

**BUDGET OUTLOOK 2022-23 to 2026-27**  
**POLICY AND RESOURCES COMMITTEE - 13 MAY 2021**

**APPENDIX 1**

|  | Best Case Scenario |                 |                 |                 |                 | Mid-Range Scenario |                 |                 |                 |                 | Worst Case Scenario |                 |                 |                 |                 |
|--|--------------------|-----------------|-----------------|-----------------|-----------------|--------------------|-----------------|-----------------|-----------------|-----------------|---------------------|-----------------|-----------------|-----------------|-----------------|
|  | 2022-23<br>£000    | 2023-24<br>£000 | 2024-25<br>£000 | 2025-26<br>£000 | 2026-27<br>£000 | 2022-23<br>£000    | 2023-24<br>£000 | 2024-25<br>£000 | 2025-26<br>£000 | 2026-27<br>£000 | 2022-23<br>£000     | 2023-24<br>£000 | 2024-25<br>£000 | 2025-26<br>£000 | 2026-27<br>£000 |
| Base Budget  | 251,314            | 251,314         | 251,314         | 251,314         | 251,314         | 251,314            | 251,314         | 251,314         | 251,314         | 251,314         | 251,314             | 251,314         | 251,314         | 251,314         | 251,314         |
| Base Budget Adjustments  | 195                | 203             | 212             | 221             | 231             | 195                | 203             | 212             | 221             | 231             | 195                 | 203             | 212             | 221             | 231             |
| <b>Revised Base Budget</b>   | <b>251,509</b>     | <b>251,517</b>  | <b>251,526</b>  | <b>251,535</b>  | <b>251,545</b>  | <b>251,509</b>     | <b>251,517</b>  | <b>251,526</b>  | <b>251,535</b>  | <b>251,545</b>  | <b>251,509</b>      | <b>251,517</b>  | <b>251,526</b>  | <b>251,535</b>  | <b>251,545</b>  |
| Pay Award  | 1,461              | 2,936           | 4,426           | 5,931           | 7,451           | 2,921              | 5,901           | 8,940           | 12,040          | 15,202          | 4,382               | 8,895           | 13,544          | 18,332          | 23,264          |
| Pay Increments   | 317                | 634             | 951             | 1,268           | 1,585           | 634                | 1,268           | 1,902           | 2,536           | 3,170           | 634                 | 1,268           | 1,902           | 2,536           | 3,170           |
| Living Wage Consolidation  | 10                 | 19              | 29              | 39              | 40              | 10                 | 19              | 29              | 39              | 39              | 10                  | 19              | 29              | 39              | 40              |
| Additional costs/savings to modernising employment deal                    | (52)               | (51)            | (78)            | (81)            | (81)            | (52)               | (51)            | (78)            | (81)            | (81)            | (52)                | (51)            | (78)            | (81)            | (81)            |
| Change to employee base  | 0                  | 0               | 0               | 0               | 0               | 0                  | 0               | 0               | 0               | 0               | 0                   | 0               | 0               | 0               | 0               |
| <b>Total Employee Cost Changes (Council Services)</b>                      | <b>1,736</b>       | <b>3,538</b>    | <b>5,328</b>    | <b>7,157</b>    | <b>8,995</b>    | <b>3,513</b>       | <b>7,137</b>    | <b>10,793</b>   | <b>14,534</b>   | <b>18,330</b>   | <b>4,974</b>        | <b>10,131</b>   | <b>15,397</b>   | <b>20,826</b>   | <b>26,393</b>   |
| <b>Non-Pay Inflation - Council Services</b>                                | <b>1,164</b>       | <b>2,328</b>    | <b>3,492</b>    | <b>4,656</b>    | <b>5,820</b>    | <b>1,164</b>       | <b>2,328</b>    | <b>3,492</b>    | <b>4,656</b>    | <b>5,820</b>    | <b>1,914</b>        | <b>3,828</b>    | <b>5,742</b>    | <b>7,656</b>    | <b>9,570</b>    |
| Previously Agreed - HB Admin Grant   | 40                 | 80              | 120             | 160             | 200             | 40                 | 80              | 120             | 160             | 200             | 40                  | 80              | 120             | 160             | 200             |
