

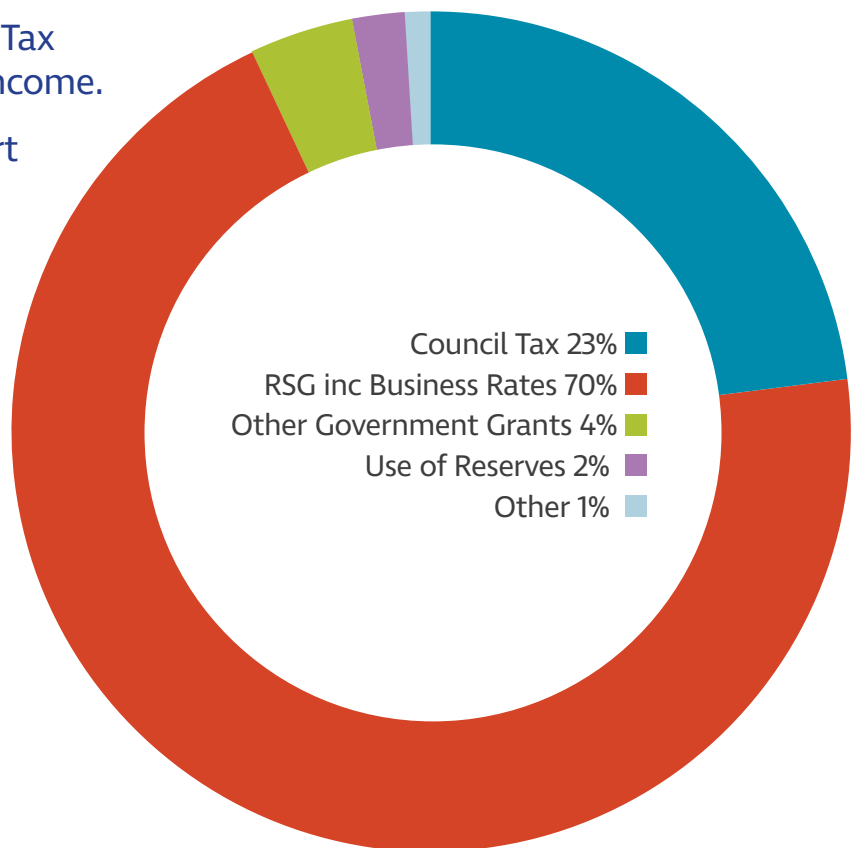
East Lothian Council budget

Every year the council agrees Council Tax charges and allocations of funding to council service areas for the 12 months ahead. Funding for council services is mainly provided by Council Tax and Scottish Government grants.

The money you pay in Council Tax generates around 23% of our income.

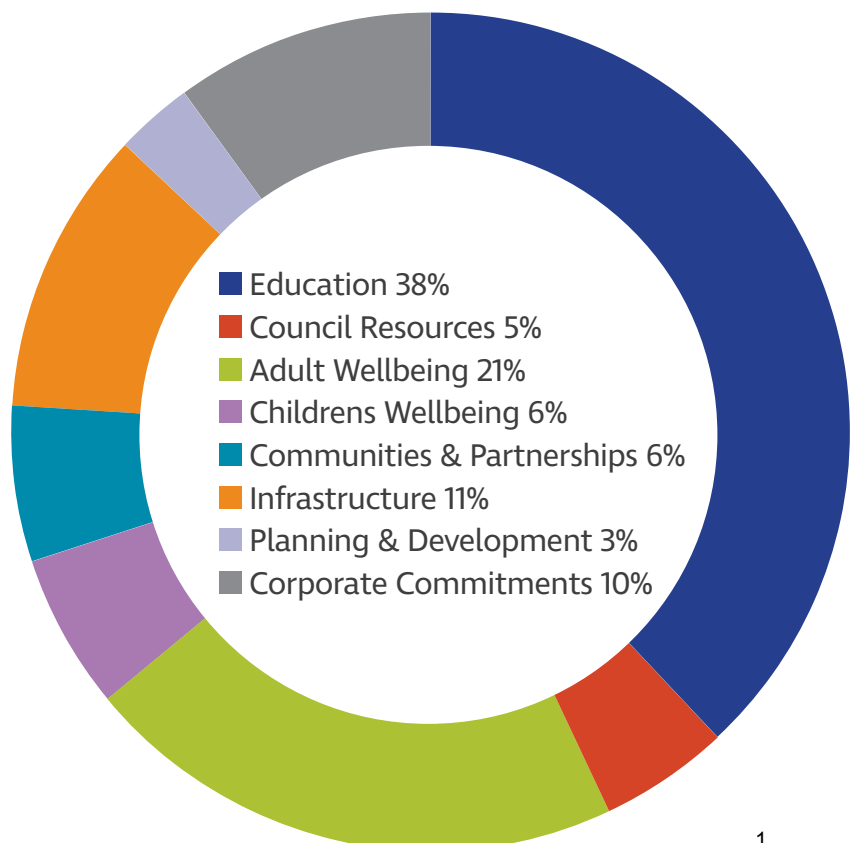
In 2017/18, the Revenue Support Grant (RSG) received from the

