

**THE INVERCLYDE COUNCIL – 29 FEBRUARY 2024**

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**The Inverclyde Council**

**Thursday 29 February 2024 at 4pm**

**Present:** Provost McKenzie, Councillors Armstrong, Brennan, Brooks, Cassidy, Clocherty, Crowther, Curley, Daisley, Jackson, Law, McCabe, McCluskey, McCormick, McGuire, McVey, Moran, Nelson, Quinn, Reynolds, Robertson and Wilson.

**Chair:** Provost McKenzie presided.

**In attendance:**

Louise Long	Chief Executive
Alan Puckrin	Chief Financial Officer
Ruth Binks	Corporate Director Education, Communities & Organisational Development
Kate Rocks	Chief Officer, Inverclyde Health & Social Care Partnership
Stuart Jamieson	Director Environment & Regeneration
Iain Strachan	Head of Legal, Democratic, Digital & Customer Services
Vicky Pollock	Legal Services Manager
Mary McCabe	Finance Manager (Education & Communities)
Matt Thomson	Finance Manager (Environment & Technical)
Tracy Bunton	Revenue & Benefits Manager
Allan MacDonald	Digital & Customer Service Manager
Barbara McQuarrie	Organisational Development & Human Resources Manager
Diane Sweeney	Senior Committee Officer
Lindsay Carrick	Senior Committee Officer
Karen MacVey	Members' & Committee Services Team Leader
PJ Coulter	Corporate Communications Officer (Media Relations)

The meeting was held at the Municipal Buildings, Greenock with Councillor Wilson attending remotely.

**114      Apologies and Declarations of Interest      114**

No apologies for absence or declarations of interest were intimated.

**115      Mr Iain Strachan      115**

Prior to the commencement of business Provost McKenzie referred to Mr Strachan, Head of Legal, Democratic, Digital & Customer Services, and his forthcoming departure from the Council. The Provost thanked Mr Strachan for his service and wished him well in his future post.

On the motion of Provost McKenzie, it was unanimously agreed that Standing Orders be suspended to permit the reading of speeches and flexibility on the length of speeches.

**116      2024/26 Revenue Budget, 2024/28 Capital Programme and approval of the 2024/25 Band D Council Tax      116**

There was submitted a report by the Chief Financial Officer (1) seeking approval of the Council's 2024/26 Revenue Budget and 2024/28 Capital Programme, and (2) thereafter seeking approval of the Band D Council Tax for the year 2024/25, together with an

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addendum report '2024/26 Budget Addendum – Status of the £62.7m' by the Chief Executive.

Following discussion, Councillor McCabe, seconded by Councillor McGuire, moved:

"That the Council notes it has considered the results to both phases of the Council's Budget Consultation and has had due regard to the Equality Impact Assessments, the Fairer Scotland Duty Assessment, the UNCRC Impact Assessment and the principles of the Armed Forces Covenant, all as relating to the savings and proposals set out in the Chief Financial Officer's report, and as referred to in Section 6 of the report;

That the Council approve all the recommendations contained in the Chief Financial Officer's report, subject to those adjustments detailed in the Motion as circulated (document '2024/26 Budget Proposal – Labour Group and Councillors McKenzie and McVey – 29<sup>th</sup> February 2024' - which forms appendix 1 to the minute);

That the Council approve the savings options as detailed in Appendix 2 to the Motion as circulated, together with the use of Reserves where noted;

That the Council approve officers conducting the 5 reviews detailed in Appendix 2 to the Motion as circulated, the outcomes of which will be reported to the relevant strategic committee for consideration during 2024; and

That the Council approve the following Council Tax Resolution: That Council Tax be increased by 8.2% in 2024/25 meaning that the level of Band D Council Tax for Inverclyde for 2024/25 be £1,547.01."

As an Amendment Councillor Curley, seconded by Councillor Armstrong, moved:

"That the Council notes it has considered the results to both phases of the Council's Budget Consultation and has had due regard to the Equality Impact Assessments, the Fairer Scotland Duty Assessment, the UNCRC Impact Assessment and the principles of the Armed Forces Covenant, all as relating to the savings and proposals set out in the Chief Financial Officer's report, and as referred to in Section 6 of the report;

That the Council approve all the recommendations contained in the Chief Financial Officer's report, subject to those adjustments detailed in the Amendment as circulated including the additional use of Reserves where noted (document '2024/25 Budget Proposal – SNP – 29<sup>th</sup> February 2024' - which forms appendix 2 to the minute); and

That the Council approve the following Council Tax Resolution: That the level of Council Tax in 2024/25 be frozen at 2023/24 levels, and that the level of Band D Council Tax for Inverclyde for 2024/25 be £1,429.77."

