

REPORT TO: CITY GOVERNANCE COMMITTEE - 18 NOVEMBER 2024

REPORT ON: BUDGET CONSULTATION 2025/26

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 319-2024

1 PURPOSE OF REPORT

2 The purpose of this Report is to seek approval for Officers to consult on possible Budget options for Financial Year 2025/26 and to report back to Committee for Elected Members' final decision in due course.

3 RECOMMENDATIONS

3.1 It is recommended that the Committee:

- (a) agrees that the Council's budget consultation for 2025/26 will include the options set out in Appendix A; and
- (b) authorises the Executive Director of Corporate Services to finalise the options for consultation and to make the necessary arrangements to undertake the 2025/26 budget consultation.

4 FINANCIAL IMPLICATIONS

4.1 There are no financial implications arising directly from this report. However, the Council has a duty to set a balanced budget each year and as reported to the City Governance Committee on 28 October 2024 (report 288-2024 refers) the Council is currently projected to face a budget shortfall of £15.6m for 2025/26. In this context it is recommended that the Council undertakes consultation on the budget options set out in Appendix A which could be used to set a balanced budget.

4.2 The options in the Appendix could contribute up to £5.9m towards the projected shortfall for 2025/26. Officers are also exploring opportunities to raise additional income which could contribute up to £2.8m and to reduce employee numbers which, based on a reduction of 100 posts, could contribute a further £4.5m. Any remaining gap, depending on which, if any, options were taken forward, and the actual level of the Local Government Settlement, would require to be funded from Council Tax which generates net income of £0.54m for each percentage increase.

4.3 The UK Autumn Budget, announced on 30 October 2024, included additional funding of £1.4bn for Scotland in 2024/25 and a further £1.4bn in 2025/26 – amounting to £2.8bn resource funding overall. In relation to capital there is an additional £0.07bn in 2024/25 and an extra £0.6bn in 2025/26. It will be for the Scottish Government to determine how to allocate this and until this is known it is recommended that the Council continue to develop options that will give the Council maximum flexibility in delivering a balanced budget.

4.4 For the Council the most significant impact will be the changes to National Insurance employer contribution rates and thresholds which are estimated to add between £6m-£7m to direct employee costs. There will also be an impact on partners including Leisure and Culture Dundee and Tayside Contracts and it can reasonably be expected that suppliers will seek to pass on these additional costs. The UK Government has set money aside to fund the public sector impact of the National Insurance and the Treasury have confirmed this is in addition to the funding set out in paragraph 3.3 above. However, as Scotland has a higher proportion of public sector employees than the UK as a whole it is not yet clear if this will be sufficient.

5 CONTEXT

5.1 In 2020 the Equality Act introduced a Public Sector Equality Duty under which public authorities in Scotland must give due regard to eliminating unlawful discrimination; advancing equality of opportunity; and fostering good relations. In 2018 the Fairer Scotland Duty aspect of the Equality Act was introduced. This requires public bodies to also give regard to how, when making strategic decisions, they can reduce inequalities of outcome caused by socio-economic disadvantage.

5.2 The Council has a well-established process for assessing the impact of any policy change that it proposes in the form of an Integrated Impact Assessment. The consultation on possible Budget options proposed by Officers will assist the Council in complying with the Public Sector Equality Duty and the Fairer Scotland Duty. The results of the consultation would be reported back to Committee for Elected Members' final decision in due course.

- 5.3 To provide Members with options to support the setting of a balanced budget for financial year 2025/26. Officers have identified a range of potential savings that could be implemented, and these are set out in Appendix A.

CONSULTATION PROCESS

- 5.4 Subject to approval by the Committee the options set out in Appendix A will be included in the Council's 2025/26 budget consultation.
- 5.5 The consultation will run for a four-week period over November and December 2024 and will provide citizens with the opportunity to comment on budget as a whole and the specific budget options. This will allow time for the responses to be analysed and information made available in advance of the Council's budget setting meeting.
- 5.6 The consultation will be promoted in the context of other consultation exercises the Council is conducting and submissions will be sought on-line and through paper forms available in libraries, community centres, sheltered accommodation, schools and other appropriate locations.
- 5.7 The outcome of the consultation will be shared with all Elected Members. Having considered the responses should any options be developed into budget proposals that are recommended to be taken forward they will be subject to Integrated Impact Assessments that will be informed by consultation responses.