Scottish Government will reduce by £2.9m (1.7%).



How it is spent

The council's total budget of £232.967m for public services during 2017/18 is allocated as shown here:

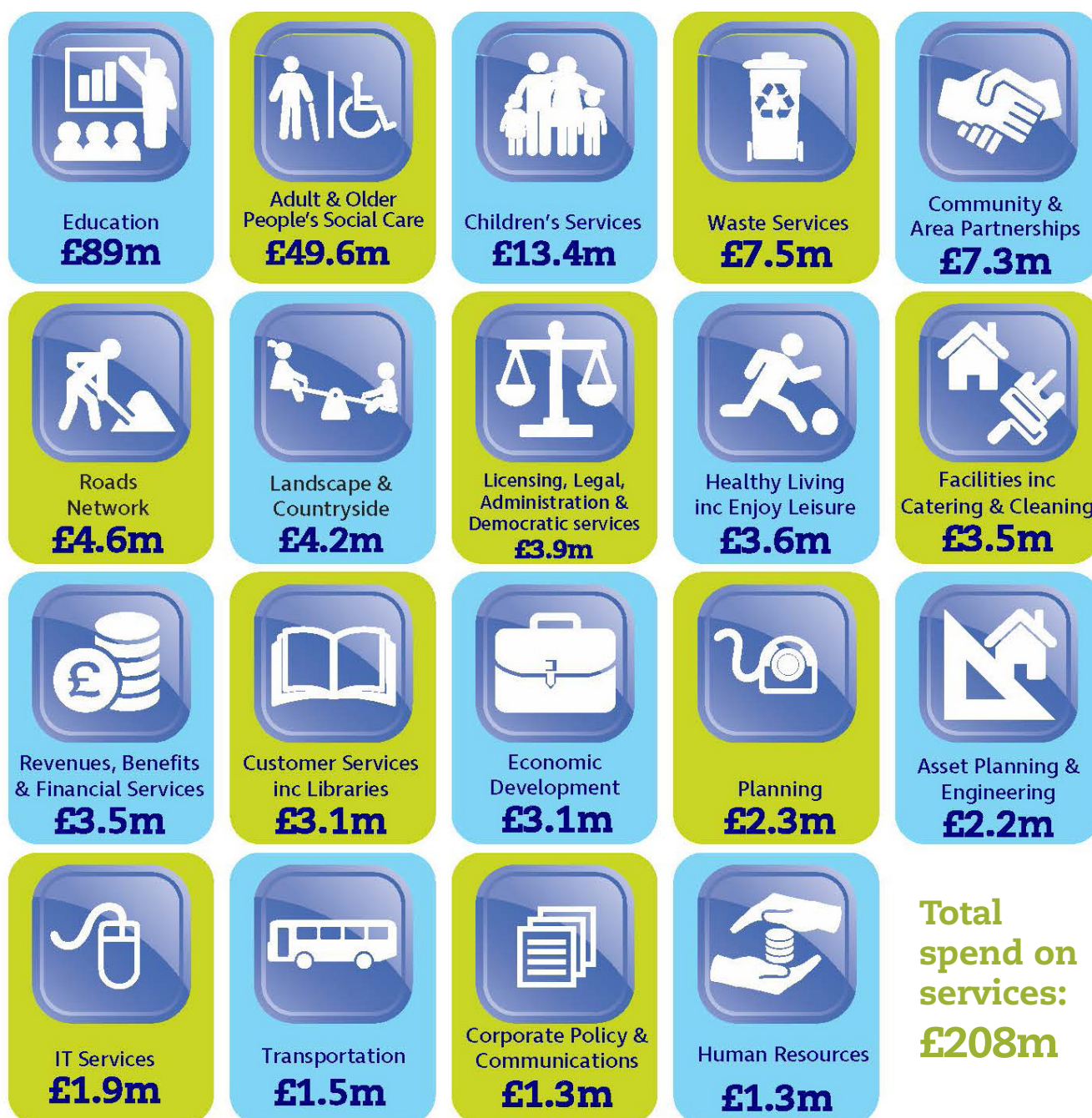


2017/18 Budget

Where the money comes from:

Scottish Government Grant & Non-Domestic Rates:	£166.0m
Other Government Grants (ring-fenced):	£9.0m
Council Tax:	£54.3m
Use of council reserves:	£2.5m
Other balances:	£1.2m
Total funding:	£233.0m

Where the money goes:



Spend on other commitments, including debt charges: £25m

Total budget: £233m

How your money was used in 2016/17

WASTE

Collections

6.5m

BINS
COLLECTED

51,000

TONNES
WASTE COLLECTED

ADULT CARE

Services

21,870

HOURS CARE AT HOME
PER WEEK PROVIDED

600

OVER 65s LOOKED
AFTER IN CARE HOMES

AMENITY

Services

275

PARKS, PITCHES, PLAY
AREAS & BURIAL
GROUNDS MANAGED

41,712km

OF COAST, COUNTRY,
KERBSIDE & VERGES MANAGED

BUSINESS

Support

466

JOBS PROTECTED
BY GRANTS & LOANS

458

COUNCIL EMPLOYABILITY
PROGRAMME PARTICIPANTS

EDUCATION

14,133

PUPILS IN SCHOOL

2,454

2-4 YR OLDS ACCESSING
EARLY LEARNING &
CHILDCARE

ROADS

