

FC45. REVENUE BUDGET FRAMEWORK 2015/16 – 2017/18

Council considered a report by the Chief Executive and Chief Finance Officer setting out officer proposals to allow Council to address projected gaps in the revenue budget in financial years 2015/16 to 2017/18 and to seek authority to progress equality and poverty impact assessments and other necessary consultations necessary to inform future budget decisions.

The report set out the likely budget framework for the financial years 2015/16 to 2017/18. It was estimated that the budget gap in each the years would be:-

2015/16 - £7.8m
2016/17 - £17.4m
2017/18 - £15.2 m

Total £40.4 m

Councils have a statutory duty to approve a balanced budget and set a council tax. Additionally Councils are legally required to make arrangements for the proper administration of their financial affairs. It was anticipated that there would be an overspend of c.£3.1m in the 2014/15 general fund. Since 2007, the Council had identified savings of £70.6m, accommodated, in part, by underspends and a healthy reserves position. It was anticipated that the capacity to utilise reserves in future years will be seriously constrained.

It was predicted that to achieve aggregate savings of circa £40m over the three years will require significant contraction in service delivery and reduction of staffing. The report set out a proposed consultation and engagement process to ensure that this message is conveyed to stakeholders including the general public, service users, staff and trades unions.

Potential savings had been identified by each Service. These were set out in the appendix to the report. It was proposed that authority is given to officers to progress equality and poverty impact assessments and other necessary consultations, relating to the proposals, including those which extend beyond the next financial year, with a view to informing the budget setting process for 2015/16 and future years.

Decision

Council:-

- (1) noted the Scottish Government Budget set out in section 2 of the report;**
- (2) noted the Council's financial position set out in section 3 of the report;**
- (3) noted the Budget framework set out in section 4 of the report, and**
- (4) approved the progression of equality and poverty impact assessments and other necessary consultations as set out at section 4.4 and appendix 3 of the report and that the Falkirk Council News would be utilised as part of the consultation process.**