

BUDGET APPROACH

1. INTRODUCTION

- 1.1 The purpose of this report is to update the Policy and Resources Committee on the budget approach for 2024-25 and provide a high level draft budget timetable.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Policy and Resources Committee:
- (a) Agree the 2024-25 budget approach as set out in this report; and
 - (b) Agree the creation of a Budget Working Group as set out in paragraph 4.2.

3. BUDGET OUTLOOK

- 3.1 The budget outlook position is continually monitored with an update reported to each Policy and Resources Committee. The latest budget outlook which is included within today's agenda advises that in the mid-range scenario, the budget gap estimated over the five year period 2024-25 to 2028-29 is £23.795m with a gap of £6.762m in 2024-25.

4. 2024-25 BUDGET APPROACH

- 4.1 Officers have already commenced discussions on a budget approach for 2024-25.

Budget Working Group

- 4.2 As part of the budget setting process, the last three years have seen the creation of a cross party Budget Working Group (BWG) comprising of six Members from the administration, three Members from the opposition and two Trade Union representatives. The BWG did not have any decision making authority but could report to and make recommendations to either the Council or the Policy and Resources Committee. Its primary purpose was to engage with officers and provide scrutiny on the identification of savings options as they were developed.
- 4.3 Given the significant budget gap over the next five years it is recommended that a similar group is established to support the 2024-25 budget approach.

Budget Consultation

- 4.4 The Council is facing a challenging budget gap and in order to bridge this gap Service reductions are inevitable which in turn affects our Communities. A Budget Simulator has been created which will allow the public to engage with the Council and understand potential implications of budget decisions at a high level.
- 4.5 The budget simulator is presented at activity level and allows the user to reduce spending across each area and also includes narrative explaining the consequences of the choices made. There is also a section on income generation including Council Tax where the user can indicate whether they would be willing to pay more council tax in order to minimise reductions to Council Services.
- 4.6 The user must achieve a “balanced budget” upon completion of the simulator. This consultation will not only assist officers and Members when looking at budget options but will also assist the Community in understanding the difficult choices the Council faces with continued real term settlement reductions from Scottish Government.
- 4.7 Once all data has been uploaded into the budget simulator it is the intention to hold a Members Seminar and also have a focus group to test the simulator, prior to it going live on 19 June 2023.

5 Budget Timetable

- 5.1 A high level budget timetable has been produced and is included in Appendix 1. The timetable includes the following:
- 19th June 2023 – budget simulator goes live to the public
 - August 2023 – results from budget consultation collated
 - September 2023 – meeting of Budget Working Group
 - October 2023 – P&R Committee.

Should further budget working groups be necessary in addition to those within the timetable these can be scheduled as required. A Members Seminar has been scheduled for the end of January prior to the budget pack being published.

6. CONCLUSION

- 6.1 Officers continue to monitor the budget outlook position regularly and update and report to Members any changes. The Council is facing a significantly challenging budget gap which will likely require some services to be stopped in order to balance the budget.
- 6.2 A budget approach has been developed by ELT alongside a budget timetable and a set of proposals will be brought forward in due course for consideration.

7. IMPLICATIONS

- 7.1 Policy – sets out that budget approach that will inform policy decisions.
- 7.2 Financial – Sets out the budget position as reported in the budget outlook.
- 7.3 Legal – None directly from this report but the Council will need to balance the budget.
- 7.4 HR – None directly from this report but there is a strong link between HR and budgets.
- 7.5 Fairer Scotland Duty – See below
 - 7.5.1 - Equalities – None directly from this report but any proposals to address the estimated budget gap will need to consider equality issues.
 - 7.5.2 - Socio Economic Duty - None directly from this report but any proposals to address the estimated budget gap will need to consider socio economic issues.
 - 7.5.3 - Islands Duty - None directly from this report but any proposals to address the estimated budget gap will need to consider any island specific issues.
- 7.6 Climate Change – The Council is committed to addressing climate change and reviews how Services are delivering this on an ongoing basis within the available budget resources.
- 7.7 Risk - None directly from this report but any proposals to address the estimated budget gap will need to consider risk.
- 7.8 Customer Service - None directly from this report but any proposals to address the estimated budget gap will need to consider customer service.

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APPENDICES:

Appendix 1 – 2024-25 Draft Budget Timetable

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2024-25 DRAFT BUDGET TIMETABLE

APPENDIX 1

Date	Event	Purpose
11 May 2023	P& R Committee	Budget Outlook and the proposed Budget Approach.
W/C 5 th June 2023	Members Seminar	Demonstration of budget simulator and feedback from Members.
W/C 5 th June 2023	Testing of budget simulator	Focus group to test budget simulator.
19 June 2023	Budget Simulator	Budget Simulator goes live to public until 11 th August 2023.
July/August	Officers Development of Potential Savings Options	Officers working through savings to be explored further.
August 2023	Budget Simulator Results	Collation of results from budget simulator process
September 2023	Budget Working Group	Updated budget gap, results of budget simulator and provide information on emerging options.
Month of September	Officers Development of Potential Savings Options	Officers working through savings to be explored further.
11 October 2023	P&R Committee	Updated Budget Outlook 2024/25 to 2028/29, results of budget simulator and consideration of identified savings options.
Post P&R Committee	Employee statutory consultation/Trade Union Consultation where/if required.	Where/if required employee statutory consultation period begins for those at risk of redundancy and also consultation with Trade Unions.
Late October 2023	Budget Working Group	Update on emerging saving options.
7 December 2023	P&R Committee	Updated Budget Outlook 2024/25 to 2028/29 and consideration of identified savings options.
Post P&R Committee	Employee statutory consultation/Trade Union Consultation where/if required.	Where/if required employee statutory consultation period begins for those at risk of redundancy and also consultation with Trade Unions.
Mid December 2023 (estimated)	SG Budget Announcement	
Week beginning 18 December 2023	Budget Working Group	Update following SG Budget Announcement.
Week beginning 15 January 2024	Budget Working Group	Update on proposals to balance the budget.
End of January 2024	Elected Members Seminar	Budget 2024/25 Update.
8 February 2024	Budget Pack published	Budget pack included in release of P&R papers. Including: Individual EqSEIA's; EqSEIA covering budget as a whole.
15 February 2024	P&R Committee	Consider budget proposals and make recommendations to Council.
Mid February 2024	EJCC	Budget 2024/25 Update.
22 February 2024	Council	Set Budget.