

East Lothian Council's Budget 2020-21

Our Vision: An even more prosperous, safe and sustainable East Lothian, with a dynamic and thriving economy, that enables our people and communities to flourish.

In recent years, East Lothian Council has sought to protect the vital public services which residents rely on. This has included action to help children achieve their potential, supporting older and vulnerable people, protecting the environment, investing in local facilities and working to build the East Lothian economy.

The Council has been on a prolonged journey of change and has reduced costs by more than £31 million over the last seven years. The current three-year budget includes further reductions of £11.3m.

However, like many other councils, we face significant reductions in government grant funding. The recent Financial Prospects report highlighted that East Lothian Council may have to make further savings of around £31 million over the next five years, over and above approved planned savings. This means that the Council is faced with some very tough choices and must consider how it can reduce costs, how it might increase income streams, do more with less, and in many areas, the way in which we currently deliver our local services will need to change.

Our Challenges: Budget pressures and rising demand means having to do a lot more with a lot less.

- The estimated funding we expect to receive from the Scottish Government (71% of our total budget) and through Council Tax receipts and other income sources (24%) will not be enough to meet the increasing cost of services in the years ahead.
- This comes at a time of rising population growth and increased demand for services, particularly from younger and older people.
- Given the scale of the funding pressures, it is increasingly challenging to make the required level savings without having an impact on local services and doing things differently.
- Cuts in funding and pressures to increase spending mean that the council has to achieve £11.3m in planned savings and efficiencies in order to balance the three-year budget, 2019/20 – 2021/22, with further savings expected to be required.

- We are unlikely to know how much the core funding from the Scottish Government will reduce by due to delays in the budget settlement announcement. But we do know that further pressure from inflation, pay awards and a growing population means that the council is facing a **further** budget gap of between £0.5m - £31.5m by 2024/25.
- We have already made significant savings and we will need to do more with less resources.
- The Climate Change emergency requires the council to invest in 'green energy', the provision active travel options and measures to reduce its carbon emissions.
- East Lothian has one of the fastest rates of growth in population in Scotland and it is estimated our population will grow from c.105,000 (2018) to over 120,000 by 2036 – almost 1,000 a year. We have had to allocate land in the Local Development Plan for over 10,000 new houses including the development of a new settlement.
- The growth of East Lothian's population means we need to invest in new infrastructure such as schools, roads and community facilities. This investment will come partly from 'developer contributions' but will also increase our capital budget financed through borrowing which will increase the interest charges paid for from our revenue budget.
- The number of people aged 75 years or over will more than double in that time, meaning a big rise in care services for people with complex needs such as dementia.
- The number of children 0-15 years old will grow by over 15%, so we need to build a new secondary school and at least three new primary schools, as well as extending all secondary schools and most of our primary schools.
- Most people now expect council services to be provided online so they are accessible at a time and place of their choosing – for example, being able to report a fault, ask for a service or pay for services via a PC, tablet or smart phone. This means the council needs to continue enhancing its digital offering, invest in new technology and change the way it delivers services.
- We also need to respond and adapt to pressures arising from Government policies and legislation such as the commitment to provide 1140 hours of early learning and childcare to all 3 and 4 year olds, the requirement to meet new recycling targets for household waste, and the requirement to support and provide payments to carers.
- The Council set itself an ambitious plan to try to meet our Vision with clear priorities to Grow our Economy, Grow our People, Grow our Community and Grow our Capacity to deliver.

That is why council officers are working on budget savings options which would enable the council to balance its budget – as we are legally required to do. These proposals continue to be in development and no decisions can be formally taken until Elected Members meet to agree our 2020-21 budget which is currently planned to take place in February 2020.

The Journey So Far

Over £30m savings from a variety of programmes and service reductions over the last 7 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)
- ✚ 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.

➤ **Services redesigned or reduced**

- ✚ 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

➤ **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, and working in partnership with other public agencies to make best use of our assets and provide a more joined up service.
- ✚ The redevelopment of the Council's website and **provision of on-line services**. The new Council website was launched in April 2018 to support increased 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. The Strategy recognises that it is important to provide support to people who may be ‘digitally excluded’.

➤ **Fees & Charges**

The Council is currently reviewing what it is charging for and options for raising income, as well as exploring options to charge for new services. These charges are benchmarked with Scottish averages and other authorities. All existing charges be subject to an annual inflationary increase where appropriate and all opportunities for charges are being reviewed.

Our Priorities

The Council Plan for 2017-2022 continues 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.

