

TEAM BRIEFING SHEET NO. 158

DEPT:	DEPT MANAGER FOR QUESTIONS:	TEAM:
DATE OF BRIEFING: 11 February 2016	DATE AND METHOD OF ISSUE: 11 February 2016 via email to HoS secretaries	PRIORITY LEVEL: 1= Circulation Vital in 2 days- ED&SC services 2= Circulation Ideally in 1 week – other services

1. *Departments must enter the name of the appropriate manager prior to circulation within their services to provide a contact for questions.*
2. *The information in the Brief must be circulated to the target audience (which may not be all employees) according to the priority above. This is a management responsibility and is not optional. An appropriate means of passing on the information should be adopted.*
3. *A reply must be sent to the source of the brief in each department to confirm that the information has been passed to employees as required.*

Council Budget 2016/17

The Administration Group's budget proposals for 2016/17 will be considered at a special meeting of the council to be held on 17 February 2016.

The key elements of the budget are:

1. The Council budget is for expenditure of £202Million in 2016/17.
2. Freeze in council tax – this will be the 9th successive year of a council tax freeze. It was widely reported that the Administration Group were planning on including an increase in council tax of 18%. This proposal has been withdrawn due to the significant increase in the sanctions that would be imposed by the Scottish Government if a council chose to increase the tax. For our Council the financial sanction was increased from £1.1Million to £6Million.
3. Savings – reductions of £3.5Million have been identified against current budgets and of this, it is proposed that £0.7Million will be for 1 year only. Therefore, recurring annual savings will be £2.8M. The one year savings include reductions to training budgets that will result in no expenditure on external trainers, training or conferences. There will be exceptions to this, including health and safety, specific requirements for jobs such as apprentices and SVQs for care workers, and also training required for the use of equipment, vehicles and operational systems.

The Council will continue to minimise its expenditure through careful consideration of all vacant posts. Managers will be required to review each vacancy and submit a request to the Corporate Management Team to fill any post (this excludes teachers because of the Scottish Government requirements around teacher numbers). It is envisaged that within a short timescale detailed criteria will be established in relation to the exceptions to ensure that, for example, there is no delay in providing care services.

Target Audience
All MC Employees

Priority Level
1 OR 2 AS ABOVE

None of the savings identified put any members of staff at risk and should not result in a reduction to any Council services.

4. Council Reserves – The Council holds a contingency fund known as reserves which can be used to help protect services when exceptional expenditure that can't be fully predicted is needed. Recent examples are the cut in the Council's central grant and the recent flooding events seen across Scotland. The report indicates that the Council will have useable reserves of £18.9Million at the end of this year and that £6.3Million will be required as a contribution to fund the running costs of Council services.
5. This means the Council will be starting the financial year 16/17 with a recurring annual shortfall of £7Million. For 16/17 £6.3Million of this will be funded from reserves and £0.7Million from one year only savings. This presents a huge challenge for 17/18 however.

Current estimates for 2017/18 indicate that due to continuing growth in demand for services and prices continuing to increase the recurring shortfall will double to £14Million. With this in mind a report will be taken to the Council meeting in March recommending extensive engagement with communities on the financial situation and the impact on Council services. As most staff live in Moray we will be aiming to utilise existing links with staff to promote the engagement programme and more information will be circulated about opportunities to engage and influence changes to Council services over the coming months.