

MANAGEMENT COMMENTARY

In the most recent annual report on progress against the climate change declaration, the council's carbon footprint was calculated to be considerably ahead of target with a reduction of nearly 33,400 tonnes of CO2 emissions from the baseline year. Targets will be reviewed in 2024 as part of a wider refresh of the Climate Change Strategy. Progress against the climate change declaration and associated emission targets is reported annually to the Council Executive and can be accessed on the council's online committee system (West Lothian Council Committee Information Pages). The annual report includes a full inventory of the council's emissions for the reporting year along with details of supporting activities for both mitigation and adaptation.

Since the publication of the Strategy, a range of actions have been completed, including the publication of the council's Electric Vehicle Infrastructure Plan (EVIP). Linked to the wider environment, a number of air quality management areas were also revoked during 2023/24 due to air quality objectives being continuously met over a number of years.

Progress around the actions in the strategy and associated documents are reported to the council's Environment and Sustainability Policy Development and Scrutiny Panel on a quarterly basis.

5. Budget Strategy and Budget Setting

The annual general services and housing revenue budgets form part of the council's integrated approach to financial strategy, corporate planning, delivery of outcomes and performance monitoring. The activity budget links the council's activities, resources and outcomes and is a core element of the council's financial strategy and annual management plans. The 2024/25 activity budget is published on the council's intranet. The council's budget setting process is subject to statutory, regulatory and governance requirements. The Local Government Finance Act 1992 section 93(2) requires councils to formally agree council tax levels before 11 March each year, and the Housing (Scotland) Act 1987 requires the housing budget and rent increases to be reported to Council each year for approval.

On 21 February 2023, West Lothian Council agreed a five year revenue budget strategy and a detailed three year revenue budget plan for the 2023/24 to 2025/26, including proposed saving measures. This ensured that the council complied with Audit Scotland, CIPFA and the Accounts Commission best practice which states that public bodies should focus on their medium to long term financial sustainability through having a financial strategy covering a minimum of five years, supported by detailed plans covering a minimum of three years.

The approved budget was informed by a comprehensive public consultation – WL2028 Your Council, Your Say. Phase 1 of the consultation focused on the strategic direction and priorities for the council with over 14,000 individual comments received. Phase 2 of the consultation sought views on potential budget saving options along with local taxation options. Over 22,000 individual comments were received on the consultation and an overall summary of the results were considered by Council Executive with special Policy Development and Scrutiny Panels considering the detail of responses received.

The revenue budget strategy was updated on 22 February 2024 with the approval of the four year revenue budget strategy to 2027/28 and detailed revenue budgets for 2024/25 and 2025/26. The agreed budget had an estimated overall budget gap of £38 million over the four year period and a £24.4 million gap for 2024/25 and 2025/26. Incorporating the decisions of Council and West Lothian Integration Joint Board, budget savings of £28.5 million were agreed to meet this gap leaving a remaining budget gap over the first two years of £2.9 million and £9.5 million over the full four years to 2027/28.

Acknowledging the remaining gap, and the use of one-off resources in 2024/25 and 2025/26 to balance the budget, Council agreed that officers should consider options to address the gap on a recurring basis and that these should be incorporated into a further public consultation exercise. Work will continue during the course of 2024 to identify options, with cognisance being given to growing financial constraints and risks facing the council. In identifying potential options for consultation, consideration will be being to the efficient delivery of statutory functions, potential changes to non-statutory service delivery and review of options around income generation, shared services and digital transformation. The proposed approach and timescales for the Phase 3 public consultation was reported to Council Executive on 26 June 2024.

The General Services capital programme to 2032/33, along with the Corporate Asset Management Strategy, approved by Council on 21 February 2023, and updated on 22 February 2024, supports the delivery of the council's Corporate Plan priorities. It is important that capital resources are prioritised on an ongoing basis to ensure investment has the maximum impact on the core assets required to sustain service delivery. A key consideration of the ten year capital programme, taking account of very constrained capital funding available, has been to consider options to reduce the requirement for asset related expenditure, for example by rationalisation or transfer of assets.