



East Lothian
Council

Public Consultation

have your say



East Lothian Council are consulting on their 2024-25 Budget. It's time to have your say on the services that matter to you, and areas where further savings could help make resources go further.

To take part in this important public consultation online at the East Lothian Consultation Hub:

eastlothianconsultations.co.uk

or request a paper copy from your local council office or library.

#shapingourfuture

You can #makeadifference

SCAN ME



EAST LoTHIAN COUNCIL BUDGET CONSULTATION 2024-25

24 NOVEMBER TO 5 JANUARY

Contents

1. Introduction	Page 2
2. Our budget	Page 5
3. Our funding	Page 6
4. Our spending	Page 7
5. Shaping our future	Page 8
6. Setting council tax	Page 10
7. How to give your views	Page 11

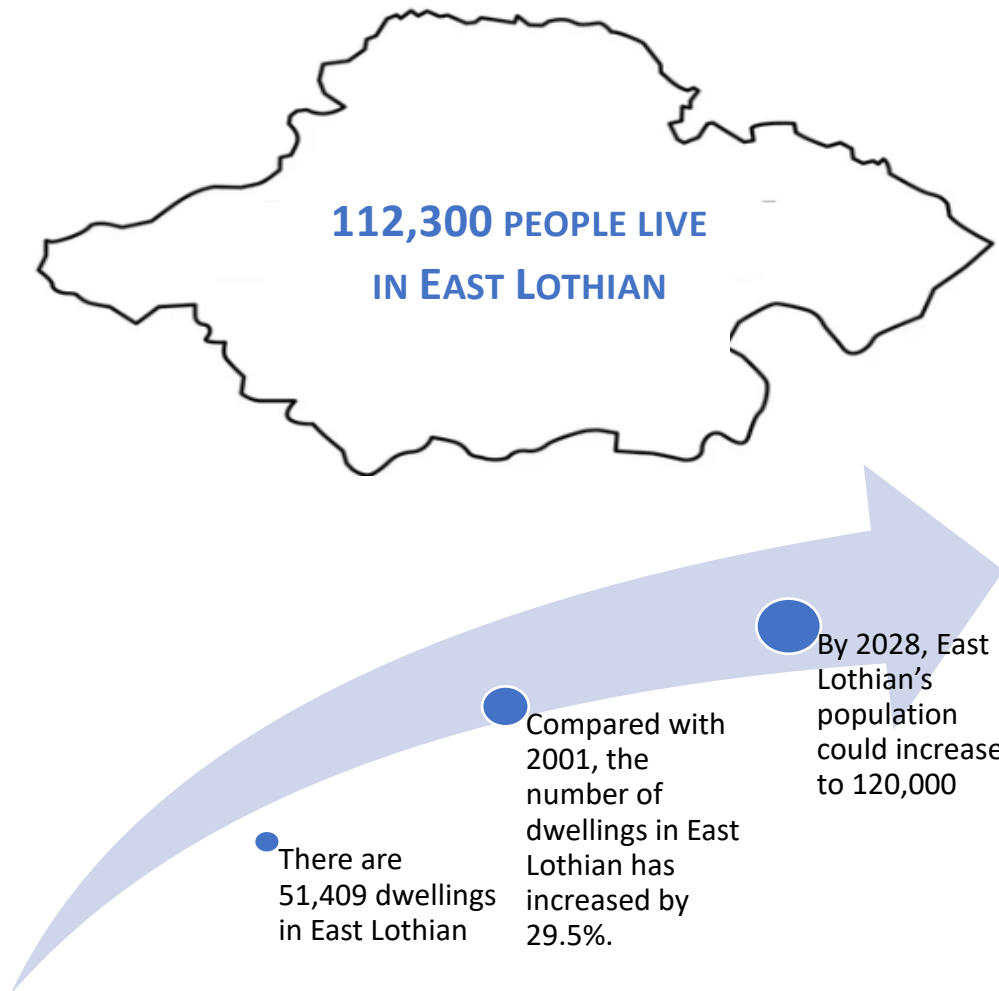
1. Introduction

East Lothian Council (ELC) provides a wide range of services to East Lothian communities, spending over £320 million annually. We are very aware that these services, whether they are statutory (the services we must provide) or discretionary (the ones we can choose to provide) are highly valued by our communities but, as in recent years, we know we will have to make some very difficult decisions during the setting of the 2024-25 budget to ensure our increasingly limited resources continue to be prioritised and money is directed to where it is needed most.

