

TEAM BRIEFING SHEET NO. 168

DEPT:	DEPT MANAGER FOR QUESTIONS:	TEAM:
DATE OF BRIEFING : 5 December 2017	DATE AND METHOD OF ISSUE: Via e-mail	PRIORITY LEVEL: <input type="checkbox"/> 1 = Circulation Vital in 2 days

Please note the change to format. This recognises the practice of electronic circulation of Team briefs. This is a trial adjustment to respond to issues raised about communications

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 2018-19

Financial Position

The budget forecast for the next two years indicates that, if no action is taken, all our reserves will be used up before the end of March 2019 and the council will face a recurring annual shortfall of £23 million. This cannot be allowed to happen and so action must be taken now.

Reducing our spending is not a new challenge, but the impact of the savings required over the next two years cannot be underestimated, particularly when we take into account the £37 million savings that have already been made by the council over the last eight years.

As we prepare for the future we need to cater for the pressures of an aging population, an aging school estate, national initiatives and inflationary pressures all while planning for ongoing reductions in our annual grant settlement from the government, which accounts for 80% of our funding.

The Plan for 2018/19

Next year our anticipated revenue spending requirement is £15m more than our income. We will have just over £13m remaining in reserves as at the end of March 2018. The plan is to make savings of £7m and to take £8m from reserves to prop up the budget for one year. This will leave £5m in reserves which means there will be a reduced financial cushion available for unforeseen circumstances.

Extensive savings are also required for 2019/20 likely to be in the order of an additional £16m. This is made up of the £8m we will have used from reserves in 18/19 and an estimated additional £8m as a result of increased costs and reduced funding.

Target Audience

All MC Employees

Priority Level

1
(circulate within 2 days)

Of course, there are many unknowns in our financial planning and so we know this situation could change quite radically and that we might have to adapt our plans.

Progressing the 2018/19 Plan

The Council met on 4 December 2017 and agreed a range of measures to help reduce spending and work towards a balanced budget for 2018/19. A period of consultation on these will run until 14 January 2018.

Although the budget will not be set until February next year, it is important that preparations are made now so that savings can be implemented as early as possible in the new financial year. Therefore, the Council has agreed to enter into consultation with the workforce and the public about the measures that might be considered in February.

Savings will come from most areas across the Council and an extract is attached to this team brief (pages 3-6) to show the range of savings for consultation. Employees who are directly affected have already been briefed and will now be receiving formal confirmation of their position.

Because our reserves are almost exhausted, we will be operating in a very different financial environment. So, while we can consider how we reduce our spending, we must make savings equivalent to those set out for 2018/19 and would have to find replacements for any that are removed.

Financial Planning for Future Years

Work is already beginning to prepare for future savings and there will be further community and workforce consultation as options are developed. It is currently planned to have an initial plan for consultation early summer 2018.

Moray Council is by no means alone in facing such dire financial circumstances as the attached brief from COSLA shows:

COSLA factual document entitled "[Fair Funding for Essential Services](#)".

More information on the financial position in Moray can be found here (www.moray.gov.uk/budget2018) – link will be live later today.

	2018/19	2019/20
Review of Management		
Review of management and supervision arrangements in various services	571	
Review of Capital Borrowing		
Review of planned capital projects and scheduling of the spend over future years requires less borrowing for 2018/19.	200	
Devolved School Management		
Primary (including removal of visiting specialists)	251	116
Secondary (including schools library service)	175	67
The Council spends £24.7m budget directly on running our secondary schools and £22.1m on primaries. Devolved school management budgets are a proportion of this that is provided directly to schools and is managed by each local head teacher. Changes required to deliver these savings will be determined by head teachers and so will vary from school to school and will be subject to the necessary consultation with those affected.		
Cease Council Management of Community Centres and Public Halls		
The council currently operates ten community centres and six halls throughout Moray at an annual cost of £500,000. A number of the centres and halls would present ideal opportunities for community groups to take ownership via a Community Asset Transfer. Failing this they would be closed.		
Community Asset Transfer of community centres (time limited for viable CAT applications to end June 2018)		
Closure of community centres if no viable CAT interest Locations: Dufftown; Cullen	33	13
Community Asset Transfer of town halls (time limited for expressions of interest to end June 2018)		
Closure of town halls if no viable CAT interest Locations: Elgin; Forres, Findochty, Cullen, Fisherman's Hall Buckie, Buckie Town House (subject to current lease	160	59

arrangements)			
Reduce Provision for Essential Skills and English as Second Language		22	
Review of Spending in Schools and Curriculum Development Miscellaneous central education costs, including Skillforce Support		319	
Integrated Children's Services The budget for these services amounts to £29m and covers a range of areas such as out of area placement, child protection, sport and leisure, education management and support, etc. Management of Additional Support Needs and Support for Learning staff vacancies (current vacancies not filled). Homeschool link workers Cease central support for ASN Reduce music therapy sessions Reduction in behavioural support funding (SEBN, CAMHS & MIDAS) Reduce educational psychology service			42
Moray Integration Joint Board (MIJB) Reduce Council funding to the Board by 4.5% The MIJB is funded in partnership by NHS Grampian and the Council. The Board is responsible for the delivery of health and social care in Moray. The allocation of the budget to the delivery of the strategic objectives and the day to day delivery of these services are determined by the Board, which means that the Board will also determine how any savings are delivered.		1,769	
Reduce support for economic development Removal of unallocated economic development grant budget Moray Towns Partnership Rural regeneration fund		99 60 60	

Close Public conveniences The council provides 32 public conveniences throughout Moray, Closing these would save £85,000 and may generate income by the sale of the premises.		85	
Waste Management Change to 3 weekly collection of residual waste		100	
Roads Service One year saving from roads maintenance Gritting savings Street lighting - reduction in repairs – no single fault repairs		500 31 85	
Cut School Crossing Patrollers The council spends £256,000 every year on providing this service, but it is the duty of parents to ensure that their children have a safe journey to school. Removal of lunchtime service and all service from sites that fall below the threshold set in the guidance and sites where there are crossing signals		118	63
School Transport Removal of Pinefield/Elgin Academy route		28	
Community Safety Reduction in community warden service – reducing focus on those areas of responsibility which although statutory are not mandatory for councils to enforce, such as dog fouling.		35	
Increase in Income Review of parking charges Harbour income Sport and Leisure Facilities Increase income by 10% Other charges Collection charge for white goods Introduce charge for temporary road traffic orders Increase in various planning, development and building fees		79 50 132 5 11 13	

<p>Council Tax and Domestic Rates</p> <p>Remove 10% discount afforded to second homes</p> <p>Review recipient of discretionary rates relief</p>		<p>55</p> <p>5</p>	
<p>Various Other Efficiency Savings</p> <p>Savings that do not require public consultation</p> <p>e.g. training, vacancy management in support services, staffing efficiencies (e.g. reduced overtime) reviewing discretionary grants, internal re-organisations, redesign of services view of service structures, transport efficiencies, energy savings, contract and procurement savings, savings from digital services</p>		<p>1,202</p>	