

## **Inverclyde Council 2024/26 Revenue Budget - Fairer Scotland Duty Statement**

While an impact assessment has been carried out for each individual savings option, as appropriate, in relation to both Equality Impacts and the Fairer Scotland Duty, a wider assessment is also given in relation to the Revenue Budget proposals for Inverclyde Council covering the period 2024/26.

The Budget Gap in 2024/26 is intended to be partly funded through the use of Reserves. This recommendation is based on a desire to see the setting of the Council Budget 2024/26 have as minimal a negative/detrimental impact on the local population as possible - particularly in relation to the ongoing cost of living crisis and those who experience socio-economic disadvantage – and optimise impact in areas of investment, where possible.

Inverclyde is an area which faces both material and area-based deprivation, as can be seen from the Scottish Index of Multiple Deprivation (SIMD), as well as lower income levels and a history of socio-economic deprivation over time. The Council therefore acknowledges that it is likely that a significant percentage of our vulnerable residents will reside in SIMD areas. Mindful that those residents could potentially be disproportionately affected by the cost of living crisis, a significant sum has been allocated to support the continued, free delivery of Summer playschemes, one aim of which is to reduce the financial impact of the school holiday period on parents and carers in Inverclyde. While this investment supports the delivery of an initiative during a fairly short period of time, it is important to note the positive intention by Council.

Historically, local stakeholders have emphasised the importance they place on the creation and retention of good quality jobs, especially for young people in Inverclyde, with the aim of retaining and enhancing the local population. With this in mind, the Council has identified a substantial investment for 2025/26 to support the payment of the *Real Living Wage* to its Apprentices. The Council currently has 76 Apprentices working in a number of areas of the authority, ranging from early years' centres to horticulture, joiners, electricians, technicians, customer service and business and administration. While Apprenticeships can often be aimed at 16-24 year olds, there are also opportunities for older age groups.

Overall, the February 2024 Budget 2024/26 proposals include the potential reduction of 50 Council posts which can be achieved via Voluntary Early Release (VER). The Council is aware that, in the current economic climate, it may be the case that employees are reluctant to express an interest in early release. With that in mind, the Council proposed a temporary enhancement in 2024/25 and 2025/26 to its VER Scheme. The intended outcome of the temporary revision is to provide an enhanced offer to employees in order to make VER a more feasible or attractive option for the individual, and, in turn, facilitate budget savings. The uptake of the Scheme by eligible Council employees consequently removes the need to identify BSPs from elsewhere in the Council.

By providing an enhanced voluntary severance provision, Council employees who agree to leave their posts under this Scheme have more generous financial terms than those who leave under the standard policy. In terms of reducing inequalities of outcome in an economic situation where former employees may find it difficult to secure alternative employment, the position is somewhat mitigated by providing additional support.

In terms of Council Tax, there has been consideration of the potential financial impact of an increase in the charge on local residents who are on a low income. Council Tax Reduction (CTR) is a means-tested Scheme which determines the level of Council Tax low income households can afford to pay. This is done by comparing household income against an *applicable amount* determined for each applicant's circumstances. The *applicable amount* is a combination of values set annually by the Scottish Government with components for each member of a household and additional components where Department for Work and Pensions

and Scottish Social Security Agency welfare benefits are in payment for disabilities and caring responsibilities. The amount of Council Tax a household is determined to pay is 20% of its income exceeding their applicable amount. Certain welfare benefits, including several disability-related benefits, Child Benefit and the Scottish Child Payment, are not taken into consideration in the calculation of household income. Given that CTR is an assessment of households' ability to pay, Council Tax increases are therefore met in full by CTR.

Finally, the decision to reduce as far as possible any savings decisions which would have a direct impact on service delivery, will ensure that critical services and support continues to be delivered to Inverclyde citizens as we continue to progress our recovery from the Covid-19 pandemic as a community. While the Council cannot mitigate against all impacts of the pandemic, the budget decisions being taken ensure a focus on delivering for a fairer Inverclyde in line with the Fairer Scotland Duty.