EAST LoTHIAN COUNCIL BUDGET CONSULTATION 2024-25

24 NOVEMBER TO 5 JANUARY

East Lothian Facts and Figures:



East Lothian has 11,000 over 75s (9.8% of the overall population)



16.7 of East Lothian Population is aged 0-14



The largest proportion of East Lothian dwellings falls into Council Tax band C (29%)

In 2023, there were 3155 businesses in East Lothian, with 87.5% employing fewer than 10 people.



EAST LoTHIAN COUNCIL BUDGET CONSULTATION 2024-25

24 NOVEMBER TO 5 JANUARY

ELC's Council Plan 2022 to 2027 sets out our plans to continue the journey towards realising our vision for an even more prosperous, safe and sustainable East Lothian, with a dynamic and thriving economy, that enables our people and communities to flourish.



Alongside these priorities which set out the council's ambition and priorities for the medium to long-term, there are some difficult policy and service decisions that must be taken to balance the annual budget. To help support East Lothian through these challenges, we will:

- Continue to work at transforming services and finding new ways of working
- Seize opportunities to work even more closely with our partners, design and deliver our services more collaboratively and invest in new technology to make the council more efficient and productive
- Work with Scottish Government to raise awareness of local issues and secure the powers and resources to sustain and improve outcomes for East Lothian residents.

EAST LoTHIAN COUNCIL BUDGET CONSULTATION 2024-25

24 NOVEMBER TO 5 JANUARY

2. Our budget

All councils have to set a balanced budget before the start of each financial year and the budget which we set for next year (2024/25), this will be one of the biggest challenges East Lothian Council has ever faced. This is because of the rising cost pressures and increasing demand on our services which is not being matched by increases in national funding settlements.

We know that recent global events have caused increases in energy costs, high inflation, rising interest rates and a cost of living crisis which is impacting many of our residents. As we respond to these challenges, it is more important than ever that public services like East Lothian Council manage spending within the finances available, otherwise our budget will become unsustainable and threaten the viability of the services we provide. This requires tough choices about priorities for the future.

In 2022-23 the council ended the year with a revenue overspend of over £16 million. We had to fund the overspend by drawing down from our reserves (savings), but we know this is not a sustainable solution.

What's happened this year?

Balancing the 2023-24 budget was a difficult challenge. Whilst we have seen a net increase in our overall funding, through government grants and a 7% council tax increase, it has not been enough to cover increased spending pressures. Increasing demand for council services, along with rising costs of fuel, energy and inflation more generally has resulted in increased costs for most services. Although Council agreed to deliver £6.7m of savings, it was still necessary to balance the budget through a planned reserve drawdown of £7.4m.

The in-year position has revealed a further set of emerging challenges including RAAC being identified within secondary schools, increasing costs in childrens services related to unaccompanied asylum seeking children, overspends within health and social care, further pressure from high inflation and ongoing risks of overspend linked to the 2023/24 pay award. Responding to these challenges means that the council is now forecasting an unplanned overspend in excess of £10 million and has needed to implement some emergency measures to try and mitigate this.

The council does not hold sufficient reserves to cover an overspend of this level and it will therefore be necessary to redirect funding which has been set aside for a specific reason if this overspend materialises.

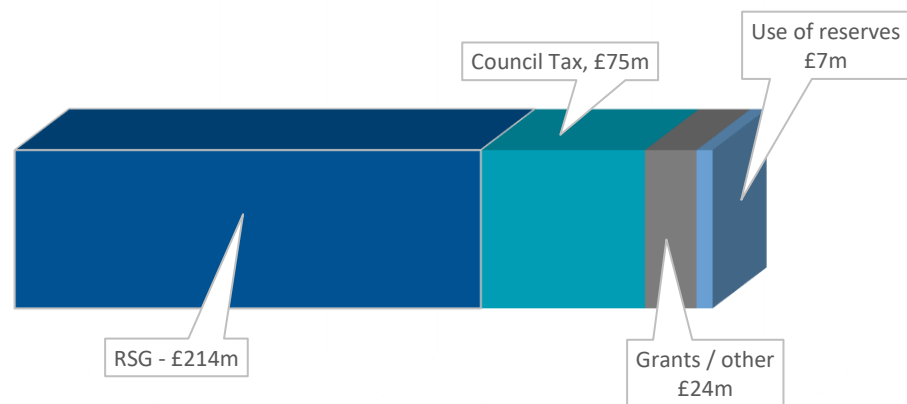
EAST LoTHIAN COUNCIL BUDGET CONSULTATION 2024-25

24 NOVEMBER TO 5 JANUARY

3. Our funding

The Council gets most of its funding, around 70%, through grant from Scottish Government, with council tax making up around a quarter of total income and the remainder of the budget balanced through specific grants, fees, charges and use of reserves.

