

North Lanarkshire Council

Labour Group

Budget Motion 2024/25

1. Whilst noting the budget report provided by the Chief Officer (Finance) and the update in respect of the Local Government Financial Settlement for 2024/25, we reluctantly accept the wholly inadequate level of funding provided. We endorse COSLA's budgeting campaign; 'A budget of Missed Opportunities' to give authorities enough resources to invest in services and continue to call on the Scottish Government to provide adequate funding to deliver vital public services.
2. We note that after accounting for ring fenced monies, funding for new commitments and other directed expenditure, North Lanarkshire Council received £2.295 million less core grant funding than was anticipated. This is despite the Resource Spending Review published in May 2022 setting out the anticipated future Scottish Budget spend on Local Government indicating broadly flat cash in the medium term, a real terms cut.
3. Yet again, the Scottish Government has provided a one-year financial settlement, and we continue to call for multi-year settlements, which is a necessity to properly plan and deliver local services, while ensuring the Council remains financially sustainable.
4. Further, we call on the Scottish Government to honour the Verity House Agreement and remove ring-fencing and direction of funding for policy initiatives, allowing Local Authorities to make their own decisions and prioritise resources based on local need, including decisions on setting Council Tax levels.
5. This Administration remains fully committed to the key principle of the Revenue Resources Budget Strategy to develop budgets over a three year period.
6. Therefore, we note that following approved advanced action of £5.182 million as referenced in the budget report, this Council faces a budget gap of £22.646 million in 2024/25 and further gaps in 2025/26 and 2026/27 of £14.460 million and £12.860 million, respectively, a total of £49.966 million across the three-year planning period.
7. Confirm that Council Tax rates will remain at the 2023/24 levels, keeping the Band D charge at £1,320.78. This reflects an acceptance of the Scottish Government funding estimated at £7.128 million in return for a Council Tax freeze. However, it should be noted that this reduces the income base in perpetuity, and we call again on the Scottish Government to leave decisions around Council Tax to Local Authorities.
8. Reiterate our previous commitment to Community Investment by continuing to set aside the amount equivalent to a 1% Council Tax increase from 2024/25 to support Community Investment.
9. We note the Section 95 Officer has presented a budget strategy that recognises a three year budget gap of £49.966 million. The Administration accepts the recommended budget strategy assumes increased Council Tax in 2025/26 and 2026/27 (est. 5% £14.103 million). The Administration also accepts the recommendation to reduce Council budgets by £7.000 million per annum to reflect previous trends of year-on-year underspends. These assumed measures will reduce the recurring budget gap to £15.646 million in 2024/25, and £7.580 million and £5.637 million in financial years 2025/26 and 2026/27, respectively.

North Lanarkshire Council

Labour Group

Budget Motion 2024/25

10. This reduces the three year budget gap to £28.863 million but is heavily weighted towards financial year 2024/25. Therefore, we agree the Section 95 Officer's recommendation to smooth the gap evenly over the three year planning period, resulting in an annual savings requirement of £9.621 million. We also agree to the limited use of the resources available as a result of the one-off cost reductions associated with reduced Strathclyde Pension Fund contributions of £6.025 million in 2024/25 and £3.984 million in 2025/26.
11. Taking this strategic approach, we therefore agree savings of £9.621 million in 2024/25, which are detailed in Appendix 1. As indicated, this will deliver savings totalling £6.120 million in 2024/25, £2.283 million in 2025/26 and £1.218 million in 2026/27.
12. Due to the phasing and the time required to implement the savings it is acknowledged that additional one-off use of balances is required of £3.501 million in 2024/25 and £1.218 million in 2025/26. See Appendix 2.
13. We also acknowledge the update from Chief Officer (Finance) in relation to the two year reduction in pension fund costs of £27.400 million and note that after use of £6.025 million in 2024/25 and £3.984 million in 2025/26, to manage to smooth the budget gap, this leaves a reduced benefit from the cost reduction to £21.375 million in 2024/25 and £23.416 million in 2025/26.
14. In recognition of feedback from our communities, we agree to use the remaining one-off resources to make one-off capital investments contributions of £21.375 million and £23.400 million in financial years 2024/25 and 2025/26 respectively to augment the Council's delivery of a key strategic priority in the development of Community Hubs to provide a lasting benefit to North Lanarkshire's communities from the one-off pension contribution cost reductions. We also acknowledge that pension fund costs will increase to 17.5% from 2026/27, thus requiring the budget to be restored for that purpose.
15. Note that this Administration has continued to take a strategic approach to managing the challenging financial position in order to ensure the Council remains financially sustainable. However, given the scale of challenges that continue to lie ahead it is recognised that further action will need to be identified to address significant forecast budget gaps in 2025/26 and 2026/27. To address this we request that the Chief Executive instructs a series of service reviews which should include identifying savings options or income generation opportunities:
 - a) Review of the Council's approach to facilitate Community Asset Transfers
 - b) In line with the approved Discretionary Fees and Charges Policy acceleration of the move to full cost recovery where possible
 - c) Review of the provision of First Stop Shops, non-school catering functions, Land & Waste, Revenues & Benefits and Business & Digital, to ensure that they are fit for purpose and represent Best Value for the Council.
 - d) Review of the functions and strategic direction of the Council's remaining ALEOs (Routes to Work, Fusion Assets and North Lanarkshire Properties) to ensure that they continue to contribute to the delivery of the Council's strategic priorities.
16. This Administration deprecates the decision by the Scottish Government, despite previous commitments, not to provide specific revenue funding for holiday programmes.

