	1,150,256	2,359	369,359	18,629	1,519,615
Eilean Siar ¹	154,627	5,643	0	0	154,627
Falkirk	173,206	1,102	95,419	5,876	268,625
Fife	624,347	1,702	192,839	6,412	817,186
Glasgow City ¹	1,605,995	2,692	0	0	1,605,995
Highland	536,991	2,305	184,841	13,656	721,832
Inverclyde ¹	232,008	2,889	0	0	232,008
Midlothian	107,675	1,271	145,546	21,137	253,221
Moray	134,142	1,422	60,096	10,124	194,238
North Ayrshire	155,585	1,136	108,088	8,233	263,673
North Lanarkshire	534,737	1,583	191,408	5,180	726,145
Orkney Islands	23,136	1,073	13,404	15,232	36,540
Perth & Kinross	200,239	1,355	54,158	7,342	254,397
Renfrewshire	139,901	804	143,181	11,407	283,082
Scottish Borders ¹	193,842	1,702	0	0	193,842
Shetland Islands	12,079	521	16,130	9,180	28,209
South Ayrshire	120,467	1,067	59,347	7,361	179,814
South Lanarkshire	774,975	2,461	206,722	8,154	981,697
Stirling	139,843	1,532	37,389	6,765	177,232
West Dunbartonshire	110,170	1,227	142,062	13,345	252,232
West Lothian	367,123	2,084	148,713	11,531	515,836

1. These councils have transferred their housing stock to Registered Social Landlords

Source: Capital Returns (CR Final), Housing Revenue Account: Local authority housing income and expenditure, NRS Mid-Year Population Estimates

4. Local Government Pensions

4.1 Local Government Pensions

Local Government Pension Scheme Funds are operated as separate funds to other accounts. In accordance with regulation 4 of the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008, and regulation 35 of the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008, employer and employee contributions are paid into the fund, along with income from investments, and pensions and lump sum benefits are paid out of the fund. The income and expenditure from these funds are therefore entirely separate from the income and expenditure of the Authorities that administer the funds.

Tables 4.1 and 4.2 show the collective income and expenditure for the Local Government Pension Scheme for the year in question, with income from contributions representing payments for pensionable service accrued during the year which will be paid out (as part of an overall pension) at a future date and expenditure on pensions representing payments of previously accrued pension rights. The relative financial health of the pension scheme is gauged through three-yearly actuarial valuations of each of the eleven funds.

Table 4.1 – Local Government Pension Scheme Funds Expenditure 2009-10 - 2013-14

	£ thousands				
	2009-10	2010-11	2011-12	2012-13	2013-14
Total Benefits including Payments under Pensions (Increase) Acts:	841,026	969,723	1,021,142	1,025,525	1,069,643
Pensions ¹	544,814	574,929	651,085	601,299	642,755
Lump Sums ¹	230,477	330,251	300,705	242,232	235,963
Other Benefits ¹	2,700	3,006	2,883	2,838	0
Payments under Pensions (Increase) Acts ¹	63,035	61,537	66,469	179,156	190,925
Transfer Values ²	69,848	46,244	33,839	41,701	42,061
Other ³	61,854	64,609	69,225	72,343	16,282
TOTAL EXPENDITURE⁴	972,728	1,080,576	1,124,206	1,139,569	1,127,986

1. Payments under the Pensions (Increase) Act 1971 relate to costs associated with uprating of pensions. In some cases local authorities were unable to separately identify this cost and included it within pensions, lump sums & other benefits.

2. Transfer Values are due to scheme members transferring to other pension schemes (for example where a scheme member has moved to a different employer).

3. "Other Benefits" includes, Fund Administration and Management Costs (the largest component); Refunds of Contributions; Adjustments; and Premiums.

4. In previous editions of this annual publications, Losses on Realisation of Investments were included under pension funds expenditure, and Profits on Realisation of Investments were included under pension fund income. In this edition, these elements are combined as Net Profits on Realisation of Investment (i.e. profit minus loss), and reported in table 4.2.

Table 4.1 details the total expenditure of the Local Government Pension Scheme Funds in Scotland since 2009-10. The trend of pension funds expenditure increases in 2009-10 and 2010-11, followed by a flattening off of expenditure in later years, reflects the underlying pattern of early retirements which increased to a peak in 2010-11 before subsequently reducing. The reduction in other expenditure is partially due to changes to form design and guidance.

Table 4.2 – Local Government Pension Scheme Funds Income 2009-10 – 2013-14

£ thousands

		2009-10	2010-11	2011-12	2012-13	2013-14
Total Contributions		1,140,065	1,234,224	1,206,509	1,135,927	1,157,698
Contributions (including those from other employing authorities)	Employees	273,280	276,179	262,811	258,219	266,780
	Employers	866,785	958,045	943,698	877,708	890,918
Net Investment and Other Income ¹		3,882,044	1,538,331	516,367	3,040,095	2,063,964
TOTAL INCOME¹		5,022,109	2,772,556	1,722,876	4,176,022	3,221,662

Source: Local Financial Returns – LFR 24

1. In previous editions of this annual publications, Losses on Realisation of Investments were included under pension funds expenditure, and Profits on Realisation of Investments were included under pension fund income. In this edition, these elements are combined as Net Profits on Realisation of Investment (i.e. profit minus loss), which simplifies interpretation of the data and is more consistently reported by data providers.

b. To reduce the burden on data providers, the categories Investment Income (gross) and Transfer Values used in previous years were combined with 'Other Income' for the 2012-13 data collection.

Table 4.2 shows Local Government Pension Scheme Funds Income since 2009-10. Contributions from Employees and Employers are both dependent on the number of contributing employees (full time and part-time) and are both relatively stable over time. Contributions from Employees are fixed at a set percentage of pay, depending on level of salary. Contribution rates from employers are variable and are reviewed on a triennial basis, with actuaries determining the contribution rates for the following three years.

More fluctuation is seen in Other Income and, in particular, Net Profits on Realisation of Investments. Net Investment income is influenced by investment conditions (e.g. changes in the stock market) and is clearly the most variable component of the total Pension Funds Income.

5. Background to Scottish Local Government Financial Statistics

Scottish Local Government Financial Statistics is an annual publication that provides a comprehensive overview of Scottish local authority financial activity. The publication covers local authority income, revenue and capital expenditure, outstanding debt, local taxation and local authority pensions. Further information on Scottish Local Government Finance Statistics can be found at:

<http://www.scotland.gov.uk/Topics/Statistics/Browse/Local-Government-Finance>.

5.1 Structure and Functions of Local Government

Local government is responsible for delivering a wide range of services including education, social services, transport, housing, environmental services, cultural services, planning and development and central services. Under the Concordat signed in November 2007, the Scottish Government and local government work jointly towards agreed outcomes under a single national purpose.

Local government in Scotland is comprised of 32 local authorities as shown in Map 5.1. In terms of population, the largest of these 32 Authorities is Glasgow City Council and the smallest is Orkney Islands Council. Table 5.1 below shows the population and area for each Local Authority.

In addition to these 32 local authorities, there are also Valuation Joint Boards, Regional Transport Partnerships and the Forth and Tay Bridge Boards. Most of these Boards are the collective responsibility of two or more Councils. See Table 5.2 for listings of Boards and constituent Local Authorities.

Regional Transport Partnerships (RTPs) were established by the Transport (Scotland) Act 2005. Seven statutory regional transport partnerships were created across Scotland to lead on regional transport strategy and delivery.

Valuation Joint Boards provide valuation services, primarily maintaining the Valuation Roll for non-domestic properties, and the Council Tax Valuation List for domestic dwellings. The Valuation Roll and Council Tax Valuation Lists are used as the basis for local taxation billing liability (council tax and non-domestic rates).

5.2 Police and Fire Services

Police and Fire Boards were until 31st March 2013 responsible for providing police and fire services for their constituent Councils. The Police and Fire Reform (Scotland) Act 2012 created Police Scotland and the Scottish Fire and Rescue Service, which replaced the former Police and Fire Boards. These new bodies are classified as central government, so are no longer included in figures on local government in 2013-14. Due to the way that Police and Fire Boards were funded, it is not possible to exclude Police and Fire income from previous years. As such, figures from 2013-14 are not strictly comparable with figures from earlier years.

Where possible, expenditure on Police and Fire have been presented separately so that comparisons over time can be made. However, for many of the income sections, this has not been possible and comparisons should be made with care.

Table 5.1 – Local Authority Demographics, 2013-14

	Population	Area (sq km)	Population Density (Persons per sq km)	Urban Rural Classification		SIMD Local share of datazones in the most deprived 15%
				Urban (% of population)	Rural (% of population)	
Scotland	5,327,700	77,907	68	81.6	18.4	15.0%
Aberdeen City	227,130	186	1,223	99.2	0.8	8.2%
Aberdeenshire	257,740	6,313	41	44.8	55.2	1.7%
Angus	116,240	2,182	53	69.9	30.1	2.1%
Argyll & Bute	88,050	6,909	13	48.1	51.9	8.2%
Clackmannanshire	51,280	159	323	87.5	12.5	21.9%
Dumfries & Galloway	150,270	6,426	23	54.4	45.6	6.7%
Dundee City	148,170	60	2,479	100.0	0.0	30.7%
East Ayrshire	122,440	1,262	97	67.8	32.2	20.8%
East Dunbartonshire	105,860	174	607	95.1	4.9	2.4%
East Lothian	101,360	679	149	68.2	31.8	2.5%
East Renfrewshire	91,500	174	525	96.2	3.8	5.8%
Edinburgh, City of	487,500	263	1,852	99.1	0.9	9.8%
Eilean Siar	27,400	3,059	9	29.2	70.8	0.0%
Falkirk	157,140	297	528	91.6	8.4	9.1%
Fife	366,910	1,325	277	81.2	18.8	12.8%
Glasgow City	596,550	175	3,415	99.7	0.3	41.6%
Highland	232,950	25,656	9	51.4	48.6	5.8%
Inverclyde	80,310	160	501	98.3	1.7	40.0%
Midlothian	84,700	354	239	81.1	18.9	2.7%
Moray	94,350	2,238	42	53.5	46.5	0.0%
North Ayrshire	136,920	885	155	88.8	11.2	25.7%
North Lanarkshire	337,730	470	719	91.2	8.8	23.9%
Orkney Islands	21,570	989	22	31.9	68.1	0.0%
Perth & Kinross	147,750	5,286	28	53.8	46.2	3.4%
Renfrewshire	173,900	261	665	93.9	6.1	22.4%
Scottish Borders	113,870	4,732	24	50.9	49.1	3.8%
Shetland Islands	23,200	1,467	16	31.4	68.6	0.0%
South Ayrshire	112,850	1,222	92	79.1	20.9	11.6%
South Lanarkshire	314,850	1,772	178	88.2	11.8	13.3%
Stirling	91,260	2,187	42	66.5	33.5	6.4%
West Dunbartonshire	89,810	159	566	99.3	0.7	26.3%
West Lothian	176,140	428	412	91.2	8.8	6.2%