Maintain:

920km

OF ROAD

18,591

STREET LIGHTS

SPORT

& Leisure

757,409

INDOOR FACILITIES
ATTENDANCES

482,823

POOL ATTENDANCES

LIBRARIES

& Museums

588,297

LIBRARY VISITORS

181,339

MUSEUM VISITORS

FACILITIES

OVER 1M

SCHOOL MEALS
PROVIDED

139

SCHOOL, PUBLIC &
COUNCIL BUILDINGS
CLEANED

ENVIRONMENTAL HEALTH

1,075

HOUSING CONDITION,
NOISE, PESTS & OTHER
NUISANCE COMPLAINTS
DEALT WITH

PLANNING

1,000

PLANNING APPLICATIONS
DETERMINED

CUSTOMER

Services

170,361

FACE-TO-FACE ENQUIRIES

248,669

PHONECALLS TAKEN

197,204

ALARM CALLS

REVENUES

Services

97.5%

COUNCIL TAX COLLECTION

97.8%

BUSINESS RATES
COLLECTION

STAFF

67%

OF COUNCIL BUDGET SPENT
ON **1585** EDUCATION &
2120 OTHER STAFF

SUPPORT

Services

3.7%

OF GROSS EXPENDITURE
(ONE OF THE LOWEST SCOTTISH
LOCAL AUTHORITY RATES)

CHILDREN'S SERVICES

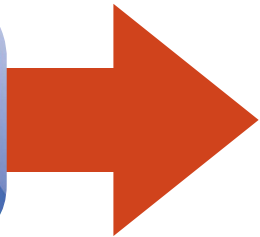
OVER **3000**
CHILDREN REFERRED

242

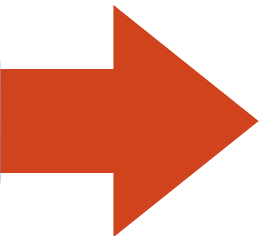
LOOKED AFTER CHILDREN

Our challenges

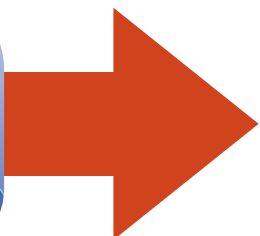
Budget pressures and increases in demand
means having to do a lot more with a lot less