As a further Amendment, Councillor Quinn seconded by Councillor Reynolds moved:

"That the Council wishes to freeze Council Tax for 24/25 but it is not yet able to do so as it does not yet have the certainty that additional grant monies will be available to the Council from the Scottish Government.

The Council requests confirmation of this grant being available to the Council from the Scottish Government by 5pm Thursday 7<sup>th</sup> March. As such, the Council agrees to defer consideration of the Council Budget for 2024/26 to a Special meeting to be held at 4pm on Friday 8<sup>th</sup> March."

The meeting was adjourned at 5pm and reconvened at 5.13pm.

At this point in proceedings it was agreed that the further Amendment by Councillor Quinn seconded by Councillor Reynolds was acceptable to Councillor Curley and Councillor Armstrong, who withdrew their Amendment.

Following a roll call vote, 9 Members, Councillors Armstrong, Crowther, Curley, Daisley, Law, Nelson, Quinn, Reynolds and Robertson voted in favour of the further Amendment, and 11 Members, Provost McKenzie, Councillors Brennan, Cassidy, Clocherty, Jackson, McCabe, McCluskey, McCormick, McGuire, McVey and Moran voted in favour of the Motion which was declared carried. Councillors Brooks and Wilson abstained from voting.

**Decided:**

- (1) that the contents of the report, appendices, addendum and the updates provided, including the continued uncertainty regarding elements of the funding settlement for the Council, be noted;
- (2) that the Council notes it has considered the results to both phases of the Council's Budget Consultation and has had due regard to the Equality Impact Assessments, the Fairer Scotland Duty Assessment, the UNCRC Impact Assessment and the principles of the Armed Forces Covenant, all as relating to the savings and proposals set out in the Chief Financial Officer's report, and as referred to in Section 6 of the report;
- (3) that the following be approved subject to those adjustments detailed in the Motion as circulated:
  - (a) the contribution to the Inverclyde Integration Joint Board (IJB) of £73.714million in 2024/25, as set out in appendix 2 to the report, and that authority be delegated to the Chief Executive to agree with the IJB the specifics of how the one-off and recurring saving arising from the actuarial review of employer pension contributions be utilised to support pressures within Social Work/Social Care, noting that this requires approval by the IJB in March 2024;
  - (b) the adjustments and efficiencies set out in appendix 3 to the report totalling £1.227million;
  - (c) recurring funding of £75,000 to meet the policy development proposals set out at paragraph 3.20 of the report relating to Free Summer Playschemes and payment of the Real Living Wage to Apprentices, the latter being subject to a further report to the Policy & Resources Committee;
  - (d) the 2024/28 Capital Programme as set out in appendix 6 to the report, including the allocation of £4.4million from Reserves and the deletion of the planned Dog Park project;
  - (e) the use of Reserves as set out in appendix 7 to the report, including the creation of a Sinking Fund to meet potential future costs associated with the closure/disposal of Council assets;
  - (f) the 2024/25 Common Good Budget as set out in appendix 8 to the report, including the transfer of the Shore Street, Gourock public convenience to the Common Good from 1 April 2024; and
  - (g) the Loans Charge Principal Repayments Policy as detailed at appendix 11 of the report;
- (4) that the Council notes (a) the risks around the receipt of a further £62.7 million, as referred to at appendix 1b of the report, and (b) that receipt of the Council's share of this sum will be conditional on the Council freezing Council Tax in 2024/25;
- (5) that it be noted that an update on the Council's 2024/25 Budget will be presented to the 26 March 2024 Policy & Resources Committee;
- (6) that the reduction in the budgeted Council Tax collection rate to 96.5% for 2024/25 be noted;
- (7) that the estimated funding gap of £16.8million over 2025/28, as set out in appendix 9 to the report, and the observations from the Chief Financial Officer at paragraphs 6.2 and 6.3 of the report regarding the significant challenges which lie ahead, be noted;
- (8) that the Council approve the savings options as detailed in Appendix 2 to the Motion as circulated, together with the use of Reserves where noted;
- (9) that the Council approve officers conducting the five reviews detailed in Appendix 2 to the Motion as circulated, the outcomes of which will be reported to the relevant strategic committee for consideration during 2024; and
- (10) that the Council approve the following Council Tax Resolution: That Council Tax be increased by 8.2% in 2024/25 meaning that the level of Band D Council Tax for Inverclyde for 2024/25 be £1,547.01.

