

EX83. SCOTTISH GOVERNMENT BUDGET AND LOCAL GOVERNMENT SETTLEMENT 2016/17

The Executive considered a joint report by the Chief Executive and the Director of Corporate and Housing Services summarising the implications for local government, following the announcement of the Scottish Government draft Budget and the Local Government Settlement 2016/17.

The 2016/17 draft Scottish Government Budget proposes a 3.5% (£350m) reduction in local government revenue support, whereas Health is to receive a 3.3% increase. Part of the £400m increase in Health is accounted for by the £250m directed to the new Health and Social Care Partnerships. However, it is still to be clarified as to what access the Council will have to this fund and what room for manoeuvre there will be for the Council in considering its budget setting.

The General Capital grant allocation for Falkirk Council for 2016/17 is £10.6m, which is c15% less than the current financial year.

This reduction in the Council's grant resources essentially increases the deficit for 2016/17 from that previously projected by £6m to nearly £25m. The Council's share of the £250m directed to new Health and Social Care Partnerships has been estimated, and would broadly match the extra £6m shortfall.

The Deputy First Minister had written to all Councils on 16 December 2015, setting out the terms of the settlement and package of measures. He requested that any Council not intending to take up the offer and agree the terms of the full package of measures, write to him by 22 January 2016.

Councillor C Martin, seconded by Councillor Dr C R Martin, moved that a response be sent to Mr Swinney advising that, until the position on the £250m, together with penalties for not accepting the proposals in Mr Swinney's letter is clarified, Falkirk Council is not reasonably in a position to accept his offer.

Decision

The Executive:-

- (1) noted the draft Scottish Government Budget and Local Government Settlement 2016/17, and**
- (2) agreed that a response be sent to Mr Swinney advising that, until the position on the £250m, together with penalties for not accepting the proposals in Mr Swinney's letter, is clarified, Falkirk Council is not reasonably in a position to accept his offer.**