

North Lanarkshire Council

Budget Overview 2019/20

	£m	£m
Adjusted 2018/19 Budget:		757.010
Add:		
2019/20 Expenditure Pressures	23.766	
Additional Directed Expenditure & Ring-fenced Grants;	25.397	
One off Service Enhancements	1.026	
Provision of £16m funding for Capital Investment Fund	<u>0.798</u>	50.987
Less:		
Action Already Taken	(13.236)	
Savings Proposals	(14.032)	(27.268)
2019/20 Expenditure Budget		780.729
Funding Available;		
Anticipated 2019/20 Aggregate External Finance		634.705
<u>Council Tax</u>		
Council Tax Base Budget	135.500	
Council Tax Base Growth	1.900	
Council Tax Increase 2019/20 (3%)	4.095	141.495
<u>One-Off Use of Balances:</u>		
2018/19 Service review savings deliverable in 2020/21	1.733	
2019/20 Base Budget Adjustments Deliverable in 2020/21	0.885	
Savings Proposals 2020/21	1.911	4.529
2019/20 Total Available Resources		780.729
Balanced Budget		0.000

Labour Group - Savings Proposals 2019-20

Description	Impact	2019/20 £m	2020/21 £m	Total FTE
<u>Chief Executive</u>				
Review of the Administration and Members' Support staff	It is proposed to review the staffing levels of the support function within Legal and Democratic Solutions by 0.5 FTE and also review the level of support function to elected members by 1 FTE. Existing workloads and outputs will be maintained by the remaining staff within the section. This can be achieved by deleting one vacancy and will involve one potential VRS.	0.036		1.50
Review of ALEO support within Financial Solutions	Given the significant progress within the Council in reviewing its ALEO arrangements, we have reached a point where it would be appropriate to reflect on the level of activity required in the future. Reflecting on this, it is proposed to recognise a reduced Financial Solutions requirement going forward. To this end it is proposed to delete 1.5 vacant FTE posts.	0.064		1.50
Review of staff recharges to HRA	Following a comprehensive review of current activity in relation to additional support provided to HRA projects (such as tower reprovisioning), it has been highlighted that resource equivalent to 2.0 FTE will be charged to the Housing Revenue Account to reflect this increased level of service.	0.088		
Further Treasury Management Efficiencies	This saving has already been delivered as a result of a decision by Financial Solutions in December 2018 to take advantage of a short term window of extremely attractive interest rates. The Treasury Management Team arranged for borrowing of £30m to be undertaken at a reduced interest rate of 2.08%, with a similar arrangement made in January 2019.	0.500		
Review of apportioned expense recharges to HRA	Apportioned expenses to be reviewed to ensure they are properly reflective of expanded expenditure plans within the Housing Revenue Account. This increased figure is in line with existing HRA budget assumptions.	0.300		

Labour Group - Savings Proposals 2019-20

Description	Impact	2019/20 £m	2020/21 £m	Total FTE
Charge IJB for share of Apprenticeship levy & Carbon Reduction Costs	The Council supports the IJB by funding the Apprenticeship levy in relation to the IJB's share as well as its own. The Health Board charges the IJB for these same costs. It is therefore proposed to fully reflect these costs within the IJB (£0.300m). In addition, the Council currently pays the full carbon reduction costs for all energy consumption. During 2019/20, the Government is planning to remove the Carbon Reduction Scheme and replace it with a surcharge directly on all energy bills. The IJB will therefore become directly responsible for these costs in 2019/20 (£0.060m).	0.360		
Review of Auto-enrolment assumptions	It is currently assumed that 25% of employees will voluntarily exit from auto-enrolment. If this planning assumption is reviewed to 35%, a saving in the anticipated costs will result. This assumption will require close monitoring against the actual drop out rate which will be evidenced when auto-enrolment is introduced in July 2019.	0.800		
Assumed additional funding for 2018/19 Teachers' pay award	The Council was advised that the Scottish Government intend to fund teachers' pay awards above 2% for 2018/19. This is currently forecast at 2.71%. Therefore this will result in a saving on existing budget assumption of £1.2m.	1.200		
Improvement in the ultimate collection rate of Council Tax	Recognising the improvement in the ultimate collection rate of Council Tax, as set out in the report on the Review of Revenues and Benefits in December 2018.	0.400		
Review of Registration Offices	It is proposed to concentrate the registration service into three core areas of Motherwell, Cumbernauld and Airdrie. This would involve the closure of two existing registration offices based in Bellshill and Coatbridge with a corresponding overall reduction of 3 FTE. This can be managed through existing vacant posts.	0.076		3.00
Reprofiling of capital investment plans	Review current investment plans & reprofile reflecting up to date delivery expectations including; school sport & outdoor activities, Town Centre Ambitions plans, City Deal and School campus	3.445		
Reduce capital investment in LAPS by 50%	Reflecting the experience during the current financial year, whereby the LAPs have managed to identify some £3m of expenditure out of the £6m set aside, it is proposed to provide a sum equivalent to spending within 2018/19.	0.263		

