

# Council Administration Budget Amendment 2023 – 2024

**Proposed by: Joe Fagan**

**Seconded by: Robert Brown**

As an amendment to Item 2 'Overall Position of Revenue Budget and Level of Local Taxation for 2023/2024', the Council is asked to approve the following recommendation(s):

1. that the reinstatement of funding for 2021/22 teachers' Pay Award of £1.8 million be noted, and that this be used to benefit the Budget Gap (section 4.4), be approved;
2. that £5.7 million of the retrospective benefit released by Service Concessions be used to support the impact of the 2022/2023 Pay Award in 2023/2024 (section 4.6), be approved;
3. that approving the use of £1.8 million additional funding, and £5.7 million of retrospective benefit (recommendations 1 and 2 would result in a revised Budget Gap of £8.818 million (section 4.7), be noted;
4. that the use of money from reserves as detailed in sections 4.8 to 4.12 be noted;
5. that the level of Council Tax and the amount of savings to be used to balance the 2023/2024 Budget, is as proposed in this paper be agreed;
6. that following the use of the service concessions retrospective benefit to fund the 2022/2023 Pay Award and the proposed use for Budget Strategies, there remains £10 million of unallocated monies (section 7.2), be noted;
7. That the current, unprecedented inflationary pressures facing the Council are noted, and that the budget gaps projected for Council in future years (section 10) are noted;
8. that the Revenue Budget for 2023/2024, including the base budget allocations to Resources, as shown in Appendix 3, be approved, subject to members' decision on recommendation 5.
9. that the 'additional items' contained within this paper be approved.

## Savings agreed

It is proposed that the savings outlined below totalling £1.95 million be agreed to.

<b>Saving</b>	<b>Description</b>	<b>Value</b>
CER01	Planning and Building Fees	£0.072m
CER06	Cremations – increase charges	£0.200m
CER10	Secondary School Meals – increase charges (at half the initial rise proposed)	£0.178m
HTR01	Second Homes / Reliefs	£0.500m
SWR01	Remove restriction in passing over funding to IJB	£1.000m
<b>Total</b>		<b>£1.95m</b>

## Council Tax increase

It is noted that South Lanarkshire Council's Band D rate for Council Tax in 22/23 is the lowest level for a mainland Scottish council. It is further noted that pay awards for 22/23 averaged 7% for staff and contracts linked to RPI could see increases of between 12% and 15% and that utilities increases across 22/23 and 23/24 are expected to be in excess of 200% for gas and 88% for electricity. It is therefore proposed that Council Tax be increased by **5.5%**. This will generate approximately £8.050 million, while remaining substantially below current rates of inflation.

## Investments

It is proposed that the following investments be agreed to:

Investment	Description	Value
Transformation Fund – Revenue for Capital Borrowing	<p>£1.182m raised through the proposed increase in Council Tax will be used to fund borrowing for capital investment. This capital investment will initiate a Leisure and Culture Transformation Fund of approximately £13m. The fund will help modernise the leisure and culture estate, optimise use of assets and assist in the transition towards net zero.</p> <p><i>Addition to the revenue budget on a permanent basis</i></p>	£1.182m
Frontline First Fund	<p>£3.5m of Service Concession benefit will be used to create a Frontline First Fund to spend over a period of three years. The fund will be used to support activities in Facilities, Waste and Grounds and Roads, Transportation and Fleet Services. Investment opportunities include: retaining seasonal workers and creating high impact environmental squads; vehicles and equipment; cemetery infrastructure; machinery and equipment for biodiversity / pollinator areas; 'safe routes for communities' demonstrators including streetlighting and drainage works. It is envisaged additional resource will allow fly-tipping and graffiti crews to be established.</p> <p><i>Funded on a one off basis through service concession benefit</i></p>	£3.500m
Pre School Clothing Grant	<p>School Clothing Grants will be extended to 3 and 4 year olds in early years establishments, at an approximate cost of £270,000. A fund of £1.35m will be set aside to fund the grant over the next five years. This will be funded through Service Concession benefit.</p> <p><i>Funded on a one off basis through service concession benefit</i></p>	£1.350m
SLLC Transitional Support	<p>A Transition Fund of up to £1.5m will be made available to SLLC Ltd to assist with budget pressures and support transition in its business model. This will be funded through Service Concession benefit.</p> <p><i>Funded on a one off basis through service concession benefit</i></p>	£1.500m
Reinstatement of Community Led Activities Fund	<p>£200,000 of Service Concession benefit will be used to reinstate the Community Led Activities Fund that was redirected to support the Warm Welcome Initiative.</p> <p><i>Funded on a one off basis through service concession benefit</i></p>	£0.200m
Turkey-Syria Earthquake Appeal	<p>£15,000 will be donated to the Disasters Emergency Committee in response to a humanitarian appeal following the Turkey-Syria earthquake.</p> <p><i>Funded on a one off basis through service concession benefit</i></p>	£0.015m
<b>Total</b>		<b>£7.747m</b>

