



BUDGETING PACK 2018/19

4. UPDATES TO BUDGETING PACK 2018/19

- (a) Budget Pack Updates (Pages 3 - 6)
- (b) Revised Appendix 1 of Revenue Budget Summary Report - Page 105 (Pages 7 - 8)

E1 (c) Additional information for Appendix 8 to item 2(c) (Pages 9 - 10)

The Council will be asked to pass a resolution in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the public for items of business with an “E” on the grounds that it is likely to involve the disclosure of exempt information as defined in the appropriate paragraph of Part I of Schedule 7a to the Local Government (Scotland) Act 1973.

The appropriate paragraph is:-

E1 Paragraph 6 Information relating to the financial or business affairs of any particular person (other than the authority).

This page is intentionally left blank

ARGYLL AND BUTE COUNCIL
STRATEGIC FINANCE

COUNCIL
22 FEBRUARY 2018

BUDGET PACK UPDATES

The budget pack was published on Thursday 8 February 2018. There are a number of amendments/updates to the pack as detailed below.

Report 1 – Introductory Report and Recommendations for Budget Papers

Page 8, recommendation 2c

In line with the Scheme of Integration (paragraph 8.2.1) the Council (and NHS Highland) should provide a proposed budget for year 1 and indicative payments for year 2 and 3. The recommendation is amended to read:

“Approve the 2018-19 allocation to the Health and Social Care Partnership of £54.831m and approve the indicative allocations as set out in the Head of Strategic Finance’s Revenue Budget Summary Report for 2019-20 and 2020-21”.

Page 10, new recommendation 2t

“Endorse the proposed Transformation Board Activities for 2018-19 and beyond as outlined in Appendix 7 of the Revenue Budget Summary report on pages 190-192.”

Report 2c – Revenue Budget Summary

Page 94/95, paragraph 3.5.2

The current service level agreement for Bute Advice Centre is £22,500. Should Members wish to approve that this is built into the budget for 2018-19, I wanted to make it clear that it was for £22,500 rather than £0.022m.

Page 100, paragraph 3.9.2

The table outlines the financial position if the proposed additional funding is agreed by Scottish Government. As this was advised quite late in the budget process and was not confirmed to be baselined, it was included for 2018-19 only. After giving this some thought, I would consider it appropriate if the additional funding is assumed to be baselined into future years, particularly as the additional funding is to be spent at the discretion of Councils. I have, however, only baselined the tranche that will be received in 2018-19. There is a risk that the funding will not be baselined, however, the additional funding given late in the 2017-18 budget process was baselined as part of the 2018-19 settlement.

The additional funding in 2019-20 and 2020-21 gradually reduces as the 3.25% (mid-range) Scottish Government funding estimated reduction has been applied to the original amount. The following table is an update to the table shown on page 100 at paragraph 3.9.2 and also attached is a revised appendix 1 page 105 in the budget pack.

	Draft 2018-19 £000	Mid- Range Estimate 2019-20 £000	Mid- Range Estimate 2020-21 £000
Budget Surplus / (Gap) Cumulative (based on provisional settlement)	689	(6,355)	(12,994)
Additional Funding	2,260	2,186	2,115
Revised Budget Surplus / (Gap) Cumulative	2,949	(4,169)	(10,879)
Revised Budget Surplus / (Gap) Year on Year	2,949	(7,118)	(6,710)

Page 101, paragraph 3.9.6

Following on from the previous amendment, should the additional funding be agreed and be baselined, the financial position should Members wish to agree all savings options is outlined in the table below.

	Draft 2018-19 £000	Mid- Range Estimate 2019-20 £000	Mid- Range Estimate 2020-21 £000
Budget Surplus / (Gap) Cumulative	2,949	(4,169)	(10,879)
Policy Options out to Consultation	1,810	3,841	5,673
Revised Budget Surplus / (Gap) Cumulative	4,759	(328)	(5,206)
Revised Budget Surplus / (Gap) In Year	4,759	(5,087)	(4,878)

Page 102, paragraph 3.12

This section is concerned with funding requests. Further information is available on one of the funding requests and is included as an “exempt” appendix to this update as it contains financial information related to one of the third parties.

