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<b>Report To:</b>	<b>The Inverclyde Council</b>	<b>Date:</b>	<b>24 February 2022</b>
<b>Report By:</b>	<b>Interim Director Finance &amp; Corporate Governance</b>	<b>Report No:</b>	<b>FIN/16/22/AP/LA</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>Approval of the 2022/23 Budget, 2022/25 Capital Programme &amp; Approval of the Band D Council Tax for 2022/23</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to seek formal approval by the Council of the 2022/23 Revenue Budget, 2022/25 Capital Programme and thereafter seek approval of the Band D Council Tax for the year 2022/23.

## 2.0 SUMMARY

- 2.1 Members have received regular reports via the Policy & Resources Committee during the development of the Revenue Budget. The Members Budget Working Group has met throughout the evolution of the 2022/23 Revenue Budget and has considered a number of reports from Officers and, until the final stages of the budget process, managed to achieve consensus. The proposals in this report represents the consensus reached by 5 Groups which represent 20 of the 22 Councillors.
- 2.2 The 2022/23 Local Government Revenue Settlement is Flat Cash for core Council Services. This position is confirmed in a Scottish Parliament Information Centre (SPICe) Briefing which highlights that “Both the Scottish Government and Cosla agree that “core” revenue budget remains the same in cash-terms between 2021/22 and 2022/23”. From Appendix 1 it can be seen that the Council’s recurring budget has reduced by £375,000 in cash terms after adjusting for £13.855 million new ring fenced/directed/one off funding detailed on page 2 of Appendix.1.
- 2.3 The Budget Bill passed the third reading on 10 February and the Finance Order is due to be approved on 24 February, 2022. As part of the Budget Bill’s passage through the Scottish Parliament a one off sum of £120million was agreed with the intention of managing Council Tax levels in 2022/23. The Council’s share of this sum is £1.858million.
- 2.4 Appendix 2 shows a 2022/23 funding gap of £2.014million after the use of the previously agreed £4.0million from the General Fund Reserve. Members have received clear advice on several occasions regarding the risks and implications of the use of this level of one off reserves and the very significant challenges this will leave for the new Council post the May 2022 Local Government election.
- 2.5 Appendix 3 summarises the final adjustments and the savings proposed to leave a remaining funding gap of £623,000 which it is proposed to close by an increase in Council Tax.
- 2.6 Due to the unprecedented increase in funding for Adult Social Care announced as part of the 2022/23 Scottish Government Budget it is proposed to amend the decision of the November Policy & Resources Committee regarding the calculation of the Council’s contribution to the IJB in 2022/23. Councils are directed to ensure that their contribution to their own IJB in 2022/23 be at least the 2021/22 recurring contribution plus the Council’s share of the £554million Adult Social Care additional funding. From Appendix 4 it can be seen this means a minimum increase between 2021/22 and 2022/23 of £9.2 million (16.7%). Appendix 4 illustrates that the proposed contribution exceeds this requirement by £534,000.

- 2.7 The Council's share of the overall Capital Grant reduced slightly to £6.353million and within this is a time limited sum relating to the Strategic Waste Fund which is expected to be removed from 2023/24 thus reducing the Council's core Capital Grant to approximately £6.0million. This is £3.0million less than the Council's recurring Capital investment levels required to maintain the existing asset infrastructure and highlights another significant financial pressure the incoming Council will require to address.
- 2.8 The proposed 2022/25 Capital Programme is shown in Appendix 5 and includes some recommended increases in investment set out in paragraph 8.3. The total investment proposed over the three year period is £62.124million. This is after two proposals to bring the 2022/25 Programme back within the agreed 5% over provision limit, firstly the use of a further £1.275million General Fund Reserves and a £800,000 reduction in the £1.6million Covid Contingency allowance approved by the Policy & Resources Committee in September, 2021.
- 2.9 In line with previous years a review was carried out of the existing Reserves. Appendix 6 shows the outcome of that review which identifies £9.177 million of Free Reserves including the Council's share of the £120million announced by the Cabinet Secretary on 27 January, 2022.
- 2.10 The recommended use of the Free Reserves is shown in Appendix 7 and includes proposals to address pressures on households arising from the spiralling costs of energy, investment in specific capital projects and proposals to address funding gaps in the Capital Programme and future Revenue Budgets.
- 2.11 After factoring in the proposals set out in Appendix 3 it is thereafter proposed to increase Council Tax by 1.95% in 2022/23. If approved this would increase the Band D Council Tax by £25.97 per year and result in a Band D Council Tax level of £1357.81. Appendix 8 shows the impact across all Bands. Council Tax Reduction recipients will be unaffected by the Council Tax increase.
- 2.12 It is important that when considering the 2022/23 Revenue Budget that Members are also aware of the latest projections for the Medium Term. The estimated funding gap over 2023/25 is £13.4million and is prior to any Council Tax increase in either 2023/24 or 2024/25. In light of this the Corporate Management Team will continue to examine areas for service reviews in addition to the current Delivering Differently and Directorate Change Programmes and bring a comprehensive list of areas for consideration by the new Council post May, 2022

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Council note the latest update regarding the Council's Revenue and Capital Grant settlement from the Scottish Government for 2022/23 and any associated funding conditions.
- 3.2 It is recommended that the Council considers the proposals in the report and appendices and thereafter, subject to the suspension of the Council's Standing Orders in relation to two decisions sought at today's meeting, the Council:
1. Approves the adjustments and savings detailed in Appendix 3
  2. Approves the 2022/23 contribution to the Integrated Joint Board set out in Appendix 4 and notes that this requires to be approved by the IJB when it meets on 21 March, 2022
  3. Approves the 2022/25 Capital Programme as set out in Appendix 5
  4. Approves the write back of existing reserves to the Free Reserves as detailed in Appendix 6 and approves the use of the resulting Free Reserves detailed in Appendix 7
  5. Notes that officers will process the Scottish Government £150 payment to all Band A-D households and all Council Tax Reduction recipients as soon as is practical
  6. Approves the 2022/23 Common Good Budget as set out in Appendix 10
- 3.3 It is recommended that the Council note the £13.4million estimated funding gap over the period 2023/25 based on the latest assessment of financial information relating to funding and demand pressures and that the Corporate Management Team are developing a comprehensive list of potential areas for review to be considered in the early months of the new Council post May, 2022.

- 3.4 After considering all the above matters it is recommended that the Council approves a 1.95% increase in Council Tax for 2022/23.
- 3.5 Finally, it is recommended that the Council approves the Council Tax Resolution and agrees that the level of Band D Council Tax for Inverclyde for 2022/23 be £1357.81.

**Alan Puckrin**  
**Interim Director**  
**Finance & Corporate Governance**

## 4.0 BACKGROUND

- 4.1 Members have received regular reports via the Policy & Resources Committee and Full Council during the development of the Revenue Budget. The Members Budget Working Group has met throughout the evolution of the 2022/23 Revenue Budget and has considered a number of reports from Officers and until the final stages of the budget process managed to achieve consensus.
- 4.2 The Corporate Management Team has continued to meet with representatives of the Trades Unions at the Joint Budget Group to discuss savings options, voluntary severance trawls and how to manage the impact on the workforce.

