

## 2. REVENUE BUDGET 2021/22 AND 2022/23

The Council considered a report (copies of which had been circulated) by the Head of Finance and Property Services to enable the Council to approve detailed General Fund revenue budgets for 2021/22 and 2022/23, to set council tax levels for 2021/22 and to take decisions on associated issues.

It was recommended that Council :-

1. Notes that the council faces an estimated revenue budget gap of £20.6 million over the two years 2021/22 and 2022/23 as a result of Scottish Government grant funding not being sufficient to meet increasing costs
2. Notes that the council is complying with the CIPFA Financial Management Code as agreed by Council Executive on 9 February 2021;
3. Notes the up to date position regarding the integrated impact assessments (IIAs) of the budget reduction measures and council tax, as set out in Appendix 8;
4. Agrees the budget reduction measures for 2021/22 and 2022/23, as set out in Appendix 1;
5. Notes that, based on current projections, the council will have delivered savings of nearly £152 million between 2007/08 and 2022/23;
6. Notes the risks to deliverability of the budget reduction measures, as summarised in Appendix 2;
7. Agrees the 2021/22 level of recurring resources associated with the functions delegated to the West Lothian Integration Joint Board (IJB) of £79.156 million, taking full account of West Lothian Council's share of Scottish Government funding for social care, and notes that any health and social care mobilisation funding not utilised in 2020/21 will be retained by the IJB in a reserve to meet continued future years costs in relation to the pandemic;
8. Agrees the proposed recurring revenue budgets for the two years 2021/22 and 2022/23, as set out in Appendix 4;
9. Agrees that should additional recurring revenue resources be forthcoming at a later date, that these should in the first instance be used to balance the 2022/23 budget on a recurring basis;
10. Agrees a council tax level for 2021/22;
11. Notes the anticipated time limited pressures arising from the Covid-19 pandemic, and other factors, and the resources that could be available to address these pressures, including the potential use of the national fiscal flexibilities announced by the Cabinet Secretary

in October 2020;

12. Agrees the application of the identified one-off resources to address the Covid-19 pandemic in 2021/22 and 2022/23 and to provide additional one-off resources for a winter resilience fund, use of which would be delegated to the Head of Operational Services, and for investment to tackle road potholes;
13. Agrees the additional funding for West Lothian Leisure will be retained in a reserve to be paid quarterly in advance following a gateway review, delegated to the Head of Finance and Property Services to undertake, to assess if the funding is required to support West Lothian Leisure's financial position with a report to Council Executive only if payment is not to be authorised;
14. Agrees that, due to the unprecedented uncertainty arising from the pandemic, officers should keep developments around funding, including the fiscal flexibilities, and pressures under review;
15. Notes the position in regard to the General Fund Balance and other reserves, as set out in Appendix 6;
16. Approves a strategy of maintaining a minimum uncommitted General Fund Balance of £2 million;
17. Approves the prudential indicators as set out in Appendix 7;
18. Notes the council's established approach and principles for financial and corporate planning and agrees that, in accordance with Audit Scotland and CIPFA Best Practice, officers will commence initial preparatory work on a priority based revenue financial plan for 2023/24 to 2027/28.

### Motion

"Council notes the enormously challenging financial position facing the council as a result of the ongoing Covid-19 pandemic and, despite a cash increase in funding for 2021/22, an erosion of council core funding by the Scottish Government since 2007/08 where local government's share of overall funding for the public sector in Scotland has dropped from 28.62% to 23% in 2021/22. Whilst providing funding for national commitments and a cash increase for 2021/22, by not addressing the historic underfunding of core council services and failure to recognise the ongoing shift in the age profile of our citizens and related challenges for social care, the Scottish Government have directly forced all councils in Scotland to make damaging reductions in essential core local services.

Council agrees that the wider role of local government must be respected and properly funded. Council further agrees that, in these difficult circumstances, the council's long-term approach to financial planning, which is fully integrated with the Corporate Plan, is the best way to protect local services and the eight Corporate Plan priorities which have

widespread support throughout communities in West Lothian. This approach has been acknowledged as good practice by external regulators.