**2024/26 Budget Proposal**

**Labour Group and Councillors**  
**McKenzie and McVey**

**29<sup>th</sup> February 2024**

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Appendix 1 – 2024/26 Budget Summary

Appendix 2 – Savings

Appendix 3 – Reserves

Appendix 4 – Council Tax 2024/25 by Banding

Appendix 5 – 2025/28 Updated Position

Budget ProposalBalanced 2024/26 Budget based on a 8.2% Increase in Council Tax in 24/25 and 6.0% in 25/26

	2024/25 <u>£000</u>	2025/26 <u>£000</u>
Gap per Appendix 5 of 29.2.24 Report	2544	3035
Add back prior years use of reserves	3000	2628
<b>Budget Proposal- 29.2.24 Council:</b>		
Savings proposed	-46	-403 Appendix 2
Council Tax increase- 24/25 & 25/26	-2870	-2272 Note 1
Proposed use of Reserves	-2628	-2988 Appendix 3
<b>Funding Gap</b>	<u>0</u>	<u>0</u>

## Notes

1. Based on 96.5% collection rate

26.2.24

Appendix 2

Proposed Savings

2024/26 Budget Proposal - Labour/Councillors McKenzie & McVey

Directorate	Est Saving 2024/25 £000's	Est Saving 2025/26 £000's	Est Saving 2026/27 £000's	Est Savings Total £000's	Est FTE Impact
Chief Executive Services	-	-	-	-	-
Environmental and Regeneration	-	210	-	210	-
Education, Communities and Organisational Development	46	193	-	239	-
	<b>46</b>	<b>403</b>	<b>-</b>	<b>449</b>	<b>-</b>

Reviews to be progressed by CMT

1. Options for a sustainable solution to Gourrock Civic Amenity site provision
2. Review of Grants to Community Organisations criteria/process
3. Review Homelink provision as part of a Family Support Services Review
4. Review all School Crossing Patroller sites against national criteria
5. Options to make best use of Breakfast Club funding including review of charging

**All to be reported to the relevant Strategic Committee during 2024.**

Chief Executive Services Savings Summary  
2024/26 Budget Proposal - Labour/Councillors McKenzie & McVey

Saving Title	Proposal	Est Saving 2024/25 £000's	Est Saving 2025/26 £000's	Est Saving 2026/27 £000's	Est Savings Total £000's	Est FTE Impact
				-	-	
		-	-	-	-	-



**Environmental & Regeneration Savings Summary**  
**2024/26 Budget Proposal - Labour/Councillors McKenzie & McVey**

Saving Title	Proposal	Est Saving 2024/25 £000's	Est Saving 2025/26 £000's	Est Saving 2026/27 £000's	Est Saving Total £000's	Est FTE Impact	Comments
Employability	Reduction in employability services	-	100	-	100	-	Add £300k to employability EMR
Roads	Transfer of pothole patching and road markings to capital	-	110	-	110	-	Add £330k to 2025/28 RAMP Capital from Capital Programme contingency
		-	<b>210</b>	-	<b>210</b>	-	

**Education, Communities & Organisational Development Savings Summary**  
**2024/26 Budget Proposal - Labour/Councillors Mckenzie & McVey**

Saving Title	Proposal	Est Saving 2024/25 £000's	Est Saving 2025/26 £000's	Est Saving 2026/27 £000's	Est Savings Total £000's	Est FTE Impact
Community Grants Fund	Reduction in grants available to community organisations from 2028/29	-	25	-	25	-
Clothing Grant	Implement National Qualifying criteria for Clothing Grants from 2028/29	-	100	-	100	-
Clothing Grant Primary	Reduce to National Award from 2028/29	-	42	-	42	-
Free School Meals	Implement National Qualifying criteria for Free School Meals from 2028/29	43	15	-	58	-
EY Transport	Cease transport to Bluebird & Glenbrae Centres	3	11	-	14	-
		<b>46</b>	<b>193</b>	<b>-</b>	<b>239</b>	<b>-</b>

