

# North Lanarkshire Council Report

## Policy and Strategy Committee

Does this report require to be approved? ☐ Yes ☒ No

Ref GT

Date 05/06/25

## Accounts Commission Briefing – Local Government Budgets 2025/26

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### Executive Summary

The Accounts Commission published its annual briefing note on local government budgets on 22 May 2025. This is an important independent document summarising the state of play for local government finances.

The report highlights that despite record Scottish Government funding for local government in 2025/26, councils continue to face recurring pressures in excess of funding uplifts, such as inflation, annual pay deals and growing demand for services. The report states that increased funding is largely in support of previously agreed national commitments. At the time of setting budgets councils collectively identified a budget gap of £647 million in 2025/26 requiring increasing to Council Tax, savings, use of reserves and increasing charges for services to set balanced budgets.

The report provides a number of Accounts Commission expectations in the presentation of budget information to elected members and residents. The Council will continue to ensure budget information meets those expectations.

### Recommendations

It is recommended that the Policy and Strategy Committee:

- (1) Reviews and acknowledges the content of the report and the Accounts Commission's briefing note on local government budgets for 2025/26.

### The Plan for North Lanarkshire

Priority All priorities

Ambition statement All ambition statements

Programme of Work Statutory / corporate / service requirement

### 1. Background

- 1.1 Audit Scotland has prepared the briefing on behalf of the Accounts Commission to summarise key information arising from an analysis of the 2025/26 budgets recently agreed by Scotland's councils.

- 1.2 The information has been gathered following a data capturing exercise across all councils including gathering information on budget gaps, how budget gaps have been mitigated, fees and charges, and any savings implemented.
- 1.3 Members will recall that the Council set its budget on 20 February 2025 with an approved Council Tax rise of 10% which meant that no additional savings were required to balance the budget.

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## **2. Report**

- 2.1 The Accounts Commission briefing note can be accessed on the following link: [Briefing: Local government budgets 2024/25](#)
- 2.2 Key messages include:
- Despite funding for local government increasing by 6% in real terms, councils continue to face recurring cost pressures in excess of funding uplifts, including inflation, pay (including employer's National Insurance contribution rates) and growing demand for services. The report also highlights that most of the increased settlement will be used to deliver previously agreed national commitments rather than cost pressures faced by councils.
  - When settling their budgets councils collectively identified a difference of £647m between anticipated expenditure and funding and income they will receive. A range of actions have been identified to close this budget gap including Council Tax rises, savings, use of services and increasing charges for accessing services.
  - Despite continuing to make savings year on year to address financial challenges, councils still forecast more will need to be done to achieve financial sustainability given the ongoing projected increases in costs and increases in service demand.
- 2.3 The Accounts Commission has made a number of expectations of councils in relation to the availability of information being publicly available within budget papers. They expect councils to clearly set out:
- The annual revenue budget, comprising funding and income, prior to savings and other bridging actions,
  - The associated budget gap, prior to bridging actions such as savings and use of reserves,
  - The savings plan, clearly setting out the split between recurring and non-recurring actions,
  - Projected revenue budget gaps, both annual and cumulative, and
  - The assumptions used in calculating projected budget gaps.
- 2.4 The Council's approach to determining its anticipated budget gap through the Medium Term Financial Plan, further Financial Outlook updates and the production of the annual budget report in February each year provides all this information to both elected members and residents of North Lanarkshire.

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## **3. Measures of success**

- 3.1 The Council's overall budget strategy will ensure solutions are developed aligned to the Council's strategic objectives outlined in the Plan for North Lanarkshire.
- 3.2 Information presented to elected members during the budget process will support the delivery of a balanced budget for 2026/27 and beyond.
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#### 4. Supporting documentation

##### 4.1 [Accounts Commission Briefing: Local government budgets 2024/25](#)

A handwritten signature in black ink, appearing to read 'Greg Telfer', written in a cursive style.

**Greg Telfer**  
**Chief Officer (Finance & Technology)**

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## 5. Impacts

<b>5.1 Public Sector Equality Duty and Fairer Scotland Duty</b> Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?  If Yes, has an assessment been carried out and published on the council's website? <a href="https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments">https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments</a> Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>5.2 Financial impact</b> Does the report contain any financial impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?
<b>5.3 HR policy impact</b> Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?
<b>5.4 Legal impact</b> Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?
<b>5.5 Data protection impact</b> Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to <a href="mailto:dataprotection@northlan.gov.uk">dataprotection@northlan.gov.uk</a> Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>5.6 Technology / Digital impact</b> Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?

<p>Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)?</p> <p>Yes    <input type="checkbox"/>                      No            <input type="checkbox"/></p>
<p><b>5.7 Environmental / Carbon impact</b></p> <p>Does the report / project / practice contain information that has an impact on any environmental or carbon matters?</p> <p>Yes    <input type="checkbox"/>                      No            <input checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact?</p>
<p><b>5.8 Communications impact</b></p> <p>Does the report contain any information that has an impact on the council's communications activities?</p> <p>Yes    <input type="checkbox"/>                      No            <input checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact?</p>
<p><b>5.9 Risk impact</b></p> <p>Is there a risk impact?</p> <p>Yes    <input type="checkbox"/>                      No            <input checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?</p>
<p><b>5.10 Armed Forces Covenant Duty</b></p> <p>Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?</p> <p>Yes    <input type="checkbox"/>                      No            <input checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.</p>
<p><b>5.11 Children's rights and wellbeing impact</b></p> <p>Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?</p> <p>Yes    <input type="checkbox"/>                      No            <input checked="" type="checkbox"/></p> <p>If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).</p> <p>If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?</p> <p>Yes    <input type="checkbox"/>                      No            <input type="checkbox"/></p>