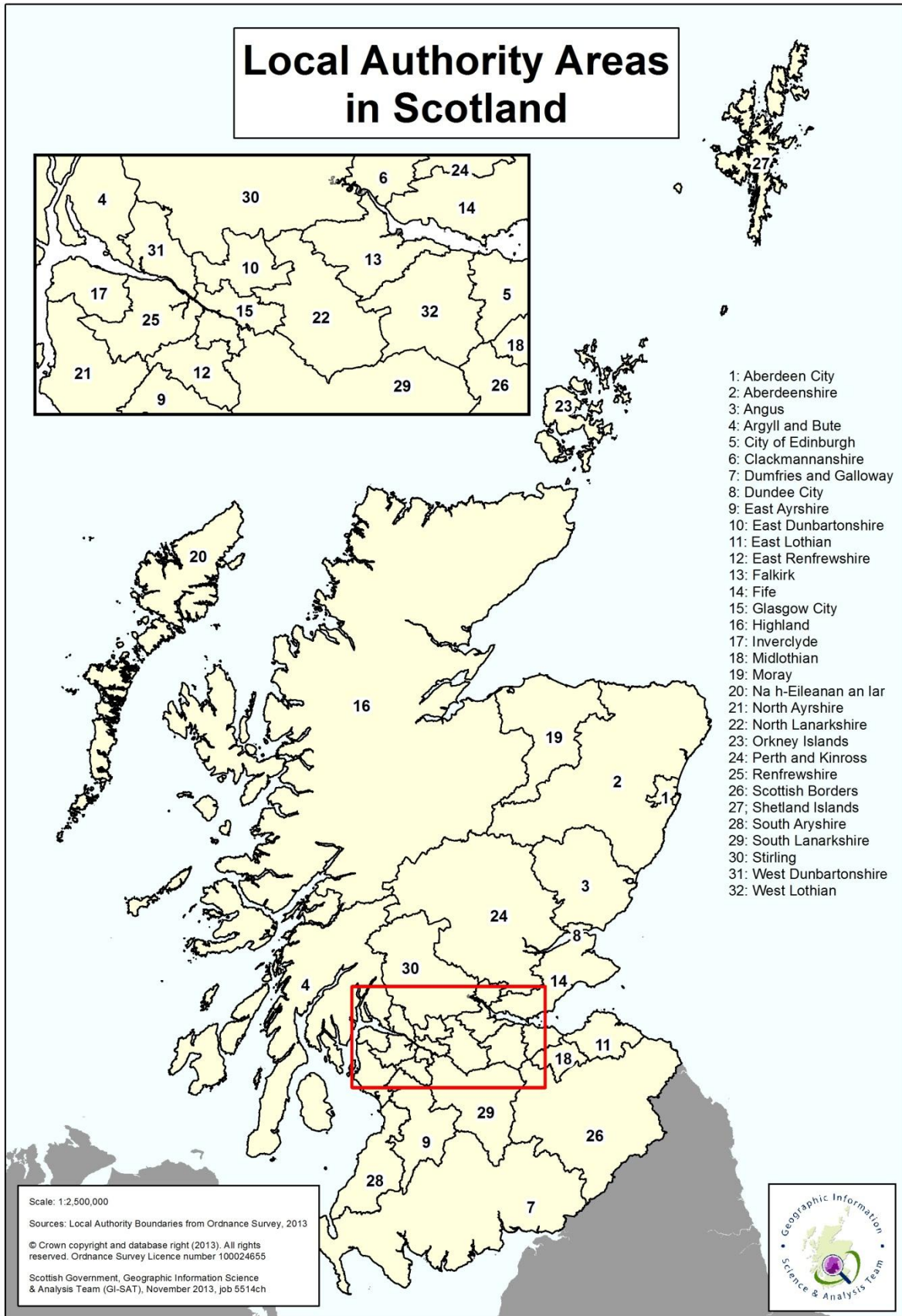
Sources: Population and Area – National Records of Scotland 2013 Mid-Year Population Estimates. Urban Rural Classification – SG Urban Rural Classification 2013-14. SIMD – Scottish Index of Multiple Deprivation 2012.

Table 5.2 – Local Authority Joint Board Membership

Local Authority	Regional Transport Partnerships	Valuation Joint Boards
Aberdeen City	NESTRANS	Grampian
Aberdeenshire	NESTRANS	Grampian
Angus	TACTRAN	Tayside
Argyll & Bute ¹	SPT/HITRANS	Dunbartonshire & Argyll& Bute
Clackmannanshire	SESTRAN	Central
Dumfries & Galloway	SWESTRANS	Dumfries & Galloway
Dundee City	TACTRAN	Tayside
East Ayrshire	SPT	Ayrshire
East Dunbartonshire	SPT	Dunbartonshire & Argyll& Bute
East Lothian	SESTRAN	Lothian
East Renfrewshire	SPT	Renfrewshire
Edinburgh, City of	SESTRAN	Lothian
Eilean Siar	HITRANS	Highland and Western Isles
Falkirk	SESTRAN	Central
Fife	SESTRAN	Fife
Glasgow City	SPT	Glasgow
Highland	HITRANS	Highland and Western Isles
Inverclyde	SPT	Renfrewshire
Midlothian	SESTRAN	Lothian
Moray	HITRANS	Grampian
North Ayrshire	SPT	Ayrshire
North Lanarkshire	SPT	Lanarkshire
Orkney Islands	HITRANS	Orkney & Shetland
Perth & Kinross	TACTRAN	Tayside
Renfrewshire	SPT	Renfrewshire
Scottish Borders	SESTRAN	Borders
Shetland Islands	ZetTrans	Orkney & Shetland
South Ayrshire	SPT	Ayrshire
South Lanarkshire	SPT	Lanarkshire
Stirling	TACTRAN	Central
West Dunbartonshire	SPT	Dunbartonshire & Argyll& Bute
West Lothian	SESTRAN	Lothian

1. Helensburgh and Lomond are part of SPT while the rest of Argyll and Bute is part of HITRANS.

Map 5.1 – Local Authority Areas



5.3 Local Government Finance

5.3.1 Capital and Revenue Expenditure

Local government expenditure is split between revenue and capital expenditure.

Both the capital and revenue sections of local authority accounts are collected on an *accruals* basis. This means that transactions are reflected in the accounts of the period in which the relevant event took place (for example, when income was earned or an expense was incurred).

Revenue expenditure is largely made up of employee and operating costs. *Employee costs* include salaries, wages, national insurance, superannuation contributions, cash allowances to employees, redundancy and severance payments and other employee costs. *Operating costs* include property costs, supplies and services, transport and plant costs, payments to agencies and other bodies, and direct administration costs.

Capital expenditure is mainly incurred by local authorities for buying, constructing or enhancing physical assets such as buildings (schools, houses etc), land, vehicles, plant and machinery.

For accounting purposes revenue and capital are kept separate, but there is a relationship between the two, where capital expenditure (on a building for example) can have implications for revenue expenditure (where that building needs to be maintained and staffed). The revenue accounts reported include the General Fund, Housing Revenue accounts and External Trading Services accounts. Adjustments are made for transfers between accounts in order to avoid any double counting of expenditure or income.

Revenue and capital accounts should not be combined to produce total expenditure and income figures. There are elements of expenditure, i.e. Revenue Contributions to Capital, which is also known as Capital Financed from Current Revenue, and Grants to third parties funded by the General Capital Grant, which are reported both as Revenue and as Capital expenditure. As such, analysis and discussion of revenue and capital accounts are done separately to avoid double-counting.

5.3.2 Local Government Expenditure – Funding

Revenue expenditure is largely financed through Scottish Government grants, Non-Domestic Rates income and Council Tax income. Capital is mainly financed through Scottish Government grants, borrowing, capital receipts and revenue contributions. This publication does not cover how funding is distributed amongst Local Authorities but details of the needs-based methodology central to funding allocation can be found on the Scottish Government [Grant Aided Expenditure Website](#).

5.3.3 Local Authority Funds and Reserves

Local Authorities are required under section 93(1) of the Local Government (Scotland) Act 1973 to have a **General Fund**. All sums received by or on behalf of the authority are required to be paid into that fund, and all sums payable by the authority shall be paid out of the General Fund, except where statute provides otherwise. The General Fund is therefore the main account for Local Authorities and the one where most transactions occur.

References to General Fund Income and Expenditure in this publication encompass the income and expenditure of the 32 Local Authorities, the Police and Fire Boards (until their abolition), the Valuation Joint Boards, and the Regional Transport Partnerships, but do not include revenue income and expenditure of the Forth or Tay Bridge Boards.

The Housing (Scotland) Act 1987 requires a local authority to keep a **Housing Revenue Account (HRA)** for income and expenditure in relation to a local authority's own direct provision of housing. This separates the costs of social housing from other services provided by the local authority.

Local authorities also own and manage **Common Good** assets. Common good funds and assets are those held by local authorities which were, in effect, gifted to the local community (usually a previous burgh council). Statute requires these assets to be accounted for separately. Some property held within a Local Authority's Common Good Fund can be sold, while some must be maintained in trust for the community. The fund is used for projects that are for the common good of all residents.

Local Authorities are empowered by the Local Government (Scotland) Act 1975 to establish a **Renewal and Repair fund**. This fund may be used for repairing, maintaining, replacing and renewing the authority's buildings, plant and equipment. The Renewal and Repair fund may also be used to finance capital expenditure. In accordance with the Code of Practice on Local Authority Accounting in the UK (the Code), expenditure may not be charged directly to reserves. As such, all transactions are restricted to contributions to and from the General Fund.