Use £75k from Reserves to defer impact to 2028/29  
Fund from Anti Poverty EMR for 3 years  
Fund from Anti Poverty EMR for 3 years  
Fund from Anti Poverty EMR for 4 years  
Saving is vehicle/overhead costs only

Use of Available Reserves

	<u>£m</u>	
Balance available - Appendix 7 29.2.24 Report	1.250	
Reduced Reserves required for the 24/26 Revenue Budget	0.384	Appendix 1
Defer savings impact to 2028/29	-0.875	Note 1
Remaining balance	<u>0.759</u>	

Note 1

Made up of £500k top up to the Anti-Poverty EMR, £300k top up to Employability EMR and £75k into a Community Grants EMR to delay impact of all three to 2028/29

26/2/24

**Weekly Impact of 8.2% Increase by Banding**

Band	Chargeable Properties*	Band Value	Multiplier	Annual Increase	Weekly Increase	2024/25 Council Tax
A*			200/360	£65.13	£1.25	£859.45
A	17,379 (46.16%)	£0 - £27,000	240/360	£78.16	£1.50	£1,031.34
B	5,992 (15.91%)	£27,001 - £35,000	280/360	£91.19	£1.75	£1,203.23
C	3,697 (9.82%)	£35,001 - £45,000	320/360	£104.21	£2.00	£1,375.12
D	3,441 (9.14%)	£45,001 - £58,000	360/360	£117.24	£2.25	£1,547.01
E	3,613 (9.60%)	£58,001 - £80,000	473/360	£154.04	£2.96	£2,032.60
F	1,898 (5.04%)	£80,001 - £106,000	585/360	£190.52	£3.66	£2,513.89
G	1,418 (3.77%)	£106,001 - £212,000	705/360	£229.60	£4.42	£3,029.56
H	214 (0.57%)	£212,001 +	882/360	£287.24	£5.52	£3,790.18

Note - Estimated to be 37,652 Chargeable Properties

**2025/28 Budget Gap - Labour/Cllrs McKenzie & McVey**

	<u>2025/26</u> £m	<u>2026/27</u> £m	<u>2027/28</u> £m	<u>2025/28</u> £m
Block Grant Increase	0.0	0.0	0.0	0.0
Continuing Impact of Depopulation	0.5	0.6	0.6	1.7
Inflation - Pay	3.5	4.0	3.4	10.9
- Non-Pay	1.0	1.0	1.0	3.0
Pressures				
- General Pressures	0.5	0.5	0.5	1.5
- Prudential Borrowing	0.1	0.1	0.1	0.3
Savings/Council Tax Approved to 29.2.24	(5.6)	0.0	0.0	(5.6)
Reduced Use of Reserves	-	1.0	1.0	2.0
Funding Gap	<u>-</u>	<u>7.2</u>	<u>6.6</u>	<u>13.8</u>

a/ £3.0m from Reserves used in 2025/26 and is reduced by £1.0m/year over 2026/29.

b/ Reduced impact of depopulation assumes 0.3% Floor for 2025/28

c/ Pay & Non-Pay inflation and Pressures excludes HSCP

d/ Assumes no new Prudential Borrowing above that already contained in the Loans Charges Model.

e/ Includes no Council Tax increase after 2025/26. (3% annual increase would raise £1.2 million per year)

f/ The movement in Block Grant excludes hypothecated funding increases as these are ring fenced for specific purposes

<u>Key Assumptions</u>	<u>2025/26</u> %	<u>2026/27</u> %	<u>2027/28</u> %
GRG/NDRI Cash Movement	0.0	0.0	0.0
Pay Inflation	3.0	3.0	2.5

# **2024/25 Budget Proposal**

## **SNP**

**29<sup>th</sup> February 2024**

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Appendix 1 – 2024/25 Budget Summary