## 5.0 SCOTTISH GOVERNMENT REVENUE GRANT SETTLEMENT – 2022/23

- 5.1 The Local Government Revenue Settlement shows a 7.2% (£792million) cash increase. However, once the ring fenced funding that requires to be pass-ported to the IJB (£554 million) or used for extra employees/ policy initiatives in Education (£180million) and Child Bridging Payments (£68million) are deducted then it is Flat Cash for core Council Services. This position is confirmed in a Scottish Parliament Information Centre (SPICe) Briefing which highlights that “Both the Scottish Government and Cosla agree that “core” revenue budget remains the same in cash-terms between 2021/22 and 2022/23”.
- 5.2 As a result, Councils require to fund increases in salary costs, National Insurance increases, non-pay inflation, increased demand costs and shortfalls in income by either increasing Council Tax, using Reserves or finding savings. A like for like comparison between the Council's 2021/22 Settlement and 2022/23 Settlement is shown in Appendix 1 and from this it can be seen that the recurring budget has reduced by £375,000 in cash terms after adjusting for £13.855 million new ring fenced/directed/one off funding shown on page 2 of Appendix 1.
- 5.3 The Settlement contains a number of issues which require to be highlighted :
  1. **P6/7 Free School Meals**- The policy intention was that Universal FSM for P6/7 pupils would come in from August 2022. Due to concerns from some Councils regarding the need for major capital investment to deliver this policy, the Settlement only includes £30 million capital and no revenue funding. Councils will not receive any Government support should it implement Universal P6/7 FSM from August 2022. Universal P4/5 FSM are unaffected. A report on the timing and implications of any potential early implementation Universal FSM for P6/7 will be presented to the new Council post May, 2022.
  2. **Council Tax Reduction Pressure**- A seemingly innocuous change to how individuals transitioning from legacy benefits to Universal Credit have their CTR calculated has been approved by the Scottish Parliament. The financial impacts of this were not factored into the Settlement on the basis that the Scottish Government took the view that there was “headroom” in this specific budget line. The estimate is a cost of £19million and the Council's “share” would be roughly £300,000 which increased the 2022/23 funding gap.
  3. **Reduced Early Years Funding**- £15million has been taken from the ELC funding budget due to assessed reductions in 3-4 year old children. In addition there is a significant redistribution of ELC funding which resulted in a £1.136million reduction in the Council's Specific Grant. Due to significant underspends within the grant and after anticipation by officers that the Council would receive reduced funding, this reduction can be managed in 2022/23. A report on this matter is going to the March Education & Communities Committee.
- 5.4 The Scottish Government has confirmed that Councils have a free hand to increase Council Tax in order to balance their budgets in 2022/23. This then makes the setting of Council Tax a more important issue in approving the Council Budget than has been the case over the last 15 years.

- 5.5 In terms of Non-Domestic Rates (NDR), the Settlement assumes a 0.8pence increase in the rate poundage (1.6%) to 49.8pence. This is the first increase since 2019/20. In addition there is continued support to the Retail, Hospitality and Leisure sectors with 50% relief for the first 3 months of 2022/23, capped at £27,500 per ratepayer.
- 5.6 There is also confirmation that NDR empty property relief will be devolved to Councils with effect from April, 2023. This issue is already incorporated within the Finance Services CDIP actions.
- 5.7 The Budget Bill passed the third reading on 10 February and the Finance Order is due to be approved on 24 February, 2022. As part of the Budget Bill's passage through Parliament a one off sum of £120million was agreed for with the intention of managing Council Tax levels in 2022/23. The Council's share of this sum is £1.858million. How this impacts upon the proposed Budget is set out in this report is detailed below.

## **6.0 2021/22 REVENUE BUDGET PROPOSALS**

- 6.1 Appendix 2 shows a 2022/23 funding gap of £2.014million after the use of the previously agreed £4.0million from the General Fund Reserve. Members have received clear advice on several occasions the risks and implications of the use of this level of one off reserves and the very significant challenges this will leave for the new Council post the May 2022 Local Government elections.
- 6.2 The Members Budget Working Group met throughout the consideration of the Budget until the 11 February when it became apparent it would not be possible to reach consensus between all members of the Group. The proposals in this report represents the consensus reached by 5 Groups which represent 20 of the 22 Councillors.
- 6.3 Appendix 3 summarises the final adjustments and the savings proposed to leave a remaining funding gap of £623,000 which it is proposed to close by an increase in Council Tax.
- 6.4 The proposals in this report, if approved, would lead to a reduction of 7.4 posts, the management of which has been agreed with the Trades Unions.

## **7.0 CONTRIBUTION TO THE INTEGRATED JOINT BOARD**

- 7.1 On the 16 November the Policy & Resources Committee agreed the following in relation to the Council's contribution to the IJB in 2022/23:
- The start point for the 2022/23 Council contribution to the IJB is the 2021/22 current approved contribution.
  - No new pressures aside from funding for the 2022/23 Pay Award/NI increase are added to the Council's contribution to the IJB in 2022/23.
  - The Social Care savings proposals continue to be included in the overall savings review with the MBWG and JBG.
  - Any new 2022/23 Scottish Government funding for Social Care be pass-ported to the IJB
  - The IJB Chief Officer and IJB Chief Financial Officer have advised that, subject to IJB approval, they will progress a full review of all IJB reserves to significantly increase available reserves to support a Spend to Save programme over 2022/23

A review of the process is proposed to be carried out in the spring of 2022 before agreeing with the IJB the approach to be used from 2023/24.

- 7.2 Subsequent to this decision an unprecedented increase in funding for Adult Social Care was announced as part of the Scottish Government's 2022/23 Budget and Councils were directed to ensure that the Council contribution to the IJB in 2021/22 be at least the 2021/22 recurring contribution plus the Council's share of the £554million Adult Social Care extra funding. From Appendix 4 it can be seen this means a minimum increase of £9.2 million (16.7%)

- 7.3 In light of this and the announcement of further sums which should be allocated to the IJB in 2022/23, it is proposed that the Council no longer fund the Social Care pay award or national insurance increase in 2022/23. In return the HSCP proposed savings cannot be considered by the Council to balance the Council Budget.
- 7.4 This approach reduces the £2.014million 2022/23 net funding gap by £0.957million and results in a Council contribution to the IJB of £64.698 million prior to the addition of the finalised 2021/22 Pay Award /Increments for which there is provision within the unallocated Pay Inflation contingency. Appendix 4 demonstrates that the Council's proposed 2022/23 contribution exceeds the Scottish Government requirements by £534,000.
- 7.5 The Council is reminded that this proposal will need to be approved by the IJB when it meets to consider its overall 2022/23 Budget on 21 March, 2022.