## Additional Items

The Council is also asked to agree that:

- An all-party 'Sounding Board' is convened as a 'safe space' for discussion on transformational proposals to address budget challenges over multiple years. This should include progressive municipal income generation, service change and the financial benefits of a just transition to net zero.
- The Executive Committee will receive a report on arrangements to mark the King's Coronation, including proposals for coronation event lets, met from within existing resources, in each of the four administrative areas of South Lanarkshire.
- The Executive Committee will receive a report on next steps towards a new Service Level Agreement with South Lanarkshire Leisure and Culture following its conversion to a Scottish Charitable Incorporated Organisation (SCIO) on 3<sup>rd</sup> April 2023.
- To help address capital challenges, and minimise revenue budget consequences of underinvestment, the Executive Committee receives a further report on options to maximise external funding and maintain progress towards the renewal of Larkhall Leisure Centre.
- As the Scottish Government's proposed local government settlement falls substantially short of the £1 billion in additional resource funding, requested by the cross-party umbrella body for councils, COSLA, the Chief Executive is mandated to write to the incoming First Minister on behalf of the Council to express profound concern about the consequences of the Scottish Budget for council services, the council workforce and the wellbeing of South Lanarkshire's communities.
- It calls on the Scottish Government:
  - to rethink the National Care Service Bill and to reallocate the estimated £1 billion of cost in establishing a new bureaucracy to support the Bill into urgent investment in care services and in helping to stabilise Local Government finances.
  - to negotiate a partnership agreement and linked fiscal framework with Scottish Councils through COSLA which will enable councils to access an equitable and guaranteed share of Scottish Government funding to finance its vital local services.
  - to enable local Councils to reinvest the proceeds of service concessions in the improvement of their facilities to high standards rather than in helping to balance their budgets.
- A Loans Fund Review of the Housing Revenue Account is undertaken to ensure there is no detriment to housing investment plans arising from acceptance of saving HTR01 and that funds are released for future investment.

## Appendix – Balanced Budget Reconciliation

<b>Budget Gap from Officers' Report (Section 4.7)</b>		<b>(£8.818m)</b>
Savings Accepted:		
CER01	£0.072m	
CER06	£0.200m	
CER10	£0.178m	
HTR01	£0.500m	
SWR01	£1.000m	
<b>Total Savings (A)</b>	<b>£1.950m</b>	
<b>Proposed Council Tax Increase 5.5%</b>	£8.050m	
<b>Total savings and increase from council tax</b>		<b>£10.000m</b>
<b>= Balance after savings and council tax (Budget Gap) / Investment Opportunity</b>		<b>£1.182m</b>
<b>Further investment proposed:</b>		
<b>Transformation Fund – Revenue for Capital Borrowing</b>	(£1.182m)	
<b>Frontline First Fund</b>	(£3.500m)	
<b>Pre School Clothing Grant</b>	(£1.350m)	
<b>SLLC Transitional Support</b>	(£1.500m)	
<b>Reinstatement of Community Led Initiatives Funding</b>	(£0.200m)	
<b>Turkey-Syria Earthquake Appeal</b>	(£0.015m)	
<b>Total Further investment proposed (B)</b>		<b>(£7.747m)</b>
<i>Add: Use of Reserves proposed (C) – Use of reserves due to Service Concession flexibility.</i>		£6.565m
<b>Budget Gap – should be zero</b>		<b>£0m</b>

## Restatement of Net Expenditure Figure (report section 8)

Net Expenditure figure within Revenue Budget Paper (sections 8.2 and associated appendices) – <i>assumed £8.818m of savings</i>	<b>£895.702m</b>
Add back assumed level of savings in Budget Paper	£8.818m
<b>Adjusted Net Expenditure figure (before savings)</b>	<b>£904.520m</b>
<b>Deduct : Actual Savings taken from table above (A)</b>	(£1.950m)
<b>Add : any further investment proposed ( from table above (B))</b>	£7.747m
<b>Revised Net Expenditure figure for Revenue Budget (D)</b>	<b>£910.317m</b>

## Restatement of Net Sum Funded by Council Tax (report section 8.3)

<b>Revised Net Expenditure figure for Revenue Budget (from D above)</b>	<b>£910.317m</b>
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Deduct: Government Grant	£702.856m
<b>Deduct: Use of Reserves / Underspends in the Budget Strategy (£45.572m plus C from table above)</b>	£52.137m
Resultant Net Sum to be Funded Locally from Council Tax	<b>£155.324m</b>