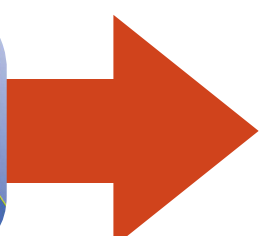
Cuts in funding and pressures to increase spending mean that the council has to achieve **£7m in planned efficiencies** in order to balance the 2018/19 and 2019/20 budgets



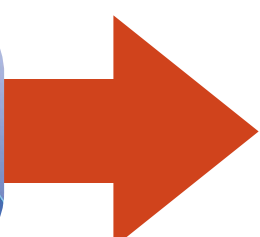
Further cuts in funding and pressure from inflation and pay awards mean the council is facing a **budget gap of between £12m and £39m by 2022/23**



East Lothian has one of the fastest rates of **growth in population** in Scotland from 103,000 to **over 120,000 by 2037** – about 1,000 a year



The number of **people aged 75 year or over will double** as will the number of people with dementia, meaning a big **rise in care services for elderly** people with dementia.

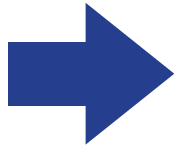


The number of **children 0-15 years old will grow by over 15%**, so we need **one new secondary**, at least **two new primary schools** and extensions to many of our schools.

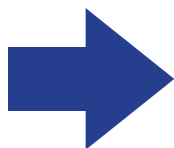
Other pressures

Most people now expect council services to be provided online – being able to report a fault, ask for a service and pay for services via PC, tablet or smart phone.

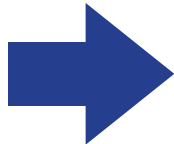
We also need to respond to pressures from legislation and Government policies; for example:



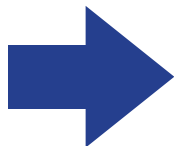
By 2020 all 3 and 4 year olds and vulnerable 2 year olds will have **1140 hours of early learning and childcare** (double the current provision)



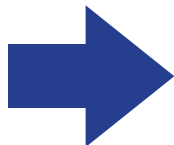
We need to meet the new recycling target: **70% of household waste to be recycled**



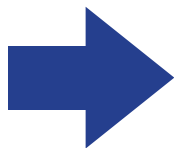
Waste sent to **landfill will face higher taxes**



Impact of Welfare Reform – increase in council rent arrears and homelessness; more demand for advice and support services for claimants



More support for, and payment of, Carers



The impact of the Living Wage – increasing staff costs and the cost of buying services such as home care

We are not alone

Midlothian Council's budget gap: **£13.5m for 2018/19 and £45m by 2021/22**

West Lothian Council's budget gap: **£73m over the next five years to 2022/23**

East Renfrewshire Council's budget gap: **£26m by 2021**

City of Edinburgh Council: **£21m savings required in 2018/19 and possibly each year for next four years**

DOING THINGS DIFFERENTLY

East Lothian Council is facing challenges – rising demand for, and cost of, services and reductions in overall central government funding – **doing more with less.**

To respond to this challenge, the Council needs to make changes to how it plans and delivers services in East Lothian – **do things differently.**

The Council is trying to do things – **more effectively and more efficiently.**

The 2017 Residents Survey found that between 84% and 97% of respondents agreed that the Council should pursue the following options:

- ➔ Focus resources on those areas of East Lothian where the need is greatest
- ➔ Reduce and manage the growing demand for some services
- ➔ Focus on prevention and early intervention – taking action as soon as possible to tackle social problems before they become more difficult to turn around
- ➔ Deliver services in new ways, perhaps with more community involvement
- ➔ Identify those services which we should stop providing

The 2017-2022 Council Plan, setting out the Council's ambitions for the next five years, states that the Council will increasingly become:

- ➔ **An enabling and empowering** authority that works with its citizens and communities, the business and third sectors and other public sector partners to deliver the solutions that work best for East Lothian

For example, social enterprises to deliver care services

- ➔ **A more entrepreneurial authority**, developing new ways of ensuring services are provided in the most effective and efficient way possible; generating more income from charges for existing services and developing new services that can make a 'profit' for the council

For example, an energy company to generate income from solar power and other renewable sources








- ➔ **A 'digital' authority**, fully embracing and exploiting opportunities to use technology to deliver services

For example, letting people report, request, pay for services on-line; stopping taking cash payments at council offices

Prevention and Early Intervention

The shift in emphasis towards prevention and early intervention has been underway for some years. Many activities that can be described as 'prevention' or 'early intervention' are now core activities, which are embedded in the way the Council and its partners work.

