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Draft Budget 2010-11: Local Government and Communities

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The Scottish Government published its [Draft Budget for 2010-11](#) (Scottish Government 2009a) on Thursday 17 September. This paper provides an overview of the local government, housing and regeneration budgets proposed for 2010-11. The figures in the paper are taken from the draft budget document and the SPICe briefing [Draft Budget 2010-11](#) (Burnside 2009).



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(SB 09/68)

EXECUTIVE SUMMARY

Draft Budget 2010-11: Local Government and Communities

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Local Government

- Local Government Total Managed Expenditure (TME) is planned to increase by 0.1%, to 33.9%, of Scottish Government TME
- Local government spend as a proportion of Scottish Government spend is currently lower than during the period 2002-03 to 2006-07 although it has consistently risen from a low of 32.3% of Scottish Government spend in 2007-08
- The local government 'portfolio budget' allocation is planned to increase by 3% in cash terms and 1.5% in real terms
- The local government revenue grant is planned to increase by 6.8% in cash terms and 5.2% in real terms
- Estimates of local government revenue spend by service area indicate that revenue spend on education will decline by 0.2% to 37.3% of revenue spend in 2009-10 and social work will increase by 0.6% to 21.6% of revenue spend

Housing

- The budget for housing decreases by £168.9m (29%) in cash terms from
- Decreases in cash terms are seen in the Affordable Housing Investment Programme (AHIP) (33.0%) and the Energy Assistance Package (9.8%)
- The decrease in the AHIP can be attributed to the acceleration of £120m from 2010-11 to 2009-10 (£80m) and 2008-09 (£40m).
- Increases are seen in cash terms in the private housing budget (84.3%) and the communities analytical services budget (11.4%)
- There is no change in the other budget lines, including the tackling and preventing homelessness budget

Regeneration, Equalities and Social Inclusion

- The regeneration budget line is forecast to decline by 71.6% in cash terms and the equalities and social inclusion budget line by 4.2% in cash terms

LOCAL GOVERNMENT

The Total Managed Expenditure (TME) within the local government portfolio increases by 1%, in cash terms, in 2010-11 compared to 2009-10 (see Table 1). As a proportion of Scottish Government TME, local government increases by 0.1% to 33.9%. In real terms local government TME declines by 0.5% in 2010-11 (see Table 2). It is important to note that the figures used in this paper relating to the Scottish Government (TSG) do not include the allocations to the Scottish Parliament or Audit Scotland.

TABLE 1: LOCAL GOVERNMENT BUDGET (TME) 2009-10 – 2010-11, CASH TERMS, £M

	2009-10	2010-11
Local Government (LG)	11,763.1	11,885.3
Scottish Government	34,754.2	35,029.9
LG annual % increase	-	1.0%
LG as a % of TSG	33.8%	33.9%

TABLE 2: LOCAL GOVERNMENT BUDGET (TME) 2009-10 – 2010-11, REAL TERMS, £M

	2009-10	2010-11
Local Government (LG)	11,763.1	11,709.7
Scottish Government	34,754.2	34,512.2
LG annual % increase	-	-0.5
LG as a % of TSG	33.8	33.9

Annex 4 of the Draft Budget 2010-11 compares the outturn figures for all portfolios. Table 3 details the local government and Scottish Government outturn figures. Local government has increased marginally (+0.2%) during the current Spending Review period. Whilst local government spend as a proportion of Scottish Government spend is currently lower than during the period 2002-03 to 2006-07 it has consistently risen from a low point of 32.3% of Scottish Government spend in 2007-08.

