

FC65. Revenue Budget 2017/18

Council considered a report by the Director of Corporate and Housing Services presenting an update on matters relating to preparation of the revenue budget for 2017/18.

The report set out the financial context within which the budget was developed. At the time of writing, the Local Government Budget Settlement (see item FC 64) was not known and advice from COSLA had suggested that a 5% cash grant reduction was likely. As a consequence the budget gap, which had been estimated at £20m for 2017/18 could be nearer £25m if the reduction was as anticipated.

Service savings options had been approved for consultation by the Executive on 18 October 2016 (ref EX75). The options had been considered by the Budget Working Group in a series of meetings between October 2016 and January 2017 with discussion ongoing.

Proposals to bridge the budget gap were set out with further detail given on each. Council's view was also sought in regard to:-

- the proposed council tax increase;

The Budget Working Group had signalled that a 3% increase in council tax would be supported by the Council's main political groups. If agreed by Council on 22 February 2017, this would yield an additional £2m compared to 2016/17.

- the Falkirk Community Trust Business Case; and

A saving of £1m was assumed for 2017/18. The Trust's Business Case for 2017/18 was appended to the report. The £1m proposed saving was below the target level which Council Services had been working to. The Trust had however offered greater savings in future years. Council was invited to consider the business case prior to consideration of the final business case on 22 February 2017.

- the Integration Joint Board Business Case.

A saving of £2m was assumed. The Integration Joint Board's Business Case was provided. Within this, savings of £2.455m were proposed. This included fundamental changes to the garden aid scheme, reviews of models of service delivery and the charging policy. Council was invited to consider the business case ahead of the submission of a final business case on 22 February 2017.

Following the Executive on 18 October 2016, Council's proposed savings options had been consulted upon online and through public meetings, with Community Councils, for example. An analysis of the feedback thus far was set out. The majority of comments made online related to the proposals in regard to Community Learning and Development (40%). The comments received through public engagement would be considered as part of the Equality and Poverty Impact Assessment process.

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

- (1) notes the broad financial picture presented in section 4.1 of the report and its linkage with the Council's medium term planning in section 4.12 of the report;
- (2) notes the status of engagement with Trade Unions in section 4.4 of the report;
- (3) notes the Budget savings options relating to External Organisations presented at section 4.6 of the report;
- (4) notes the status of public engagement in section 5 of the report;
- (5) notes that a further report will be submitted to the Executive in January 2017 providing an updated Revenue Budget projection for 2016/17 and, it is anticipated, an additional analysis on the 2017/18 Settlement;
- (6) thanks Falkirk Community Trust for submitting its business plan on time and agrees the savings proposals submitted but given the scale of the reduction in Council Services required by the Scottish Government grant reduction, asks the Trust to identify further savings to a value of £200k in 2017/18 which do not involve facilities closures;
- (7) notes that there is now a maximum reduction for all Integration Joint Boards (IJB) in Scotland and that at the moment we do not know in detail what that means for Falkirk so we simply thank the IJB for getting their proposals to us on time; and
- (8) following the end of the council tax freeze, provisionally agrees to increase Council Tax Band D rate for 2017/18 by the maximum allowed 3% subject to further consideration and confirmation at the Budget meeting in February 2017 when the information required by section 93 of the Local Government Housing Act 1992 will be available.

Following discussion and with consent of the Provost and Baillie Paterson, as his seconder, Councillor C Martin agreed to adjust the terms of clauses (6) and (7) of his motion and to add an additional clause (9) to include the following suggestions by Councillor Meiklejohn:-

- (6) the Trust is also asked to identify further efficiency savings which do not involve the closure of facilities;
- (7) in addition to seeking clarity on the impact of the budget settlement in regard to IJBs, there is also a need for further information and detail to be provided in regard to the proposals, particularly in regard to the charging policy and eligibility criteria in light of the uncertainty over the funding available to IJBs.
- (9) Equality and Poverty Impact Assessments should include an assessment of any cross cutting impacts particularly with regard to vulnerable people.

Decision

The adjusted motion was agreed.