Council notes that the budget protects the young, our senior citizens and those in greatest need and reflects a strong empathy with local people and council staff, especially in these difficult times when so many have been impacted by the ongoing pandemic.

Council notes that to support the pandemic response, Scottish Government has had guaranteed additional funding of £8.6 billion from the UK Government of which the Scottish Government routed £1 billion through councils.

Council agrees that the Scottish Government's chronic underfunding has forced local authorities to make enforced cuts to services to their communities in order to meet the legal requirement to set legal balanced budgets.

Council notes the challenges and restrictions imposed by the Scottish Government on Covid funding, and that at the end of December 2020 there were 30 different ring-fenced/directed pots of funding; that all created additional administrative burdens of grant offer, acceptance, reporting, monitoring and claiming and that this funding had been 'drip fed' between April – December 2020, creating uncertainty and instability.

Council notes that Scottish Government cuts have forced the council to make savings of over £132 million since 2007/08, with further savings of nearly £19 million estimated for 2021/22 and 2022/23.

Revenue Budget Savings 2007/08 to 2020/21

	£'m	
2007/08	3.6	
2008/09	6.5	Scottish Government Council Tax freeze
2009/10	2.8	Scottish Government Council Tax freeze
2010/11	5.3	Scottish Government Council Tax freeze
2011/12	16.7	Scottish Government Council Tax freeze
2012/13	8.8	Scottish Government Council Tax freeze
2013/14	7.7	Scottish Government Council Tax freeze
2014/15	7.1	Scottish Government Council Tax freeze
2015/16	12.1	Scottish Government Council Tax freeze
2016/17	12.5	Scottish Government Council Tax freeze
2017/18	8.8	
2018/19	13.9	
2019/20	14.7	
2020/21	12.2	
<b>Total</b>	<b>132.7</b>	

Despite having to face the consequences of historic Scottish Government funding cuts, Council commends the excellent work of council staff, especially in response to the Covid-19 pandemic, and thanks staff for

ensuring that the council has continued to deliver essential services in very difficult conditions. In doing so, they have protected vulnerable people and provided help for those who need it. Council also notes that the Local Government Benchmarking Framework overall assessment, concluded that the council is the best overall performer for the second year running.

Taking the above factors into account, Council believes that, despite only having funding confirmed for 2021/22, and despite Scottish Government funding being insufficient to cover real terms increases in costs and a history of constrained funding for local government, it is essential that the council continues with the agreed approach to medium and long term planning that complies with best practice and support effective workforce planning. Council recognises the key role of staff in delivering council services in the years ahead, and agrees that opportunities for redeployment should be maximised, including provision of suitable training for staff.

Council therefore :-

1. Notes that the council faces an estimated revenue budget gap of £20.6 million over the two years 2021/22 and 2022/23 as a result of Scottish Government grant funding not being sufficient to meet increasing costs;
2. Notes that the council is complying with the CIPFA Financial Management Code as agreed by Council Executive on 9 February 2021;
3. Notes the up to date position regarding the integrated impact assessments (IIAs) of the budget reduction measures and council tax, as set out in Appendix 8;
4. Agrees the budget reduction measures for 2021/22 and 2022/23, as set out in Appendix 1;
5. Notes that, based on current projections, the council will have delivered savings of nearly £152 million between 2007/08 and 2022/23;
6. Notes the risks to deliverability of the budget reduction measures, as summarised in Appendix 2;
7. Agrees the 2021/22 level of recurring resources associated with the functions delegated to the West Lothian Integration Joint Board (IJB) of £79.156 million, taking full account of West Lothian Council's share of Scottish Government funding for social care, and notes that any health and social care mobilisation funding not utilised in 2020/21 will be retained by the IJB in a reserve to meet continued future years costs in relation to the pandemic;
8. Agrees the proposed recurring revenue budgets for the two years 2021/22 and 2022/23, as set out in Appendix 4;

