

EX87. LOCAL GOVERNMENT FINANCIAL SETTLEMENT UPDATE POSITION

The Executive considered a report by the Director of Corporate and Housing Services advising of the final details of the Local Government Finance Settlement for 2016/17 as laid out in a letter from the Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy, John Swinney, to COSLA.

A report to the Executive on 12 January 2016 (Ref EX82) summarised the Local Government Finance Settlement for 2016/17, as set out in a letter from Mr Swinney to COSLA dated 16 December 2015. Since 12 January 2016 there had been further discussions and correspondence between the Scottish Government and COSLA in regard to the detail of the settlement. A letter from Mr Swinney to COSLA, dated 27 January 2016, set out the final details, with particular regard to:-

- Council Tax Freeze;
- Teacher numbers; and
- Integration Joint Board Integration Fund.

Councils were required to accept the complete package failing which significant grant penalties would apply. The deadline for acceptance was 9 February 2016.

The report summarised the implications of the proposed settlement for Falkirk Council and estimated that, should Council not accept the terms, the sum of £11.75m in grant would be at risk, based on our share of population.

The Chief Governance Officer advised that a number of Councils were exploring grounds to judicially review the terms of the settlement.

Councillor C Martin, seconded by Councillor Dr C R Martin, moved that:-

Subject to advice being received ahead of the deadline on the availability of grounds to judicially review it (in which case another meeting of the Executive will be called), Council reluctantly accepts the terms of the settlement letter from the Cabinet Secretary dated 27 January 2016 but, in doing so, agrees that the following points must be made:

- 1) *The current financial circumstances facing local government are particularly challenging and any measures which restrict how councils raise and spend their funding are not helpful at this time;*
- 2) *The continued freeze in the council tax reduces local accountability and constrains severely the ability of councils to take financial decisions for their own communities;*
- 3) *The focus on pupil/teacher numbers at a national level takes no account of local circumstances and again reduces the ability of local members to take local decisions; and*
- 4) *Whilst sharing the Cabinet Secretary's desire to see the living wage paid across the care sector the Council recognises, as set out in the Scottish Government's own statutory guidance that "contracting authorities are unable to make payment of the Living Wage a mandatory requirement as part of a competitive procurement process". While Council will continue to pursue fair working practices in all its contracts, consistent with the law, the ability to "ensure" payment of the living wage and to force our private and voluntary partners to pay it and to meet their share of the costs involved remains constrained.*

The Executive then adjourned for 15 minutes to allow members of the opposition to consider the terms of the motion and reconvened at 3.15pm with all members present as per the sederunt.

As an amendment, Councillor Alexander, seconded by Councillor Spears, moved in substitution for the motion that:-

Council agrees to accept the Scottish Government's offer of funding for 2016/17 as the best possible settlement given the significant cuts in their budget from Westminster's austerity agenda.

On a division 8 members voted for the motion and 2 voted for the amendment with voting as follows:-

For the motion (8) –Councillors Blackwood, D Goldie, G Goldie, Gow, Mahoney, C Martin, Dr C R Martin and Nimmo.

For the amendment (2) – Councillors Alexander and Spears.

Decision

The Executive agreed the motion.