## **8.0 2022/25 CAPITAL PROGRAMME**

- 8.1 The Scottish Government Capital Grant Settlement showed a year on year increase of £62.6million (9.1%). All but £1.6million of the increase is allocated to specific projects ie:
- £30million –Implementation of Free School Meals in Primary Schools
  - £20million- Local Bridge Maintenance
  - £11million – Flood Risk Management

Therefore the core Capital Grant is effectively Flat Cash

- 8.2 The Council share of the overall Capital Grant reduced slightly to £6.353million and within this is a time limited sum relating to the Strategic Waste Fund which is expected to be removed from 2023/24 thus reducing the Council's core Capital Grant to approximately £6.0million. This is £3.0million less than the Council's recurring Capital investment levels required to maintain the existing asset infrastructure and highlights another significant financial pressure the incoming Council will require to address.
- 8.3 The proposed 2022/25 Capital Programme is shown in Appendix 5 and includes the following recommended increases in investment:
1. Increase the annual ICT allocation by £230,000 from 2022/23 to reflect the increase in laptops required as a result of hybrid working/teaching plus the global increase in the costs of ICT.
  2. An initial allocation of £350,000 towards the approved Carbon Reduction Strategy pending a more detailed /costed plan being presented to the Council as part of the development of the 2023/26 Capital Programme.
  3. A £100,000 annual increase in RAMP funding from 2023/24 to reflect inflationary pressures and partly offset the impact of the revenue saving shown in Appendix 3.
- 8.4 To bring the 2022/25 Programme back within the agreed 5% over provision limit then it is proposed to use a further £1.275million General Fund Reserves and apply an £800,000 reduction in the £1.6million Covid Contingency allowance approved by the Policy & Resources Committee in September, 2021.

## **9.0 USE OF RESERVES**

- 9.1 In line with previous years a review was carried out of the existing Reserves. Appendix 6 shows the outcome of that review and recommends write backs to leave £9.177 million of Free Reserves including the Council's share of the £120million announced by the Cabinet Secretary on 27 January, 2022 referred to in 5.7 above.
- 9.2 The recommended use of the Free Reserves is shown in Appendix 7 and includes proposals to address pressures on households arising from the spiralling costs of energy, investment in specific capital projects and proposals to address funding gaps in the Capital and future Revenue Budgets.

- 9.3 Over and above this the Council will administer the Scottish Government Cost of Living payment of £150 to all households in Bands A-D plus all CTR recipients. Details are awaited at the time of issuing the report but officers estimate this will cost the Scottish Government almost £5.0million within Inverclyde.

## **10.0 LEVEL OF BAND D COUNCIL TAX FOR 2022/23**

- 10.1 Then Council has the flexibility to set the level of Band D Council Tax to whatever level it decides. Taking into account the savings/adjustments set out in Appendix 3 it is proposed to increase Council Tax by 1.95% to close the remaining funding gap in 2022/23. If approved this would increase the Band D Council Tax by £25.97 per year and result in a Band D Council Tax level of £1357.81 for 2022/23.
- 10.2 Appendix 8 shows the annual and weekly impact across all Bands along with the number of properties within each Band. Council Tax Reduction recipients will be unaffected by the Council Tax increase. Appendix 9 summarises how the 2022/23 Budget gap of £6.014million has been closed.
- 10.3 The level of Band D Council Tax will require to be approved via a Resolution as part of the overall approval of the Budget

## **11.0 COMMON GOOD BUDGET 2022/23**

- 11.1 As part of the Revenue Budget the Council requires to also approve the Common Good Budget for 2022/23. During 2021/22 the Council addressed the outstanding Audit action to reinstate a £100,000 Fund balance to the Common Good Fund. The proposed 2022/23 Budget is based on a small surplus of £11,600 and is shown as Appendix 10.

## **12.0 2023/25 MEDIUM TERM BUDGET POSITION**

- 12.1 It is important that when considering the 2022/23 Revenue Budget that Members are also aware of the latest projections for the Medium Term. On the basis that all the proposals in this report are approved then Appendix 11 illustrates the estimated remaining funding gap for the period 2023/25. The estimated funding gap over 2023/25 of £13.4million is prior to any Council Tax increase in either 2023/24 or 2024/25.
- 12.2 It should be noted that the assumptions which underpin these projections are very much in line with the recent Budget settlement and allows for a Flat Cash Local Government Settlement and for an average 2.5% annual pay award for each of the financial years. It is the view of the Interim Director of Finance & Corporate Governance that these estimates reflect the mid-range scenario. In light of this therefore this clearly illustrates the very significant challenges facing the new Council post May, 2022.
- 12.3 Recognising this the Corporate Management Team will continue to examine areas for service reviews in addition to the current Delivering Differently and Directorate Change Programmes and bring a comprehensive list of areas for consideration by the new Council post May, 2022.

## **13.0 IMPLICATIONS**

### **13.1 Finance**

**Financial Implications:** The financial implications are detailed in the report and the appendices.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Various	Various	2022/23 & on	£9.175 million		Use of Reserves proposed in Appendix 7
		2021/22	(£2.165) million		Write backs proposed in Appendix 6

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
IJB	Various	2022/23	£64.698million		Proposed recurring contribution 2022/23 prior to the finalisation of the 2021/22 Pay award contribution
Various	Various	2022/23	(£1.391)million		Savings & Adjustments in Appendix 3. £1.475 million full year impact

13.2 **Legal**

A number of the recommendations in this report change approved decisions taken in respect of the Budget within the last 6 months and as such there will be a requirement to Suspend Council Standing Orders. The Provost will seek approval for this as part of his introductory remarks.

13.3 **Human Resources**

The Corporate Management Team have continued to meet the Trades Unions via the Joint Budget Group throughout the development of this budget. The proposals in this report and those approved since September, 2021 will result in a reduction of 13.3 FTE posts excluding previously agreed HSCP savings.

13.4 **Equalities**

Equalities

EIAs relating to all the savings proposals were issued to all Members and EIAs for the proposals in Appendix 3 have been published on the website.

(a) Has an Equality Impact Assessment been carried out?

X	YES Individual EIA/FSD assessments have been carried out on the proposals in this report and are available on the Council website
	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required



(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

X	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

**13.5 Repopulation**

The reduction in Capital Grant and continued pressure on Revenue funding will continue to present challenges in the Council's efforts to stabilise Inverclyde's population. However the proposals on the one off use of Reserves and proposals to reduce poverty within Inverclyde will help in this key policy area.

**14.0 CONSULTATIONS**

14.1 Whilst the budget consultation which was conducted in 2019 covered the period up until 2023, it was agreed that it was important to ensure the community had their view on the current proposed areas of savings. An online and paper based survey was utilised along with listening events in the six locality areas and also school pupil representatives. Of those who completed the online survey and attended the locality listening events, other Charges for Council services was ranked as the most favourable savings proposal and Reducing Services to Older People ranked as the least favourable.

14.2 Appendix 12 provides an update in relation to the 2019 consultation; and the methodology and responses to the 2022 survey. The contents of this report were presented to an All Member Briefing and have been discussed with the Trades Unions via the Joint Budget Group.

**15.0 BACKGROUND PAPERS**

15.1 Scottish Government Circular 9/2021

**Movement in Core Revenue Grant - 2021/22 - 2022/23**

	<b><u>£million</u></b>
GRG/NDRI & Specific Grants 2021/22 (Circular 5/21)	181.872
GRG/NDRI & Specific Grants 2022/23 (Circular 9/21)	187.814
Subsequent extra funding announcements	5.576
Increase from 2021/22	<u>11.518</u>
Less- Non-recurring or Ring Fenced new funding (Page 2)	-13.855
Add- Items in 21/22 not in 22/23 Grant :	
Discretionary Housing Payments	0.826
Add- Reduction in ELC Specific Grant	1.136
Year on Year Change in recurring GRG/NDRI	<u><u>-0.375</u></u>

Notes

a/ MBWG have reviewed proposals to reduce 2022/23 Early Years Budget by £1.136m  
No impact on service delivery. Report to March Education & Communities Committee

b/ Assumption per Finance Strategy was a reduction of £1.0 million in GRG/NDRI.