The Local Government (Scotland) Act 1975 (as amended by schedule 13 of the Local Government etc. (Scotland) Act 1994) also enables a local authority to establish an **Insurance Fund**. Again, expenditure should not be charged directly to any reserve. As such, all transactions for this reserve are restricted to contributions to and from the General Fund.

In addition to the funds listed above, some local authorities may have specific statutory authority to hold other statutory reserves. Examples include the Orkney County Council Act 1974 and the Zetland County Council Act 1974, which require the respective councils to keep separate accounts for their harbour undertakings and provide the power for the councils to hold a reserve fund for the same undertakings. As with other reserves' transactions, all transactions for these reserves are restricted to contributions to and from the General Fund.

The Local Government (Scotland) Act 1975 Act also permits a local authority to establish a **Capital Fund**. This fund may be used for the purpose of meeting the cost of capital expenditure and for the repayment of principal on loans (but not any interest on loans). Capital receipts may be paid directly into the Capital Fund in accordance with the provisions of the 1975 Act.

In addition to their own funds certain local authorities have the responsibility for managing pension funds. The **Local Government Pension Schemes** do not form part of the local authority accounts or reserves.

5.3.4 Changes to Accounting Arrangements for Public Private Partnerships and Public Finance Initiatives

Revised accounting arrangements for Public Private Partnerships (PPP) and Public Finance Initiatives (PFI) were introduced from 1st April 2009. Local Financial Returns 2009-10 and Final Capital Return 2009-10 were revised to collect data based on the new arrangements and this has continued for subsequent returns.

The revisions require local authorities to separate the PPP/PFI unitary charge into elements recognising the liability to meet the construction cost of the asset (statutory repayment of debt), interest costs arising from financing arrangements and the service charge for services (revenue expenditure) provided under the arrangement. Previously the total unitary charge was included within the relevant service revenue expenditure. Therefore, **for 2009-10 revenue expenditure, statutory repayment of debt and interest and investment income** for services in which there are PPP or PFI schemes are not comparable with previous years. Total revenue expenditure is not affected by the changes. To allow comparisons to be made between the old and new accounting arrangements, revenue expenditure tables prepared on the old basis [LGF Stats 2009-10 (PPP/PFI Adjusted)] were published alongside [Scottish Local Government Financial Statistics 2009-10](#) (which included tables on the new basis).

Capital expenditure is also affected by the revised accounting arrangements. Before 1st April 2009 assets provided by a PFI/PPP or similar arrangement were not recorded as assets of the authority and therefore expenditure on the construction or enhancement of those assets was not recorded as capital expenditure. Under the new accounting arrangements the criteria for asset recognition moved from risk and reward to the control of service provision and control of the residual value of the asset. Based on the new tests most local authorities identified that they do have control of service provision and the residual interest in the PFI assets, such as schools. These assets are now recognised as assets of the local authority (on-balance sheet) which they were not under the previous arrangements and now form part of the capital regime. Any expenditure on their construction or enhancement will be capital expenditure.

This change should therefore be taken into account when comparing **2009-10 capital expenditure** for services in which councils have PPP or PFI with those of previous years. Comparison between data on the old and new bases is provided in [Capital Expenditure Report 2010-11](#).

The services in which councils have reported having PPP or PFI are Education, Social Work, Culture & Related Services, Environmental Services and Roads & Transport. The biggest effect can be seen in Education as most councils have a PPP or PFI scheme for this service.

For more detailed information on the accounting changes see [Finance Circular 4/2010](#).

5.3.5 Data Collection and Quality

The tables and figures in this publication have been compiled using various financial returns made by Local Authorities and Joint Boards throughout the financial year. These financial returns are approved by local authority directors of finance. The continued co-operation of these bodies in completing these returns is gratefully acknowledged.

To aid comparability, data collection aims to follow accountancy standards where they apply – for example revenue expenditure data are collected in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Service Code of Practice (SeRCoP).

Local authorities are required to ensure that their Local Financial Returns (LFRs) are as comparable as possible to their published audited accounts. This should ensure that the data provided is more comparable across authorities and there is less opportunity for error when classifying expenditure across different services within an authority.

As part of the quality assurance procedure, the Scottish Government carries out validation checks on the incoming data to identify possible errors. Potential problems are identified in a number of ways, including comparing the data received to: other known sources; data from previous years; and data from other local authorities. Where appropriate, views are also sought from policy colleagues – for example where a change in the financial data may be attributable to a policy change. To ensure the data are of a high quality, the Scottish Government then works with the relevant local authorities to resolve any data issues identified.

The LFRs are used to collect revenue income and expenditure data from local authorities. A full review of the LFRs was carried out for the 2011-12 data collection by the LFR Review Group, comprising of representatives from local authorities, the Convention of Scottish Local Authorities (COSLA), the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Scottish Government. This group continued to provide help and advice with regard to the 2012-13 LFRs, for example improving definitions to aid consistency, and this support is gratefully acknowledged.

Further information on [Sources, Uses and Quality of Local Government Finance National Statistics](#) can be found on the Local Government Finance Statistics pages of the Scottish Government website.

5.3.6 Notes

Revenue expenditure data from 2011-12 onwards were collected after local authority accounts were audited.

All other financial data is shown at outturn level to reflect the amounts after the year's accounts have been closed, but before audit. Where possible actual figures have been used. Where this has not been possible, near-actual figures have been taken. For this reason the figures published in this publication may not always agree with those published in Local Authority Audited Accounts.

Please note that due to rounding, some totals may not agree with the sum of their constituent parts. Calculations have been made where possible using un-rounded figures

and may therefore not agree exactly with the rounded figures given in accompanying tables.

5.3.7 Enquiries

Enquiries relating to any of the text, tables or figures contained in the publication may be directed to:

Scottish Government
Local Government Finance Statistics
Local Governance and Reform Analytical Division
Area 3H-North, Victoria Quay
Edinburgh
EH6 6QQ

Tel: (0131) 244 7033

E-mail: lgfstats@scotland.gsi.gov.uk

Many of the data collections feeding into this report collect data at a more detailed level than the information published here. Much of the additional data can be made available if requested (contact details as above). Empty data collection forms, which illustrate what is collected can be viewed on the Scottish Government website [Local Government Finance – Data Supplier Area pages](#).

All tables in this publication, and further background data, are available as Excel spreadsheets from the Scottish Government Local Government Finance Statistics website at: <http://www.scotland.gov.uk/Topics/Statistics/Browse/Local-Government-Finance>

5.3.8 Local Government Financial Statistics from other parts of the UK

Statistics on local government finance in England and Wales can be found here:

[Local Government Finance Statistics - England](#)

<https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/local-government-finance-statistics-england>

[Local Government Finance \(Wales\)](#)

<http://wales.gov.uk/splash?orig=/statistics-and-research/welsh-local-government-financial-statistics>

Although many of the statistics in the publications for Scotland, England and Wales adopt common accounting standards, there will be some variations in definitions for statistics for different countries.

If further advice is required on the definitions used in Scottish Local Government Financial Statistics, please use the contact details in the Enquiries section (above).

6. Sources

Scottish Government

Scottish Government Local Government Finance Statistics Collections From Local Authorities

Empty data collection forms, which illustrate what is collected can be viewed on the Scottish Government website [Local Government Finance – Data Supplier Area](#) pages.

Local Financial Returns (LFR)

Final outturn expenditure statistics relating to each Local Authority, Joint Board and Regional Transport Partnership are collected on an annual basis in this series of detailed returns.

Council Tax Receipts Return (CTRR)

The CTRR return monitors councils' collection levels relating to council tax and community charge. Information is collected relating to the amounts billed and received and the year to which the payment refers.

Council Tax Base (CTAXBASE)

The CTAXBASE figures give the number of properties in each council tax band in each local authority area, including those with exemptions and discounts.

Council Tax Assumptions (CTAS)

The CTAS form asks councils to set out the assumptions used in setting their Band D council tax levels, and discounts provided for second homes and long term empty properties.

Non Domestic Rates Income Returns (NDRI)

The Non-Domestic Rates Returns (NDRI returns) collect data on the amount of NDR income each year. For this there is a cycle of 4 returns to collect estimates and then final amounts of NDR income – The Provisional Contributable Amount, Mid-year Estimate, Notified and Audited (Certified) Returns.

Capital Expenditure Returns (CR 1, 2, 3, 4 and Final)

The capital returns collect forecast and outturn income and expenditure statistics relating to capital income and expenditure for each local authority and joint boards.

Data sources and Suitability

A "Data Sources and Suitability" section of the local government finance statistics website is under currently development and will be available soon via the above link. The section will provide key information on Local Government Finance data sources including the use made of the data, decisions they inform and the quality and reliability of data.

Rural Statistics

Urban Rural Classification

The Scottish Government Urban Rural Classification provides a standard definition of rural areas in Scotland. This classification is updated every two years to incorporate the most

recent Small Area Population Estimates produced by National Records of Scotland (NRS) and Royal Mail Postcode Address File.

NRS Small Area Population Estimates together with information from the Royal Mail Postcode Address File were used to classify 2010 postcode units as high or low density. This information was then used to identify areas of contiguous high density postcodes with a population of 500 or more that make up a Settlement.

<http://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-estimates/special-area-population-estimates/small-area-population-estimates>

<http://www.scotland.gov.uk/Topics/Statistics/About/Methodology/UrbanRuralClassification>

Small Area Statistics

Scottish Index of Multiple Deprivation (SIMD)

The Scottish Index of Multiple Deprivation (SIMD) is the Scottish Government's official tool for identifying those places in Scotland suffering from deprivation. It incorporates several different aspects of deprivation, combining them into a single index. It divides Scotland into 6,505 small areas, called data zones, each containing around 350 households. The Index provides a relative ranking for each data zone, from 1 (most deprived) to 6,505 (least deprived). By identifying small areas where there are concentrations of multiple deprivation, the SIMD can be used to target policies and resources at the places with greatest need.

<http://www.scotland.gov.uk/Topics/Statistics/SIMD>

National Records of Scotland

Mid-Year Population Estimates

<http://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-estimates/mid-year-population-estimates/mid-2013>

7. Glossary

Revenue expenditure covers the costs of maintaining local services and primarily consists of *employee costs* and *operating costs*. The benefits of revenue expenditure are received within one financial year. All revenue expenditure, except expenditure on local authority housing, is accounted for through the General Fund.

Employee costs include salaries and wages, national insurance and superannuation contributions, cash allowances paid to employees, redundancy and severance payments and other employee costs.