Examples of prevention and early intervention already taken by the Council include:

-  Shifting the balance of care for older people from hospitals and care homes to services such as the Hospital at Home service and telecare that help people to remain in their homes
-  Interventions such as diversionary activities for young people, to reduce anti-social behaviour
-  Programmes aimed at improving skills and employability to improve positive destinations for school leavers
-  Sports development, the Active Schools programme and active travel initiatives encourage and support people to be more physically active and healthier
-  Helping the Scottish Fire and Rescue Service to target home fire and home safety activity to the most vulnerable households
-  Establishing a multi-agency Public Protection Unit which covers both East Lothian and Midlothian
-  The new waste collection service that has increased household waste recycling to over 50%, thereby reducing our use of landfill.

THE JOURNEY SO FAR

£24m savings from a variety of programmes and service reductions over the last 5 years including

➤ **Efficient Workforce Management**

- ✚ Reviews of senior staff and structures – reduced senior staff by 30%
- ✚ Voluntary Early Release Scheme – 100 staff allowed to leave and not replaced (no additional payment beyond existing pension arrangement) (Saving = £3m per year)
- ✚ Services (and staffing) under review; for example, a Unified Business Support service bringing together admin and support staff from all services
- ✚ Overtime and use of Agency workers reviewed, monitored and kept to a minimum.

➤ **No allowance for inflation on costs of supplies and services**

- ✚ Any increase in costs of supplies and services are met through efficiencies, better procurement or buying less: e.g. ended contract for water coolers; new contract for photocopiers and big reduction in use of printed material

➤ **Services redesigned or reduced**

- ✚ Mobile library shared with Midlothian and Scottish Borders Councils
- ✚ Some posts shared with Midlothian Council e.g. Trading Standards
- ✚ New contract for home care services
- ✚ New waste collection service – weekly food waste collection (required by legislation) introduced along with changes in other bin collections to minimise additional cost

➤ **Council Tax increased by 3% (raising about £1.5m) in 2017 after 8 years of no increase**

- ✚ The Scottish Government has capped Council Tax increases to 3%
- ✚ Council plans to increase Council Tax by 3% again in 2018

What the Council's auditors say:

The Council's external auditors, commenting on the 2016/17 Annual Accounts (September 2017), stated that the Council's **financial management is effective** with a budget process focused on the Council's priorities. The Council has **a good track record of delivering services within its budgets** and within the last two years has consistently contained its expenditure within annual budgets.

The auditors have also stated that the Council has **sound and well established governance arrangements that ensure effective scrutiny and challenge**.

The Auditor's report also confirmed that "The Council faces a number of challenges in maintaining a sustainable financial position in future. These include **rising demand** for services, **increasing cost** of services and **reductions in overall central government funding**."

➤ Transformation / Change Programme

The Council has embarked on a Transformation/ Change Programme to change the way it does things to be more efficient and deliver services more effectively to meet the new demands and pressures. This includes:

- ✚ **Review of Council accommodation** requirements and new ways of working, including partnership arrangement

For example: the Police are moving from Haddington Police Station to John Muir House, saving money for the Police and generating income for the Council (Police Scotland will pay the Council rent) but also improving joint working between Council staff and Police

- ✚ The redevelopment of the Council's website and **provision of on-line services**. The new Council website to be launched in early 2018 will support on-line services and payments accessible from all mobile devices

- ✚ Exploiting new opportunities for **income generation**. For example, exploring renewable energy sources, such as solar power

- ✚ **Redesigning how services are provided**, taking account of the potential to work in partnership with voluntary organisations, businesses and social enterprises, using 'arms-length organisations', trading companies, social enterprises and partnerships with other local authorities.

The Council's **Digital Strategy** is fundamental to the Council's Transformation/ Change Programme – putting services on-line so people can access them whenever they choose. [Face-to-face transactions cost much more to the Council to support than on-line transactions.] The Strategy recognises that it is important to provide support to people who may be 'digitally excluded'.