AP/LA  
15/02/2022

New Funding to be pass-ported to Services  
2022/23 Revenue Budget Settlement

<u>HSCP</u>	<u>£000</u>	<u>£000</u>
Care at Home	2041	
Carers Act (Increase)	340	
Free Personal & Nursing Care (Increase)	217	
Interim Care	329	
Living Wage	2930	
Adult Social Care Uplift	3358	
Social Work- Workforce Capacity	360	
Mental Health Recovery & Renewal	51	
National Trauma Training	50	
		<u>9676</u>
<u>Education (Note 1)</u>		
Additional Teachers and Support Staff	2188	
School Clothing Grants (Increase)	79	
1&2 Languages	-16	
		<u>2251</u>
<u>Council Wide</u>		
Share of £120million one off Grant	1858	
Child Disability Payment Administration	61	
Barclay Implementation (Increase)	9	
		<u>1928</u>
		<u>13855</u>
	<u>Total</u>	

Notes

1. Excludes £12m for Removal of Music Tuition Charges, £8m Removal of Curriculum Charges, £42m for P4/P5 Universal FSM.

AP/LA  
15/2/22

REVENUE BUDGET 2022/23

APPENDIX 2

Committee: All

Corporate Director: All

Service: All

Division: All

OBJECTIVE SUMMARY	2021/22 Base Budget	2022/23 Previously Approved Savings	2022/23 Adjustments	2022/23 Budget	2022/23 Approved Savings Sept 2021	2022/23 Approved Savings Nov 2021	2022/23 Approved Savings Dec 2021	2022/23 Approved Savings Feb 2022	2022/23 Adjustments	Budget 2022/23
Chief Executive Services	323,120			323,120					650	323,770
Environment, Regeneration & Resources	30,952,000	(250,750)	3,000	30,704,250	(58,590)		(7,000)		168,740	30,807,400
Education, Communities & Organisational Development	97,998,710	(202,080)	88,550	97,885,180	(200,000)	(265,510)	(95,000)		2,367,280	99,691,950
Health & Social Care Partnership	54,651,760	(86,870)	274,450	54,839,340		(56,060)			9,773,330	64,556,610
<b>Directorate Sub-Total</b>	<b>183,925,590</b>	<b>(539,700)</b>	<b>366,000</b>	<b>183,751,890</b>	<b>(200,000)</b>	<b>(380,160)</b>	<b>(102,000)</b>		<b>12,310,000</b>	<b>195,379,730</b>
Miscellaneous	7,577,620	(578,300)	4,499,000	11,498,320		160		(202,000)	820,000	12,116,480
Loan Charges	11,585,790	(400,000)	35,000	11,220,790						11,220,790
Saving Approved yet to be Allocated				-					61,000	(164,000)
<b>Total Expenditure</b>	<b>203,089,000</b>	<b>(1,518,000)</b>	<b>4,900,000</b>	<b>206,471,000</b>	<b>(200,000)</b>	<b>(380,000)</b>	<b>(132,000)</b>	<b>(397,000)</b>	<b>13,191,000</b>	<b>218,553,000</b>
Financed By:										
General Revenue Grant/ Non Domestic Rates	(169,418,000)		1,000,000	(168,418,000)					(13,657,000)	(182,075,000)
Council Tax	(32,622,000)	(950,000)		(33,572,000)					1,250,000	(32,322,000)
Share of £120m Contributed to Reserves	0		(2,951,000)	(4,000,000)					1,858,000	1,858,000
Contribution from General Fund Reserve	(1,049,000)									(4,000,000)
<b>Net Expenditure</b>	<b>-</b>	<b>(2,468,000)</b>	<b>2,949,000</b>	<b>481,000</b>	<b>(200,000)</b>	<b>(380,000)</b>	<b>(132,000)</b>	<b>(397,000)</b>	<b>2,642,000</b>	<b>2,014,000</b>

a)

**Notes****Appendix 2**

a) Savings Approved P&R September 2017 - Loans Charges	(300,000)
Anticipated Grant Cut	1,000,000
Pay Inflation Allowance	3,000,000
Non Pay Inflation Allowance	1,500,000
General Pressures allowance	400,000
Savings Approved P&R September 2019	(40,000)
Savings Approved P&R November 2019	(149,000)
Savings Approved P&R November 2020	(12,000)
Savings Approved P&R December 2020	(1,770,000)
Savings Approved P&R February 2021	(37,000)
Reduce Council Tax Increase	30,000
Remove Council Tax Freeze (One Year Only)	1,198,000
Approved Savings March 2021	(190,000)
Contribution from Reserves	(2,951,000)
Council Tax Freeze Grant Funding	<u>(1,198,000)</u>
<b>2022/23 Budget</b>	<b>481,000</b>
New Pressures P&R Nov 21	934,000
National Insurance Uplift Allowance	1,100,000
Removal of Council Tax Increase 3%	950,000
Savings Approved Sept 2021	(200,000)
Savings Approved Nov 2021	(380,000)
Savings Approved Dec 2021	(132,000)
Savings Approved Feb 2022	(397,000)
Finance Circular 9/2021	(642,000)
Impact of CTR	<u>300,000</u>
<b>2022/23 Revised Budget</b>	<b><u><u>2,014,000</u></u></b>

**2022/23 Budget  
Adjustments/Savings- 24 February 2022 Council**

ERR	Savings 2022/23 £000	Savings 2023/24 £000	Comments	FTE
1/ Reduce Food Waste collection period from weekly to fortnightly	81	109	Will require a one off sum of up to £67K to buy extra large containers for households which request one and to publicise the changes	2
2/ Reduce roads revenue patching budget	75	100	This will be partly offset by £100k increase in the RAMP Structural Patching budget from 2023/24	2
3/				
<b>ECOD</b>				
1/ Cost adjustment arising from the implementation of P4/5 Universal Free School Meals	130	130	Officers estimate that an adjustment is possible based on the costs to the Council of implementing Universal FSM for P4/5 and estimated funding from the Scottish Government	0
2/ Change Kilmacolm Nursey from full time to term time and reduce capacity to reflect current service requirement	52	83	Limited impact due to very low numbers using the 52 week service	2.4
3/ Stop production of In View newspaper distributed to Inverclyde households twice yearly	7	7	Digital version to be trialled with bulk of Council communications continuing through existing channels	0
4/ Delete neighbourhood dispute mediator post	29	29	Post vacant	1
<b>HSCP</b>				
1/ No savings /adjustments to be applied for the HSCP based on change in approach to calculating the Council contribution to the IJB.				
<b>Corporate</b>				
1/ Revise IJB Budget approach per main report	957	957	Reduce Pay Inflation allowance by £1.1million and allocate £550k from Reserves for 2022/23 only. Net of reversal of £143k previously approved savings which were due to be applied in 2022/23	0
2/ Reduction in loan charges by using Reserves to replace Prudential Borrowing	60	60	Requires £1million from Reserves to support the Capital Programme	0
3/				
<b>Total</b>	1391	1475		7.4

