

West Lothian Council facing difficult budget decisions

West Lothian faces imposing its harshest ever spending cuts following The Scottish Government's funding settlement for councils.

Core funding has been cut by more than £1million, while plans to raise £6million from a 5.8% rise in council tax are threatened after the surprise intervention by First Minister Humza Yousaf last year, when he announced a council tax freeze

The compensatory funding from Holyrood will not match the money that would be raised from raising council tax, Finance Director Patrick Welsh told the council's Executive this week.

Council officers are currently working on savings plans, but cuts will be inevitable. Those areas which escaped last year could find themselves threatened this year.

The council's projected budget gap will increase. This budget model assumes a cash freeze for core funding while a cash cut of £1.015 million is forecast and the funding for the council tax freeze will mean a further £1.165 million shortfall.

In December, the council reported that it faced an estimated gap over the four years of £36.2 million. It is now inevitable that the budget gap will increase as a result of the Scottish Draft budget.

In a report to the Executive, Mr Welsh said: "COSLA have calculated a reduction in core funding for councils of £62.7

million in 2024/25. For West Lothian, the comparable decrease in core funding compared to 2023/24 is currently estimated at £1.015 million. In addition, the level of Scottish Government funding to the council for council tax compensation will result in an estimated additional shortfall of £1.165 million.”

The Scottish Government directly funds 80% of West Lothian’s budget and all councils have a legal obligation to balance their budget.

The council faces unavoidable increasing costs which include:

- Inflation (increasing costs of products and services)
- Energy
- Significant increases in our older population which increase the cost of often complex and essential care services. The number of people aged 65 and above will increase by more than one third by 2028.
- Pay awards for staff

Many service cuts have already been agreed and implemented, but there needs to be a further cut in spending.

Mr Welsh, warned: “The fact is that no additional funding has been provided in the 2024/25 budget settlement to meet any of these additional costs means that changes and reductions must be made to a range of services to its statutory duty to approve a balanced budget.

“The council cannot maintain all existing service delivery models and levels of service with the funding that is provided to us. The only way to manage the council’s expenditure within funding available is to make changes to how a number of existing services are delivered which will in some cases mean reducing or removing the service.”

“Each year the council has very significant and unavoidable

increases in expenditure in existing core services – across all areas including education, social care, homelessness, roads maintenance, transport and waste.

“The context faced by the council is that in the current year (2023/24) there is forecast to be an overspend in the council’s delivery of services to the public of £1.5 million, as we do not have sufficient funding from the Scottish Government to meet the costs of delivering all our existing services .

“Despite inflation over the last 18 months at a level not seen for decades and increasing demands of a growing West Lothian population, it is important to recognise that the council’s core grant funding for 2024/25 in cash terms has actually been cut by over £1 million compared to what was provided in 2023/24.

“Taking account of the economic context, this is an unprecedented position.”

Lib Dem Sally Pattle called the report a “stark reality check” and said: “I think it has just demonstrated the low value placed on local government by the current Scottish Government.

“They have a wealth of expertise, of knowledge and skill available to them but they won’t let the people in local authorities use that expertise, knowledge and and skill to best deliver for local residents.

“It’s all just swept aside in constant pursuit of centralisation and central control from Holyrood. The uncertainty and rushed nature of all of this that we are going to have to do in the next six weeks makes it nigh on impossible to plan effectively at a time when resources are so stretched and when people need us more than ever.”

Robert De Bold, the depute SNP group leader, said: “This is

my regular reminder to this meeting that austerity originates in Westminster.

“As noted the block grant is going down 1.2% in real terms since 2010 it has gone down 19% in real terms. Scotland’s capital grant is decreasing 10 % over the next five years.

“As I understand it, under his own fiscal rules, the Chancellor could have invested £27bn more in core services and infrastructure but he didn’t. Instead he prioritised tax cuts at the expense of services.

“Austerity originates in Westminster.”

Cllr Danny Logue said: “The words we used to use were trimming the fat off the bone, then cutting the flesh, but now it just seems to be amputation.

“I think that many of the causes of that has been the mismanagement of the Scottish Government’s handling of its finances. It’s worse than it should be.”

Cllr Tom Conn said: “Councillor De Bold keeps reminding us where austerity originates from but refutes the responsibility of the Scottish Government to make decisions. I recall the statement by the First minister at the SNP conference where he referred to a fully funded council tax freeze. It’s clear it’s not fully funded, it’s smoke and mirrors.”

Cllr Conn echoed his Linlithgow ward colleague Cllr Pattle, criticising The Scottish Government’s deliberate de-funding of local councils to forge a model centralising power at Holyrood. He accused SNP members of standing by while Holyrood destroyed the provision of services by councils elected by local people.

By Stuart Sommerville, Local Democracy Reporter.

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