Operating costs include property costs, supplies and services costs, transport (including car allowances) and plant costs, payments to agencies and other bodies, and direct administration costs (including training).

Support Service costs are those paid for services that support the provision of services to the public, e.g. IT, Human Resources, Legal Services, Procurement Services and Corporate Services.

Transfer payments are those made to individuals for which no goods or services are received in return by the local authority.

Revenue Contributions to Capital (RCC) are the revenue contributions towards capital expenditure on capital assets which were met directly from the service revenue within the current year. RCC can also be referred to as capital financed from current revenue (CFCR) in discussions of Capital accounts.

Adjustment for inter-account and inter-authority transfers is an adjustment made for the contributions made by one authority to another, i.e. inter-authority transfers, and the recharges, or income from other accounts within an authority, i.e. inter-account transfers. The adjustment is equal to the total of inter-authority transfers and the total of inter-account transfers.

Grants to third parties funded by General Capital Grant (GCG) come under both revenue and capital expenditure. The General Capital Grant was introduced for the first time in 2008-09. It is a Scottish Government grant paid to the 32 local authorities. The grant may be used to fund the capital expenditure of the local authority. With certain limitations, the grant may also be used to fund third party capital expenditure (either through direct spend or the provision of grant). Where the GCG is used to finance the capital expenditure of the council, this expenditure is considered strictly as capital expenditure. Where the GCG is used to fund third party capital projects the GCG is treated as revenue income and the corresponding third-party grant or direct payment is treated as revenue expenditure.

Gross revenue expenditure is the total expenditure on local authority services within a financial year less inter-authority and inter-account transfers.

Net revenue expenditure is gross revenue expenditure, less other government grants, customer and client receipts, grants to third parties funded by General Capital Grant, and other grants, reimbursements and contributions. It is therefore the net revenue expenditure that is to be financed from General Revenue Funding, non-domestic rates, council tax and balances.

Common Good Fund income and expenditure is recorded in a separate set of accounts. Some property held within a local authority's Common Good Fund can be sold, while some must be maintained in trust for the community. The fund is used for projects that are for the common good of all residents.

The Housing Revenue Account (HRA) records income and expenditure relating to local authority housing stock. Whilst most other local authority services are funded through a combination of non-domestic rates and council tax income plus Government grants, the HRA is a ring-fenced account, and expenditure is funded by housing rents and Government subsidies.

8. Annexes

Local Government Revenue Expenditure and Income

Annex A – Service Analysis of General Fund Revenue Expenditure and Income, 2013-14

Annex B – Subjective Analysis of General Fund Revenue Expenditure and Income, 2013-14

Annex C – General Fund Net Revenue Expenditure by Local Authority and Service, 2013-14

Annex D (i) – General Fund Net Revenue Expenditure by Local Authority, 2009-10 to 2013-14

Annex D (ii) – General Fund Net Revenue Expenditure of Services by Local Authority, 2009-10 to 2013-14

Annex E – Revenue Income by Local Authority and Service, 2013-14

Annex F – Calculation of the Distributable Amount of Non-Domestic Rates Income, 2013-14

Local Government Capital Expenditure and Financing

Annex G – Capital Expenditure by Local Authority and Service, 2013-14

Annex H – Capital Expenditure by Service and Type of Expenditure, 2013-14

Annex I – Capital Income by Local Authority and Type, 2013-14

Annex J – Capital Receipts by Service, 2013-14

ANNEX A – Service Analysis of General Fund Revenue Expenditure and Income, 2013-14

£ thousands

	Revenue Contributions to Capital	Support Service Costs	All other Expenditure	Adjustment for Inter Account and Inter Authority Transfers	Total Expenditure	Total Income	Net Revenue Expenditure
Education	21,726	177,928	4,632,605	-27,257	4,805,002	204,797	4,600,205
Pre-primary education	1,027	11,526	308,379	-776	320,156	13,923	306,233
Primary education	10,830	70,375	1,773,339	-7,900	1,846,644	75,191	1,771,453
Secondary education	7,992	67,320	1,877,091	-7,904	1,944,499	78,050	1,866,449
Special education	692	15,983	515,109	-8,607	523,177	14,079	509,098
Community Learning	645	7,735	125,427	-1,470	132,337	16,318	116,019
Other non-school funding	540	4,989	33,260	-600	38,189	7,236	30,953
Cultural and related services	6,826	39,192	694,639	-32,620	708,037	87,265	620,772
Museums and galleries	150	2,559	43,178	-137	45,750	3,951	41,799
Other cultural and heritage services	249	3,498	62,239	-879	65,107	14,827	50,280
Library service	106	8,747	108,636	-598	116,891	4,187	112,704
Tourism	3	662	26,070	-391	26,344	2,595	23,749
Countryside recreation and management	134	1,757	23,679	-249	25,321	3,366	21,955
Sport facilities	3,870	8,001	202,813	-2,323	212,361	34,291	178,070
Community parks and open spaces	1,806	10,491	161,955	-27,000	147,252	12,645	134,607
Other recreation and sport	508	3,477	66,069	-1,043	69,011	11,403	57,608
Social work	4,995	196,501	3,690,794	-36,421	3,855,869	819,814	3,036,055
Service Strategy	276	2,463	33,855	-1,579	35,015	1,984	33,031
Children's Panel	0	211	1,478	-102	1,587	426	1,161
Children and families	548	43,710	820,366	-6,206	858,418	21,468	836,950
Older persons	1,721	87,430	1,637,758	-12,061	1,714,848	391,184	1,323,664
Adults with physical or sensory disabilities	1,095	12,022	212,400	-2,149	223,368	29,243	194,125
Adults with learning disabilities	1,267	31,716	662,865	-6,979	688,869	187,356	501,513
Adults with mental health needs	41	7,223	149,994	-921	156,337	63,111	93,226
Adults with other needs	10	3,490	67,825	-2,116	69,209	23,521	45,688
Criminal justice social work services	37	8,236	104,253	-4,308	108,218	101,521	6,697
Roads and transport²	21,535	40,085	750,020	-126,214	685,426	224,233	461,193
Road construction	1,397	312	22,592	-18,982	5,319	-10,401	15,720
Winter maintenance	75	2,353	59,107	-2,542	58,993	2,641	56,352
Maintenance & repairs	12,405	17,447	248,091	-45,945	231,998	47,773	184,225
Road lighting	749	3,583	74,291	-3,741	74,882	6,238	68,644
School crossing patrols	0	712	13,458	-105	14,065	39	14,026
Other network and traffic management	1,469	8,650	66,997	-10,105	67,011	19,738	47,273
Parking	547	2,070	33,167	-189	35,595	64,141	-28,546
Non-LA PT: Concessionary fares	0	263	9,018	-13	9,268	1,043	8,225
Non-LA PT: Support to operators	0	1,638	94,405	-8,695	87,348	5,473	81,875
Non-LA PT: Co-ordination	4,893	2,269	101,462	-34,874	73,750	79,693	-5,943
Local authority Transport	0	788	27,432	-1,023	27,197	7,855	19,342

ANNEX A – Service Analysis of General Fund Revenue Expenditure and Income, 2013-14

£ thousands

	Revenue Contributions to Capital	Support Service Costs	All other Expenditure	Adjustment for Inter Account and Inter Authority Transfers	Total Expenditure	Total Income	Net Revenue Expenditure
Environmental services	11,891	58,517	764,178	-31,675	802,911	132,515	670,396
Cemetery, cremation and mortuary services	419	3,775	35,709	-1,177	38,726	30,781	7,945
Coast protection	0	164	1,773	-15	1,922	684	1,238
Flood defence and land drainage	125	620	8,658	-331	9,072	343	8,729
Environmental Health	5	13,087	97,609	-5,264	105,437	15,528	89,909
Trading Standards	202	4,275	29,683	-497	33,663	1,950	31,713
Waste Collection	3,173	15,182	205,324	-6,407	217,272	42,166	175,106
Waste Disposal	7,622	9,398	275,947	-6,720	286,247	37,546	248,701
Other waste management	345	12,016	109,475	-11,264	110,572	3,517	107,055
Planning and Development Services	5,066	44,024	423,793	-10,131	462,752	178,392	284,360
Planning: Building control	14	5,197	32,007	-862	36,356	29,462	6,894
Planning: Development control	135	7,513	38,812	-267	46,193	27,079	19,114
Planning: Policy	450	5,739	34,099	-2,813	37,475	6,512	30,963
Planning: Environmental initiatives	1,195	2,814	23,578	-2,720	24,867	8,269	16,598
Economic development	3,272	22,761	295,297	-3,469	317,861	107,070	210,791
Central Services³	32,272	174,495	742,387	-241,945	707,209	194,694	512,515
Council tax collection	345	24,120	37,958	-185	62,238	28,129	34,109
Council tax reduction administration	1	10,192	25,373	-3,059	32,507	15,636	16,871
Non-domestic rates collection	3	3,362	5,926	-67	9,224	2,620	6,604
Housing benefit administration	868	13,981	30,473	-3,065	42,257	24,815	17,442
Registration of births, deaths and marriages	1	3,924	9,960	-95	13,790	9,074	4,716
Emergency Planning (non Police or Fire)	1	797	4,391	-233	4,956	640	4,316
Licensing	0	4,705	14,533	-262	18,976	21,080	-2,104
Conducting Elections	0	980	2,646	-260	3,366	586	2,780
Registration of electors	56	776	9,611	-427	10,016	865	9,151
Council tax valuation	54	642	10,219	0	10,915	138	10,777
Non-domestic lands valuation	57	1,220	15,777	0	17,054	319	16,735
Local Land Charges	0	1	478	0	479	25	454
Non-road lighting	0	405	10,794	-90	11,109	3,746	7,363
General grants, bequests and donations	0	498	7,347	-2	7,843	82	7,761
Corporate and democratic core costs	212	95,538	75,336	-5,031	166,055	1,486	164,569
Non-distributed costs	167	5,202	115,269	-498	120,140	308	119,832
Other	30,507	8,152	366,296	-228,671	176,284	85,145	91,139
Non-HRA Housing	2,032	26,253	2,386,106	-25,047	2,389,344	2,063,651	325,693
Private sector housing renewal	994	3,633	66,317	-1,706	69,238	45,560	23,678
Housing benefits: Rent allowances	0	0	1,142,477	-959	1,141,518	1,106,697	34,821
Housing benefits: Rent rebate	0	0	635,557	-546	635,011	653,417	-18,406
Homelessness	884	7,728	180,164	-3,397	185,379	110,467	74,912
Welfare Services	0	361	9,901	-249	10,013	874	9,139
Administration of housing advances	0	91	68	-16	143	263	-120
Housing Support Services	1	5,461	152,019	-998	156,483	7,096	149,387
Other non-HRA housing (excl admin of Housing Benefits)	153	8,979	199,603	-17,176	191,559	139,277	52,282
Trading Services	246	1,999	67,687	-1,624	68,308	69,909	-1,601
Add Ring Fenced Grants Back In	0	-8,584	8,584
Interest and investment income	673,808	84,505	589,303
Surplus/deficit from Significant Trading Operations	-30,724	0	-30,724
Statutory repayment of debt	598,150	.	598,150
All services	106,589	758,994	14,152,209	-532,934	15,726,092	4,051,191	11,674,901

1. Following the Police and Fire Reform (Scotland) Act 2012 figures from 2013-14 may not be comparable with previous years. See section 5.2 for details.