14/2/22

**Contribution to Integrated Joint Board****Appendix 4**

	<u>£m</u>	<u>£m</u>
<b>Budget Approved 2021/22</b>		<b>54.129</b>
Transfer of Finance Staff to HSCP		0.522
ADRS Transfer to CLD		(0.089)
<u>Inflation</u>		
Care at Home	0.108	
NCHC	0.293	0.401
<b>Revised 2021/22 Budget</b>		<b>54.963</b>
 <u>New Funding Finance Order</u>		
Share of £353.9m		
Care at Home £124m		2.041
Carers Act £20.4m		0.326
FPNC £15m		0.217
Interim Care Funding £20m		0.329
Living Wage £174.5m		2.930
 Share of Undistributed funding £200m		3.358 <b>To be confirmed</b>
 <b>Minimum Contribution 2022/23</b>		<b>64.164</b> Per Scottish Gov Direction
 <u>New Funding Finance Order</u>		
Mental Health Recovery and Renewal		0.051
National Trauma Training		0.050
Share of £22m -SW Workforce		0.360
 <u>2022/23 Adjustments:</u>		
SWIFT Loans Charges due to Council		(0.035)
Konica Saving- approved savings		(0.003)
Office Accommodation Reallocation		0.027
Transfer of Swift System Maintenance to HSCP		0.092
HR Brightwave Support		(0.008)
 <b>Proposed IJB Contribution 2022/23</b>		<b>64.698</b> <b>17.71%</b>

**Note:** The above contribution assumes the proposal in appendix 3 is agreed

General Fund Capital Programme - 2022/25Available Resources

	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>Total £000</b>
Government Capital Support	6,353	6,000	6,000	18,353
Capital Receipts	320	320	320	960
Capital Grants	1,871	2,100	-	3,971
Prudential Funded Projects	1,764	9,587	4,475	15,826
Balance B/F From 21/22	13,238			13,238
Capital Funded from Current Revenue	3,420	3,256	233	6,909
<b>Available Resources</b>	<b>26,966</b>	<b>21,263</b>	<b>11,028</b>	<b>59,257</b>
<b>Total Expenditure</b>	<b>18,692</b>	<b>26,731</b>	<b>16,701</b>	<b>62,124</b>
<b>(Shortfall)/Under Utilisation of Resources</b>				<b>(2,867)</b>
<b>Approved 5% Overcommitment</b>				<b>(2,963)</b>
<b>Available Overcommitment</b>				<b>96</b>

Notes:Funding Deficit

Overprovision within the Capital Programme of 5% against available resources has been approved. This over provision allows for either increases in resources or cost reductions. In the event neither of these occur then funding from 2025/26 will be required to complete the programme. In addition a further £1.001m of SEMP Lifecycle budget has already been re-phased into 2025/26 and will now require to be funded from future resources.

Government Capital Support

2022/23 grant per Provisional Settlement, 2023/24 & 2024/25 grant is estimated.



General Fund Capital Programme - 2022/25Approved Programme

	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
<b><u>Environment, Regeneration &amp; Resources (Policy &amp; Resources)</u></b>				
<u>Finance</u>				
Home Working Allocation	25	-	-	25
Annual Allocation (ICT)	380	964	593	1,937
Modernisation Fund	11	-	-	11
New Ways of Working	200	-	-	200
Cost Pressure Contingency	200	600	-	800
<b><u>Environment, Regeneration &amp; Resources (Policy &amp; Resources) Total</u></b>	<b>816</b>	<b>1,564</b>	<b>593</b>	<b>2,973</b>

## General Fund Capital Programme - 2022/25

## Approved Programme

	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
<b><u>Environment &amp; Regeneration</u></b>				
<b><u>Roads &amp; Environmental</u></b>				
CWSR	337	-	-	337
Flooding Works	300	776	-	1,076
Kirn Drive Passing Places	-	20	157	177
Former St Ninians School Site	45	120	-	165
Roads and Footways Investment	250	-	-	250
Feasibility Studies	45	-	-	45
RAMP - Carriageways	1,600	2,000	2,930	6,530
RAMP - Footways	250	250	-	500
RAMP - Structures	250	250	-	500
RAMP - Lighting	300	250	250	800
RAMP - Other Assets	150	150	-	300
RAMP -Staff Costs	336	370	-	706
Cemetery Development	645	132	-	777
Cremator Replacement	1,000	295	-	1,295
Zero Waste Fund	60	60	60	180
Vehicle Replacement Programme	344	1,300	2,100	3,744
Play Areas/Park Assets	30	100	-	130
Park, Cemeteries & Open Spaces AMP	150	430	200	780
<b><u>Roads &amp; Environmental Total</u></b>	<b>6,092</b>	<b>6,503</b>	<b>5,697</b>	<b>18,292</b>
<b><u>Regeneration &amp; Planning</u></b>				
Regeneration of Port Glasgow Town Centre	503	-	-	503
T&VC - West Blackhall Street	485	3,100	-	3,585
T&VC - Lyle Fountain	-	34	-	34
T&VC - Babylon Purchase & Demolition	55	125	-	180
T&VC - Other	-	200	-	200
Comet Replacement	-	500	-	500
Place Based Funding	600	-	-	600
Scheme of Assistance/Aids & Adaptations	750	733	1,096	2,579
Clune Park	334	500	500	1,334
<b><u>Regeneration &amp; Planning Total</u></b>	<b>2,727</b>	<b>5,192</b>	<b>1,596</b>	<b>9,515</b>

## General Fund Capital Programme - 2022/25

## Approved Programme

	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
<u>Property Services</u>				
General Provision	1,327	2,750	2,000	6,077
Additional Covid pressure allowance	29	133	-	162
Feasibility Studies	25	75	-	100
Greenock Municipal Buildings - Window Replacement	17	-	-	17
Greenock Municipal Buildings - Clyde Square Re-roofing	-	50	-	50
Greenock Municipal Buildings - Air Handling	52	-	-	52
Greenock Cemetery _ Ivy House Replacement	230	39	-	269
Waterfront Leisure Centre Lifecycle Works	190	20	-	210
Boglestone Community Centre Roof	120	20	-	140
Various Garages/Stores Replacement	82	10	-	92
Caladh House Remedial Works	5	-	-	5
Sea Walls/Retaining Walls	60	10	-	70
Customhouse Square - Risk/DDA Works	10	65	-	75
Watt Institute - Risk/DDA Works	80	5	-	85
Net Zero	50	300	-	350
Minor Works	115	5	-	120
Statutory Duty Works	225	75	-	300
Statutory Duty Works	16	150	60	226
Complete on Site	-	218	-	218
Depot Demolitions	5	100	-	105
Kirn Drive Civic Amenity Site	125	75	-	200
<u>Property Services Total</u>	2,763	4,100	2,060	8,923
<b>Environment &amp; Regeneration Total</b>	<b>11,582</b>	<b>15,795</b>	<b>9,353</b>	<b>36,730</b>