Labour Group - Savings Proposals 2019-20

Description	Impact	2019/20 £m	2020/21 £m	Total FTE
Integration of Business Transformation and ALEO Partnership Functions	The transfer of the ALEO Partnership Unit from Enterprise and Communities to Chief Executives, alongside finalisation of the approved 3-year ALEO review programme, provides opportunity to examine, amend and where necessary reduce/cease the roles, remit and activity of all posts within the existing ALEO Partnership and Business Transformation teams to create a new and integrated Business Solutions Team. The first stage of the review, deliverable from 2019/20, will delete the presently vacant Business Relationship Manager post. All other reconfigurations are envisaged for financial year 2020/21 and will impact 4 FTEs which is likely to be managed through redeployment or VRS.	0.077	0.171	5.00
Reduction in Staff within People & Organisational Development	Following the successful appointment to the HRA Ambition programme, it is proposed to reduce the number of Business Partners from 11 to 10. In addition, it is proposed to delete a Safety and Wellbeing Advisor and an Admin Support Officer, both of which are anticipated to be achieved through VRS.	0.090		2.50
Sub-total		7.698	0.171	13.50
<u>Enterprise & Communities</u>				
Further Review of Central Repairs Account (CRA)	A saving of £134k has already been proposed from CRA in 19/20. This has been increased by a further £0.466m to reflect the work undertaken to identify jobs that meet the requirements to be managed from the Service's existing capital allocation.	0.466		
Carbon reduction allowance reduced	Reflecting on the level of energy efficiency activities undertaken across the Council, this will also result in an estimated reduction in Carbon Reduction Allowance. It is the Government's intention to remove this allowance during 2019/20 but replace it with a direct surcharge on utility bills.	0.100		
Sheltered Housing	The Council has fully reviewed the sheltered housing service in 2018/2019 and presented a detailed report to the Transformation Sub Committee and Enterprise and Housing Committee recommending a saving of £1.1m, £0.835m for 19/20. Reviewing the administration of delivery of the service will add a further £0.045m to the previous proposals.	0.045		
Reduce burial subsidy and reduction in seasonal staff	In order to reduce the current level of service subsidy it is proposed to firstly reduce grounds maintenance within cemeteries (6 FTE reduction). Secondly to increase cemetery fee income to a combined lair purchase and coffin interment fee of £1,993.	0.302		6.00

Labour Group - Savings Proposals 2019-20

Description	Impact	2019/20 £m	2020/21 £m	Total FTE
Delete floral features/ Reduce Shrub Pruning	Reduce the supply of plant materials and installation of floral features. (3 FTE reduction). Year 2 2020/21 relates to reduced Shrub Pruning ; The Service currently maintains around 1m square metres of shrub beds within the urban environment on an annual basis. It is proposed to cease maintaining a number of selected medium grade shrub beds, remove in their entirety and grass over throughout the authority to reduce the overall shrub bed maintenance by 15%. This will entail a reduction in staffing of 3 FTE which will be met through redeployment of VRS.	0.143	0.173	3.00
Shopmobility - remove subsidy to service provided by TCA	Stop the service provided in both Coatbridge and Motherwell town centres and seek alternative funding for this service.	0.120		
Review of catering/building cleaning service to schools	This proposal increases the ongoing Facilities Support Review to the envisaged saving of £2m.	0.189	0.095	
Review special uplift charging	It is proposed to offset an element of the costs of this service by the introduction of a flat fee charge of £30 for all such uplifts irrespective of the numbers requested each year saving £0.598m .	0.598		4.00
Reduce roads and general fund property maintenance uplifts	It is proposed that no budgetary inflation allowance is applied to existing Roads Maintenance and Property Maintenance budgets.	0.328		
Rationalisation of litter bins	The council currently has around 3,682 litter bins around the network. A review of the bins will be undertaken and the number of bins rationalised by 20% and larger bins required where practicable. In addition bin sensors will be installed to provide real time information and enable more efficient use of the available resources. This will result in a reduction of 3.5 FTE which can be met from existing vacancies.	0.084		3.50
Reduction of areas included within the planned grass cutting programme	Review the extent of grass cutting being undertaken within the planned grass cutting programme and stopping cutting in specific areas. As part of this exercise there will be a focus on identifying and removing areas outwith council ownership from the grass cutting/general maintenance programme. These would be areas that have been maintained by the council for historic reasons such as land owners cannot be located or where factoring agreements have not been implemented and concerns have been raised regarding environmental and aesthetics. A reduction in the planned grass cutting would see a reduction in the seasonal workforce.	0.090		5.00