2. Regional Transport Partnerships expenditure is apportioned to councils by population (NRS 2013 mid-year population estimates).

3. Expenditure on council tax and non-domestic valuation and registration of electors is apportioned to councils using the amount that the Valuation Joint Boards requisition from them.

ANNEX B – Subjective Analysis of General Fund Revenue Expenditure and Income, 2013-14

£thousands

	Education Services	Culture and Related Services	Social Work Services	Roads and Transport	Environmental Services	Planning and Development Services	Central Services	Housing Services (Non-HRA)	Trading with the Public	Total General Fund Services	HRA Housing Services	Total General Fund Services (inc HRA)
EXPENDITURE												
<u>Employee Costs</u>												
Teachers	2,393,209									2,393,209		2,393,209
All other Employees	878,823	220,726	1,288,141	193,578	294,214	150,861	473,753	106,441	23,014	3,629,551	133,774	3,763,325
Total Employee Costs	3,272,032	220,726	1,288,141	193,578	294,214	150,861	473,753	106,441	23,014	6,022,760	133,774	6,156,534
<u>Operating Costs</u>												
Premises Related Costs	503,773	88,724	67,550	63,923	40,323	36,414	56,181	66,693	5,046	928,627	360,029	1,288,656
Transport Related Expenditure	165,787	22,169	56,906	56,904	92,587	2,783	16,470	1,782	18,294	433,682	5,219	438,901
Supplies and Services	399,224	98,902	135,334	165,329	179,860	62,112	144,830	55,747	16,740	1,258,078	71,525	1,329,603
Third Party Payments	259,740	245,461	2,068,440	264,227	155,707	125,605	52,086	283,947	4,516	3,459,729	24,904	3,484,633
Other local authorities	15,882	10,254	9,800	33,719	837	1,090	430	224	0	72,236	4	72,240
Health authorities	8,193	0	102,360	412	0	372	38	294	0	111,669	0	111,669
All Other Third Party Payments	235,665	235,207	1,956,280	230,096	154,870	124,143	51,618	283,429	4,516	3,275,824	24,900	3,300,724
Total Operating Costs	1,328,524	455,256	2,328,230	550,383	468,477	226,914	269,567	408,169	44,596	6,080,116	461,677	6,541,793
<u>Transfer Payments</u>												
School Children and students	24,166									24,166		24,166
Social Work Clients			50,243							50,243		50,243
Housing benefits								1,778,034		1,778,034		1,778,034
Debits resulting from soft loans to clients etc.	0	0	0	0	0	8	0	0	0	8	0	8
Other Transfer Payments	7,883	18,657	24,180	6,059	1,487	46,010	-933	93,462	77	196,882	4,657	201,539
Total Transfer Payments	32,049	18,657	74,423	6,059	1,487	46,018	-933	1,871,496	77	2,049,333	4,657	2,053,990
<u>Support Services</u>												
Total Support Services	177,928	39,192	196,501	40,085	58,517	44,024	174,495	26,253	1,999	758,994	70,151	829,145
<u>Revenue Contribution to Capital</u>												
Total Revenue Contribution to Capital Expenditure	21,726	6,826	4,995	21,535	11,891	5,066	32,272	2,032	246	106,589	187,153	293,742
<u>Adjustment for Inter Account and Inter Authority Transfers</u>												
Contributions from other local authorities	-9,042	-516	-14,249	-42,869	-1,577	-572	-5,574	-35	-949	-75,383	0	-75,383
Recharges (income from other accounts within the authority)	-18,215	-32,104	-22,172	-83,345	-30,098	-9,559	-236,371	-25,012	-675	-457,551	-26,704	-484,255
Total Adjustment for Inter Account and Inter Authority Transfers	-27,257	-32,620	-36,421	-126,214	-31,675	-10,131	-241,945	-25,047	-1,624	-532,934	-26,704	-559,638
Gross Expenditure	4,805,002	708,037	3,855,869	685,426	802,911	462,752	707,209	2,389,344	68,308	14,484,858	830,708	15,315,566

ANNEX B – Subjective Analysis of General Fund Revenue Expenditure and Income, 2013-14

£thousands

	Education Services	Culture and Related Services	Social Work Services	Roads and Transport	Environmental Services	Planning and Development Services	Central Services	Housing Services (Non-HRA)	Trading with the Public	Total General Fund Services	HRA Housing Services	Total General Fund Services (inc HRA)
INCOME												
<u>Government Grants</u>												
Ring-fenced Revenue Grants	4,357	0	0	0	0	0	0	4,227	0	8,584	3,673	12,257
General Capital Grant used to fund grants to third parties	0	1,038	0	22,468	0	2,844	0	98,962	0	125,312	0	125,312
Other Central Government Grants (excl GRG)	39,480	1,507	94,284	11,363	6,990	23,373	37,389	1,612,393	66	1,826,845	2,299	1,829,144
Total Government Grants	43,837	2,545	94,284	33,831	6,990	26,217	37,389	1,715,582	66	1,960,741	5,972	1,966,713
<u>Other Grants reimbursements and Contributions</u>												
Contributions from Health Authorities			404,068							404,068		404,068
All other grants, reimbursements and contributions	40,397	13,535	45,450	15,184	8,068	31,096	25,595	187,269	0	366,594	3,209	369,803
Total Other Grants reimbursements and Contributions	40,397	13,535	449,518	15,184	8,068	31,096	25,595	187,269	0	770,662	3,209	773,871
<u>Customer and Client Receipts</u>												
Income from charges to service users	46,448	31,927	252,456	87,141	39,237	22,951	29,789	16,272	18,168	544,389	56,272	600,661
Rent Income	1,681	5,786	3,172	13,707	1,136	35,779	12,851	100,481	1,070	175,663	998,237	1,173,900
Other Sales, Fees and Charges	72,434	33,472	20,384	74,370	77,084	62,347	89,069	44,047	50,605	523,812	18,853	542,665
Total Customer and Client Receipts	120,563	71,185	276,012	175,218	117,457	121,077	131,709	160,800	69,843	1,243,864	1,073,362	2,317,226
Credits resulting from soft loans	0	0	0	0	0	2	1	0	0	3	0	3
Total Income	204,797	87,265	819,814	224,233	132,515	178,392	194,694	2,063,651	69,909	3,975,270	1,082,543	5,057,813
Service Net Revenue Expenditure / Income(-)	4,600,205	620,772	3,036,055	461,193	670,396	284,360	512,515	325,693	-1,601	10,509,588	-251,835	10,257,753
Net Revenue Expenditure (with Ring Fenced Grants Added Back In)	4,604,562	620,772	3,036,055	461,193	670,396	284,360	512,515	329,920	-1,601	10,518,172	-248,162	10,270,010
Finance Costs (net of investment income)										589,303	135,615	724,918
Surplus(-)/deficit from Significant Trading Operations										-30,724	0	-30,724
Statutory repayment of debt										598,150	115,626	713,776
Net Revenue Expenditure to be financed by GRG, local taxation and reserves										11,674,901	3,079	11,677,980

ANNEX C – General Fund Net Revenue Expenditure by Local Authority and Service, 2013-14

