

## **FC69. REVENUE BUDGET FRAMEWORK 2015/16 – 2017/18**

Council considered a report by the Chief Executive and the Chief Finance Officer presenting the Administration's Revenue Budget proposals for 2015/16, a provisional budget for 2016/17 and an overview position for 2017/18. A proposed Council Tax for 2015/16 was also presented.

Councillor C Martin, seconded by Councillor Nimmo, moved that Council agrees:-

- (1) the draft Budget for 2015/16 as set out in the report and as appended;
- (2) to levy a Council Tax for 2015/16 as follows:-
  - (i) a Council Tax to be paid in respect of a chargeable dwelling in Council Tax Valuation Band D of £1,070, representing a nil increase; and
  - (ii) a Council Tax to be paid in respect of a chargeable dwelling in each of the other Council Tax Valuations Bands in accordance with Section 74 (1) of the Local Government Act 1992 (as set out in paragraph 10.3 of the report);
- (3) the provisional draft Budget for 2016/17 as proposed in Appendix 4 of the report;
- (4) that any shortfall in savings proposals flowing from the Equality & Poverty Impact Assessment process, together with other necessary consultations and reviews, will be covered by alternative actions within Services' Budgets;
- (5) to delegate authority to the Chief Executive to issue a statutory notice to the Trade Unions in respect of the workforce implications of the budget proposals, which meets statutory requirements and enables officers to implement compulsory redundancies if all other voluntary options are exhausted, to achieve a balanced budget;
- (6) to delegate authority to the Chief Executive to include in a statutory notice, if agreed as a method of achieving savings, the option to impose changes to terms and conditions if no collective agreement can be reached on the basis that this will be referred back to Members for further consideration should imposition be required;
- (7) to deploy capital receipts to finance voluntary severance as set out in paragraph 7.9 of the report, where the Chief Executive in liaison with the Chief Finance Officer assess this to be in the best interests of the Council;
- (8) to note the actions being taken to assist with reductions in workforce spend, as outlined at section 7 of the report;
- (9) to note the work being undertaken by the Business Transformation project and that an update report will be provided to a future meeting of the Executive;
- (10) to request the Chief Executive to submit a report to Council in March which includes a proposal to review the number of Services in order to achieve savings;

- (11) to instruct Chief Officers to deliver services within the specific budget allocation for each Service and authorise them to take such actions as may be required within Council policy to give effect to the service delivery proposals outlined in sections 6, 7 and 8 of the report and appendices 6, 7 and 8;
- (12) In recognition that:
- (a) funding for membership of COSLA is included within the budget for the next two financial years;
  - (b) COSLA's future as an effective representative body for local government in Scotland is currently uncertain;
  - (c) the impact of that uncertainty calls into question the benefit to the Council of maintaining our membership;
  - (d) COSLA's constitution requires Councils to give a full financial year's notice of termination of membership, and
  - (e) the consequential impact of termination (if any) requires clarification, and

When re-affiliating to COSLA for 2015/16, notice is given that this Council will terminate its membership with effect from 1 April 2016 (while retaining membership of joint negotiating bodies) but reserves the right to withdraw that notice at any point during 2015/16 where that is deemed to be in the best interests of the Council.

As an amendment, Councillor Meiklejohn, seconded by Councillor Jackson moved the terms of the motion, subject to the insertion of a further two clauses (listed as 13 and 14 below) and the substitution of clauses (1), (3), (4), (5), (6), (9) and (11) as follows:-

- (1) the draft Budget for 2015/16 as set out, with the following amendments listed below:-

#### Additional savings

- Add £120,000 to the estimated profit to bring the 2015/16 figure closer to the 2014/15 estimated profit. Increased income to be derived from increased efficiencies on quality of work carried out and best use of time;
- Increase the target of Council Tax receipts by £60,000, in relation to new housing coming on stream;
- Reduce by one the number of issues of The Falkirk Council News and reduce other in-house publications for a total saving of £20,000;
- Anticipated reduction in the current financial year following directives to departments, total, £170,000, which will increase reserves and can be then be applied;
- Increase use of Earmarked Reserves, by £50,000 to a less conservative target;
- Cancel all newspapers for the Members Lounge and review the wider purchase of newspapers against savings from on-line access saving an estimated £6k; and

- PPP & NPDO arrangements based on past performance and market value the figure of £750,000 is a conservative estimate. The council should be seeking a settlement close to or better than that of the previous Administration and so a modest increase of £100,000 to £850,000 sets a more ambitious tone.