## General Fund Capital Programme - 2022/25

## Approved Programme

	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
<b><u>Education, Communities &amp; Organisational Development</u></b>				
<b><u>Inclusive Education, Culture &amp; Communities</u></b>				
Lady Alice Bowling Club Toilets	92	130	-	222
Indoor Sports Facility for Tennis	500	238	-	738
Leisure Pitches AMP - Lifecycle Fund	400	592	120	1,112
Whinhill Golf Club Lifecycle Works	10	-	-	10
Waterfront Leisure Centre Training Pool Moveable Floor	269	20	-	289
Watt Institution Creativity Space	5	-	-	5
PG New Community Hub (King George VI Building)	1,100	338	-	1,438
Complete on Site	-	5	-	5
<b><u>Inclusive Education, Culture &amp; Communities Total</u></b>	<b>2,376</b>	<b>1,323</b>	<b>120</b>	<b>3,819</b>
<b><u>Education (SEMP)</u></b>				
Lifecycle Fund	1,000	2,088	5,500	8,588
Gourock PS Extension	700	67	-	767
Hillend Children's Centre - Refurbishment	50	-	-	50
Kelly Street Site Landscaping (St Mary's PS)	10	-	-	10
Demolish Sacred Heart PS	90	175	-	265
CO2 Monitors in Schools	66	-	-	66
Complete on site	-	150	-	150
<b><u>Education (Early Learning &amp; Childcare Expansion)</u></b>				
Larkfield Children's Centre - New Build	100	46	-	146
Rainbow Family Centre - Extension	90	24	-	114
Glenpark Early Learning Centre Outdoor Expansion - CFCR	10	-	-	10
Early Learning Centres Various - Direct Access / Canopies etc	85	-	-	85
<b><u>Education Total</u></b>	<b>2,201</b>	<b>2,550</b>	<b>5,500</b>	<b>10,251</b>
<b><u>Education, Communities &amp; Organisational Development Total</u></b>	<b>4,577</b>	<b>3,873</b>	<b>5,620</b>	<b>14,070</b>

General Fund Capital Programme - 2022/25Approved Programme

	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>Total £000</b>
<b><u>Health &amp; Social Care Partnership</u></b>				
Crosshill Childrens Home Replacement	56	50	-	106
New Learning Disability Facility	750	5,248	1,135	7,133
Swift Upgrade	900	201	-	1,101
Complete on Site	11	-	-	11
<b>Health &amp; Social Care Partnership Total</b>	<b>1,717</b>	<b>5,499</b>	<b>1,135</b>	<b>8,351</b>
<b>Total Expenditure</b>	<b>18,692</b>	<b>26,731</b>	<b>16,701</b>	<b>62,124</b>

**Appendix 6**

**Free Reserves**

	<u>£000</u>	<u>£000</u>
Balance 31/03/21 per 2020/21 Accounts		890
Projected Surplus/(Deficit) 2021/22 - Period 8 P&R		214
<u>Proposed Write back of Earmarked Reserves:</u>		
Jobs Refresh (Full Council - December 2021)	1550	
Loans Charges (Full Council - December 2021)	1500	
Capital Fund (Full Council - December 2021)	<u>1000</u>	4050
<u>Proposed Write Backs</u>		
Community Fund	25	
Covid Cleaning/PPE	120	
Employability Initiatives	100	
Anti Poverty Apprenticeship Programme	22	
Early Retiral /Voluntary Severance	(30)	
Revenue Contingency	3	
Community Support Fund	100	
Anti Poverty Fund- Contribution to Energy Bills	500	
Digital Devices	10	
Promotion and Tourism	50	
Covid Training	30	
Recruitment of Chief Executive	12	
Covid Contingency	1200	
Covid - Desks and Equipment	<u>23</u>	2165
<u>Scottish Government £120m one-off payment</u>		1858
<b>Projected Free Reserves 31/03/23</b>		<b><u><u>9177</u></u></b>

**Proposed Use of Free Reserves**

**Appendix 7**

Proposal	Proposal	Potential Financial Allocation £000
1. Contribution to IJB Budget 2022/23.	On the basis that the Council and IJB approve the updated proposals then £550k would be required as a one off contribution to the IJB in 2022/23.	550
2. Project Resource	Would fund either an internal or external resource to support the Task Force projects.	150
3. Support with energy bill costs.	Proposal to make a one off payment of £300 to all households (approx 10000) in receipt of Council Tax Reduction plus those exempt from paying Council Tax to help with the cost of living increases, especially fuel costs. Figure includes a £500k contribution from the Anti Poverty Fund earmarked Reserve	3000
4. Significant contribution to the replacement of the Comet replica.	Propose to allocate £500k as a significant contribution towards the replacement of the Comet Replica. Officers to examine external funding routes in addition to reporting back to Environment & Regeneration Committee regarding any remaining funds within the Port Glasgow Town Centre monies	500
5. Increased roads and footways investments.	Proposal to allocate £250k towards the ongoing PB exercise. Within this, projects total £800k and the sum available is £150k . Allocation of £250k would allow around 50% of projects to proceed and lead to a better spread of funding.	250
6. Reserves to smooth the 2023/24 and beyond Budgets	December Council agreed provisionally to allocate £2million to help smooth the transition away from the use of reserves to balance the Revenue Budget.	2000
7. 2022/25 Capital Programme Funding shortfall	Allocation of Reserves to ensure the shortfall in the 2022/25 Capital Programme was within acceptable limits	1275
8. Lady Alice Bowling Club	Contingency to meet the remaining estimated funding shortfall following the bowling club raising £38k from internal and external sources.	30
9. St Ninians Community Garden	To allow for completion of the Community Garden within the St Ninians School site.	120

**Proposed Use of Free Reserves**

**Appendix 7**

Proposal	Proposal	Potential Financial Allocation £000
10. Contribution to Play Areas Strategy	Contribution to supplement Scottish Government Funding to allow the refurbishment/upgrading of Play Area facilities in line with the Play Area Strategy.	100
11. Rankin Park Indoor Tennis Facility	Following the review of prices by IL's consultants it is proposed that the Council provisionally allocate up to a further £200k as the Council's 33% contribution to the project and officers engage with Sportscotland and the Lawn Tennis Association regarding their increased contribution. A final report will be presented to the Education & Communities Committee prior to the Council's contribution being finally approved.	200
12. Use of Reserves to reduce Prudential Borrowing.	As one of the savings to balance the 2022/23 Revenue Budget it is proposed to allocate £1million from Reserves to replace planned Prudential Borrowing in the 2022/25 Capital Programme	1000
		9175



**Council Tax Impact of a 1.95% Increase in 2022/23**

Band	Chargeable Properties*	Band Value	Multiplier	Annual Increase	Weekly Increase	2022/23 Council Tax
A*			200/360	£14.43	£0.28	£754.34
A	18,931 (47.83%)	£0 - £27,000	240/360	£17.32	£0.33	£905.21
B	6,250 (15.79%)	£27,001 - £35,000	280/360	£20.20	£0.39	£1,056.08
C	3,699 (9.35%)	£35,001 - £45,000	320/360	£23.08	£0.44	£1,206.94
D	3,441 (8.69%)	£45,001 - £58,000	360/360	£25.97	£0.50	£1,357.81
E	3,682 (9.30%)	£58,001 - £80,000	473/360	£34.12	£0.66	£1,784.01
F	1,924 (4.86%)	£80,001 - £106,000	585/360	£42.19	£0.81	£2,206.44
G	1,438(3.63%)	£106,001 - £212,000	705/360	£50.86	£0.98	£2,659.05
H	219 (0.55%)	£212,0001 +	882/360	£63.63	£1.22	£3,326.64

Note - Estimated to be 39,584 Chargeable Properties

AP/LA

14/02/2022

**Appendix 9**

2022/23 Revenue Budget  
Final Proposals

	<u>£000</u>	<u>£000</u>
Recurring Funding Gap - Post February Policy & Resources		6014
Use of Reserves		(4000)
		<u>2014</u>
Savings/Adjustments per Appendix 3		(1391)
1.95% Council Tax Increase		(623)
Remaining Funding Gap		<u>0</u>

Note

1% Council Tax raises £320k.