The chart below sets out the breakdown of income that will fund the services delivered by the council during 2023/24:



Although the council has seen significant housing growth over the last two decades which has increased the amount of income collected through council tax, this only accounts for approximately a quarter of the costs of providing services for the growing population.

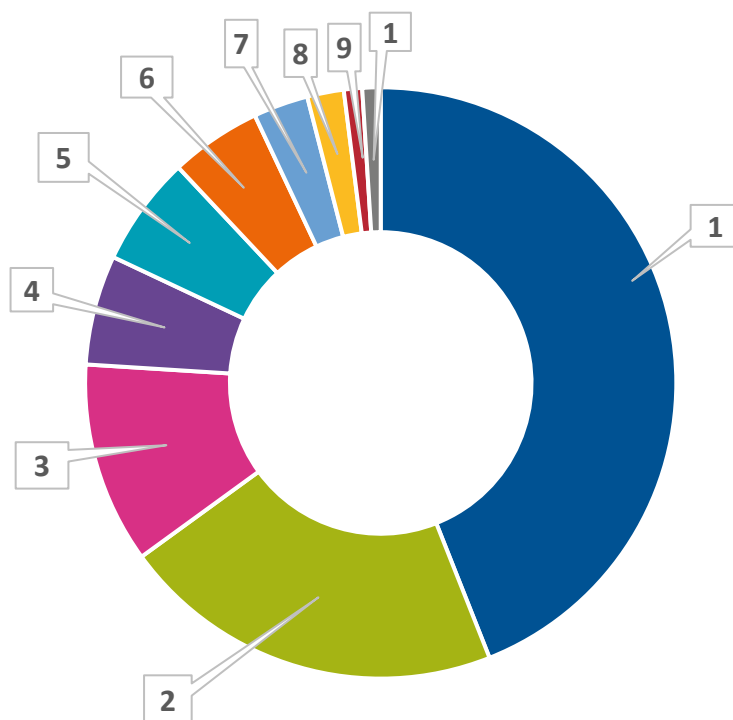
In the context of increasing demand for council services, high inflation and interest costs, along with limited uplifts in the council's main funding stream from the Scottish Government, it is becoming increasingly challenging to balance growing expenditure requirements against available income.

EAST LoTHIAN COUNCIL BUDGET CONSULTATION 2024-25

24 NOVEMBER TO 5 JANUARY

4. Our spending

For every £100 we spend, this is how it is split between the various services we provide.



No	Service	Amount
1	Education	£44
2	Health and social care	£21
3	Infrastructure	£11
4	Childrens Services	£6
5	Debt charges & other corporate	£6

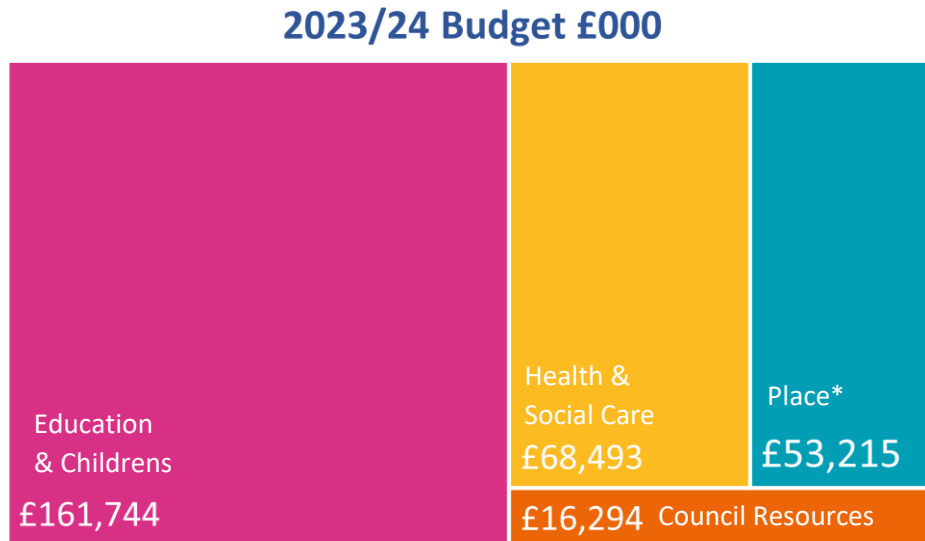
6	Communities & Partnerships	£5
7	Corporate Services	£3
8	Finance, revenues and benefits	£2
9	Housing	£1
10	Development	£1