North Lanarkshire Council

Labour Group

Budget Motion 2024/25

17. Recognise that this Council has the second lowest level of Council Tax across all Scottish mainland local authorities. Reflecting on the forecast challenging financial environment in which the Council operates, we request that the Chief Officer (Finance) undertakes an analysis of options in relation to a future Council Tax Strategy for North Lanarkshire.
18. Note that this Administration puts jobs first and has therefore acted to ensure jobs are protected for as long as possible ensuring we uphold our established commitment to no compulsory redundancies.
19. After providing for the cost of investment a balanced budget 2024/25 is proposed as summarised in Appendix 2.
20. Approve a Revenue Budget for 2024/25 which recognises available resources of £1,016.750 million after accounting for use of balances of £3.501 million. Reflecting the action already taken by this Council, the cost of investment and savings outlined, the total expenditure budget is also estimated at £1,016.750 million, resulting in a balanced budget.
21. Agree the level of General Fund contingency reserve at £8.000 million as advised by the Chief Officer (Finance).
22. Agree that in the event additional undirected recurring funding is made available for 2024/25, it will be ringfenced to address identified resource gaps.

North Lanarkshire Council

Labour Group

Budget Motion 2024/25

Appendix 1

Reference	Summary Saving	Description	2024/25 £m	2025/26 £m	2026/27 £m	Total £m	FTE
<u>Operational Decisions:</u>							
01CEX	Chief Exec's Support Services Review	Review of Support Services (second year impact)	0.056	0.000	0.000	0.056	0.0
03CEX	Chief Exec's Operational Budgets	Reduction in Operational Budgets - 10%	0.004	0.000	0.000	0.004	0.0
25CEX - a	Chief Exec's - review of empty property relief policy	Following the delegation of Empty Property Relief to local government, the budget allocated from Scottish Government exceeds the value of empty property relief awarded in each of the last three years. Therefore, the surplus budget can be reduced without impacting on the level of reliefs awarded.	1.000	0.000	0.000	1.000	0.0
13CEXD	Business & Digital - Finalisation of Support Services Review	A full review of the Support Services function was implemented on 01/04/23. This saving represents the full year impact.	0.043	0.000	0.000	0.043	0.0
16ECF	Education - Removal of Early Years Absence Funding (unutilised in previous years)	Early Years Absence funding has been under utilised due to wider use of existing staff to meet absence cover requirements	0.294	0.000	0.000	0.294	0.0
30ECF	Education HQ - Contracts and Provisions - under-utilised budget lines	Removal, reallocation or further reduction of underused budget lines	0.045	0.000	0.029	0.074	0.0
35ECF	Education HQ - reduced recharges	Reduce HQ recharge budget	0.000	0.100	0.100	0.200	0.0
42ECF	Children's Services Social Work - under-utilised corporate parenting discretionary budget	Reduction to under-utilised discretionary spend on training and hospitalities	0.021	0.000	0.000	0.021	0.0
43ECF	Children's Services Social Work - removing budget for service redesign and efficiencies through transition to SDS	Budget historically used for respite care. Through Self-Directed Support, practice has evolved to enable families to create a package of care within the home and community.	0.024	0.000	0.037	0.061	0.0
44ECF	Children's Services Social Work - reduced discretionary spend in training	Operational savings found within training and capacity for development initiatives	0.054	0.000	0.000	0.054	0.0
66ECF	Children's Services HQ - under-utilised budgets	Vacancy management, post deletion and cost reduction in areas such as catering and absence referrals	0.125	0.000	0.000	0.125	0.5
86ECF	Education - Wellbeing Strategy - efficiencies in the reduction in use of external facilities	Maximise the use of facilities already in the Council's ownership to deliver curriculum	0.000	0.000	0.052	0.052	0.0
24ECS	Assets & Procurement - Office Accommodation rationalisation	APS continue to deliver the office rationalisation programme agreed by Council in 2019 and further reviewed in 2021/22. Recognition of the expiry of property lease in 2025.	0.000	0.000	0.266	0.266	0.0
25ECS	Assets & Procurement - Support review	Savings across a number of operational budgets to reflect prior year underspends	0.062	0.000	0.000	0.062	0.0
36ECS	Assets & Procurement - Reduce Supplies & services cost budgets	Further reduction to Supplies & Services budget	0.002	0.000	0.000	0.002	0.0
42ECS	Place - City Deal - increasing proportion of staff time charged to capital	Savings from increasing proportion of staff costs charged to capital	0.190	0.000	0.000	0.190	0.0
43ECSA	Place - Growth Team - reduction to revenue leverage funding	10% budget reduction to revenue costs associated with the delivery of the ERDP through reducing Revenue Leverage Fund	0.019	0.000	0.000	0.019	0.0
46ECSA	Place - Enterprise Development - under-utilised budget for payments to external providers	Reduction in controllable revenue expenditure	0.037	0.000	0.000	0.037	0.0
53ESC	Housing Property Services - HEEPS match funding no longer required	Removal of under utilised budget	0.007	0.000	0.000	0.007	0.0
54ECS	Housing Property Services - former Customer Contract Centre budget no longer required	Removal of under utilised budget	0.009	0.000	0.000	0.009	0.0
55ECS	Housing Property Services - Stair and Close Lighting	Review General Fund charges linked to changing mix of properties following buy back and twoer / flat reprovisioning programme. Thereafter consider the potential for spend to save initiatives that would reduce General Fund and HRA costs	0.071	0.000	0.000	0.071	0.0

