

FC73. Revenue Budget 2024/25 and Financial Strategy

Council considered a report from the Chief Executive and the Director of Transformation, Communities & Corporate Services which set out officer views of the Council's budget gap for 2024/25. The options to close that gap and balance the budget were listed in the report. Information included:-

- Service Savings
- Fees and Charges
- Council Tax
- Reserves
- Service Concessions

Councillor Meiklejohn, seconded by Councillor Garner, moved that Council:-

- (1) agrees a balanced budget for the financial year 24/25 based on the proposals set out in the supplementary report noting that the budget accepts the savings and increases in fees and charges as per officers' proposals with the exception of:-

- CS131 Removal of School Based Police officers £65k
- PS206 Cessation of Callendar Park Firework Display £30k

	Administration Proposal £'m
2024/25 Estimated Budget Gap	30.8
Add back 5% assumed Council Tax Increase and Growth	4.3
2024/25 Budget Gap	35.1
Service Savings	(8.6)
Council Tax Increase	-
Capital Borrowing Costs (£10m)	-
Net Council Tax Growth	(0.2)
Scottish Government Grant	(3.8)
Use of Service Concessions	(22.5)
Remaining Gap	-

- (2) freezes the Council tax, for which we will receive the equivalent funding of 5% from the Scottish Government and at the same time protect Council Tax payers during the cost of living crisis;
- (3)
- (a) agrees to work towards reducing year on year use of Service Concessions in future years, and
- (b) agrees to set aside £30m service concessions into an earmarked reserve for Capital investment which can only be unlocked when it is clear that Council is more financially sustainable, and which could support projects such as:-

- Falkirk Town Hall
- Outcome of the Sport and Leisure PDP
- Local Sport, and leisure and wellbeing Facility (Denny and the Braes)
- Ipad Learning program
- School modernisation program

Projects for investment will be the subject of a future report to members and an appropriate time.

- (4) agrees that following the recent letter from the Cabinet Secretary for Education a report should be brought back to members on any potential implications on the proposal for changes to the school week but that this should not delay the consultation taking place;
- (5) agrees the payment of £ 93.9m for the Integration Joint Board (IJB) for 24/25 noting that any service changes as a result of this payment will be decided by the IJB;
- (6) agrees that £1m from unused earmarked reserves be allocated to the village regeneration programme to support the communities of Bainsford and Langlees and Dunipace;
- (7)
 - (a) welcomes the commitment by Scottish Government to the additional £17.7 funding and to the £45m consequentials that will flow from UK Government while acknowledging that this is dependent on confirmation in the UK Government 6th March Spring Statement;
 - (b) notes that if the Council agrees to the Council Tax freeze, this additional funding will restore the cash reduction within the overall local government settlement and that should that flow through of funding be confirmed, Falkirk Council's share will be £1.7m;
 - (c) agrees in principle that £600k of the £1.7m is allocated to support borrowing of £7.5m to supplement the existing £3m for the Community Access to Schools project and allow consideration of works at Braes and Denny High schools, recognising that this would require a further report to council following confirmation of any additional funding;
- (8) notes the update on the implications for the work force and the actions being taken to ensure changes can be implemented through voluntary methods as far as possible, and
- (9) notes that the Financial Strategy will be updated and presented to members in September 2024.

As an amendment, in substitution for the motion, Councillor Hannah, seconded by Councillor Redmond, moved that Council:-

	Administration Proposal	Labour Proposal
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	£'m	
2024/25 Estimated Budget Gap	30.8	30.8
Add back 5% assumed Council Tax Increase and Growth	4.3	4.3
2024/25 Budget Gap	35.1	35.1
Service Savings	(8.6)	(8.0)
Council Tax Increase	-	(6.3)
Capital Borrowing Costs (£10m)	-	0.8
Net Council Tax Growth	(0.2)	(0.2)
Scottish Government Grant	(3.8)	-
Use of Service Concessions	(22.5)	(21.4)
Remaining Gap	-	-