EAST LoTHIAN COUNCIL BUDGET CONSULTATION 2024-25

24 NOVEMBER TO 5 JANUARY

5. Shaping our future

This consultation seeks views on the overall strategy that East Lothian Council needs to adopt for prioritising spending, and income from Council Tax and charges. The chart below shows the key areas of council spending, based on the 2023/24 budget.



*Place incorporates Housing, Communities, Infrastructure (including waste, roads, leisure and amenities) and Development.

This shows that nearly 80% of what we spend supports the following services:

- Education and Childrens Services (2023/24 budget £162 million)
- Health and Social Care (2023/24 budget £68 million)

In most areas both demand for services and the cost of delivering those services has been increasing in recent years but the funding we receive has not increased at the same rate. This is a particular challenge for East Lothian, where our growing population means that the cost of serving our communities is increasing, while our funding is not.

All Councils are required by law to set a balanced budget ahead of the financial year. East Lothian Council will meet in February 2024 to agree the budget for 2024/25.

Current forecasts suggest that the Council will face a gap of over £27 million between its projected funding and what it spends on providing local services in the next financial year, 2024/25.

EAST LoTHIAN COUNCIL BUDGET CONSULTATION 2024-25

24 NOVEMBER TO 5 JANUARY

This gap is expected to increase to in excess of £70 million over the next five years, which represents just over a quarter of the council's annual budget. This is a huge challenge that will require Councillors to make some hugely difficult decisions over the coming months, however, ensuring the financial sustainability of the council is crucial so we can continue to provide essential local services.

What are we doing?

The Council's Financial Strategy sets out our commitment to reducing the cost of services through:

- **Asset rationalisation and energy transformation:** reducing the number of buildings we use, and ensuring that the buildings that we do use are as efficient as they can be.
- **Transformation, service redesign & digitalisation:** looking at how we deliver services, improving our processes and making best use of technology and digital solutions.
- **Early intervention & prevention:** continuing to invest in measures to improve outcomes and avoid the need for more intensive and costly interventions.

We remain committed to this and continue to work to reduce the funding gap by changing the way we work to deliver services more efficiently.

However, with a funding gap of over £70 million, it will not be possible to close this through efficiencies alone, which leaves the Council with the following options to balance the budget:

- Reduce the amount that we spend, by reducing or stopping certain services.
- Increase the amount of income that we raise through council tax, fees and charges.

Neither of these options is desirable, and we want to ensure that the limited resources that we do have are prioritised to allow us to continue to meet the needs of our communities. This is why we are seeking your views on the services that matter the most to you and your community.

6. Council Tax

As part of setting the annual budget, elected members will vote to set the level of Council Tax for the next year.

- The First Minister recently announced Scottish Government's intention to encourage local authorities to freeze the council tax next year. The council is awaiting further information about the implications of this announcement for the council's funding position but in the meantime we are keen to understand your views on this as part of this consultation.



Each 1% increase in the council tax equates to approximately £0.7m income to support the delivery of council services.



Every 1% increase to the council tax charge would mean a weekly increase of £0.28 to the average council tax bill (before discounts and reductions.).



Projections within the current five year financial strategy assume that there will be annual council tax increases of 5%.



The council remains committed to keeping council tax as low as possible in order to minimise this bill for our residents.

EAST LoTHIAN COUNCIL BUDGET CONSULTATION 2024-25

24 NOVEMBER TO 5 JANUARY

7. How to give your views

As always, your feedback is important to us.

This year you can get involved and tell us your views on:

- **the services that matter to you**
- **your suggestions for how we might find further savings**

This consultation runs from 24 November 2023 to 5 January 2024. To take part, please visit our website [East Lothian Council - Citizen Space \(eastlothianconsultations.co.uk\)](https://www.eastlothianconsultations.co.uk).

If you are unable to take part online, a hard copies of this questionnaire will be available in all public libraries. Consultation responses will help inform decisions ahead of the publication of the detailed budget proposals in early February 2024.