6 POLICY IMPLICATIONS

- 6.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

7 CONSULTATIONS

- 7.1 The Council Leadership Team have been consulted on the content of this report.

8 BACKGROUND PAPERS

- 8.1 None.

ROBERT EMMOTT
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

6 NOVEMBER 2024

Option	Description	Implementation Date	Possible Savings (£000)	
			2025/26	2026/27
1	City marketing The Council could remove its budget that supports marketing of Dundee City.	01/04/2025	40	40
2	Community regeneration The Council could remove the revenue budget it provides to support Community Regeneration.	01/04/2025	452	452
3	UNESCO The Council could cease the provision of funding to support the UNESCO city of design.	01/04/2025	60	60
4	Cultural organisations The Council could reduce the support it provides to the following cultural organisations: - Dundee Science Centre - Dundee Industrial Heritage - Dundee Contemporary Arts - Dundee Rep	01/04/2025	591	591
5	School swimming pools The Council could close the swimming pools in Baldrigon Academy, Grove Academy, Harris Academy, St Johns RC High School and St Pauls RC High School.	01/08/2025	180	440
6	School crossing patroller service The Council could to remove this service in places which do not meet the Rospa guidance threshold of a score of 4m.	01/08/2025	110	176
7	Children's Services - Improve edge of care support The Council could continue to to improve edge of care support to reduce the total number of care experienced children and build local care capacity and maintain strong oversight of care planning to further reduce the number in external residential care.	01/04/2025	1,412	1,412
8	Devolved school budgets The Council could reduce the devolved school budgets in secondary schools by 1%.	01/04/2025	542	542
9	Ancrum Activity Centre The Council could relocate the activity centre and dispose of the premises.	01/04/2025	42	42
10	Dundee House The Council could seek to lease 1 or more floors in Dundee House on a commercial basis.	01/04/2025	250	250
11	Third Party Payments The Council could cease or reduce funding support for some or all of the following bodies: - Discovery Credit Union - Dundee Legal Advice Association - Save by the Bell - Brooksbank Centre and Services - Dundee Citizens Advice Services - Dudhope Centre – Bharatiya Ashram - Dundee International Women’s Centre - Lead Scotland - Boomerang - Under 12’s project	01/04/2025	876	876

Option	Description	Implementation Date	Possible Savings (£000)	
			2025/26	2026/27
12	Discretionary Housing Payments The Council could remove the revenue top up it provides to enhance the funding available for Discretionary Housing Payments.	01/04/2025	100	100
13	Scottish Welfare Fund The Council could remove the revenue top up it provides to enhance the funding available for the Scottish Welfare Fund.	01/04/2025	193	193
14	Civic activities The Council could reduce the funding it allocates to support civic events in the City.	01/04/2025	56	56
15	Community Safety Wardens The Council could reduce the number of wardens in place across the City.	01/04/2025	82	123
16	Waste collection frequency The Council could make changes as follows: (a)The frequency of residual waste (grey bin) collections could change from two-weekly to three-weekly (this would only apply to kerbside collections from properties with individual wheeled bins); (b)The frequency of food waste (green bin) collections could change from weekly to two-weekly (this would only apply to kerbside collections from properties with individual food bins); and (c)The frequency of mixed plastics recycling (burgundy bin) collections could change from three-weekly to four-weekly (this would only apply to kerbside collections from properties with individual wheeled bins).	01/10/2025	134	268
17	Small skip service The Council could withdraw the small skip service and replace this with either larger skips or commercial bins.	01/04/2025	50	50
18	Recycling centre hours The Council could withdraw the summer opening hours at Baldovie and Riverside recycling centres.	01/04/2025	10	10
19	Lifeguarding service The Council could cease the lifeguarding service that is provided on a seasonal basis at Broughty Ferry beach.	01/04/2025	32	32
20	Air service The Council could consider ending the subsidy for the Dundee to Heathrow air service when the contract expires.	01/11/2025	133	320
21	Bus services The Council could cease its subsidy of the evening and Sunday services on the Number 10 bus.	01/04/2025	134	134
22	City events The Council could remove its budget that supports city events, including the provision of Christmas lights.	01/04/2025	160	160
23	Sustainable transport fund The Council could reduce its budget that supports sustainable transport.	01/04/2025	37	37
24	Accident investigations The Council could cease the non statutory work it carries out investigation road accidents and safety.	01/04/2025	47	47
25	Equalities funding The Council could cease the provision of small grants it gives to support work on equalities.	01/04/2025	6	6