Appendix 2 – Reserves

Appendix 3 – Council Tax 2024/25 by Banding

Appendix 4 – 2025/28 Updated Position

**Budget Position based on a Council Tax Freeze in 24/25**

	2024/25 <u>£000</u>
Gap per Appendix 5 of 29.2.24 Report	2544
Add back prior years use of reserves	3000
<b>Budget Proposal- 29.2.24 Council:</b>	
Savings Proposed	0
Council Tax Freeze Grant	-1871 Note 1
Proposed use of reserves	-3103 Note 2
Prudent Increased Funding per 3.9	-570 Note 3
<b>Funding Gap</b>	<u>0</u>

## Notes

1. Council Tax Freeze Grant in 24/25
2. £103k is a One- off use of reserves 2024/25
3. Excludes potential share of £17.7m linked to Spring Budget

26.2.24



Use of Available Reserves- SNP Group

	<u>£m</u>	
Balance available - Appendix 7 of main report	1.25	
One-off use of Reserves in 2024/25	-0.103	Note 1
Remaining balance	<u>1.147</u>	

Note 1

In the event that none of the £62.7m is received then the £570k currently assumed can be met from Reserves on a one-off basis whilst if the sum received is greater than £570k then the use of reserves in 24/25 will reduce commensurately

AP/LA  
26/2/24

**SNP Budget Proposal- Freeze Council Tax in 2024/25**

Band	Chargeable Properties*	Band Value	Multiplier	Annual Increase	Weekly Increase	2024/25 Council Tax
A*			200/360	£0.00	£0.00	£794.32
A	17,379 (46.16%)	£0 - £27,000	240/360	£0.00	£0.00	£953.18
B	5,992 (15.91%)	£27,001 - £35,000	280/360	£0.00	£0.00	£1,112.04
C	3,697 (9.82%)	£35,001 - £45,000	320/360	£0.00	£0.00	£1,270.91
D	3,441 (9.14%)	£45,001 - £58,000	360/360	£0.00	£0.00	£1,429.77
E	3,613 (9.60%)	£58,001 - £80,000	473/360	£0.00	£0.00	£1,878.56
F	1,898 (5.04%)	£80,001 - £106,000	585/360	£0.00	£0.00	£2,323.38
G	1,418 (3.77%)	£106,001 - £212,000	705/360	£0.00	£0.00	£2,799.97
H	214 (0.57%)	£212,001 +	882/360	£0.00	£0.00	£3,502.94

Note - Estimated to be 37,652 Chargeable Properties

**2025/28 Budget Gap - SNP Group**

	<u>2025/26</u> £m	<u>2026/27</u> £m	<u>2027/28</u> £m	<u>2025/28</u> £m
Block Grant Increase	0.0	0.0	0.0	0.0
Continuing Impact of Depopulation	0.5	0.6	0.6	1.7
Inflation - Pay	3.5	4.0	3.4	10.9
- Non-Pay	1.0	1.0	1.0	3.0
Pressures				
- General Pressures	0.5	0.5	0.5	1.5
- Prudential Borrowing	0.1	0.1	0.1	0.3
Savings/Council Tax Approved to 29.2.24	(2.5)	0.0	0.0	(2.5)
Reduced Use of Reserves	0.1	1.0	1.0	2.1
Funding Gap	<u>3.2</u>	<u>7.2</u>	<u>6.6</u>	<u>17.0</u>

**Anticipated that further Spring Budget Funding will reduce use of Reserves in 24/25 & also 2025/26 Funding Gap**

- a/ £3.1m from Reserves used in 2024/25 and £3.0m 2025/26 and is reduced by £1.0m/year over 2026/29.
- b/ Reduced impact of depopulation assumes 0.3% Floor for 2025/28
- c/ Pay & Non-Pay inflation and Pressures excludes HSCP
- d/ Assumes no new Prudential Borrowing above that already contained in the Loans Charges Model.
- e/ Includes no Council Tax increase after 2025/26. (3% annual increase would raise £1.2 million per year)
- f/ The movement in Block Grant excludes hypothecated funding increases as these are ring fenced for specific purposes

<u>Key Assumptions</u>	<u>2025/26</u> %	<u>2026/27</u> %	<u>2027/28</u> %
GRG/NDRI Cash Movement	0.0	0.0	0.0
Pay Inflation	3.0	3.0	2.5