Report 3f – ICT Group Asset Management Plan

Page 434, paragraph 10.7

The table in paragraph 10.7 quotes the Corporate PCs at a cost of £0.158, this should be £0.178 as previously quoted in paragraph 10.3 on page 433.

**Kirsty Flanagan
Head of Strategic Finance
15 February 2018**

**Policy Lead for Strategic Finance and Capital Regeneration Projects:
Councillor Gary Mulvaney**

This page is intentionally left blank

BUDGET OUTLOOK 2018-19 TO 2020-21 (BUDGET MEETING 22 FEBRUARY 2018)

APPENDIX 1

UPDATED 15 FEBRUARY - TO BASELINE ADDITIONAL MONIES

	Draft	Best Case Scenario		Mid-Range Scenario		Worst Case Scenario	
	2018-19 £000	2019-20 £000	2020-21 £000	2019-20 £000	2020-21 £000	2019-20 £000	2020-21 £000
Base Budget	235,680	235,680	235,680	235,680	235,680	235,680	235,680
Base Budget Adjustments	535	525	495	525	495	525	525
Revised Base Budget	236,215	236,205	236,175	236,205	236,175	236,205	236,205
Pay Award	2,910	4,316	6,025	5,155	7,444	5,716	8,592
Pay Increments	664	664	664	996	1,328	1,328	1,992
Auto Enrolment	202	202	202	202	202	202	202
Change to employee base	(361)	(382)	(382)	(361)	(361)	(361)	(361)
Total Employee Cost Changes (Council Services)	3,415	4,800	6,509	5,992	8,613	6,885	10,425
Non-Pay Inflation - Council Services	967	1,934	2,901	1,934	2,901	2,874	4,781
ASN - new and increased demand for the service in 2018-19	134	134	134	134	134	134	134
Music Instruction – removal of previously agreed service review saving not achieved	109	109	109	109	109	109	109
Discretionary Business relief due to 2017 revaluations	13	13	13	13	13	13	13
Universal Credit - HB Admin Grant	75	150	150	150	150	150	150
New Schools Unitary Charges	1,206	1,555	1,555	1,555	1,555	1,555	1,555
Asbestos Management Plan	0	0	20	0	40	0	60
Carbon Reduction Scheme	0	0	0	13	13	25	25
Renewal of School and Public Transport Contracts Tiree	4	4	4	4	4	4	4
Renewal of School and Public Transport Contracts Mid Argyll	11	16	16	16	16	16	16
Removal of Fire and Rescue Scotland Contract	11	11	11	11	11	11	11
Local Plan Enquiry	0	90	0	90	0	90	0
Net effect of budget commitments in respect of temporary homelessness and leisure and culture services	60	60	60	60	60	60	60
Waste PPP Financial Model	254	560	560	560	560	560	560
General Allowance for Unidentified Cost and Demand Pressures	0	0	0	250	500	500	1,000
Total Cost and Demand Pressures	1,877	2,702	2,632	2,965	3,165	3,227	3,697
Measures to Balance the Budget:							
Loans Charges Profile Adjustment and Savings	(3,200)	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)	(4,200)
European Funds Saving (one-off)	(249)	0	0	0	0	0	0
Savings in Superannuation Costs	(245)	(245)	(245)	(245)	(245)	(245)	(245)
Savings Options Already Agreed	(2,016)	(2,315)	(2,641)	(2,315)	(2,641)	(2,315)	(2,641)
Fees and Charges	(277)	(739)	(1,201)	(554)	(831)	(369)	(461)