9. Agrees that should additional recurring revenue resources be forthcoming at a later day, that these should be in the first instance be used to balance the 2022/23 budget on a recurring basis.
10. Agrees a council tax freeze for 2021/22 at 2020/21 levels;
11. Notes the anticipated time limited pressures arising from the Covid-19 pandemic, and other factors, and the resources that could be available to address these pressures, including the potential use of the national fiscal flexibilities announced by the Cabinet Secretary for Finance in October 2020;
12. Agrees the application of the identified one-off resources to address the Covid-19 pandemic in 2021/22 and 2022/23 and agrees to provide additional resources of £1 million for a winter resilience fund, use of which would be delegated to the Head of Operational Services, and for investment to tackle road potholes;
13. Agrees that the additional funding for West Lothian Leisure will be retained in a reserve to be paid quarterly in advance following a gateway review, delegated to the Head of Finance and Property Services to undertake, to assess if the funding is required to support West Lothian Leisure's financial position with a report to Council Executive only if payment is not to be authorised
14. Agrees that, due to the unprecedented uncertainty arising from the pandemic, officers should keep developments around funding, including the fiscal flexibilities, and pressures under review
15. Notes the position in regard to the General Fund Balance and other reserves, as set out in Appendix 6;
16. Approves a strategy of maintaining a minimum uncommitted General Fund Balance of £2 million;
17. Approves the prudential indicators as set out in Appendix 7;
18. Notes the council's established approach and principles for financial and corporate planning and agrees that, in accordance with Audit Scotland and CIPFA Best Practice, officers will commence initial preparatory work on a priority based revenue financial plan for 2023/24 to 2027/28.

The financial consequences of this motion have been verified by the Head of Finance and Property Services.

- Moved by Councillor Lawrence Fitzpatrick and seconded by Councillor Kirsteen Sullivan

The Provost invited the Head of Finance & Property Services to comment on the financial implications of the motion in terms of Standing Order 15(7).

## Amendment

West Lothian Council SNP Group propose that Council;

1. Notes the up to date position regarding the integrated impact assessments (IIA) of the proposed budget reduction measures as set out in the Appendix of the officer report
2. Agrees the budget reduction measures as set out in Appendix 1 of the officer report, except for the proposed changes detailed in this amendment.
3. Agrees that, following the confirmation of financial flexibilities and additional funding proposed by Scottish Ministers, the Head of Finance and Property Services will report to Full Council the total amount of additional resources;
4. Agrees the proposed revenue budget for 2021/22 as set out in the appendix to this amendment
5. Agrees the 2021/22 level of recurring resources associated with the functions delegated to the West Lothian Integration Joint Board (IJB) of £79.156M, taking full account of West Lothian Council's share of Scottish Government funding for social care and notes that any health and social care mobilisation funding not utilised in 2021/22 will be retained by the IJB in a reserve to meet with continued future years costs in relation to the pandemic;
6. Proposes in principle that any additional resources arising from the financial flexibilities and further additional funding will be used in the first instance to augment the Council response to the Covid Crisis, including providing additional support for local Third Sector organisations;
7. Proposes a council tax freeze for 2021/22 fully funded by the Scottish Government;
8. Approves the prudential indicators, as set out in the Appendix of the officer report;
9. Agrees the application of the identified one-off resources to address the Covid-19 pandemic and other investment in 2021/22 and 2022/23, subject to proposed changes detailed in this amendment;
10. Officers to prepare a report following a formal comprehensive review of all our PPP projects to assess what savings can be achieved.
11. We can confirm the revised budget proposed by the SNP group has been approved.

West Lothian Council SNP Group, condemn the fact that once again the

Labour Group has taken no cognisance of the Accounts Commissions' recommendation. It is crucial that elected members play a more prominent and leading role in responding to the current challenges facing all elected representatives. Identification is required as early in the budgeting process as possible on the priorities which are needed in order to inform meaningful engagement with the communities of West Lothian. A council's Best Value duty is the responsibility of all elected members. The council needs an approach where all members are involved effectively in scrutiny of policy priorities and performance on a council-wide basis.

More radical thinking is needed to effect longer term solutions for Local Government. This requires investment of time and political leadership, as Councils alone cannot improve outcomes for communities – the potential for West Lothian Council to work effectively with partner organisations and communities has not yet been realised.