Finance Services

14/2/22

**COMMON GOOD FUND**  
**REVENUE BUDGET 2022/23**

Appendix 10

	Projected 2021/22	Budget 2021/22	Adjustment 2022/23	Budget 2022/23
<b>PROPERTY COSTS</b>	<b>34,500</b>	<b>29,000</b>	<b>0</b>	<b>29,000</b>
Repairs & Maintenance	9,000	9,000		9,000
Rates	24,500	19,000		19,000
Property Insurance	1,000	1,000		1,000
<b>ADMINISTRATION COSTS</b>	<b>14,100</b>	<b>7,700</b>	<b>0</b>	<b>7,700</b>
Sundries	7,900	1,500		1,500
Commercial Rent Management Charge	2,200	2,200		2,200
Recharge for Accountancy	4,000	4,000		4,000
<b>OTHER EXPENDITURE</b>	<b>18,800</b>	<b>61,500</b>	<b>0</b>	<b>61,500</b>
Christmas Lights Switch On	10,500	10,500		10,500
Gourock Highland Games	0	29,400		29,400
Armistice Service	8,300	8,300		8,300
Comet Festival	0	13,300		13,300
<b>INCOME</b>	<b>(110,220)</b>	<b>(105,000)</b>	<b>A (4,800)</b>	<b>(109,800)</b>
Gross Rent	(158,050)	(158,050)	(950)	(159,000)
Void Rents	47,930	53,550	(3,850)	49,700
Internal Resources Interest	(100)	(500)		(500)
<b>NET EXPENDITURE</b>	<b>(42,820)</b>	<b>(6,800)</b>	<b>(4,800)</b>	<b>(11,600)</b>

Projected Fund Balance as at 31st March 2022 £144,000

Projected Fund Balance as at 31st March 2023 £155,600

**Notes:**

**A Income**

Adjustment based on current occupancy levels and a general allowance for additional voids (see Note B) (4,800)

(4,800)

**B Occupancy assumptions;**

Projected Income (& Rates) assumes full occupancy with the exception of:

10 Bay St (assumed 30% occupancy on short term charity leases)

12 Bay Street (vacant, assumed let during year)

6 John Wood St (vacant, assumes no let during year)

10 John Wood St (vacant, assumes no let during year)

15 John Wood St (vacant, assumes no let during year)

In addition a further £10,000 allowance for Voids has been included to allow for potential vacancies arising during the year.

**C Recommended Fund Level**

The recommended minimum overall fund level is £100,000.

**Total Adjustments**

(4,800)

**Appendix 11**

**2023/25 Estimated Budget Gap**

	2023/24	2024/25	2023/25
	£m	£m	£m
1/ Estimated Block Grant Change	0.0	0.0	0.0
2/ Continuing cash cut due to Depopulation	1.0	1.0	2.0
3/ Inflation - Pay	2.2	2.2	4.4
- Non-Pay	1.0	1.0	2.0
4/ Pressures			
- General Pressures	0.6	0.6	1.2
5/ Savings Approved to Feb 2022 Council	(0.2)	0.0	(0.2)
6/ Reduction in use of Reserves	2.0	2.0	4.0
	<u>6.6</u>	<u>6.8</u>	<u>13.4</u>

- a/ Assumes the use of Reserves used in 2022/23 is withdrawn over 2023/25
- b/ Assumes flat cash for Local Government over 2023/25 and Council receives a grant cut due to depopulation
- c/ Pay Inflation allowance is around 2.5%
- d/ Assumes no new Prudential Borrowing above that already contained in the 2022/25 Capital Programme.
- e/ Before any Council Tax increase over 2023/25. (3% annual increase would raise £0.92 million)
- f/ Assumes 2022/23 approach to IJB funding continues
- g/ The GRG/NDRI assumption excludes any hypothecated grant increases eg: Teachers, Social Care support etc as these are ring fenced for specific purposes.

14.2.22

## 2022/23 Budget Consultation Process

### 1. Background

In 2019 a detailed budget consultation was undertaken covering the three year period 2020/23 and focussed on 30 budget savings, many similar to those being considered this year (2022/23). These were grouped around the three Council Directorates as well as additional questions on increased charges and Council Tax. There were 802 responses to the online budget simulator consultation with respondents asked to rank if savings had to be made, which ones they agreed with. In summary, support for the budget saving proposals ranged from 75% (Stop publication of InView) to 14% (Reduction of long term care placements for older people and adults).

The outcome was reported to the Policy and Resources Committee on 4th February 2020. A copy of the Policy and Resources report providing full details of the outcome of the 2019 budget consultation is available here <https://www.inverclyde.gov.uk/meetings/meeting/2235>

Since the last public budget consultation Inverclyde has had to collectively deal with the devastating impact of the Covid-19 pandemic. The pandemic has had a global economic impact which has put financial strain on national and subsequently local government's ability to undertake/fund public services.

Whilst the budget consultation which was conducted in 2019 covered the period up until 2023, this proposed budget has come after much collective sacrifice from Inverclyde's residents therefore it is extremely important that the residents of Inverclyde feel heard and that they have an influence over the decisions that are made regarding the most recent budget proposals. Through providing the residents with an opportunity to have their say we can foster a greater participatory environment that reflects their sacrifice throughout the pandemic.

### 2. Methodology

In the past the budget consultation was undertaken through the electronic Budget Simulator, which enabled the public to have a say on the specific savings of the budget. However, the approach this time was to consult on the priorities of high level areas through a number of different mediums:

- An online budget survey was developed and publicised through the councils corporate communications processes including social media
- Paper copies of the survey made available
- A schools pupil representatives meeting was held to gauge the opinion of our young people.
- Six listening events were held with the locality Communication and Engagement Groups

#### Online Budget Survey

The online budget survey itself was a ranking tool in which the participants ranked 9 areas in order of what they would prioritise to close the budget gap.

The 9 areas they could rank were:

1. Increase Council Tax

2. Increase other Charges for Council Services
3. Reduce Libraries/Communities/Culture Services
4. Reduce Support to Schools
5. Reduce Welfare Rights/Money Advice
6. Reduce Services to Older & Vulnerable People
7. Reduce Environmental Services
8. Reduce Registrars/Burial Grounds Services
9. Reduce Public Protection Services

### Paper Copies

Printed copies of the survey consultation were made available at all public libraries throughout Inverclyde and support available from staff available to complete if required.

### School Reps Meeting

There was also a meeting held with school pupil representatives on the 20<sup>th</sup> of January 2022. This was undertaken to gauge the opinion of Inverclyde's young people. Involving our young people in the consultation process helps both the consultation itself via the data gathered, and helps empower younger people through the participatory nature of the consultation. The students involved were pupil representatives from primary, secondary and special schools across Inverclyde.