North Lanarkshire Council

Labour Group

Budget Motion 2024/25

Appendix 1

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69ECS	Housing Management - Business Development - review and prioritise workload	Review and prioritisation of workload	0.049	0.000	0.000	0.049	1.0
	Sub-total Operational Decisions		2.113	0.100	0.484	2.697	1.5
<u>Income Generation:</u>							
13ECSA	Parking enforcement	Increase income from parking enforcement by increasing capacity of team and increase fines in line with neighbouring authorities	0.106	0.106	0.000	0.212	(6.0)
72ECSC	Charging for Recycling Bins	Introducing a charge of c.£30 for replacing recycling bins will recover the costs incurred for purchase and supplying. Currently there is an increased price levied for residual waste bins and it is proposed that that remains in place.	0.210	0.000	0.000	0.210	0.0
78ECSA	MOTs	Provision of external MOTs will be possible upon completion of the new Bellshill depot. This will generate approximately £380k income which would be offset by operating costs of £180k payable to VOSA.	0.000	0.200	0.000	0.200	0.0
78ECSB	Tachograph testing	It is becoming increasingly difficult to arrange tachograph testing in the current market. The Service have the facilities available to provide this service which should generate income.	0.050	0.000	0.000	0.050	0.0
83ECB	Landlord registration	Increased landlord registration fees	0.043	0.000	0.000	0.043	0.0
84ECB	Building standards income	Increase in building standards fees	0.070	0.000	0.000	0.070	0.0
	Sub-total Income Generation		0.480	0.306	0.000	0.786	(6.0)
<u>Budget Decisions:</u>							
04CEX	Finance - Financial Solutions (5%)	Review of staffing structures across the Finance service	0.048	0.071	0.137	0.255	5.0
07CEX	Legal & Democratic - Central Services (10%)	Review of staffing structures delivering central services functions	0.014	0.000	0.075	0.089	3.5
08CEX	Registrars	Review of staffing structures delivering the Registrars function	0.000	0.057	0.000	0.057	1.0
10CEX	Business & Digital - Digital / Field Services - Technical Support to Education & Families	Review of staffing structures and contracts mainly within Education, Children & Families	0.092	0.000	0.303	0.395	9.0
11CEXD	Business & Digital - DigitalINL (MS Licences)	Removal of annual Microsoft Unified Support contract	0.200	0.000	0.000	0.200	0.0
12CEX	Business & Digital - Technology Solutions - restructure and review of contracts	Restructuring of Technology Solutions and review of contracts	0.110	0.290	0.000	0.400	1.5
13CEX	Business & Digital - Business Strategy	This saving would be formed from restructuring across all teams within Business Strategy including - Business Partnerships, Data Intelligence, Delivery Management and Business Change. Focus is on retaining the staff to meet the requirements of statutory functions including Community Planning, Best Value and Performance Reporting and Complaints Handling as per legislative requirements	0.154	0.035	0.013	0.202	6.4
15CEX	People Resources	Review of staffing structures	0.000	0.000	0.207	0.207	4.5