We welcome the fact that the Scottish Budget announced on 28 January 2021 gives a total increase for Local Government for 2021/22 of £326M. West Lothian's share of the increase is £12.068 million, and note that COSLA welcomes the additional COVID funding that have increased the ability of Councils to raise additional revenue via a variety of means as requested by Councils themselves.

The SNP Group applaud the Scottish Government for taking the necessary steps to enable Local Authorities to freeze the Council Tax for 2021/22, at a time when unprecedented numbers of people living in our communities are already struggling due to the effects of the COVID pandemic.

We also note that, as per the Revenue Budget Report, the Scottish Government have confirmed funding for one year only

The SNP Group propose that, within our ethos of Community and Political Leadership, we endeavour to maintain as many services as possible as a priority. We acknowledge that as a Council we have a pivotal role in tackling poverty and providing good quality services, particularly as we support community recovery from the Covid pandemic. As a Council, we are becoming more reliant on our partnership with the Third Sector.

The SNP Group propose revisions to the budget, summarised below:

£479,000	Provide free school meals all year, including holiday periods to ALL P1-P3 and ALL eligible children in P4-P7.
£1.140M	Re-instate Adult Day Services free at point of delivery for all service users.
£2.5M	Initiate Covid Relief Fund for our community partners in the Third Sector who are working hand in hand with West Lothian Council to provide services throughout the pandemic.
£700,000	Installation of a solar farm to either supply energy to the National Grid, raising additional income for West Lothian Council or provide the energy for council owned buildings.
£1.3M	Installation of wind turbines to either supply the National Grid, raising additional income for West Lothian Council or provide the energy for council owned buildings
£1.001M	ECO Fund for Additional Investments

The SNP Group note that we have set a one-year budget today and further note that without knowing the outcome for both this year and future years full settlements, any potential consequences are unquantifiable at this stage.

#### SNP REVENUE BUDGET 2021/22

	£'000	£'000
Total 2021/22 Revenue Budget as Per Budget Report		474,939

#### SNP Group Budget Amendments

##### **Additional Covid Investment**

Remove Contributions policy charging for non-residential care (including Day Care)	1,140	
Extend Free School Meals During Holidays for all P1 - P3 pupils & eligible P4 - P7 pupils	479	
Third Sector Support for Covid-19	2,500	4,119

##### **Eco Initiatives**

Installation of Solar Farm	700	
Installation of Wind Turbines	1.300	
ECO Fund for Additional Investment	1.001	3.001

#### **TOTAL SNP REVENUE EXPENDITURE BUDGET**

**482,059**



### **Funded as Follows**

Total Recurring 2021/22 Budget Funding as per Budget Report	453,713
Time Limited Funding as per Budget Report	21,226
Total 2021/22 Funding as per Budget Report	474,939

### **Additional Costs per Amendment Funded By**

Increased use of earmarked one off funding for Covid-19 in 2021/22	4,119	
Increased use of non Covid-19 earmarked one off council funding in 2021/22	1,001	
Increased use of non Covid-19 earmarked one off council funding in 2021/22	2,000	7,120

### **TOTAL SNP REVENUE FUNDING BUDGET**

**482,059**

- Moved by Councillor Janet Campbell and Diane Calder

The Provost invited the Head of Finance & Property Services to comment on the financial implications of the amendment in terms of Standing Order 15(7).

A roll call vote was taken. The result was as follows :-

#### Motion

Alison Adamson  
Stuart Borrowman  
Harry Cartmill  
Tom Conn  
David Dodds  
Angela Doran-Timson  
Damian Doran-Timson  
Bruce Fairbairn  
Lawrence Fitzpatrick  
Peter Heggie  
Tom Kerr  
John McGinty  
Andrew McGuire  
Dom McGuire  
Cathy Muldoon  
George Paul  
Kirsty Sullivan

#### Amendment

Frank Anderson  
Willie Boyle  
Diane Calder  
Janet Campbell  
Pauline Clark  
Robert De Bold  
Jim Dickson  
Carl John  
Sarah King  
Andrew Miller  
Moir Shemilt  
David Tait

#### Decision

Following a vote the motion was successful by 17 votes to 12, with 3 members absent and it was agreed accordingly.