

## UPDATE ON FINANCIAL FORECAST 2015/16

### AS AT JANUARY 2015

1. The Financial Forecast for 2015/16 was distributed to all political groups on the 29 October 2014. This set out the Net Spending GAP for 2015/16 as £28.9 million. It was based on the council's provisional settlement allocation of £1,174.097 million for 2015/16 being the latest figures available at that time.
2. Since then the Scottish Government has issued an updated provisional allocation of £1,190.833. This still excludes allocations for the Council Tax Reduction Scheme and Discretionary Housing Payments. It also excludes funding related to an increase in the Employers Contribution for the Teachers Pension Scheme due to be implemented in September 2015. This is still subject to discussion with the Scottish Government. The provisional allocation does now include funding for a range of other measures. The main ones are related to the provision of Free School Meals for P1 to P3 and also the Children and Young People Act and are in line with expectations. This funding will be used to meet associated new obligations and so has no impact on the Spending Gap.
3. However, the Spending Gap has reduced following a number of decisions taken by the council which have financial implications for the 2015/16 Budget. These are summarised below:

a. Home & Mobile Working	£1.4m
b. Integrated Grant Fund Review	£2.0m
c. Review and Reform of Mental Health Services To Adults	£0.8m
d. Shifting the Balance of Care for Older People	<u>£3.0m</u>
	<u>£7.2m</u>
4. In addition, Services and ALEO's have identified a number of Technical Adjustment; actions that may be implemented under the delegated authority of officers. These are summarised below:

a. Corporate Savings	£4.5m
b. Development & Regeneration Services	£0.4m
c. Education Services	£6.7m
d. Financial Services	£0.1m
e. Land & Environmental Services	£2.1m
f. ALEO's	£2.3m
g. Social Work	<u>£1.0m</u>
	<u>£17.1m</u>
6. Taking the approved decisions (para 3) and technical adjustments (para 4) into account the Spending Gap has reduced to £4.6 million and political groups are invited to bring forward proposals to meet this updated Net Spending Gap.