Falkirk Council required a full review of management structures to determine whether or not we are fit to meet the challenges of the Westminster Governments austerity programme. Council therefore agrees to see such a review with appropriate consultations

#### Additional Spend

- Retain existing Social Work Transport to protect vulnerable and low income groups and individuals, cost £50,000;
  - Scrap proposals to levy a £5 a week charge for new elderly Day Care applicants, cost £28,000;
  - Retain in-house services and cease the rolling privatisation of Home Care, cost £37,000;
  - Community Halls are often the main or only social outlet within communities and have a value above financial. Scrap the intended closure programme, £20,000;
  - Freeze School Meals charges, to promote a social agenda, cost £100,000;
  - School lets play an important equality and social inclusion role and as such require to be affordable. We therefore propose the scrapping of the 3% increase and reverse the 2014/15 price hike, cost £44,000;
  - Freeze Childcare Fees to better align in direction with Scottish Government policy, cost £15,000;
  - Freeze Breakfast Club charges, cost £5,000;
  - Recent history shows that charges for Pest Control can not be justified and were scrapped after only a short period by the council. Remove charges from the budget, £39,000;
  - The introduction of charges for all Special Uplifts will lead to less recycling and more fly tipping and is therefore a false economy with grossly over estimated financial gains and no concept of increased costs. By maintaining 2 free uplifts the council will not incur these additional costs for fly tipping and contamination of recyclates. The balance in terms of loss of income we believe would be around £62,000 which would be made up from the aforementioned savings coupled with increased efficiencies from within the service;
  - Retention of the CLD office in Bo'ness as the main hub for people looking for work £10,000; and
  - In recognition of the valuable service provided by Citizens Advice Bureaux in helping to assist those affected most by the Westminster Austerity agenda an additional £13, 000 to be allocated and shared between them
- (3) notes the Administration's proposals for 2016/17 however there is insufficient information available to approve. It is therefore proposed that a twice yearly financial performance report for each of the Services is reviewed by the Performance Panel enabling greater scrutiny and monitoring of individual service budgets and leading to the delivery of greater efficiencies;
- (4) agree that any shortfalls in savings proposals or issues that arise from the Equality & Poverty Impact assessment process are reported back to members for consideration;

- (5) to be referred back to Council any proposed redundancies and representation from the trade unions following the review of management structures and the seeking of voluntary severance;
- (6) members request that any imposition of the change of terms and conditions be the subject of a report to Council before any formal action is taken bearing in mind council ethos of cooperation with staff groups;
- (9) cannot agree to note the work of the Business Transformation project as members have not been provided with details on this. It is therefore agreed to bring a full report on the Business Transformation Project to March full Council and its implications for service provision;
- (11) as existing clause (11) but add amended budget to the existing recommendation;
- (13) following the Chief Executive's Report on review of the number of services it naturally follows that there should be a review of management structures in all departments. The Chief Executive is therefore requested to bring a further report forward to the May Full Council, and
- (14) reserves not supported by a business case should be consolidated, services should seek to operate within their budget any proposal to use reserves to meet any projected or actual over spend requires authorisation of Council.

Council then adjourned at 10.30 a.m. to allow members to consider the terms of the motion and amendment and reconvened at 11.05 a.m. with all members present as per the sederunt.

Following discussion Councillor Alexander gave notice of a further amendment.

At 12.30 p.m. the Provost moved, in accordance with Standing Order 34.1, with unanimous support, to extend the meeting for an unspecified time to allow business to be concluded.

In terms of Standing Order 22.4(i), a vote was taken on the motion and amendment by roll call, there being 31 members present with voting as undernoted:-

For the motion (17) – Provost Reid; Depute Provost Patrick; Baillies Buchanan and Paterson; Councillors Black, Blackwood, D Goldie, G Goldie, Gow, MacDonald, McLuckie, Mahoney, C Martin, Dr C R Martin, Murray, Nicol and Nimmo.