TABLE 3: COMPARISON 2002-03 TO 2010-11, OUTTURN FIGURES, £M

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
LG	7,687.1	8,600.4	9,378.0	9,856.8	10,110.8	10,482.0	11,168.3	11,763.1	11,885.3
TSG	20,970.9	23,440.9	25,703.2	27,705.9	29,155.9	32,419.0	33,110.9	34,754.2	35,029.9
LG as % of TSG	36.7	36.7	36.5	35.6	34.7	32.3	33.7	33.8	33.9

The Draft Budget for 2008-09, published in 2007, outlined the Spending Plans of the Scottish Government for the three year Spending Review period. Table 4 compares these with the spending plans proposed in the Draft Budget 2010-11 given the significantly different economic and fiscal environment pertaining now as compared to at the outset of the Spending Review period. In 2010-11 local government spend is forecast to be £107.3m lower in the Draft Budget 2010-11 than was forecast at the outset of the Spending Review period.

TABLE 4: LOCAL GOVERNMENT: COMPARISON OF SPENDING REVIEW 2007 AND DRAFT BUDGET 2010-11, CASH TERMS, £M

	Spending Review 2007		Draft Budget 2010-11	
	2009-10 Plans	2010-11 Plans	2009-10 Budget	2010-11 Budget
Local Government – Total Support	11,600.4	11,992.6	11,763.1	11,885.3

Total Managed Expenditure consists of Departmental Expenditure Limit (DEL) monies and Annually Managed Expenditure (AME) monies. These are considered below.

DEL MONIES

DEL monies represent the area of expenditure over which the Scottish Government has discretion. Local government DEL is planned to increase by 2.3% in 2010-11 from 32.6% of Scottish Government (TSG) expenditure to 33.1% (see Table 5). In comparison overall TSG DEL expenditure will increase by 0.6% in 2010-11 whilst only the Education and Lifelong Learning portfolio is forecast to increase by more in percentage terms (Burnside 2009).

TABLE 5: LOCAL GOVERNMENT BUDGET (DEL) 2009-10 – 2010-11, CASH TERMS, £M

	2009-10	2010-11
Local Government (LG)	9,589.9	9,809.0
Scottish Government	29,424.2	29,598.2
LG annual % increase	-	2.3%
LG as a % of TSG	32.6%	33.1%

Table 6 indicates that local government DEL monies will increase by 0.8% in real terms in 2010-11.

TABLE 6: LOCAL GOVERNMENT BUDGET (DEL) 2009-10 – 2010-11, REAL TERMS, £M

	2009-10	2010-11
Local Government (LG)	9,589.9	9,664.0
Scottish Government	29,424.2	29,160.8
LG annual % increase	-	0.8
LG as a % of TSG	32.6	33.1

AME MONIES

The other component of TME is Annually Managed Expenditure (AME). AME represents areas of spend, which must be met due to commitment to spend or pay a charge. For instance pensions commitments fall within AME. The budget lines for these items are in effect a forecast of the cost of meeting commitments of this kind. Local government AME is forecast to decrease by 4.5% in 2010-11. As a proportion of Scottish Government AME local government falls from 40.8% of AME in 2009-10 to 38.2% in 2010-11 (see Table 7). In real terms local government AME is forecast to decline by 5.9% in 2010-11 (see Table 8). Total Scottish Government AME is forecast to increase by 1.9% in cash terms and 0.4% in real terms in 2010-11 (Burnside 2009).

TABLE 7: LOCAL GOVERNMENT BUDGET (AME) 2009-10 – 2010-11, CASH TERMS, £M

	2009-10	2010-11
Local Government (LG)	2,173.2	2,076.3
Scottish Government	5,330.0	5,431.7
LG annual % increase	-	-4.46
LG as a % of TSG	40.8	38.2

TABLE 8: LOCAL GOVERNMENT BUDGET (AME) 2009-10 – 2010-11, REAL TERMS, £M

	2009-10	2010-11
Local Government (LG)	2,173.2	2,045.6
Scottish Government	5,330.0	5,351.4
LG annual % increase	-	-5.9
LG as a % of TSG	40.8	38.2