| SEEMIS Membership Fees   | 0                  | 5               | 7               | 10              | 10              | 0                  | 5               | 7               | 10              | 10              | 0                   | 5               | 7               | 10              | 10              |
| ASN Support  | 98                 | 198             | 300             | 498             | 498             | 122                | 247             | 375             | 506             | 506             | 146                 | 299             | 445             | 744             | 744             |
| Waste  | 91                 | 98              | 116             | 169             | 0               | 91                 | 98              | 116             | 169             | 0               | 91                  | 98              | 116             | 169             | 0               |
| Compliance with BMW Ban  | 0                  | 0               | 200             | 800             | 800             | 0                  | 0               | 400             | 1,600           | 1,150           | 0                   | 0               | 875             | 3,500           | 1,500           |
| Planning (Local Development Plan)  | 0                  | 50              | 0               | 50              | 0               | 0                  | 50              | 0               | 50              | 0               | 0                   | 50              | 0               | 50              | 0               |
| Software support for a new HR system & Backfill for project team.          | 0                  | 150             | 0               | 0               | 0               | 0                  | 200             | 0               | 0               | 0               | 0                   | 250             | 0               | 0               | 0               |
| Loss of parking income   | 15                 | 15              | 15              | 15              | 15              | 15                 | 15              | 15              | 15              | 15              | 15                  | 15              | 15              | 15              | 15              |
| HALCRO bandwidth costs   | 19                 | 19              | 19              | 19              | 19              | 19                 | 19              | 19              | 19              | 19              | 19                  | 19              | 19              | 19              | 19              |
| Election costs   | 250                | 0               | 0               | 0               | 0               | 300                | 0               | 0               | 0               | 0               | 350                 | 0               | 0               | 0               | 0               |
| House Loans  | 19                 | 19              | 19              | 19              | 19              | 19                 | 19              | 19              | 19              | 19              | 19                  | 19              | 19              | 19              | 19              |
| Apprenticeship Levy  | 40                 | 40              | 40              | 40              | 40              | 40                 | 40              | 40              | 40              | 40              | 40                  | 40              | 40              | 40              | 40              |
| Allowance for Cost and Demand Pressures Future Years                       | 0                  | 0               | 0               | 0               | 0               | 250                | 500             | 750             | 1,000           | 1,250           | 500                 | 1,000           | 1,500           | 2,000           | 2,500           |
| <b>Total Cost and Demand Pressures</b>                                     | <b>572</b>         | <b>674</b>      | <b>836</b>      | <b>1,780</b>    | <b>1,601</b>    | <b>896</b>         | <b>1,273</b>    | <b>1,861</b>    | <b>3,588</b>    | <b>3,209</b>    | <b>1,220</b>        | <b>1,875</b>    | <b>3,156</b>    | <b>6,726</b>    | <b>5,047</b>    |
| <b>Adjustment to Health and Social Care Partnership Payment</b>            | <b>0</b>           | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>           | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>            | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        |
| <b>Total Estimated Expenditure PRIOR to measures to balance the budget</b> | <b>254,981</b>     | <b>258,057</b>  | <b>261,182</b>  | <b>265,128</b>  | <b>267,961</b>  | <b>257,082</b>     | <b>262,255</b>  | <b>267,672</b>  | <b>274,313</b>  | <b>278,904</b>  | <b>259,617</b>      | <b>267,351</b>  | <b>275,821</b>  | <b>286,743</b>  | <b>292,555</b>  |
