

EX105. Local Government Settlement and Scottish Government Budget 2019/20

The Executive considered a report by the Director of Corporate and Housing Services which provided an update on the Local Government Settlement and the Scottish Government Budget, noting that this was a provisional position pending agreement by the Scottish Parliament. The grant Settlement was by far the biggest variable which determines the Council's financial position.

The Settlement was again presented as a partnership with a package of measures to be provided by local government in return for the provisional funding. Examples of these measures, set out below, and detailed in the Circular and Cabinet Secretary letter to the COSLA President are:-

- Baseline of the £170m additional revenue negotiated as part of the 2018/19 Settlement.
- Additional ring-fenced funding in both capital and revenue for Early Learning and Childcare.
- Cap of 3% rise in council tax.
- An additional £160m ring-fenced for IJB's to be added to the IJB's 2018/19 budgets.
- Maintenance of the pupil teacher ratio at the national level.

Falkirk revenue grant was reduced by £7.148m (2.64%) from its 2018/19 level after adjusting for new spend commitments. This was more severe than assumed in the Medium Term Financial Plan and is closer to the pessimistic end of the scenarios spectrum in the Plan. In consequence, the estimated Budget Gap has increased to circa £20m after allowing for other mitigations. Officers continued to work to identify additional savings options to bridge this figure.

COSLA had pressed the Cabinet Secretary to allocate some of the health consequential to adult social work and not give it all to the NHS and he had done this. However the extra funding was ring-fenced for the Integration Joint Board (IJB) and their 19/20 resource allocation from councils must be this sum added to the 2018/19 IJB Budget. This materially constrained councils' ability to have the IJB contribute towards closing their Budget Gaps. Falkirk currently assumed the IJB would contribute £3m – the rule was estimated to restrict this to c£1m.

Councillor Meiklejohn, seconded by Councillor Bouse, moved that the Executive notes the report and in particular its implications for the Council's 2019/20 General Fund Revenue and Capital Budgets.

As an amendment, Councillor Bissett, seconded by Councillor Nimmo, moved that the Executive agree that the Leader of the Council write to the Finance Secretary, Derek Mackay, challenging cuts to Falkirk Council asking that the cuts to Falkirk Council and all Councils should be no larger than the cut from Westminster.

The Executive adjourned at 10.50am to allow members to consider the terms of the amendment and reconvened at 11.00am with all members present as per the sederunt.

In terms of Standing Order 22.1, the vote was taken by roll call, there being 11 members present with voting as undernoted:-

For the motion (5) – Councillors Alexander, Bouse, Garner, Hughes and Meiklejohn.

For the amendment (6) – Councillors Bissett, Coombes, Goldie, Harris, Nicol and Nimmo.

Decision

The Executive agreed the amendment.