LEVEL 3 SPENDING PLANS

Table 9 sets out the Scottish Government's detailed expenditure plans (Level 3) for local government in cash terms and Table 10 in real terms. In addition to the spending proposed at Level 3 the Draft Budget is in line with commitments contained in the Concordat including funding for a Council Tax freeze in 2010-11 (£70m) and of continued funding to support the Small Business Bonus Scheme. The Draft Budget also comments, in relation to the Concordat, that:

“An oversight structure oversees the new arrangements. As well as regular meetings at official level between the Scottish Government and COSLA, the Cabinet Secretaries for Finance and Sustainable Growth and for Education and Lifelong Learning regularly meet the COSLA Leadership to monitor progress and discuss emerging issues. The Scottish Cabinet also meets the COSLA Leadership annually, with the first such meeting in June 2008. These meetings will continue into 2010-11 with a particular focus on the funding of the next three year local government settlement 2011-14” (p.134).

Overall the total portfolio budget allocation is planned to increase by 3% in cash terms and 1.5% in real terms. However, a number of changes in budget lines within the local government allocation underlie these figures and these are considered below.

TABLE 9: LOCAL GOVERNMENT PORTFOLIO: LEVEL 3 SPENDING IN CASH TERMS, £M

	2009-10 Budget	2010-11 Draft Budget	Annual Change £m	Annual Change %
General Revenue Grant	7,719.5	8,242.0	522.5	6.8%
Non-Domestic Rates (NDR)	2,165.1	2,068.2	-96.9	-4.5%
General Capital Grant	462.6	360.0	-102.6	-22.2%
Supported Borrowing	305.2	305.2	0.0	0.0%
Total Portfolio Budget	10,652.4	10,975.4	323.0	3.0%
Specific Revenue Grants	832.3	704.9	-127.4	-15.3%
Specific Capital Grants	278.4	205.0	-73.4	-26.4%
Total Support for Local Authorities	11,763.1	11,885.3	122.2	1.0%
Total Support adjusted for capital acceleration	11,693.1	11,945.3	252.2	2.2%

TABLE 10: LOCAL GOVERNMENT PORTFOLIO: LEVEL 3 SPENDING IN REAL TERMS, £M

	2009-10 Budget	2010-11 Draft Budget	Annual Change £m	Annual Change %
General Revenue Grant	7,719.5	8,120.2	400.7	5.2%
Non-Domestic Rates (NDR)	2,165.1	2,037.6	-127.5	-5.9%
General Capital Grant	462.6	354.7	-107.9	-23.3%
Supported Borrowing	305.2	300.7	-4.5	-1.5%
Total Portfolio Budget	10,652.4	10,813.2	160.8	1.5%
Specific Revenue Grants	832.3	694.5	-137.8	-16.6%
Specific Capital Grants	278.4	202.0	-76.4	-27.5%
Total Support for Local Authorities	11,763.1	11,709.7	-53.4	-0.5%
Total Support adjusted for capital acceleration	11,693.1	11,768.8	75.7	0.6%

Local government revenue is planned to increase by 6.8% in cash terms and 5.2% in real terms. However, a number of budget lines have been added to local government revenue grant. These are detailed in the budget document (p.138) as follows:

- £40m extra to fund existing Schools Public Private Partnership contractual commitments
- £22.6m as a result of the Business Gateway/Regeneration transfers
- £20.9m for the Zero Waste Fund
- £20m transfer from local government capital
- £18m for Teachers Pensions
- £17.8m transfer from Police Specific Grant to General Revenue Grant
- £12.3m for increased Fire Pensions
- £3.5m for the Edinburgh Capital City Supplement
- £2.8m for an increase in the number of Respite Care weeks
- £2.4m for the transfer of the Ranger Services
- £1.5m for policing of Tobacco Sales, and
- £1m for the Orkney Ferry Services

However, the draft budget states that these increases were offset by:

- a reduction of £37.8m for the Police ICT transfer and other Police funding transfers between Justice and local government
- £1.8m for the ongoing Court Unification transfer
- £174m (of which £131m general revenue and £43m general capital) which represents the local government share of the £521m reduction “imposed by the Chancellor to the overall Scottish Budget”