£ thousands

	Education	Cultural and related services	Social work	Roads and transport ^{2,3}	Environmental services	Planning and economic development	Central services ⁴	Non-HRA Housing	Trading services	Interest and Investment Income	Statutory Repayment of Debt	Surplus/deficit from Significant Trading Operations	Total net revenue expenditure ¹
Scotland	4,604,562	620,772	3,036,055	461,193	670,396	284,360	512,515	329,920	-1,601	589,303	598,150	-30,724	11,674,901
Aberdeen City	156,575	25,974	131,300	10,920	26,756	7,399	16,515	4,456	0	24,111	15,158	-13,091	406,073
Aberdeenshire	234,054	21,642	121,212	37,555	28,883	6,516	17,543	7,071	625	19,188	12,066	-596	505,759
Angus	95,596	10,506	56,590	12,968	14,429	2,839	15,450	7,864	111	13,203	8,608	0	238,165
Argyll & Bute	90,230	8,406	56,801	18,957	17,048	5,016	9,519	7,971	169	17,395	19,441	-1,650	249,303
Clackmannanshire	40,594	5,480	29,786	3,187	5,439	3,027	5,334	3,142	0	7,311	6,237	66	109,603
Dumfries & Galloway	138,197	17,161	88,655	18,303	22,608	6,887	15,617	8,736	-195	19,280	15,442	13	350,704
Dundee City	127,369	20,783	96,741	7,755	17,577	9,248	9,125	15,485	0	16,717	14,676	0	335,476
East Ayrshire	110,948	10,267	76,499	10,821	11,985	5,230	6,842	10,400	0	13,893	15,951	0	272,837
East Dunbartonshire	106,553	9,022	53,023	7,462	13,602	3,581	9,689	1,758	0	14,498	10,799	0	229,986
East Lothian	82,169	16,899	61,602	5,280	11,488	3,366	1,780	3,962	0	11,021	10,559	0	208,126
East Renfrewshire	103,514	9,859	46,939	9,842	8,232	3,376	5,199	3,509	0	9,061	10,487	0	210,018
Edinburgh, City of	296,931	42,690	301,353	14,158	64,616	24,207	31,837	27,620	0	70,858	66,794	45	941,109
Eilean Siar	47,942	3,133	22,415	7,174	6,091	3,171	4,988	3,369	59	9,441	10,581	0	118,364
Falkirk	135,519	17,703	80,938	11,524	15,218	10,708	11,740	11,875	190	19,487	14,686	-245	329,343
Fife	310,613	45,485	205,150	34,849	42,782	12,883	20,052	17,183	360	29,393	29,988	-970	747,768
Glasgow City	444,547	111,937	389,985	21,192	91,094	78,089	51,759	65,537	0	93,420	97,932	-3,950	1,441,542
Highland	244,555	21,245	134,938	29,097	36,022	5,274	13,582	10,839	-1,018	34,252	30,601	0	559,387
Inverclyde	72,210	8,910	46,963	8,999	8,648	8,076	8,724	8,356	113	13,708	10,448	0	195,155
Midlothian	75,666	8,126	44,774	6,118	7,002	2,504	4,289	8,737	0	10,119	5,345	0	172,680
Moray	78,083	7,870	52,870	6,185	10,681	1,520	6,609	7,106	293	8,560	6,818	0	186,595
North Ayrshire	126,782	16,252	86,684	11,021	15,826	9,385	11,651	12,027	60	12,200	13,433	-544	314,777
North Lanarkshire	327,014	35,673	162,196	23,303	39,550	16,583	69,700	7,713	0	31,700	32,280	-1,521	744,190
Orkney Islands	27,721	4,169	17,632	12,633	3,331	3,185	12,853	1,140	1,124	-9,968	3,176	0	76,996
Perth & Kinross	128,614	18,578	72,014	12,626	18,862	4,627	9,169	9,756	183	12,671	12,988	0	300,088
Renfrewshire	143,012	21,119	96,396	11,601	19,552	5,051	20,210	6,396	0	13,361	33,301	0	370,000
Scottish Borders	100,993	13,082	69,807	14,473	13,308	1,915	6,624	3,487	-290	11,748	11,717	-142	246,722
Shetland Islands	38,580	4,422	27,128	18,795	3,332	5,351	10,271	1,593	-3,545	-38,514	10,861	-602	77,672
South Ayrshire	97,851	12,542	70,886	9,879	12,881	5,054	8,371	4,925	160	10,837	8,807	0	242,193
South Lanarkshire	275,567	33,783	147,980	33,353	39,294	15,416	81,330	21,878	0	47,746	28,900	-2,492	722,755
Stirling	87,823	8,247	45,963	9,018	12,100	3,360	8,368	6,946	0	11,859	9,809	0	203,493
West Dunbartonshire	91,522	12,898	60,170	5,906	11,256	3,710	5,713	8,478	0	12,295	11,789	-2,594	221,143
West Lothian	167,218	16,909	80,665	16,241	20,903	7,806	2,065	10,605	0	18,451	8,472	-2,451	346,884

1. Following the Police and Fire Reform (Scotland) Act 2012 figures from 2013-14 may not be comparable with previous years. See section 5.2 for details.

2. Regional Transport Partnerships expenditure is apportioned to councils by population (NRS 2013 mid year estimates)

3. Including General Fund contributions to transport (LA and non LA).

4. Expenditure on council tax and non-domestic valuation and registration of electors is apportioned to councils using the amount that the Valuation Joint Boards requisition from them.

ANNEX D (i) – General Fund Net Revenue Expenditure by Local Authority^{1,2,3,4}, 2009-10 to 2013-14

	£thousands				
	2009-10	2010-11	2011-12	2012-13	2013-14 ^e
Scotland	13,135,364	13,004,704	12,696,622	12,799,446	11,674,901
<i>Scotland excluding Police & Fire</i>	<i>11,628,817</i>	<i>11,680,525</i>	<i>11,408,183</i>	<i>11,509,213</i>	<i>11,674,901</i>
Aberdeen City	476,745	474,970	467,976	457,556	406,073
Aberdeenshire	563,930	559,274	517,664	525,186	505,759
Angus	273,770	268,725	258,067	260,648	238,165
Argyll & Bute	280,508	288,822	271,820	262,829	249,303
Clackmannanshire	125,068	115,770	115,294	121,248	109,603
Dumfries & Galloway	383,793	393,388	383,295	389,683	350,704
Dundee City	376,558	377,742	375,307	382,453	335,476
East Ayrshire	291,184	287,481	285,072	288,652	272,837
East Dunbartonshire	278,628	263,655	247,076	247,243	229,986
East Lothian	223,503	223,133	228,150	227,018	208,126
East Renfrewshire	204,679	209,905	219,104	223,489	210,018
Edinburgh, City of	1,072,200	1,049,051	1,020,148	1,055,307	941,109
Eilean Siar	122,858	122,909	117,242	118,638	118,364
Falkirk	347,758	368,566	357,750	350,883	329,343
Fife	828,951	833,306	805,965	812,030	747,768
Glasgow City	1,826,870	1,697,626	1,655,888	1,677,364	1,441,542
Highland	584,545	597,698	609,078	625,655	559,387
Inverclyde	217,303	213,813	208,317	214,332	195,155
Midlothian	197,673	200,513	195,907	200,857	172,680
Moray	209,253	202,541	197,999	205,026	186,595
North Ayrshire	345,723	345,636	341,450	342,354	314,777
North Lanarkshire	799,254	798,396	759,581	759,515	744,190
Orkney Islands ⁵	84,045	85,726	90,288	70,747	76,996
Perth & Kinross	335,180	343,026	329,799	329,484	300,088
Renfrewshire	425,857	413,024	413,817	412,552	370,000
Scottish Borders	280,663	291,322	272,669	274,413	246,722
Shetland Islands	115,890	125,637	116,977	122,276	77,672
South Ayrshire	265,187	266,716	265,745	262,464	242,193
South Lanarkshire	747,893	711,593	718,276	725,888	722,755
Stirling	208,856	222,726	224,505	222,662	203,493
West Dunbartonshire	254,407	250,165	250,583	251,373	221,143
West Lothian	386,631	401,849	375,813	379,622	346,884

1. Net expenditure financed from grants, non domestic rates, council taxes and balances.
2. Following the Police and Fire Reform (Scotland) Act 2012 figures from 2013-14 are not be comparable with previous years. See section 5.2 for details.
3. Expenditure by Regional Transport Partnerships is apportioned to councils on a population basis.
4. Figures include Trading Services and non-HRA Housing.
- e. Following the Police and Fire Reform (Scotland) Act 2012 figures from 2013-14 may not be comparable with previous years. See section 5.2 for details.

ANNEX D (ii) – General Fund Net Revenue Expenditure on Services by Local Authority^{1,2,3,4}, 2009-10 to 2013-14

	£thousands				
	2009-10	2010-11	2011-12	2012-13	2013-14 ^e
Scotland	12,096,058	11,892,392	11,510,149	11,587,778	10,518,172
<i>Scotland excluding Police & Fire</i>	<i>10,616,552</i>	<i>10,593,363</i>	<i>10,227,602</i>	<i>10,319,364</i>	<i>10,518,172</i>
Aberdeen City	442,006	433,219	434,160	415,030	379,895
Aberdeenshire	535,619	528,292	486,774	493,995	475,101
Angus	250,902	244,171	234,941	238,611	216,353
Argyll & Bute	240,991	248,231	232,086	225,196	214,116
Clackmannanshire	116,626	106,403	100,189	107,904	95,989
Dumfries & Galloway	359,676	361,170	349,851	355,523	315,969
Dundee City	353,030	354,956	345,800	351,796	304,082
East Ayrshire	266,904	262,383	258,927	260,382	242,993
East Dunbartonshire	228,810	237,145	220,282	221,271	204,689
East Lothian	209,549	204,656	208,399	206,514	186,546
East Renfrewshire	191,926	194,082	199,439	203,376	190,470
Edinburgh, City of	962,520	922,969	896,099	916,421	803,412
Eilean Siar	101,254	101,193	97,861	99,387	98,342
Falkirk	316,991	323,305	313,230	316,885	295,415
Fife	770,216	773,267	750,308	754,784	689,357
Glasgow City	1,703,359	1,533,232	1,481,957	1,498,465	1,254,140
Highland	540,621	538,301	561,193	559,527	494,534
Inverclyde	201,282	195,946	186,265	191,294	170,999
Midlothian	181,954	184,538	180,659	186,736	157,216
Moray	196,595	190,180	187,306	191,996	171,217
North Ayrshire	318,168	318,589	315,735	316,002	289,688
North Lanarkshire	740,130	745,124	697,420	693,159	681,731
Orkney Islands	80,590	82,434	78,672	83,567	83,788
Perth & Kinross	314,185	315,939	302,984	303,234	274,429
Renfrewshire	400,775	401,225	344,993	351,999	323,337
Scottish Borders	256,512	267,130	247,697	251,480	223,399
Shetland Islands	124,287	128,780	123,103	125,788	105,927
South Ayrshire	245,247	246,853	246,007	242,839	222,549
South Lanarkshire	655,108	636,297	644,378	645,077	648,600
Stirling	194,639	205,421	202,557	199,707	181,825
West Dunbartonshire	233,612	231,086	229,439	226,660	199,652
West Lothian	361,976	375,875	351,438	353,174	322,411

1. Net expenditure financed from grants, non domestic rates, council taxes and balances.
2. Expenditure by Police, Fire and Valuation Boards is apportioned to councils by the amount that the Boards requisition from them.
3. Expenditure by Regional Transport Partnerships is apportioned to councils on a population basis.
4. Figures include Trading Services and non-HRA Housing, but exclude interest and debt.
- e. Following the Police and Fire Reform (Scotland) Act 2012 figures from 2013-14 are not be comparable with previous years. See section 5.2 for details.