- (1) agrees a balanced Budget for financial year 2024/25 based on the Labour Proposal in the table above;
- (2) agrees a Council Tax charge for 2024/25 of 8%;
- (3) agrees to commit the revenue from 1% of this council tax increase to allow Capital Borrowing of £10 million for investment;
- (4) notes that this approach to Council Tax brings in £6.3m of income for revenue which is c£2.45m more than the funding currently guaranteed by the Scottish Government; £0.8m of this Council Tax income will support additional investment of £10m for the Capital Programme;
- (5) does not agree to the following savings options: Remove Funding for School Police Officers, Children and Families Savings, Cancellation Annual Callander Park Fireworks Display, Cessation of the Scheme of Assistance-Small Repair and Handy Person Scheme;
- (6) agrees to the application of Service Concession Arrangements in 2024/25 of £21.4;
- (7) agrees the payment of £93.9m to the Integration Joint Board (IJB) for 2024/25, noting that any service changes as a result of this payment will be decided by the IJB;
- (8) agrees the reallocation of reserves as set out in section 5.16 of the report;
- (9) notes the update on the implications for the workforce and the actions being taken to ensure changes can be implemented through voluntary methods, and
- (10) notes that the Financial Strategy will be updated and presented to Members in September 2024.

Councillor Murtagh gave notice of a further amendment.

Council adjourned at 11.25am and reconvened at 11.50am with all members present as per the sederunt.

Following questions and discussion Council then adjourned at 1pm and reconvened at 2pm with all members present as per the sederunt.

In accordance with Standing Order 23 a vote was taken by roll call, there being 28 members present with voting as undernoted:-

For the motion (15) – Depute Provost Balfour; and Councillors Binnie, Bouse, Bundy, Collie, Deakin, Devine, Flynn, Forrest, Garner, Baillie Kerr, Meiklejohn, Patrick, Sinclair and Spears.

For the amendment (12) – Provost Bissett; and Councillors Aitchison, Anslow, Baillie Buchanan, Hannah, Kelly, McCabe, Murtagh, Nimmo, Paterson, Redmond and Stainbank.

Abstention (1) – Councillor Ritchie

The motion was carried and accordingly was the substantive motion against which the further amendment was considered.

As a further amendment, in substitution for the motion, Councillor Murtagh, seconded by Councillor McCabe, moved that Council agrees:-

- (1) to set a balanced Budget for financial year 2024/25 based on the information provided in the budget report on today's agenda;
- (2) to note that the decision-making environment created by Scottish Government over details on funding conditions and potential additional amounts, has created further challenge in being able to confidently set the best budget for Falkirk Council for the year ahead;
- (3) to note that at the present time, the Scottish Government has indicated that Falkirk Council's share of £147million of grant funding, being c. £3.845 million, is conditional on council's agreement to freeze the council tax for the coming year;
- (4) that this situation is an unacceptable intrusion into our budget making process, and agrees to seek further clarity from the Cabinet Secretary for Finance while accordingly setting a council tax rate and application of service concessions based on the two options below;
- (5) that in respect to point 4 above, that if by midnight on Thursday 29th February 2024, no confirmation is received that the conditions for receipt of monies nominally ascribed by the Scottish Government as conditional on our agreement to a "Council Tax Freeze" have been removed, council agrees to balance its annual revenue budget as appended in Option 1 below.
- (6) that in respect to point 4 above, that if by Thursday 29th February 2024, a change is indicated on conditions for receipt of monies nominally ascribed by the Scottish Government as conditional on our agreement to a "Council Tax Freeze", to the effect that this condition is removed, council agrees to balance its annual revenue budget as appended in Option 2 below;

- (7) that in respect to service savings proposals, both options contain the same agreement for service savings options and for increases to fees and charges, namely to reject the savings from Children's Services but to agree all other proposals put forward by officers;
- (8) that with respect to the proposal to remove budget allocation for the annual fireworks display, officers are instructed to bring forward a paper which will allow for Falkirk Council to continue to assist with facilitation of a display, but on full cost recovery basis;
- (9) to note the information contained in the report on potential future savings options relative to changes to the school week (Asymmetric Week Proposals);
- (10) that with respect to point 9, that as this saving is not part of this year's budget proposals, a paper on this matter should be brought to the next available Children & Young People's Executive meeting, at which the framing of consultation on this issue can be fully discussed in advance of a future decision;
- (11) that with respect to point 4 above, that following the close of this meeting, the Council Leader write without delay to communicate the decision of this council to the Cabinet Secretary for Finance at the Scottish Government and request an immediate response to matters of conditionality around the receipt of funding as outlined above;
- (12) the payment to the Integration Joint Board (IJB) for 2024/25, noting that any service changes as a result of this payment will be decided by the IJB;
- (13) to note the update on the implications for the workforce and the actions being taken to ensure changes can be implemented through voluntary methods as far as possible;
- (14) to note that the Financial Strategy will be updated and presented to Members in September 2024.