Therefore in revenue terms there are £162.8m in additions to the revenue grant through transfer of budget lines and policy decisions such as funding the Capital City Supplement. These are offset by £170.6m in reductions from the revenue grant. In terms of the reduction in spending of £174m (capital and revenue) cited in the draft budget this represents 33.4% of the total reduction being made to meet the UK Government’s change to the Scottish Government’s budget, which is slightly lower than local government’s planned share of Scottish Government DEL in 2010-11 of 33.1%.

Non-Domestic rate income is planned to decline by 4.5% in cash terms and 5.9% in real terms reflecting the impact of the recession.

The General Capital Grant is planned to decline by 22.2% in cash terms and 23.3% in real terms. A number of changes to the capital grant budget line are also detailed in the draft budget (p.138). There is an increase of £5.2m for the Zero Waste Fund. There are a range of reductions in the capital grant, listed in the draft budget, as follows:

- £20m Schools Fund transfer from local government capital to local government revenue
- a reduction of £100m as a result of the previous accelerated capital funding
- a reduction of £43m for the share of the UK Government budget cuts
- a reduction of £5m for the Police ICT transfer

The net effect of these is a reduction in the capital grant of £162.8m.

Reflecting the commitment in the Concordat both revenue and capital specific grants are planned to decline in 2010-11. Revenue specific grants by -15.3% in cash terms and -16.6% in real terms. Capital specific grants by -26.4% in cash terms and -27.5% in real terms. Much of this change is reflected in the rolling up of the Fairer Scotland Fund into the general revenue grant and of the Private Sector Housing Grant into the general capital grant. The Fairer Scotland Fund accounted for £145m in 2009-10 and the Private Sector Housing Grant for £68.3m.

Overall total support for local government is planned to increase by 1% in cash terms and decrease by 0.5% in real terms. Without capital acceleration in the previous two years the local government support would have increased by 2.2% in cash terms and 0.6% in real terms.

The 2009-10 Draft Budget and the previous year's Draft Budget contained an estimate of local government revenue spend by service area based on the 'Provisional Outturn Budget Estimates' (POBE) (Scottish Government 2009b) as returned by local authorities to the Scottish Government. The POBE figures for 2008-09 and 2009-10 as set out in the two draft budget documents are compared in Table 11. Education and social work account for roughly half of local government revenue expenditure. In 2009-10 expenditure on both service areas is expected to increase in cash terms. As a proportion of local government revenue spend education will decline by 0.2% in 2009-10 to 37.3% of revenue spend and social work will increase by 0.6% to 21.6% of revenue spend.