ANNEX E – Revenue Income by Local Authority and Service, 2013-14

£ thousands

	Education	Cultural and related services	Social work	Roads and transport	Environmental services	Planning and Development Services	Central services	Non-HRA Housing	Trading Services	Interest and Investment Income	Total General Fund Income
Scotland	200,440	87,265	819,814	224,233	132,515	178,392	194,694	2,059,424	69,909	84,505	4,051,191
Aberdeen City	7,500	5,016	37,034	-1,644	6,303	6,591	3,198	61,981	0	681	126,659
Aberdeenshire	11,654	5,280	27,583	8,924	7,051	11,306	3,961	39,950	446	764	116,919
Angus	4,584	4,620	19,050	1,892	2,535	3,375	4,815	28,591	268	967	70,697
Argyll & Bute	3,845	2,035	9,482	2,642	3,582	5,362	2,094	26,888	4,278	712	60,920
Clackmannanshire	6,279	1,317	9,975	610	746	355	999	22,224	0	673	43,178
Dumfries & Galloway	5,080	5,485	27,019	1,097	3,441	3,437	2,838	48,287	8,872	400	105,956
Dundee City	5,871	952	27,048	4,297	2,767	11,234	13,313	73,125	0	1,193	139,799
East Ayrshire	3,785	1,131	19,206	5,450	2,989	4,163	2,838	44,564	0	444	84,570
East Dunbartonshire	2,143	864	26,702	3,424	1,722	2,894	1,427	19,495	0	112	58,783
East Lothian	3,342	1,533	8,839	481	1,076	1,739	4,889	28,256	0	624	50,779
East Renfrewshire	3,900	3,744	10,411	3,602	1,130	1,540	1,462	16,925	0	1,246	43,961
Edinburgh, City of	19,562	8,165	58,770	42,760	12,920	19,338	46,818	260,923	0	4,851	474,107
Eilean Siar	2,075	1,314	4,817	1,362	1,959	2,351	470	5,941	1,994	284	22,567
Falkirk	4,343	5,715	28,829	1,422	3,204	8,167	1,941	44,073	696	499	98,888
Fife	13,588	4,983	47,327	13,853	13,803	9,682	6,764	136,376	258	1,342	247,976
Glasgow City	25,234	6,391	150,656	49,856	14,553	12,197	26,504	465,777	0	7,922	759,090
Highland	11,403	1,140	11,112	6,050	6,507	7,654	6,686	59,971	16,460	393	127,377
Inverclyde	2,784	1,311	18,187	2,617	1,582	2,417	2,408	37,396	8,476	981	78,159
Midlothian	5,792	4,997	13,179	3,715	2,377	3,067	4,974	31,331	0	-946	68,487
Moray	1,018	1,877	11,299	1,015	2,794	3,854	1,121	17,849	412	117	41,356
North Ayrshire	4,107	546	29,081	5,262	3,093	3,651	3,230	57,125	0	908	107,003
North Lanarkshire	6,713	1,685	34,865	10,912	5,637	13,152	8,415	115,292	0	635	197,307
Orkney Islands	1,253	863	4,930	2,897	1,026	1,533	355	4,087	6,367	10,893	34,205
Perth & Kinross	6,048	1,171	15,981	4,581	3,793	5,799	2,941	37,286	94	1,850	79,544
Renfrewshire	3,354	1,331	34,588	7,390	3,205	2,898	5,117	66,583	0	1,609	126,075
Scottish Borders	3,801	1,278	16,014	4,567	2,474	3,295	3,292	31,678	4,181	160	70,740
Shetland Islands	4,439	921	7,417	6,576	2,134	2,568	218	3,646	17,001	39,221	84,141
South Ayrshire	3,384	4,556	19,189	4,624	2,421	3,768	2,003	40,330	106	477	80,858
South Lanarkshire	6,470	831	45,090	15,225	5,771	9,921	20,440	104,914	0	685	209,347
Stirling	8,454	2,363	13,139	4,530	5,812	1,559	1,338	23,126	0	1,647	61,969
West Dunbartonshire	3,593	761	18,925	2,916	2,448	2,301	5,642	47,557	0	160	84,303
West Lothian	5,042	3,089	14,070	1,328	1,660	7,224	2,180	57,877	0	3,002	95,472

ANNEX F – Calculation of the Distributable Amount of Non-Domestic Rates Income, 2013-14

	£m	£m	£m	£m	£m
1	Balance brought forward 31/3/2012 as per Non Domestic Rating Account 2012-13				34.040
2	Closing Balance				34.040
<hr/>					
Final Balance brought forward 31/3/2012					
3	Opening Balance				34.040
4	Add: Provisional Contributable Amount 2012-13			2,377.990	
5	Less: Distributable Amount 2012-13			<u>2,263.000</u>	
				114.990	
6	Reconciliation of 2011-12				149.030
7	Add: Notified Amount 2011-12		2,252.000		
8	Less: Notified Provisional Contributable Amount 2011-12		<u>2,235.226</u>		
9			16.774		
10	Reconciliation of 2010-11				165.804
11	Add: Audited Amount 2010-11	2,138.163			
12	Less: Notified Amount 2010-11	<u>2,136.388</u>			
13		1.775			167.579
14	Closing Balance for 2012-13				167.579
<hr/>					
15	Balance brought forward 31/3/2013				
16	Opening Balance				167.579
17	Add: Estimated Provisional Contributable Amount 2013-14		2,283.411		
18	Add: Mid Year Estimate 2012-13	2,362.000			
19	Less: Provisional Contributable Amount 2012-13	2,377.990			
20	Add/less: Estimated reconciliation of 2012-13	-15.990			
21	<u>Estimated movement on Pool 2013-14</u>				2,267.421
22	Estimated movement on Pool 2013-14				2,267.421
23	Net Balance on 2012-13 Pool including brought forward at 31/3/13				2,435.000
24	Less: Distributable Amount for 2013-14				-2,435.000
25	Estimated balance at 31/3/2014				0.000

ANNEX G – Capital Expenditure by Local Authority and Service, 2013-14

£ thousands

	Education	Culture and Related Services	Social work	Roads and transport	Environmental services	Planning and Development Services	Central Services	Non-HRA Housing	Trading Services	All General Fund Services	Housing Revenue Account
Scotland	523,776	148,933	80,849	458,876	188,525	94,415	175,153	156,699	14,059	1,841,285	618,716
Aberdeen City	7,574	3,854	500	21,531	2,215	51	4,991	4,224	0	44,940	37,331
Aberdeenshire	56,125	3,066	2,259	31,787	4,707	1,369	16,448	0	11	115,772	20,393
Angus	2,195	1,308	591	9,854	3,895	568	2,688	370	110	21,579	11,715
Argyll & Bute	8,086	1,163	421	12,032	1,384	3,104	6,872	1,321	900	35,283	0
Clackmannanshire	7,662	596	62	2,378	411	3,562	1,672	611	0	16,954	8,749
Dumfries & Galloway	11,562	3,833	374	11,175	7,030	5,504	5,888	3,028	0	48,394	0
Dundee City	13,388	7,652	1,423	19,264	6,026	11,390	8,865	771	0	68,779	20,283
East Ayrshire	8,922	1,353	1,729	6,317	2,806	4,748	1,476	579	0	27,930	14,354
East Dunbartonshire	3,043	1,149	582	6,232	2,253	271	1,529	385	0	15,444	10,776
East Lothian	3,688	2,945	9,956	6,393	289	20	1,022	948	0	25,261	20,805
East Renfrewshire	8,683	3,329	520	1,767	132	2,081	1,779	0	0	18,291	2,849
Edinburgh, City of	20,108	6,059	8,630	79,743	16,710	2,397	14,008	61,735	0	209,390	39,206
Eilean Siar	2,615	3,549	2,344	4,018	1,795	3,631	1,326	2,938	0	22,216	0
Falkirk	4,657	15,872	730	6,643	419	278	4,991	329	0	33,919	48,733
Fife	22,579	11,328	1,063	21,557	18,929	853	30,942	1,137	152	108,540	47,085
Glasgow City	61,248	40,892	25,943	43,219	52,257	23,983	5,459	59,558	0	312,559	0
Highland	45,285	7,737	5,018	23,216	11,906	1,889	0	8,431	778	104,260	42,190
Inverclyde	21,598	2,083	34	4,153	457	322	3,448	306	0	32,401	0
Midlothian	8,308	170	1,150	3,434	1,052	279	3,135	197	0	17,725	16,104
Moray	3,617	527	0	8,393	31,439	1,189	1,448	578	222	47,413	13,010
North Ayrshire	12,285	1,669	3,297	4,606	2,169	2,179	8,190	723	0	35,118	28,201
North Lanarkshire	9,180	4,476	4,342	13,086	1,474	5,541	7,522	0	0	45,621	46,468
Orkney Islands	8,324	1,925	906	1,421	471	247	982	928	9,791	24,995	3,786
Perth & Kinross	11,400	1,604	1,477	16,945	3,717	2,471	3,341	1,717	0	42,672	16,492
Renfrewshire	17,029	5,589	2,675	6,797	1,920	2,185	4,843	868	0	41,906	30,732
Scottish Borders	9,727	1,652	493	9,114	4,086	1,231	2,816	407	0	29,526	0
Shetland Islands	3,832	53	1,160	1,010	450	908	883	385	2,095	10,776	2,615
South Ayrshire	8,206	57	463	1,137	967	26	6,269	599	0	17,724	12,549
South Lanarkshire	101,574	4,236	418	13,194	299	3,213	643	1,325	0	124,902	41,759
Stirling	2,243	1,406	210	6,601	945	6,395	6,707	1,168	0	25,675	18,938
West Dunbartonshire	10,873	1,387	1,722	4,379	3,641	1,258	5,466	401	0	29,127	31,766
West Lothian	8,160	6,414	357	10,131	2,274	1,272	9,253	732	0	38,593	31,827

ANNEX G – Capital Expenditure by Local Authority and Service, 2013-14

£ thousands

	Education	Culture and Related Services	Social work	Roads and transport	Environmental services	Planning and economic development	Central Services	Non-HRA Housing	Trading Services	All General Fund Services	Housing Revenue Account
Scotland	523,776	148,933	80,849	458,876	188,525	94,415	175,153	156,699	14,059	1,841,285	618,716
Ayrshire VJB	0	0	0	0	0	0	21	0	0	21	0
Central VJB	0	0	0	0	0	0	48	0	0	48	0
Dunbartonshire & Argyll & Bute VJB	0	0	0	0	0	0	9	0	0	9	0
Grampian VJB	0	0	0	0	0	0	0	0	0	0	0
Highland & Western Isles VJB	0	0	0	0	0	0	0	0	0	0	0
Lanarkshire VJB	0	0	0	0	0	0	0	0	0	0	0
Lothian VJB	0	0	0	0	0	0	98	0	0	98	0
Orkney & Shetland VJB	0	0	0	0	0	0	0	0	0	0	0
Renfrewshire VJB	0	0	0	0	0	0	52	0	0	52	0
Tayside VJB	0	0	0	0	0	0	23	0	0	23	0
Forth Estuary Transport	0	0	0	4,171	0	0	0	0	0	4,171	0
Tay Road Bridge	0	0	0	356	0	0	0	0	0	356	0
HITRANS	0	0	0	0	0	0	0	0	0	0	0
NESTRANS	0	0	0	2,483	0	0	0	0	0	2,483	0
SESTRAN	0	0	0	1,716	0	0	0	0	0	1,716	0
SWESTRANS	0	0	0	250	0	0	0	0	0	250	0
SPT	0	0	0	38,373	0	0	0	0	0	38,373	0
TACTRAN	0	0	0	0	0	0	0	0	0	0	0
ZetTrans	0	0	0	0	0	0	0	0	0	0	0

