

EX26. Financial Overview

The Executive considered a report by the Director of Corporate and Housing Services which provided an update on the Council's finances considering the impact of COVID-19 along with information on the budget planning process for 2021/22. The net projected impact on reserves at 31 March 2021 was forecast to be a reduction of £0.765m, resulting in a projected balance for the General Fund of £8.777m.

The significant variations were summarised for each Service:-

- Children's Services – Over budget by £4.847m, 2.3%
- Development Services – Over budget by £2.844m, 10.3%
- Corporate and Housing Services – Under budget by £0.073m, 0.3%
- Integration Joint Board – Over budget by £0.502m, 0.7%
- Falkirk Community Trust – Over budget by £1.217m, 11.2%
- Revenue Support Grant – Over budget by £9.139m, 3.8%
- Council Tax - Under budget by £0.350m, 0.5%

Based on updated assumptions the estimated budget gap for 2021/22 was £23m. The Scottish Government had announced that its draft budget would be on 28 January 2021, with the third reading in the Scottish Parliament not until early March. The draft Local Government Settlement was expected to be announced on the same day in January. The funding provided by the Scottish Government was a key variable in the budget process.

The Budget Working Group had been presented with a number of savings options identified by Services. A series of workshops had been held prior to the festive break and all relevant information shared with all members.

Council previously agreed to pursue a Zero Based Budget (ZBB) approach. The following three strand approach was agreed by the Council at its meeting in September 2020:-

- a) Identify the Council's areas of Discretionary spend;
- b) The ZBB approach was formally integrated into existing and future Council of the Future projects, and
- c) Identification of an initial two areas for 'deep dive' reviews. An initial scoping document for a review of transport costs had been drafted and a second area was being explored within Children's Services.

Decision

The Executive noted the:-

- (1) updated assessment of the current financial year and recognised the need for all Services to continue to exercise effective financial control, and update on the 2021/22 budget process**