TABLE 11: LOCAL GOVERNMENT REVENUE EXPENDITURE PLANS, 2008-09 - 2009-10, CASH TERMS, £M

2009-10 Budget Estimate – Net Revenue Expenditure	2008-09	2009-10	Change £m	2008-09 % of Total	2009-10 % of total
Education	4,611.0	4,798.2	187.2	37.5	37.3
Social Work	2,578.0	2,776.4	198.4	21.0	21.6
Police	1,125.0	1,129.0	4.0	9.1	8.8
Fire	311.8	328.1	16.3	2.5	2.6
Roads and Transport	494.7	509.2	14.5	4.0	4.0
Environmental Services	634.1	670.0	35.9	5.2	5.2
Planning and Development Services	193.3	236.3	43.0	1.6	1.8
Culture and Related Services	591.4	629.8	38.4	4.8	4.9
Emergency Planning	4.2	4.5	0.3	0.0	0.0
District Courts	6.1	1.6	-4.5	0.0	0.0
Administration of Housing and Council Tax Benefits	26.5	27.2	0.7	0.2	0.2
Private Sector Housing Renewal	6.4	7.9	1.5	0.1	0.1
Housing Benefits	4.9	3.8	-1.1	0.0	0.0
Non Housing Revenue Account Housing	54.0	50.7	-3.3	0.4	0.4
Community Regeneration Fund	77.2	86.8	9.6	0.6	0.7
Homelessness	65.1	67.6	2.5	0.5	0.5
Supporting People	297.4	258.2	-39.2	2.4	2.0
Welfare Services	4.0	4.1	0.1	0.0	0.0
Licensing	1.9	1.8	-0.1	0.0	0.0
Elections	8.9	9.8	0.9	0.1	0.1
General Grants, Bequests and Donations	9.7	10.8	1.1	0.1	0.1
Registration of Births Marriages and Deaths	8.3	8.8	0.5	0.1	0.1
Local Tax Collection (including Non Domestic Rates)	44.9	45.6	0.7	0.4	0.4
Council Tax and Non Domestic Lands Valuation	32.0	33.0	1.0	0.3	0.3
Corporate and Democratic Core	174.0	179.6	5.6	1.4	1.4
Statutory Repayment of Debt	838.9	927.5	88.6	6.8	7.2
Equal Pay/Single Status (prior year cost provision only)	40.4	16.1	-24.3	0.3	0.1
Other Miscellaneous Services	54.5	25.3	-29.2	0.4	0.2
Total Budgeted 2009-10 Net Revenue Expenditure	12,298.3	12,848.0	549.7	100.0	100.0

HOUSING

Spending on housing, in cash terms, is outlined in Table 12. The annual change in cash terms and as a percentage is detailed in Table 13. The main trends evident in these two tables are:

- The budget for housing decreases by £168.9m (29%) from 2009-10 to 2010-11
- Decreases are seen in the Affordable Housing Investment Programme (AHIP) (-33.0%) and the Energy Assistance Package (9.8%)
- The decrease in the AHIP can be attributed to the acceleration of £120m from 2010-11 to 2009-10 (£80m) and 2008-09 (£40m). Taking the accelerated funding into account there would have been an increase of £27m in the AHIP between 2009-10 and 2010-11
- Increases are seen in the private housing budget (84.3%) and the communities analytical services budget (11.4%)
- There is no change in the remaining budget lines

TABLE 12: HOUSING: LEVEL 3 SPENDING IN CASH TERMS, £M

	2009-10	2010-11
AHIP	524.9	351.9
Private Housing	10.2	18.8
Social Housing	0.5	0.5
Communities Analytical Services	4.4	4.9
Scottish Housing Regulator	4.7	4.7
Tacking and Preventing Homelessness	0.4	0.4
Energy Assistance Package	50.9	45.9
Home Insulation	15.0	15.0
Housing Voluntary Sector Grant Scheme	2.4	2.4
<i>Less Income</i>	<i>-30.0</i>	<i>-30.0</i>
Total	583.4	414.5

TABLE 13: HOUSING: LEVEL 3 SPENDING IN CASH TERMS, ANNUAL CHANGE, £M AND %

	Annual Change £m	Annual Change %
AHIP	-173.0	-33.0%
Private Housing	8.6	84.3%
Social Housing	0.0	0.0%
Communities Analytical Services	0.5	11.4%
Scottish Housing Regulator	0.0	0.0%
Tacking and Preventing Homelessness	0.0	0.0%
Energy Assistance Package	-5.0	-9.8%
Home Insulation	0.0	0.0%
Housing Voluntary Sector Grant Scheme	0.0	0.0%
<i>Less Income</i>	<i>0.0</i>	<i>0.0%</i>
Total	-168.9	-29.0%

Table 14 sets out Level 3 spending on housing in real terms and Table 15 sets out the annual real terms change in monetary and percentage terms. The main trends evident from these tables are:

- Spending on housing has decreased by 30% in real terms in 2010-11
- The biggest decreases in spending are on the AHIP, which has decreased by £178.2m (33.9%) and the Energy Assistance Package, which has decreased by £5.7m (11.2%)
- Decreases in real terms have also be seen in social housing (1.5%), Scottish Housing Regulator (1.5%), tackling and preventing homelessness (1.5%), home insulation (1.5%) and the Housing Voluntary Sector Grant Scheme (1.5%)
- Increases in real terms have been seen in the budget for private housing £8.3m (81.6%) and communities analytical services £0.4m (9.7%)

TABLE 14: HOUSING: LEVEL 3 SPENDING IN REAL TERMS, £M

	2009-10	2010-11
AHIP	524.9	346.7
Private Housing	10.2	18.5
Social Housing	0.5	0.5
Communities Analytical Services	4.4	4.8
Scottish Housing Regulator	4.7	4.6
Tacking and Preventing Homelessness	0.4	0.4
Energy Assistance Package	50.9	45.2
Home Insulation	15.0	14.8
Housing Voluntary Sector Grant Scheme	2.4	2.4
<i>Less Income</i>	-30.0	-29.6
Total	583.4	408.4

TABLE 15: HOUSING: LEVEL 3 SPENDING IN REAL TERMS, ANNUAL CHANGE, £M AND %

	Annual Change £m	Annual Change %
AHIP	-178.2	-33.9%
Private Housing	8.3	81.6%
Social Housing	0.0	-1.5%
Communities Analytical Services	0.4	9.7%
Scottish Housing Regulator	-0.1	-1.5%
Tacking and Preventing Homelessness	0.0	-1.5%
Energy Assistance Package	-5.7	-11.2%
Home Insulation	-0.2	-1.5%
Housing Voluntary Sector Grant Scheme	0.0	-1.5%
<i>Less Income</i>	0.4	-1.5%
Total	-175.0	-30.0%

The Scottish Government makes the following comments (p.68) in relation to the budget changes within the housing portfolio:

- The reduction from 2009-10 to 2010-11 results from the acceleration of £120m of affordable housing expenditure from 2010-11 into 2008-09 (£40m) and 2009-10 (£80m) as part of the Economic Recovery Programme. This requires to be repaid in 2010-11
- Increase of £5m to Energy Assistance Package in 2009-10 as announced at Budget Bill
- Increase of £15/15m in 2009-10 and 2010-11 for home insulation as announced in the Budget Bill
- Following the 2009 UK Budget, consequential arisings from £5bn additional efficiency savings has resulted in significant budget reductions across portfolios. For housing - £6.4m on Private Housing

Table 16 compares, in cash terms, housing spending plans for 2010-11 outlined in the 2009-10 draft budget with the expenditure plans set out in the Draft Budget 2010-11. Table 16 shows that:

- The AHIP has decreased by £18.5m a change of 5.0%. This reflects the additional accelerated funding (as part of the total acceleration of £120m) that took place following the publication of the 2009-10 draft budget
- The private housing budget has decreased by £6.4m a change of 25.4%
- The tackling and preventing homelessness budget has decreased by £0.2m a change of 33.3%. This results from the transfer of £0.2m into the local government settlement in the Autumn Budget Revision 2008-09 (Scottish Government 2009c).
- Housing markets and supply policy/ research and analytical services have been split into two budget lines, social housing and communities analytical services, with an increase of £0.5m
- Home insulation is a new Level 3 budget line

TABLE 16: HOUSING: COMPARISON OF SPENDING PLANS IN THE 2009-10 DRAFT BUDGET AND DRAFT BUDGET 2010-11, CASH TERMS, £M

	Plans	Draft Budget	Change £m	Change %
AHIP	370.4	351.9	-18.5	-5.0%
Private Housing	25.2	18.8	-6.4	-25.4%
Social Housing	4.9	0.5	0.5	10.2%
Communities Analytical Services		4.9		
Scottish Housing Regulator	4.7	4.7	0.0	0.0%
Tackling and Preventing Homelessness	0.6	0.4	-0.2	-33.3%
Energy Assistance Package	45.9	45.9	0.0	0.0%
Home Insulation	n/a	15.0	15.0	New line
Housing Voluntary Sector Grant Scheme	2.4	2.4	0.0	0.0%