North Lanarkshire Council

Labour Group

Budget Motion 2024/25

Appendix 1

Reference	Summary Saving	Description	2024/25 £m	2025/26 £m	2026/27 £m	Total £m	FTE
19CEX	Strategic Communications & Engagement - Corporate Communications	Review of existing staff vacancies and operational budgets	0.190	0.000	0.000	0.190	2.6
20CEX	Strategic Communications & Engagement - Communities	Reduce all grant programmes	0.157	0.000	0.000	0.157	0.0
26CEX - a	Council Tax on Second Homes	Implement policy change to remove the existing discount for second homes and instead charge the additional 100% levy in line with the allowable limit within revised Scottish Government legislation	0.050	0.000	0.000	0.050	0.0
27CEX - a	Chief Officer Review	Next stage of Chief Officer review due to be considered at Policy and Strategy Committee Cycle 4 in 2024 with a view to reducing the number of Chief Officers in the Chief Executive's Service	0.000	0.140	0.000	0.140	1.0
26ECF	Developing the Young Workforce (20%)	Review staffing structures	0.000	0.080	0.000	0.080	2.0
28ECF	Network Support - HQ (cessation)	Removal of unutilised budget	0.213	0.000	0.000	0.213	0.0
62ECF	Children & Families and Adult Social Care Shared Services	Budget no longer required as services purchased on an individual and bespoke basis via Self Directed Support	0.042	0.000	0.000	0.042	0.0
65ECF	Children & Families and Adult Social Care Shared Services	Service redesign and rationalisation towards a business support model fit for integrated service needs	0.000	0.280	0.000	0.280	9.5
78ECF/ 79ECF/ 80ECF	Review of Employability	Review of service delivery across Youth Employability Hubs	0.670	0.000	0.000	0.670	10.0
81ECF	Community Learning & Development	Review of CLD service delivery, including the provision of youth diversionary activities	0.163	0.883	0.000	1.046	18.0
87ECF	Music Service	Reduction in staffing	0.140	0.000	0.000	0.140	3.0
88ECF	Club 365	Removal of extra curricular activity delivered by existing staff	1.090	0.000	0.000	1.090	0.0
44ECSB	Planning & Place - Local Development Plan 2	Review costs associated with the delivery of the next Local Development Plan	0.014	0.000	0.000	0.014	0.0
47ECS	Enterprise - Business Gateway	Review of costs associated with the delivery of Business Gateway functions	0.000	0.041	0.000	0.041	0.0
70ECSA	Housing Business Engagement	Review and prioritisation of workload	0.035	0.000	0.000	0.035	0.0
72ECSA	Waste - removal of food waste bags	Removal of the free issue of food waste bags. The saving recognises the potential for increased residual waste tonnage and marginal reductions in food waste captured for recycling.	0.145	0.000	0.000	0.145	0.0
Sub-total Budget Decisions			3.527	1.877	0.734	6.138	77.0
Total Savings			6.120	2.283	1.218	9.621	72.5

North Lanarkshire Council

Labour Group

Budget Motion 2024/25

Appendix 2

	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Budget Shortfall per the Budget Report	22.646	14.460	12.860	49.966
Recommended Strategy Decisions:				
Recurring Underspends	(7.000)			(7.000)
Council Tax Increased by 5% (with 1% for CIF)		(6.880)	(7.223)	(14.103)
Net Recurring Shortfall / (Excess Resource)	15.646	7.580	5.637	28.863
Managed by:				
Agreed One-off Use of resources supported by SPF cost reduction	(6.025)	(3.984)	0.000	(10.009)
24/25 Revenue Savings Agreed	(6.120)	(2.283)	(1.218)	(9.621)
Potential Future Savings Target		(9.621)	(9.621)	(19.242)
Reversal of Use of Balances; Estimated/ Unresolved Budget Gap B/fwd		6.025	3.984	10.009
One-off Use of balances to support timing of delivery of 24/25 savings	(3.501)	2.283	1.218	0.000
Recurring Surplus/ (Shortfall)	(0.000)	0.000	0.000	0.000
One-off Cost Reduction; reduction in SPF employers contributions	(27.400)		27.400	0.000
One-off use to manage budget gap smoothing strategy	6.025	(2.041)	(3.984)	0.000
New Investment; Community Hubs CFCR	21.375	2.041	(23.416)	0.000
Net One-off Budget Implications	(0.000)	0.000	(0.000)	0.000

North Lanarkshire Council

Labour Group

Budget Motion 2024/25

Appendix 3

Summary Budget for 2024/25

	£m	£m
Expenditure Budget 2024/25 per Budget Report		1,035.895
Budget Strategy; recurring historical underspends		(7.000)
2024/25 Savings Agreed		(6.120)
One-off Reduction in pension contributions		(27.400)
2024/25 New One-off capital Investment - Community Hub CFCR		21.375
Revised Net Expenditure 2024/25		1,016.750
Available Resources:		
Resources Budget 2024/25 per Budget Report	1,013.249	
One-off Use of balances to smooth 24/25 budget gap	3.501	
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2024/25 Available Resources		1,016.750
Recurring Budget Shortfall/ (Excess)		0.000