

Councillor Douglas Reid SNP
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Our Ref: DR/KC

26 January 2018

Derek MacKay MSP
Cabinet Secretary for Finance and the Constitution
St Andrew's House
Regent Road
EDINBURGH
EH1 3DG

Dear Derek

LOCAL GOVERNMENT FINANCE SETTLEMENT 2017/18

I refer to the Local Government Finance Settlement offer for 2018/19 and your request that any authority not intending to agree the offer and the full package of measures and benefits should write to you by Friday 26 January 2018.

Whilst I appreciate the current context in terms of the Scottish settlement and our shared public services objectives, this is another very challenging settlement for local government and we are working hard to identify measures we can take to ensure we can propose a balanced budget to the Council which is in line with our Community Planning Partnership objectives. I am proud of the partnership arrangements we have developed in East Ayrshire and it will be important for us to continue to work collaboratively to achieve our shared objectives.

The Council's Scheme of Delegation means that only the full Council can take decisions on its budget and the meeting to consider the 2018/19 budget is scheduled for 22 February 2018. I am conscious that we have only this week been advised of a significant reduction in the grant level shown in your original letter following the discovery of an error in the calculation. I know as well that you are working with other parties to develop a budget which Parliament will be able to support. I am able to confirm however that I will be recommending that the Council takes up the offer for 2018/19 set out by you and agrees to the conditions attached. It seems likely that the figures will change again and, like you, we have a minority administration but I have no reason to believe that my recommendation will not be agreed at the meeting and understand that a less favourable offer may be made in the event of the Council deciding not to accept the conditions.

It would be helpful if you could confirm that this is sufficient for your purposes.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Douglas Reid', written in a cursive style.

Councillor Douglas Reid
Leader of the Council