Labour Group - Savings Proposals 2019-20

Description	Impact	2019/20 £m	2020/21 £m	Total FTE
Rehoming animal collection at Palacerigg Country Park	Rehoming of the animal collection at Palacerigg Country Park with a corresponding reduction in animal costs & vehicles. This would be replaced with outdoor play/activities determined by future Masterplans. This will result in a reduction of 2 FTE and this can be met through redeployment or VRS.	0.035	0.034	2.00
Sub-Total		2.500	0.301	23.50
<u>Education & Families</u>				
Reconsider Turnover in schools	There is an existing Base Budget Adjustment which reflects a minor turnover factor against school staffing budgets of £206m. This proposal reinstates the original turnover proposal to £1.2m which was initially identified as a potential Base Budget Adjustment.		0.600	
Delay applying inflation to the existing PPP repayment fund	The Council plans for the repayment of its existing PPP arrangements over the full life of these commitments. This includes updating inflation assumptions. Recognising that inflation may run at a level below this, it is proposed to defer applying an inflationary increase for 2019/20. Note that this will need to be reviewed in future budgets.	0.400		
Review of expenditure associated with the recruitment of teachers	Recent experience has highlighted that the Council is unable to recruit the planned level of probationary teachers. As a result, we have experienced underspends in each of the last two financial years. In recognition of this, it is proposed to reduce this for 2019/20 but to commit to reviewing this in future when planned levels could be achieved.	0.420		
Additional Recovery of support costs and identifying synergies in external programmes	The Education & Families Service previously indicated that it would take a standardised approach to the recovery of such overhead costs to a value of £0.471m per the relevant conditions pertaining to external programmes. This also included identifying areas of potential overlap whilst ensuring all relevant grant conditions and targets are achieved. Further work has been undertaken in these areas and it is now believed that this sum can be increased by a further £0.390m.	0.390		
Review of school DSM budgets	The saving would be achieved through a reduction in the devolved budgets (with the exception of contract catering and hygiene contracts), for all establishments within the school estate.	0.650	0.250	

Labour Group - Savings Proposals 2019-20

Description	Impact	2019/20 £m	2020/21 £m	Total FTE
Review of Education & Families grants to external organisations	Currently the Council awards grants totalling £1.4m to a wide range of external organisations. It is proposed to reduce this by 20% in 2019/20.	0.280		
Further Review of Education & Families	The proposal would result in a reduction around 8% across HQ budgets. The main expenditure categories include Administration and Supplies & Services.	0.125		
Review of Continuous Improvement and School Support	A review of continuous improvement activity which will result in better use of existing resources and reconfiguration of workloads. This will result in a redeployment of 4 FTE teachers.	0.219		
Review of Payments to Other Bodies	This relates to a reduction in payments to external providers following a review of current expenditure levels.	0.100		
Review of Culture NL and NLL Management Fee Levels	The Council currently pays a management fee of £12.4m to Culture NL and £8.2m to NLL. After allowing for merger synergies a further targeted reduction is proposed. This proposal will ensure no closures or compulsory redundancies in 2019/20.	1.200	0.300	
Review of Technician's Centre – Term Time Max	This proposal would reduce the number of working weeks for staff based within the technician's centre from full time to term time max.	0.049		
Education & Families review	This proposal entails a further review of both the management roles and continuous improvement aspects relating to the newly formed service configuration.		0.170	1.00
Align 3 year old Nursery Admission with Statutory requirements	This saving proposes amending the current admission policy for non-NLC resident children attending an NLC establishment from day after their third birthday to the term after their third birthday. This would align the Council's policy with that required by statute.		0.119	5.00
Sub-Total		3.833	1.439	6.00
Total Savings Proposed		14.032	1.911	43.00

Labour Group - Savings Rejected 2019-20

Description	Impact	£m	Total FTE
<u>Chief Executive</u>			
Cease capital investment in LAPs	Original proposal was to Cease Capital investment in LAPs; The Council introduced significant capital investment within each LAP at a recurring cost of £0.263m. Given the Council is currently exploring how it will manage Participatory Budgeting, it was proposed not to continue with this investment at all, therefore saving £0.263m. However the saving proposed is to reduce the investment by 50% saving £0.1315m.	0.263	
Close the Learning Centre & reduce design resource	This savings proposal ceases the operation of the Learning Centre element of Corporate Communications. This proposal provides a net saving of £0.075m. Additionally, this proposal reduces the graphic design establishment from 5FTE to 4FTE through the deletion of one graphic designer post (£34k). This will result in a reduction of 4.17 FTE which is unlikely to be mitigated wholly through re-employment or VRS.	0.109	4.17
Sub-total		0.371	4.17
<u>Enterprise & Communities</u>			
Fireworks and festive lighting	Reduce fireworks events to 1 main event at Strathclyde Park only and reduce festive lighting to the main 7 town centres only.	0.150	
Reduction in roads, footways maintenance program	Review of level of spend on carriageways and footpaths through the introduction of a risk based roads maintenance policy in accordance with Well Managed Highway Infrastructure Code of Practice. A proposal totalling a £1.997m reduction was identified. The proposed review of expenditure will see a reduction in planned works and an increase in reactive type repairs.	1.997	
Delete floral features/ Reduce Shrub Planting	The original proposal was to cease the supply of plant materials and installation of floral features by £0.286m. Therefore only 50% reduction approved, with £0.143m rejected.	0.143	3.00
Review special uplift charging	A further review of Special Uplift Charges was proposed; If charges were increased to £40, whilst also taking account of a reduction in demand, a further saving of £0.122m can be realised.	0.122	