ANNEX H – Capital Expenditure by Service and Type of Expenditure, 2013-14

£ thousands

	Acquisition of land, leases, existing buildings or works	New construction, conversions, enhancement to existing buildings	Vehicles, Machinery, Equipment	Intangible Assets	Total Gross Capital Expenditure	Revenue Expenditure funded from Capital Resources	Total Expenditure to be met from Capital Resources
Education	5,282	485,755	21,963	4,490	517,490	6,286	523,776
Pre-primary education	150	3,680	42	1	3,873	0	3,873
Primary education	3,215	314,794	10,622	4,307	332,938	3,143	336,081
Secondary education	1,917	150,882	9,253	182	162,234	3,143	165,377
Special education	0	6,317	1,144	0	7,461	0	7,461
Community learning	0	10,082	902	0	10,984	0	10,984
Cultural and related services	16,427	117,642	11,948	0	146,017	2,916	148,933
Tourism	0	228	0	0	228	11	239
Recreation and Sport	16,427	82,404	9,672	0	108,503	1,721	110,224
Libraries	0	6,121	1,748	0	7,869	0	7,869
Museums and art galleries	0	12,467	70	0	12,537	0	12,537
Other culture and heritage	0	16,422	458	0	16,880	1,184	18,064
Social work	80	73,454	5,833	679	80,046	803	80,849
Children	0	9,315	1,035	14	10,364	0	10,364
Older people	0	52,829	2,180	604	55,613	276	55,889
Adults with mental health needs	0	557	60	0	617	0	617
Adults with learning disabilities	80	4,080	88	0	4,248	527	4,775
Other Adults Services	0	6,673	2,470	61	9,204	0	9,204
Roads and transport	2,527	401,233	22,346	180	426,286	32,590	458,876
Roads	1,517	249,870	7,579	97	259,063	8,508	267,571
Network and traffic management	309	41,851	1,013	0	43,173	45	43,218
Bridges	243	29,473	72	0	29,788	1,415	31,203
Parking Services	81	7,364	78	0	7,523	0	7,523
Public Transport - Rail	5	3,769	7	0	3,781	0	3,781
Other Public Transport	372	68,906	13,597	83	82,958	22,622	105,580
Environmental services	4,628	161,002	21,326	0	186,956	1,569	188,525
Crematoria and burial grounds	129	5,461	224	0	5,814	0	5,814
Coast protection	0	1,224	0	0	1,224	0	1,224
Flood prevention	120	67,324	28	0	67,472	109	67,581
Environmental Health	0	4,624	1,277	0	5,901	1,460	7,361
Waste collection and disposal	4,379	82,369	19,797	0	106,545	0	106,545
Planning and Development Services	15,055	67,195	1,046	366	83,662	10,753	94,415
Planning	87	3,515	56	302	3,960	0	3,960
Environmental Initiatives	0	13,346	184	64	13,594	2,847	16,441
Economic development	14,968	50,334	806	0	66,108	7,906	74,014
Central Services	4,078	82,079	77,865	7,381	171,403	3,750	175,153
Non-HRA Housing	656	14,566	559	0	15,781	140,918	156,699
Trading Services	1,026	12,396	637	0	14,059	0	14,059
Fishery Harbours, Markets, Commercial Ports, Piers & Harbours	1,026	11,186	278	0	12,490	0	12,490
Shipping, Airports, Transport Piers & Ferry Terminals	0	1,210	359	0	1,569	0	1,569
Toll Bridges	0	0	0	0	0	0	0
Total General Fund Services	49,759	1,415,322	163,523	13,096	1,641,700	199,585	1,841,285
Housing Revenue Account	40,576	551,988	25,986	23	618,573	143	618,716
All services	90,335	1,967,310	189,509	13,119	2,260,273	199,728	2,460,001

ANNEX I – Capital Income by Local Authority and Type, 2013-14

£thousands

	Capital Receipts from sale of fixed assets	Grants from Scottish Government and NDPBs	Grants from other local authorities ¹	European Union Structural Funds	Contributions from private developers or persons	Grants from the National Lottery	Other Grants/Contributions	Total Capital Income
Scotland	163,261	662,704	15,943	9,545	17,034	12,311	91,119	971,917
Aberdeen City	12,981	17,821	0	2,059	136	90	2,657	35,744
Aberdeenshire	3,834	37,328	0	0	1,165	0	3,243	45,570
Angus	3,183	10,512	0	35	31	0	371	14,132
Argyll & Bute	548	9,119	0	1,593	0	0	444	11,704
Clackmannanshire	781	9,472	0	0	0	0	486	10,739
Dumfries & Galloway	228	14,284	0	55	0	1,028	1,628	17,223
Dundee City	3,854	33,711	0	106	109	0	185	37,965
East Ayrshire	1,650	7,204	160	1,044	-25	0	0	10,033
East Dunbartonshire	1,951	9,092	0	0	0	0	2,787	13,830
East Lothian	998	12,888	0	0	0	0	4,585	18,471
East Renfrewshire	7,385	6,845	24	0	88	0	0	14,342
Edinburgh, City of	16,708	113,576	181	0	4,681	0	2,315	137,461
Eilean Siar	255	9,406	0	321	58	1,252	9	11,301
Falkirk	7,392	13,467	0	0	1,962	8,948	3,033	34,802
Fife	9,744	26,985	0	36	728	43	1,201	38,737
Glasgow City	5,075	69,653	11,976	0	0	0	13,603	100,307
Highland	2,981	37,794	0	31	1,648	0	7,757	50,211
Inverclyde	619	7,409	0	0	0	0	620	8,648
Midlothian	1,569	7,319	0	0	1,872	0	454	11,214
Moray	2,188	36,337	0	61	109	0	452	39,147
North Ayrshire	2,304	11,486	313	0	0	0	4,386	18,489
North Lanarkshire	50,599	27,824	290	0	0	64	1,849	80,626
Orkney Islands	718	7,124	0	1,891	0	0	220	9,953
Perth & Kinross	2,575	10,141	0	0	2,126	242	11	15,095
Renfrewshire	2,779	18,039	155	0	0	438	1,747	23,158
Scottish Borders	2,430	13,396	0	816	391	206	964	18,203
Shetland Islands	579	5,942	0	1,039	0	0	0	7,560
South Ayrshire	1,964	9,264	438	0	0	0	16,123	27,789
South Lanarkshire	7,433	23,650	0	458	322	0	5,058	36,921
Stirling	2,911	10,159	0	0	0	0	7,522	20,592
West Dunbartonshire	1,613	9,523	0	0	0	0	3,491	14,627
West Lothian	3,109	13,118	0	0	1,633	0	290	18,150

ANNEX I – Capital Income by Local Authority and Type, 2013-14

£thousands

	Capital Receipts from sale of fixed assets	Grants from Scottish Government and NDPBs	Grants from other local authorities ¹	European Union Structural Funds	Contributions from private developers or persons	Grants from the National Lottery	Other Grants/ Contributions	Total Capital Income
Scotland	163,261	662,704	15,943	9,545	17,034	12,311	91,119	971,917
Ayrshire VJB	0	0	0	0	0	0	0	0
Central VJB	0	0	0	0	0	0	0	0
Dunbartonshire & Argyll & Bute VJB	0	0	0	0	0	0	0	0
Grampian VJB	0	0	0	0	0	0	0	0
Highland & Western Isles VJB	0	0	0	0	0	0	0	0
Lanarkshire VJB	0	0	0	0	0	0	0	0
Lothian VJB	0	0	0	0	0	0	98	98
Orkney & Shetland VJB	0	0	0	0	0	0	0	0
Renfrewshire VJB	0	0	0	0	0	0	0	0
Tayside VJB	0	0	23	0	0	0	0	23
Forth Estuary Transport	0	4,600	0	0	0	0	0	4,600
Tay Road Bridge	0	356	0	0	0	0	0	356
HITRANS	0	0	0	0	0	0	0	0
NESTRANS	0	100	2,383	0	0	0	0	2,483
SESTRAN	0	0	0	0	0	0	0	0
SWESTRANS	0	0	0	0	0	0	0	0
SPT	323	7,760	0	0	0	0	3,530	11,613
TACTRAN	0	0	0	0	0	0	0	0
ZetTrans	0	0	0	0	0	0	0	0

ANNEX J – Capital Receipts by Service, 2013-14

£ thousands

	Sale & Disposal of fixed assets
Education	13,798
Pre-primary education	442
Primary education	11,367
Secondary education	1,344
Special education	437
Community Learning	208
Cultural and related services	3,574
Tourism	2
Recreation and Sport	2,383
Libraries	913
Museums and art galleries	2
Other culture and heritage	274
Social work	2,632
Children	571
Older people	1,144
Adults with mental health needs	3
Adults with learning disabilities	4
Other Adults Services	910
Roads and transport	1,742
Roads	962
Network and traffic management	307
Bridges	110
Parking Services	29
Rail	1
Other Public Transport	333
Environmental services	1,378
Crematoria and burial grounds	18
Coast protection	0
Flood prevention	63
Environmental Health	415
Waste collection and disposal	882
Planning and Development Services	58,276
Planning	829
Environmental Initiatives	31
Economic development	57,416
Central Services	28,128
Non-HRA Housing	198
Trading Services	6
Fishery Harbours, Markets, Commercial Ports, Piers & Harbours	6
Shipping, Airports, Transport Piers & Ferry Terminals	0
Toll Bridges	0
Total General Fund Services	109,732
Housing Revenue Account	53,529
All services	163,261

A NATIONAL STATISTICS PUBLICATION FOR SCOTLAND

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