

THIS BRIEFING RELATES TO ITEM 09

WEST DUNBARTONSHIRE COUNCIL

BUDGET UPDATE 2019/20 – BRIEFING

1. This briefing provides Members with an update to the budget setting report for 2019/20 that was issued with the document pack for March 2019 Council last week.
2. Since that report was finalised an update has been received on 18 March 2019 in relation to Teachers' Pension Fund changes which change the position for 2019/20.
3. The position on the changes to the Teachers' pension Fund and the employer contributions has been reported to Councils since November 2018 and has developed as more information has been made available.
4. The position as reported to February 2019 and March 2019 Council (issued report) was that the two stages of changes would affect the Council as follows:
 - Change in discount rate from 3% to 2.8% - would cost around £0.767m and this sum was added to the 19/20 budget gap at that point;
 - Change in discount rate from 2.8% to 2.4% - to be funded, though as reported in the March 2019 report it is not clear that this would be fully funded and £0.500m has been added to the gap to cover this risk.
5. The expectation was that these changes would be implemented on 1 April 2019, however the communication received on 18 March 2019 advises that the changes will now be expected to be implemented on 1 September 2019.
6. As a result of this change then the two figures noted above reduce by £0.308m and £0.214m respectively – totaling £0.522m.
7. As a result of this the budget gap update is revised as follows:

UPDATE DETAIL	2019/20 £m's	2020/21 £m's	2021/22 £m's
GAP AT FEBRUARY 2019 COUNCIL	4.173	11.961	19.225
TEACHERS PENSION FUND RISK	0.500	0.500	0.500
BUDGET ESTIMATES UPDATES	0.095	0.396	0.496
REVENUE IMPACT: DRAFT CAPITAL PLAN	0	-0.040	-0.040
HSCP REQUISITION CHANGE	0.292	0.292	0.292
DELAY IN IMPLEMENTATION OF TEACHERS PENSION FUND COST INCREASE TO 1/9/19	-0.522	0	0
CUMULATIVE REMAINING GAPS	4.538	13.109	20.473

Stephen West
21 March 2019