

FC50. GENERAL FUND REVENUE BUDGET FRAMEWORK 2016/17 & 2018/19

Council considered a report by the Chief Executive and Director of Corporate and Housing Services providing a background and context to the General Fund Revenue Budget for 2016/17 – 2018/19 together with proposed budget saving options for 2017/18.

Reduction of 0.9% in revenue support grant anticipated for 2016/17 and 2% in 2017/18. The Council's specific grant may not be known until January 2016, which is later than in previous years and may impact on the Council's budget setting date which is traditionally in mid February.

At 31 July 2015 net expenditure for 2015/16 was projected to be broadly in line with the approved budget, however within this there were significant overspends forecast in Social Work - Children's Services and Adult Services. A £2m contingency built into the budget to cover pressures in these services was proving insufficient.

The report set out Council's budget framework 2016/17 to 2017/18. A provisional budget for 2016/17 was set in February 2015 (ref FC69) and the findings agreed then were set out in an appendix to the report. The report also highlighted four savings areas where work is still required, these are:-

- replacement of teacher savings option - £1.7m
- workforce savings - £1.5m
- Service configuration/transformation - £2m
- agreed savings which have become problematic – not quantified

A budget gap of £15.2m is forecast for 2017/18 and the need to manage it effectively through early action was emphasised consequentially, authority was sought for officers to progress any necessary consultations and workstreams relating to the savings options identified by them.

The report set out proposals for engagement with stakeholders and for Equality and Poverty Impact Assessments with the outcomes fed into the budget process so that members are fully informed about the potential impact of any decision before final decisions are made in February 2016.

The report also highlighted the complex budget implications arising from the integration of adult health and social care in preparation for the new Integration Joint Board which will take responsibility for this area of work in April 2016.

The Best Value report, considered earlier in the meeting (item FC48), referred to a recommendation by the Accounts Commission that the Council should consider establishing a cross party budget working group. Council agreed on 18 September (ref FC40) to consider this and the agreed improvement plan sets out that such a group will be established.

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

- (1) to note the Revenue Budget Framework for 2016/17 – 2018/19, with the exception of SW7 relating to Torwoodhall which is removed from the list of options;
- (2) the replacement Children's Services savings set out at paragraph 5.2.5 of the report subject to the Council's EPIA process and any other necessary consultation, and
- (3) to note the progression of the Equality & Poverty Impact Assessments and approve the necessary consultations and workflows set out in the report to facilitate the preparation of a 2 year budget.

As an amendment, Councillor Meiklejohn, seconded by Councillor Jackson, moved the terms of the motion with the following adjustments:-

The insertion of "subject to a report to the Budget Working Group" at the end of clause (1) and to amend clause (2) to read as follows:

- (2) to not agree the replacement Children's Services savings, as detailed at paragraph 5.2.5 of the report, at this stage pending further consideration by the Budget Working Group of the 2016/17 savings options.

On a division 18 members voted for the motion and 13 voted for the amendment with voting as follows:-

For the motion (18) – 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, Nimmo and Spears.

For the amendment (13) – Councillors Alexander, Balfour, Bird, Carleschi, Chalmers, Coleman, Garner, Hughes, Jackson, McCabe, Meiklejohn, Ritchie and Turner.

Decision

Council agreed the motion.