REJECTED

Labour Group - Savings Rejected 2019-20

Description	Impact	£m	Total FTE
Replacement Bin Charges	All replacement bins would be subject to a charge on request for replacement.	0.082	
Termination of Food Waste Bag Distribution	This service is not carried out by many councils in Scotland.	0.051	
Rationalisation of grit bins	At the commencement of the Roads Street Lighting and Winter Services contract in 2010 the council provided and serviced in the region of 3,000 grit bins. The number of bins on the network now stands at 2,647. At the start of the winter period the contractor is required to clean out rubbish from the bin, break up any residual snow and top up the bin with fresh salt. It is estimated that the cost of filling all bins at the start of the winter season is £0.218m. Therefore a review of the existing grit bin distribution across the network should be undertaken with a view to reducing the number by 20%, ensure bins are provided at locations such as schools grounds and steep gradients should be undertaken resulting in a rationalisation of the number of bins on the network.	0.044	
Cessation of Christmas trees and festive lighting	This proposal would involve the cessation of Christmas trees and the associated decorative operations and save £0.017m. In addition, festive lighting would be removed from all Town Centres at a current cost to the Council of £0.150m per annum, including electricity, erection, removal and storage. Communities will be supported to develop their own arrangements.	0.167	
Implement on street parking charges	Introduce car parking charges on-street throughout North Lanarkshire, as a key measure to keep town centres moving. This will require the introduction of appropriate on-street parking meters and charging regime, together with the appropriate Traffic Regulation Orders. Proposal to set the parking charge at the same level as the short stay off street parking charges @ 40p per hour.	0.315	
Office Rationalisation	A separate report is currently being prepared on the opportunities from the Rationalisation of Office Accommodation across the Council area. Whilst this is currently envisaged to deliver savings by 2021/22, there may be opportunities to accelerate this process into the current budget planning period. This will be aligned with the envisaged Campus Model as part of the community investment fund.	1.200	
Sub-Total		4.271	3.00

REJECTED

Labour Group - Savings Rejected 2019-20

Description	Impact	£m	Total FTE
<u>Education & Families</u>			
Review of Culture NL and NLL Management Fee Levels	The Council currently pays a management fee of £12.4m to Culture NL and £8.2m to NLL. A saving of £1.5m accepted with a further reduction of £5m rejected.	3.500	
Sub-Total		3.500	0.00
Total Savings Rejected		8.142	7.17

REJECTED

Labour Group - Service Reviews 2019-20

Description	Impact	£m
<u>Enterprise & Communities</u>		
Town Centre car park charging	Charges are proposed at 15p per hour in long term car parks on a rising scale and in short term car parks from 50p for two hours up to £9 for ten hours. Further Proposed Increase to Off Street Car Parking Charges.	0.650
Proposed increase to off street car parking charges	This proposal would further increase the proposed parking charges. This would result in increasing long stay from 15p per hour to £1 for 1 hour, £1.50 up to 4 hours, £2.50 up to 8 hours. Short term car parking charges will increase to 40p per hour.	0.515
Sub-Total		1.165
<u>Education & Families</u>		
Kilbowie Outdoor Centre	A report has been prepared to consider all options on the future of the provision of outdoor education activities. This saving is based on the option to close Kilbowie.	0.670
Sub-Total		0.670
Total Service Reviews		1.835

Composite Adjustment to Labour Group Budget Motions 2019/20

	£m
Revision of Culture NL and NLL Management Fee Levels Further identification of efficiencies to be identified following the implementation of the ALEO merger	+0.200
Review of Special Uplift Charge to £25	-0.075
Retention of Festive Lighting to be passed to the LAPs	-0.100
Review of Burial Charges to in line with 3% inflation	-0.127
Revision to Community Investment Fund from £0.798m to £0.696m Reflect the revised community investment fund of £14m.	+0.102
Total Adjustment	0.000