### Communication and Engagement Listening Events

There were six listening meetings in total from the 13<sup>th</sup> until the 24<sup>th</sup> of January. Each meeting was aimed at a different locality:

- Greenock South/South West (13<sup>th</sup> January)
- Inverkip/Wemyss Bay (17<sup>th</sup> January)
- Greenock West/Gourock (18<sup>th</sup> January)
- Port Glasgow (19<sup>th</sup> January)
- Greenock East/Central (20<sup>th</sup> January)
- Kilmacolm and Quarriers Village (24<sup>th</sup> January)

The presentation to the communication and engagement events involved a budget overview with discussion on closing the budget gap, council tax, other charges, saving options and then a group feedback session. The Corporate Director, Education, Communities & Organisational Development led these engagement groups along with other senior officers from the council who would discuss aspects of the budget with the public.

Once the listening event was finished the participants were encouraged to complete the online budget survey. Through the survey the participants were able to select which locality they were from, this provides us with greater comparative capabilities regarding the difference in priorities and the locality of the participant.

Making sure that council employees were involved in the engagement process was vital to gaining trust amongst the participants in the listening events. Through these events a stronger relationship between the council and citizen was created, and this was greatly impacted by the participation of high level council employees.

### 3. Consultation Responses

#### Online and Paper Budget Survey Responses

149 responses were received in total, which included 42 forms which had been submitted in paper format and then uploaded to the online survey. The responses also include the 18 respondents who had attended one of the listening events and then completed the online survey.

Of those who completed the online survey (all 149 responses), Table 1 shows their rankings against each budget proposal. This is ranked with 1 being the most favourable saving to be taken to 9, the least favourable. As can be seen, *Increasing other Charges for Council services* was the most favourable and *Reducing Services to Older People* least favourable.

Table 1

<b>Priority</b>	<b>Score</b>	<b>Rank</b>
Increase other Charges for Council Services	650	1
Reduce Public Protection Services (community wardens)	684	2
Reduce Welfare Rights/Money Advice	693	3
Reduce Libraries /Communities /Culture Services	710	4
Registrars/Burial Grounds Services support)	750	5
Reduce Environmental Services	774	6
Increase Council Tax	787	7
Reduce Support to Schools (family support)	806	8
Reduce Services to older people	986	9

#### School Reps Meeting

The meeting involved 14 pupil representatives from primary, secondary and special schools across Inverclyde. Table 2 shows their rankings against each budget proposal. As can be seen, reducing *Public Protection Services* was the most favourable and was reducing support to *Schools and Family*, least favourable.

Table 2

<b>Priority</b>	<b>Score</b>	<b>Rank</b>
Reduce Public Protection Services (community wardens)	39	1
Registrars/Burial Grounds Services support)	52	2
Reduce Welfare Rights/Money Advice	56	3
Reduce Environmental Services	66	4
Reduce Services to older people	74	5
Reduce Libraries /Communities /Culture Services	81	6
Increase Council Tax	84	7
Increase other Charges for Council Services	88	8
Reduce Support to Schools (family support)	88	9

### Communication and Engagement Listening Events

51 people attended the Communication and Engagement Listening events. Of those, 18 respondents completed the online survey and had attended a specific event as detailed in Table 3.

Table 3

<b>Locality</b>	<b>%</b>	<b>Total</b>
Greenock South/South West (13 January)	38.89%	7
Inverkip/Wemyss Bay (17 January)	22.22%	4
Greenock West/Gourock (18 January)	22.22%	4
Port Glasgow (19 January)	0.00%	0
Greenock East/Central (20 January)	11.11%	2
Kilmacolm and Quarriers Village (24 January)	5.56%	1

Of those who completed the online survey (18 responses), Table 4 shows their rankings against each budget proposal with the most favourable being *Increasing other Charges for Council Services* and least favourable to be taken was *Reducing Services to Older People*.

Table 4

<b>Priority</b>	<b>Score</b>	<b>Rank</b>
Increase other Charges for Council Services	385	1
Reduce Public Protection Services (community wardens)	416	2
Increase Council Tax	454	3
Reduce Welfare Rights/Money Advice	479	4
Reduce Libraries /Communities /Culture Services	500	5
Reduce Registrars/Burial Grounds Services	528	6
Reduce Environmental Services	540	7
Reduce Support to Schools (family support)	541	8
Reduce Services to older people	702	9

The listening events provided much more valuable feedback to be gained through the discussions. Comments from members of the community who engaged in the 6 listening events ranged from a sense of frustration that there may be important services being lost, to an understanding and appreciation of the decisions that are required to be made at this time. This feedback is split under the three headings of:

(a) Feedback on Increasing Council Tax and Increasing Charges

The discussion included the community looking for further clarification regarding the wider council budget and also a number of the groups asked about the impact of increasing the Council Tax would have on people who are already living on a low income and also those living above the threshold for benefit support. Some concerns were raised as to whether this would increase the number of people living in poverty.



Increasing Council Tax was a favourable option for many as it seemed the fairest way, however many felt the % increase required in Council Tax to close the budget gap would be difficult.

In terms of increasing other charges, concerns were raised related to parking particularly in relation to attracting new people to Inverclyde, and some people felt the uncertainty of where and how long you can park was not helpful.

#### (b) Feedback on areas for service reductions and savings

From the discussions, while many understood the need for service redesign and improvement many were unwilling to suggest savings that will have a further negative impact on the most vulnerable. Concerns regarding the services for older people which had been impacted due to Covid 19 were raised and the consensus was that these services should not be reduced further.

Feedback was received that we needed to recognise the impact that Covid 19 pandemic has had on young people and reducing youth services will have a longer term detrimental impact on the wider community.

The reduction of services such as the Warden Service (Social Protection Team) was very mixed, some people could visually see the impact that the wardens have in their area.

Many of those who attended the listening events did not have strong opinions on the services such as grass cutting, refuse collection or increasing charges for registrars and burial grounds.

Attendees clearly understood the necessity to review and redesign services to meet demand, however many of those who attended were reluctant to suggest savings that would impact on reducing staff as this may have an impact on the wider issue of poverty in the community.

#### (c) Other areas for discussion

In addition to sharing their thoughts on the areas for budget proposals there was a range of discussions on other areas of council spend and the need to show value for money and impact.

### **4. Feedback on the Consultation Process**

Given the changes to the methodology used for this consultation, it was deemed essential to evaluate this approach. Feedback was sought from officers involved in the consultation, staff feedback and also feedback from the community at the events.

#### Advantages

- The approach avoided “consultation fatigue” and avoided duplication of collating information that the Council already held
- The approach allowed for the current context e.g. impact of Covid-19 to be taken into account
- People who attended the events were not attending because of specific savings areas and therefore considered the totality of the budget process

- Asking communities to prioritise general areas fed into good discussion about the difficult decisions facing local government
- The listening events alongside the survey allowed communities to ask questions about how budgets are allocated and also to feedback specific thoughts/issues
- It allowed for people to become engaged in communication and engagement groups linked to locality planning
- Asking for priorities when pitched against each other appears to be a good model
- A listening event was held with young people representatives and the model worked well
- Information about different ways services receive budgets could be communicated through the listening events
- Some people fed back they liked the format because it allowed communities to understand a bit more about the process

### Disadvantages

- Many of those who filled in the survey did not attend the listening event, so effectively another survey was given out
- Participants stated that the broad areas were too wide to make an informed decision and felt they wanted to see more specific savings linked to monetary value
- Staff felt that the broad areas chosen did not fully reflect the different types of savings within that area e.g. libraries being linked with CLD and cultural services
- 6 events were held and although more people signed up, the overall attendance was low.