AFFORDABLE HOUSING INVESTMENT PROGRAMME

The Affordable Housing Investment Programme (AHIP) is the largest programme within the housing budget accounting for 85% of the total budget. The AHIP funds a number of different housing programmes, although the budget document only provides information on the AHIP as a whole. The breakdown of the AHIP is unlikely to be available until early 2010. The AHIP funds both housing for rent and low cost home ownership. The majority of funding is provided to Registered Social Landlords (RSLs) in the form of the Housing Association Grant. The AHIP is also used to provide assistance for first time buyers through the Low-cost Initiative for First Time Buyers (LIFT) and to homeowners through the Homeowners Support Fund, which includes Mortgage to Rent and Mortgage to Shared Equity.

The 2009-10 budget for the AHIP was £524.9m. This includes £80m of accelerated funding brought forward from 2010-11. However, it does not include £119.1m of investment in housing for Edinburgh and Glasgow that is in the Central Government Grants to Local Authorities (see Table 17) and £31m allocation for housing from Barnett consequentials.

The planned budget for 2010-11 is £351.9m. Without the accelerated funding of £120m that was brought forward into 2008-09 (£40m) and 2009-10 (£80m) this would have represented an increase in the AHIP budget of £27m (6%). This is a £18.5m (5%) decrease from the planned expenditure for 2010-11 as stated in the 2009-10 Draft Budget. This reflects the additional accelerated funding (as part of the total acceleration of £120m) that took place following the publication of the 2009-10 Draft Budget.

PRIVATE HOUSING

The Private Housing budget line was formally Modernising Private Sector Housing. The 2009-10 budget for private housing was £10.2m in 2010-11 this has increased to £18.8m in 2010-11. However, this is a decrease of £6.4m (25.4%) from the planned expenditure for 2010-11 as stated in the 2009-10 Draft Budget. The Scottish Government stated that following the 2009 UK Budget consequentials arising from £5bn additional efficiency savings has resulted in significant budget reductions across portfolios including a £6.4m decrease in the budget for private housing.

TACKLING AND PREVENTING HOMELESSNESS

There is no change in the tackling and preventing homelessness budget from 2009-10 and 2010-11. There is a decrease of £0.2m (33.3%) from the planned expenditure for 2010-11 as stated in the 2009-10 Draft Budget. This results from the transfer of £0.2m into the local government settlement in the Autumn Budget Revision 2008-09 (Scottish Government 2009c).

CENTRAL GOVERNMENT GRANTS TO LOCAL AUTHORITIES

Following the Concordat agreement between the Scottish Government and local authorities, most of the previous budget for ring-fenced grant was added to the budget for general support to local authorities. Table 17 shows the seven remaining areas where there are ring-fenced grants to local authorities (or similar bodies) for housing and regeneration purposes.

TABLE 17: CENTRAL GOVERNMENT GRANT TO LOCAL AUTHORITIES: DETAILED SPENDING PLANS, LEVEL 3, £M

	2009-10 (budget)	2010-11 (plans)
Fairer Scotland Fund	145.0	Rolled-up
Housing Support Grant	1.4	1.4
Hostels Grant	6.7	6.7
Vacant and Derelict Land	12.2	12.2
Private Sector Housing Grant	68.3	Rolled-up
Transfer of Management of Development Funding	119.1	119.1
Assistance to Owners Affected by Glasgow Stock Transfer	15.0	15.0
Total	367.7	154.4

REGENERATION, EQUALITIES AND SOCIAL INCLUSION

The planned budget for regeneration, equalities and social inclusion, at Level 2, are detailed in cash terms in Table 18 and real terms in Table 19. The regeneration budget is forecast to decline, in 2010-11, by £84.5m or 71.6% in cash terms and £85m or 72% in real terms. A number of changes to the regeneration budget line are outlined in the draft budget as follows:

- Reduction of £60m for the Town Centre Regeneration Fund as this was a non-recurring budget line agreed for 2009-10
- Following the 2009 UK Budget consequential reductions of £2m in wider role funding and of £1.6m in community engagement monies

The Equalities and Social Inclusion budget line is planned to increase by 4.2% in cash terms and 2.6% in real terms. The Draft Budget notes that £0.2m in additional monies will be provided to fund the Citizen's Advice Bureau as a result of announcements made following the 2008 UK pre-budget report.

TABLE 18: REGENERATION, EQUALITIES AND SOCIAL INCLUSION: LEVEL 2 SPENDING IN CASH TERMS, £M

	2009-10 Budget	2010-11 Draft Budget	Annual Change £m	Annual Change %
Regeneration	118.0	33.5	-84.5	-71.6
Equalities and Social Inclusion	26.5	27.6	1.1	4.2

TABLE 19: REGENERATION, EQUALITIES AND SOCIAL INCLUSION: LEVEL 2 SPENDING IN REAL TERMS, £M

	2009-10 Budget	2010-11 Draft Budget	Annual Change £m	Annual Change %
Regeneration	118.0	33	-85.0	-72.0
Equalities and Social Inclusion	26.5	27.2	0.7	2.6

Regeneration funding at Level 3 is detailed in Table 20 in cash terms and real terms and the change over the two years is set out in Table 21. In addition to the changes noted above, the regeneration programmes budget line declines by 49.1% in cash terms and 49.8% in real terms. The Scottish Government commented that “the majority of this budget supports the work of the Urban Regeneration Companies (URCs) and this reduction therefore reflects the profile of anticipated spend by the URCs over the period 2008-11, as outlined in the Draft Budget last year (2009-10) (Personal correspondence with the Scottish Government, 24/9/09).

TABLE 20: REGENERATION, LEVEL 3 SPENDING, £M

Wider Role	2009-10 Budget	2010-11 Draft Budget Cash	2010-11 Draft Budget Real
Wider Role	12.0	10.0	9.9
Community Engagement	3.4	1.8	1.8
Regeneration Programmes	42.6	21.7	21.4
Town Centre Regeneration Funds	60.0	0.0	0.0
Total Regeneration	118.0	33.5	33.0

TABLE 21: REGENERATION, EQUALITIES AND SOCIAL INCLUSION: LEVEL 2 SPENDING IN REAL TERMS, £M

	2010-11 Draft Budget - Annual Change			
	Cash £m	Real £m	Cash %	Real %
Wider Role	-2.0	-2.1	-16.7%	-17.9%
Community Engagement	-1.6	-1.6	-47.1%	-47.8%
Regeneration Programmes	-20.9	-21.2	-49.1%	-49.8%
Town Centre Regeneration Funds	-60.0	-60.0	-100.0%	-100.0%
Total Regeneration	-84.5	-85.0	-71.6%	-72.0%

The equalities and social inclusion budget lines are detailed at level 3 in cash and real terms in Table 22 and the change over the two years in Table 23.

TABLE 22: EQUALITIES AND SOCIAL INCLUSION, LEVEL 3 SPENDING, £M

	2009-10 Budget	2010-11 Draft Budget Cash	2010-11 Draft Budget Real
Promoting Social Inclusion	6.7	7.2	7.1
Promoting Equality	19.8	20.4	20.1
Total	26.5	27.6	27.2

TABLE 23: EQUALITIES AND SOCIAL INCLUSION: LEVEL 3 SPENDING, £M

	2010-11 Draft Budget - Annual Change			
	Cash £m	Real £m	Cash %	Real %
Promoting Social Inclusion	0.5	0.4	7.5%	5.9%
Promoting Equality	0.6	0.3	3.0%	1.5%
Total	1.1	0.7	4.2%	2.6%

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