Option 1 – 10% C Tax; 1% for Capital

Option 2 – 5.5% C Tax; 1% for Capital; Assumes conditions on Council Tax freeze are removed

	Administration Proposal £'m	Option 1 (10%)	Option 2 (5.5%)
2024/25 Estimated Budget Gap	30.8	30.8	30.8
Add back 5% assumed Council Tax Increase and Growth	4.3	4.3	4.3
2024/25 Budget Gap	35.1	35.1	35.1
Service Savings	(8.6)	(7.9)	(7.9)
Council Tax Increase	-	(7.9)	(4.3)
Capital Borrowing Costs (£10m)	-	0.8	0.8
Net Council Tax Growth	(0.2)	(0.2)	(0.2)
Scottish Government Grant	(3.8)	-	(3.8)

Use of Service Concessions	(22.5)	(19.9)	(19.7)
Remaining Gap	-	-	-

In accordance with Standing Order 23 a vote was taken by roll call, there being 28 members present with voting as undernoted:-

For the motion (12) – Depute Provost Balfour; and Councillors Binnie, Bouse, Collie, Deakin, Devine, Flynn, Forrest, Garner, Meiklejohn, Sinclair and Spears.

For the amendment (3) – Councillors Baillie Buchanan, McCabe and Murtagh.

Abstentions (13) – Provost Bissett; and Councillors Aitchison, Anslow, Bundy, Hannah, Kelly, Baillie Kerr, Nimmo, Paterson, Patrick, Redmond, Ritchie and Stainbank.

Decision

Council:-

- (1) agreed a balanced budget for the financial year 24/25 based on the proposals set out in the supplementary report noting that the budget accepted the savings and increases in fees and charges as per officers' proposals with the exception of:-**
 - **CS131 Removal of School Based Police officers £65k**
 - **PS206 Cessation of Callendar Park Firework Display £30k**
- (2) froze the Council tax, for which Council would receive the equivalent funding of 5% from the Scottish Government and at the same time protect Council Tax payers during the cost of living crisis;**
- (3)**
 - (a) agreed to work towards reducing year on year use of Service Concessions in future years, and**
 - (b) agreed to set aside £30m service concessions into an earmarked reserve for Capital investment which could only be unlocked when it was clear that Council was more financially sustainable, and which could support projects such as:-**
 - **Falkirk Town Hall**
 - **Outcome of the Sport and Leisure PDP**
 - **Local Sport, and leisure and wellbeing Facility (Denny and the Braes)**
 - **Ipad Leaning program**
 - **School modernisation program**

Projects for investment would be the subject of a future report to members at an appropriate time.
- (4) agreed that following the recent letter from the Cabinet Secretary for Education a report should be brought back to members on any potential**

implications on the proposal for changes to the school week but that this should not delay the consultation taking place;

- (5) agreed the payment of £ 93.9m for the Integration Joint Board (IJB) for 24/25 and noted that any service changes as a result of this payment would be decided by the IJB;**
- (6) agreed that £1m from unused earmarked reserves be allocated to the village regeneration programme to support the communities of Bainsford and Langlees and Dunipace;**
- (7)**
 - (a) welcomed the commitment by Scottish Government to the additional £17.7 funding and to the £45m consequentials that would flow from UK Government while acknowledging that this was dependent on confirmation in the UK Government 6th March Spring Statement;**
 - (b) noted that if the Council agreed to the Council Tax freeze, this additional funding would restore the cash reduction within the overall local government settlement and that should that flow through of funding be confirmed, Falkirk Council's share would be £1.7m;**
 - (c) agreed in principle that £600k of the £1.7m was allocated to support borrowing of £7.5m to supplement the existing £3m for the Community Access to Schools project and allow consideration of works at Braes and Denny High schools, recognising that this would require a further report to Council following confirmation of any additional funding;**
- (8) noted the update on the implications for the work force and the actions being taken to ensure changes can be implemented through voluntary methods as far as possible, and**
- (9) noted that the Financial Strategy would be updated and presented to members in September 2024.**