For the amendment (14) – Councillors Alexander, Balfour, Bird, Carleschi, Chalmers, Coleman, Hughes, Jackson, McCabe, McNally, Meiklejohn, Oliver, Ritchie and Spears.

Council then adjourned at 1 p.m., for lunch, and reconvened at 1.45 p.m. with all members present as per the sederunt with the exception of Councillor D Goldie.

Councillor Alexander, seconded by Councillor Meiklejohn, moved the terms of the motion with the following words are deleted from clause (12):

“but reserves the right to withdraw that notice at any point during 2015/16 where that is deemed to be in the best interests of the Council”.

In terms of Standing Order 22.4(i), a vote was taken by roll call, there being 30 members present with voting as undernoted:-

For the motion (16) – Provost Reid; Depute Provost Patrick; Baillies Buchanan and Paterson; Councillors Black, Blackwood, G Goldie, Gow, MacDonald, McLuckie, Mahoney, C Martin, Dr C R Martin, Murray, Nicol and Nimmo.

For the amendment (14) – Councillors Alexander, Balfour, Bird, Carleschi, Chalmers, Coleman, Hughes, Jackson, McCabe, McNally, Meiklejohn, Oliver, Ritchie and Spears.

## **Decision**

### **Council agreed:-**

- (1) the draft Budget for 2015/16 as set out in the report and as appended;**
- (2) to levy a Council Tax for 2015/16 as follows:-**
  - (i) a Council Tax to be paid in respect of a chargeable dwelling in Council Tax Valuation Band D of £1,070, representing a nil increase; and**
  - (ii) a Council Tax to be paid in respect of a chargeable dwelling in each of the other Council Tax Valuations Bands in accordance with Section 74 (1) of the Local Government Act 1992 (as set out in paragraph 10.3 of the report);**
- (3) the provisional Draft Budget for 2016/17 as proposed in Appendix 4 of the report;**
- (4) that any shortfall in savings proposals flowing from the Equality & Poverty Impact Assessment process, together with other necessary consultations and reviews, will be covered by alternative actions within Services' Budgets;**
- (5) to delegate authority to the Chief Executive to issue a statutory notice to the Trade Unions in respect of the workforce implications of the budget proposals, which meets statutory requirements and enables officers to implement compulsory redundancies if all other voluntary options are exhausted, to achieve a balanced budget;**
- (6) to delegate authority to the Chief Executive to include in a statutory notice, if agreed as a method of achieving savings, the option to impose changes to terms and conditions if no collective agreement can be reached on the basis that this will be referred back to Members for further consideration should imposition be required;**
- (7) to deploy capital receipts to finance voluntary severance as set out in paragraph 7.9 of the report, where the Chief Executive in liaison with the Chief Finance Officer assess this to be in the best interests of the Council;**
- (8) to note the actions being taken to assist with reductions in workforce spend, as outlined at section 7 of the report;**

- (9) to note the work being undertaken by the Business Transformation project and that an update report will be provided to a future meeting of the Executive;
- (10) to request the Chief Executive to submit a report to the meeting of Council in March which includes a proposal to review the number of Services in order to achieve savings;
- (11) instruct Chief Officers to deliver Services within the specific budget allocation for each Service and authorise them to take such actions as may be required within Council policy to give effect to the service delivery proposals outlined in section 6, 7 and 8 of the report and appendices 6, 7 and 8;
- (12) In recognition that:
  - (a) funding for membership of COSLA is included within the budget for the next two financial years;
  - (b) COSLA's future as an effective representative body for local government in Scotland is currently uncertain;
  - (c) the impact of that uncertainty calls into question the benefit to the Council of maintaining our membership;
  - (d) COSLA's constitution requires Councils to give a full financial year's notice of termination of membership, and
  - (e) the consequential impact of termination (if any) requires clarification, and

When re-affiliating to COSLA for 2015/16, notice is given that this Council will terminate its membership with effect from 1 April 2016 (while retaining membership of joint negotiating bodies) but reserves the right to withdraw that notice at any point during 2015/16 where that is deemed to be in the best interests of the Council.