

PLANNING OUR FUTURE – Cover Report

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this cover report is to update the Council on the recommendations arising from the Special Policy and Resources Committee held on 8th October in relation to Planning Our Future.

Council is invited to consider the recommendations and the associated detail contained in the reports presented to the Policy and Resources Committee on Services Choices (Item 6a) and Innovation, Income Generation and Growing the Economy (Item 6c).

Council is also invited to consider the reports on Public Consultation (Item 6d) which has been revised following the Special Policy and Resources Committee, and on substituted savings (item 6b).

- 1.2 At the Special Policy and Resources Committee Meeting on 8th October the Committee agreed to make recommendations to Council as follows:

That members of the Policy and Resources Committee:

Note that 80% of the Council's funding comes from the Scottish Government.

Notes the eight-year Council Tax freeze and the Scottish Government's penalty scheme for local authorities which do not participate.

Note that the Council's grant from the Scottish Government has been reduced by over £30m in recent years while funding for other public agencies has increased (in one case by £17m).

Note that Argyll and Bute Council's funding from the Scottish Government is predicted to reduce substantially over the coming years, resulting in a budget gap of between £21.7m and £26m.

Welcomes the advice in Audit Scotland's annual report to members and the Controller of Audit dated September 2015, which notes the following key points about Argyll and Bute Council's financial management:

- *The Council's financial management in 2014/15 has been effective*
- *The Council has a good history of keeping expenditure within budget*
- *Budgets are closely monitored with progress against budget being regularly reported*
- *Governance arrangements are generally sound and improvements are in progress*

- *Key financial controls operated effectively during 2014/15*
- *The Council is generally meeting its requirements to report publicly on its performance*

Note the Scottish Government underspend of £413m in 2014 and £347m in 2015 – a total underspend of £760m.

To note the advice supplied by the Auditor General to the Scottish Government where he said “that there is a growing need for more information on the financial position of the devolved Scottish public sector and has called on the Scottish Government to set out clear plans and timescales on how it plans to improve on its financial reporting to enhance proper scrutiny of its spending”.

Note that alongside the budget arrangements and Planning our Future process, the Council set up a cross-party project board in April 2015, including 8 Administration members, 4 SNP Group members and two trades union representatives.

Note the consensus among members of the cross-party project board, with no dissensions, in agreeing to recommend to this committee that all options for savings go out to public consultation as set down in recommendation 3.2 in the report to members.

Note that the options going out to consultation offer more total savings than required, to allow for choice and effective consultation with the public.

Note that, in light of the reduced funding from the Scottish Government, in order to retain the current level and quality of services and job numbers, the Council would have to increase Council Tax by around 23% over the next two years in order to meet both the estimated £9m budget gap and a £1.4m hold-back penalty from the Scottish Government for removing the Council Tax freeze.

In light of the lack of sufficient funding from the Scottish Government to deliver the current level of Council services and the concerns being expressed to us by our communities, calls on the Council’s Trade Unions, SNP Council Group and all members, our constituency and regional MSPs and MP to support our request that the Scottish Government provides additional funding from the advised Government underspend/surplus to local government in Scotland generally but in particular to our Council to assist us in removing the advised gap in our funding as they have done with other parts of the public sector, to help us keep important Council services and jobs and assist with the removal of savings.

Agrees that the Council Leader writes to the Depute First Minister requesting additional funding for our Council and that, until the security of that additional funding is forthcoming, that members agree to the recommendations to council that all options go out for public consultation.

Note that as part of the savings scoring a matrix will be developed, building on the work done with the trades unions as set down in paras 4.3.1 and 4.3.2 in the report before members.

Note that as part of the stage 3 templates, options for consideration followed a rapid equalities impact assessment with the intention of a full EQIA being carried out by Heads of Service alongside the consideration on the agreed matrix which will contain scoring and weightings prior to any savings option moving to firm budget savings proposals for consideration by the Council at its budget meeting in 2016.

Agrees to support the recommendations to set up an Innovation and Growth Fund as specified in the relevant paper.

Notes the detailed discussion that took place around the consultation paper; agrees that the paper should be reviewed in light of these discussions; that all elected members are invited to contribute any further comments on the consultation to the Communications Manager before 9am on Monday 12th October; and that the reviewed paper will be presented for consideration to the Council on 22nd October.

1.3 **Recommendation**

On consideration of the reports in relation to Planning Our Future the Council is invited to:

- a) Agree the recommendations of the Policy and Resources Committee.
- b) Approve the substituted savings identified in the paper at item 6b for inclusion within the options to be the subject of public consultation.
- c) Approve the approach to Public Consultation as set out in the paper at Item 6d.

Douglas Hendry
Executive Director of Customer Services
13th October 2015

Dick Walsh
Council Leader

For further information contact: Kirsty Flanagan, Head of Strategic Finance