Total Measures to Balance the Budget	(5,987)	(7,499)	(8,287)	(7,314)	(7,917)	(7,129)	(7,547)
Adjustment to Health and Social Care Partnership Payment	(725)	(2,175)	(3,625)	(1,450)	(2,175)	0	0
Total Estimated Expenditure	235,762	235,967	236,305	238,332	240,762	242,062	247,561
Scottish Government Grant	191,037	186,261	181,604	184,828	178,821	183,396	176,060
Council Tax	47,674	49,457	51,317	49,335	51,062	49,215	50,809
Total Funding	238,711	235,718	232,921	234,163	229,883	232,611	226,869
Budget Surplus / (Gap) Cumulative	2,949	(249)	(3,384)	(4,169)	(10,879)	(9,451)	(20,692)
Budget Surplus / (Gap) In Year	2,949	(3,198)	(3,135)	(7,118)	(6,710)	(12,400)	(11,241)
Policy Savings Options	(1,810)	(3,841)	(5,673)	(3,841)	(5,673)	(3,841)	(5,673)
Revised Budget Surplus / (Gap) Cumulative AFTER policy options	4,759	3,592	2,289	(328)	(5,206)	(5,610)	(15,019)
Revised Budget Surplus / (Gap) In Year AFTER policy options	4,759	(1,167)	(1,303)	(5,087)	(4,878)	(10,369)	(9,409)
<i>Social Work Cost Pressures - For Information:</i>							
<i>Pay Inflation and Increments - Social Work in HSCP</i>	<i>920</i>	<i>1,314</i>	<i>1,714</i>	<i>1,490</i>	<i>2,069</i>	<i>1,664</i>	<i>2,424</i>
<i>Non-Pay Inflation - Social Work in HSCP</i>	<i>1,004</i>	<i>2,008</i>	<i>3,012</i>	<i>2,008</i>	<i>3,012</i>	<i>2,423</i>	<i>3,842</i>
<i>Older People Growth - Social Work in HSCP</i>	<i>714</i>	<i>1,450</i>	<i>2,208</i>	<i>1,450</i>	<i>2,208</i>	<i>2,942</i>	<i>4,547</i>
<i>Care Services for Younger Adults - Social Work in HSCP</i>	<i>482</i>	<i>0</i>	<i>0</i>	<i>986</i>	<i>1,512</i>	<i>2,014</i>	<i>3,159</i>
<i>Carer's Act New Duties - Social Work in HSCP</i>	<i>350</i>	<i>350</i>	<i>350</i>	<i>350</i>	<i>350</i>	<i>350</i>	<i>350</i>
<i>Sleepover provision in Education Hostels - Social Work in HSCP</i>	<i>96</i>	<i>96</i>	<i>96</i>	<i>96</i>	<i>96</i>	<i>96</i>	<i>96</i>
<i>Lorn Campbell Court - Social Work in HSCP</i>	<i>30</i>	<i>30</i>	<i>30</i>	<i>30</i>	<i>30</i>	<i>30</i>	<i>30</i>
<i>Sleepovers - Social Work in HSCP</i>	<i>182</i>	<i>143</i>	<i>172</i>	<i>246</i>	<i>303</i>	<i>286</i>	<i>343</i>
<i>National Care Home Contract - Social Work in HSCP</i>	<i>390</i>	<i>200</i>	<i>205</i>	<i>410</i>	<i>430</i>	<i>629</i>	<i>676</i>
<i>Remove: Criminal Justice Previously Agreed Cost Pressure</i>	<i>(50)</i>	<i>(50)</i>	<i>(50)</i>	<i>(50)</i>	<i>(50)</i>	<i>(50)</i>	<i>(50)</i>
<i>Remove: Auchinlee Previously Agreed Cost Pressure</i>	<i>(229)</i>	<i>(229)</i>	<i>(229)</i>	<i>(229)</i>	<i>(229)</i>	<i>(229)</i>	<i>(229)</i>
Total Social Work Pressures	3,889	5,312	7,508	6,787	9,731	10,155	15,188

This page is intentionally left blank

NOT FOR PUBLICATION by virtue of paragraph(s) 6
of Schedule 7A of the Local Government(Scotland) Act 1973

Document is Restricted

This page is intentionally left blank