

FALKIRK COUNCIL

Subject: SPENDING REVIEW 2011
Meeting: FALKIRK COUNCIL
Date: 7 December 2011
Author: CHIEF FINANCE OFFICER

1. INTRODUCTION

- 1.1 The Falkirk Council meeting of 5 October considered a report on the 2011 Spending Review which describes the key elements of the review and the possible impact for Local Government.
- 1.2 The report also highlighted the following key measures:
- Prioritise capital investment to assist economic recovery and economic growth
 - Invest in promoting a low-carbon economy
 - Pension contributions from NHS, Teachers, Police and Fire staff to be increased
 - Pursue pay restraint with public sector pay to be frozen for a further year (2012/13), other than for employees earning less than £21,000 for areas under direct control
 - Freeze the council tax
 - Maintain teacher numbers
 - Maintain grant for the Police service
 - Pursue a programme of efficiency and public sector reform
 - Move towards preventative spend
- 1.3 The spending review sets out the Government's Spending proposals at a high level and detailed figures for individual Councils are not expected to be available until w/e 9 December.

2. CONDITIONS OF FUNDING

- 2.1 The Scottish Government has confirmed that in keeping with the current year's process, the funding will be made available only on condition that Councils provide a written undertaking to fulfil a number of commitments in relation to the key measures described above. This includes maintaining teacher numbers in line with pupil numbers, Councils to pass over the full amount of funding to Police Boards and continue the Council Tax freeze.
- 2.2 If the funding package is not accepted the Council's grant would be reduced by the sums which relate to these items, which would mean a reduction of approximately £3.0m for Falkirk Council. The Council's share of police funding would also be removed and passed directly to the Police Board.

3. CONCLUSION

- 3.1 This report is a further update on the 2011 funding review. The next stage involves waiting for details of the local government grant settlement at individual Council level which is expected in early December. However, before that Members have to determine the Council's response to the conditions outlined in section 2 of this report.

4. RECOMMENDATIONS

- 4.1 Members note the contents of this report.
- 4.2 Determine the Council's response to the Scottish Government Conditions outlined in this report.
- 4.3 Remit to the Leader of the Council and the Chief Executive to approve the Conditions Letter from the Scottish Government and thereby secure the Council's grant entitlement.

Chief Finance Officer

Date: 23 November 2011

Contact Officer: Brian Heron/Bryan Smail

LIST OF BACKGROUND PAPERS

1. Report to Falkirk Council, 5 October 2011, entitled Spending Review 2011.

Any person wishing to inspect the background papers listed above should telephone Falkirk 01324 506356 and ask for Brian Heron.