

Emergency intervention cuts West Lothian's budget overspend

West Lothian's budget overspend for this financial year has been cut by £2.3 million following emergency intervention last November.

The Council Executive heard the 2024/25 figure has dropped to £5.8m after the council launched a jobs freeze and used savings to offset rising costs.

A range of measures were agreed in November 2024 when the council's estimated overspend was £8.1 million, which is mainly due to increasing and unprecedented demand for social care and homelessness.

The measures included: a stop on non-essential spend; further enhanced recruitment controls with a recruitment freeze for some areas; and review of committed funds and one-off balances.

While some council operations are predicting an underspend, key services are still facing budget demands

The council is predicting a three year overspend of £5.3 million for social care services for adults and older people, due the growth of often complex care packages.

West Lothian's older population is growing and continues to grow at a faster rate than the Scottish average. The numbers of people in West Lothian aged 65 to 74 is expected to

increase by 19% by 2028 with those aged over 75 increasing by 39%. This is compared to the Scottish average growth of 14.4% in the 65 to 74 population and 25.4% increase in those aged over 75 during the same time period.

A £1.4 million overspend is also predicted in social care services for children, mainly due to the cost of delivering placements for young people, such as specialist external residential schools.

An overspend of £1.3 million is forecast principally due to the huge demand for temporary accommodation for homeless people. On average, 188 people per night were given bed and breakfast accommodation between April and December 2024.

Kenneth Ribbons, Acting Head of Finance and Property Services, said: "Good progress has been made to bring down the council's projected overspend by £2.3 million in recent months.

"However, the scale of the projected overspend remains high at £5.8 million, with further action still required to ensure the council has a financially sustainable position going forward."

The funding available to the council is not enough to cover the increasing demand for council services and the rising costs.

This results in a budget gap which the council has a legal duty to bridge. By 2028 West Lothian Council will have had to make budget savings by almost £0.2 billion mainly because of insufficient levels of funding to local government from the Scottish Government and increasing costs.

A recent report by Audit Scotland that found that West Lothian Council has a "sound approach to medium and longer-term financial planning and appropriate and effective financial management".

However, the fundamental challenge for all councils, including West Lothian Council is that costs are increasing faster than funding.

The vast majority of West Lothian- and other councils'-funding comes ring fenced from Holyrood. 80% of council funding comes from the Scottish Government, 19% comes from funding generated by Council Tax and only 1% comes from fees and charges.

By Stuart Sommerville Local Democracy Reporter