| Scottish Government Grant  | 201,043            | 200,038         | 199,038         | 198,043         | 197,053         | 199,033            | 197,043         | 195,073         | 193,122         | 191,191         | 198,027             | 195,057         | 192,131         | 189,249         | 186,410         |
| Specific Grant for Ferries   | 554                | 554             | 554             | 554             | 554             | 554                | 554             | 554             | 554             | 554             | 554                 | 554             | 554             | 554             | 554             |
| Council Tax  | 53,070             | 53,282          | 53,495          | 53,709          | 53,924          | 52,991             | 53,123          | 53,256          | 53,389          | 53,522          | 52,912              | 52,965          | 53,018          | 53,071          | 53,124          |
| <b>Total Funding</b>   | <b>254,667</b>     | <b>253,874</b>  | <b>253,087</b>  | <b>252,306</b>  | <b>251,531</b>  | <b>252,578</b>     | <b>250,720</b>  | <b>248,883</b>  | <b>247,065</b>  | <b>245,267</b>  | <b>251,493</b>      | <b>248,576</b>  | <b>245,703</b>  | <b>242,874</b>  | <b>240,088</b>  |
| <b>Budget Surplus / (Gap) PRIOR to measures to balance the budget</b>      | <b>(314)</b>       | <b>(4,183)</b>  | <b>(8,095)</b>  | <b>(12,822)</b> | <b>(16,430)</b> | <b>(4,504)</b>     | <b>(11,535)</b> | <b>(18,789)</b> | <b>(27,248)</b> | <b>(33,637)</b> | <b>(8,124)</b>      | <b>(18,775)</b> | <b>(30,118)</b> | <b>(43,869)</b> | <b>(52,467)</b> |
| Measures to Balance the Budget:  |                    |                 |                 |                 |                 |                    |                 |                 |                 |                 |                     |                 |                 |                 |                 |
| Fees and Charges   | 344                | 698             | 1,063           | 1,439           | 1,826           | 344                | 698             | 1,063           | 1,439           | 1,826           | 115                 | 230             | 347             | 465             | 584             |
| Management/Operational Savings reported December 2020                      | (250)              | (230)           | (230)           | (230)           | (230)           | (250)              | (230)           | (230)           | (230)           | (230)           | (250)               | (230)           | (230)           | (230)           | (230)           |
| Policy savings reported December 2020                                      | 331                | 459             | 459             | 459             | 459             | 331                | 459             | 459             | 459             | 459             | 331                 | 459             | 459             | 459             | 459             |
| Council Tax Increase   | 1,592              | 3,245           | 4,960           | 6,739           | 8,584           | 1,590              | 3,235           | 4,938           | 6,700           | 8,523           | 1,587               | 3,225           | 4,915           | 6,659           | 8,459           |
| Council Tax Increase (Growth element)                                      | 0                  | 6               | 19              | 39              | 66              | 0                  | 4               | 12              | 24              | 41              | 0                   | 2               | 5               | 10              | 17              |

|  |       |         |         |         |         |         |         |          |          |          |         |          |          |          |          |
|--|-------|---------|---------|---------|---------|---------|---------|----------|----------|----------|---------|----------|----------|----------|----------|
| Total Measures to Balance the Budget                                   | 2,017 | 4,178   | 6,271   | 8,446   | 10,705  | 2,015   | 4,166   | 6,242    | 8,392    | 10,619   | 1,783   | 3,686    | 5,496    | 7,363    | 9,289    |
| Budget Surplus / (Gap) Cumulative AFTER measures to balance the budget | 1,703 | (5)     | (1,824) | (4,376) | (5,725) | (2,490) | (7,369) | (12,547) | (18,856) | (23,018) | (6,341) | (15,089) | (24,622) | (36,506) | (43,177) |
| Budget Surplus / (Gap) In Year AFTER measures to balance the budget    | 1,703 | (1,708) | (1,819) | (2,552) | (1,349) | (2,490) | (4,880) | (5,178)  | (6,309)  | (4,162)  | (6,341) | (8,748)  | (9,533)  | (11,884) | (6,672)  |