

## **The Highland Council Budget Information Group**

Minutes of Meeting of the Budget Information Group held in Committee Room 3, Council Headquarters, Inverness on Thursday, 24 September 2009 at 1.00pm.

### **Present**

Dr D Alston  
Mrs M Davidson  
Mr B Fernie  
Mr H Fraser

Mr A S Park  
Mr I Ross  
Mrs J Urquhart  
Mr J Finnie

### **In Attendance:**

Mr A B Dodds, Chief Executive  
Mr A Geddes, Depute Chief Executive & Director of Finance  
Mr B Porter, Finance Manager  
Ms A McDonald, Principal Accountant  
Miss J MacLennan, Democratic Services Manager

### **Dr D Alston in the Chair**

#### **1. Apologies for Absence**

Apologies for absence were intimated on behalf of Dr M E M Foxley, Mrs C Wilson, Mr J Laing, Mr P Cairns, Mr J Gray, Mr R Rowantree and Mr R Balfour.

#### **2. Scottish Government Draft Budget 2010/11 and Financial Outlook**

A Presentation was undertaken at the meeting by the Depute Chief Executive & Director of Finance during which he confirmed that the Scottish Government Draft Budget for 2010/11 had been published on 17 September 2009. This budget was still subject to Parliamentary approval however and specific details of the grant settlements for individual Councils were not expected until October 2009.

Key points of the draft budget were highlighted as follows:-

- the Scottish Budget had reduced in comparison to earlier announcements for 2010/11;
- there was an anticipated £500m reduction;
- the headline budget changes were broadly as expected;
- Local Government would take a share of the £500m reduction across revenue and capital;
- there would be a year on year cut in real terms;
- NHS Scotland were to be protected from a share of the UK NHS capital budget reductions;
- funding had been included for 2010/11 to continue the Council Tax freeze for that year;
- there was no apparent softening or additional flexibility around the Concordat commitments;
- capital acceleration was to be 'paid back' in 2010/11 as expected; and

- the £20m of funding for the introduction of Local Income Tax in 2010/11 had now been put back.

Following a detailed budget analysis, in which the main changes for Local Government were highlighted, it was confirmed that the only Portfolio not to see a reduction compared to the previous 2010/11 figures was Justice (with the Scottish Prison Service capital representing the main growth heading).

In terms of the implications for the Highland Council, it was advised that the changes were broadly as anticipated with a £500m reduction assumed in the Council's budget plans. It was envisaged that the current savings target for 2010/11 would be sufficient for the expected funding outcome although specific detail was still awaited.

In the medium to long term, there was uncertainty over the spending outlook although it was expected that the position would become considerably more challenging in the future due to a number of factors, including UK Elections, economic recovery and future spending reviews. It was therefore considered prudent to maintain the current Council planning assumptions for this period.

Following the presentation, the Chairman confirmed that he had asked Officers to continue the exercise of identifying potential areas for savings across Council services for the following 3 year period and this exercise was expected to be completed by mid October.

The position was **NOTED**.

The meeting ended at 1.35pm.