The overarching aim is ‘reducing inequalities within and across our communities’ with four themes each designed to make the biggest impact in our communities.

These are:

- **Growing our Economy**
 - Reduce unemployment
 - Improve the employment of East Lothian’s workforce
- **Growing our People**
 - Reduce the attainment gap and raise the achievement of our children and young people
 - Improve the life chances of the most vulnerable people in our society
- **Growing our Communities**
 - Extend community engagement and decision making
 - Increase community and individual resilience
- **Growing our Capacity**
 - Deliver transformational change
 - Harness the opportunities technology offers in the provision of services

In order to meet the challenges we face the council is having to transform the way it delivers services. In summary the council needs to 'do more with less'. As part of this transformation the council needs to 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
- more entrepreneurial, developing new ways of ensuring services are provided in the most effective and efficient way possible
- a 'digital' authority, fully embracing and exploiting opportunities to use technology to deliver services.

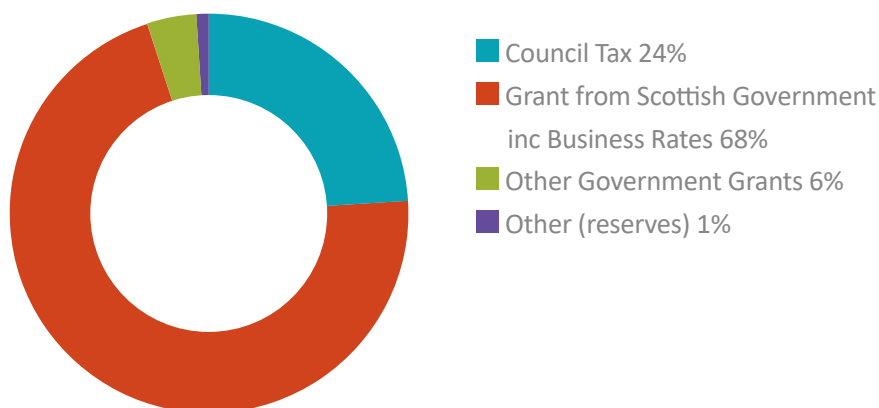
The Council is not 'abandoning responsibility' for delivering services but has to focus its resources on areas of greatest need and investing in 'prevention and early intervention' – reducing future demand for services by intervening early to reduce problems before they become crises.

Given the scale of the challenges and issues faced by East Lothian, the council has to look to how it can further harness the power of its citizens and communities. We recognise that the council and the people and communities of East Lothian can best deliver the solutions to these challenges in partnership.

Central to this approach is the Council moving away from doing things for, and to, communities and individuals, to the Council and the communities and citizens of East Lothian working together to identify and then meet our needs in partnership and co-operation.

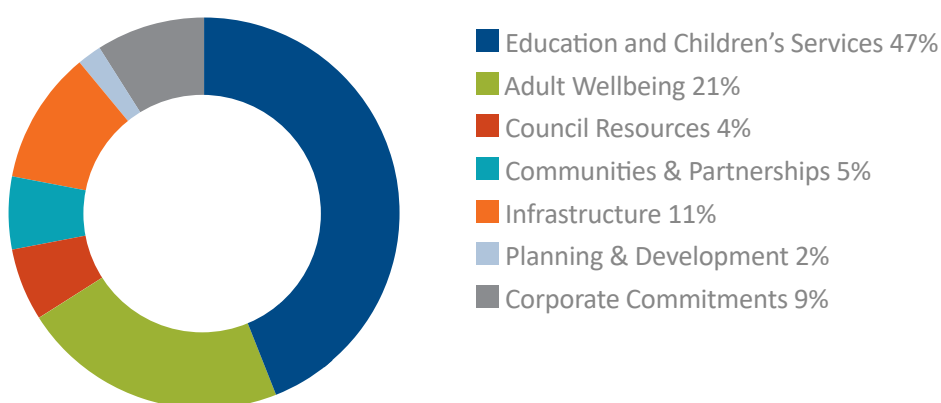
East Lothian Council 2020/21 Budget

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 24% of our income.



How it is spent

The council's total budget of £248m for public services during 2019/20 is allocated as shown here:



East Lothian Council 2019/20 Budget

Where the money comes from:

Scottish Government Grant & Non-Domestic Rates	£169.1m
Other Government Grants (ring-fenced)	£15.7m
Council Tax	£60.3m
Use of council reserves	£3m
Total funding	£248.1m

Where the money goes:

Total spend on services	£225m
Spend on other commitments inc debt charges	£23.1m
Total budget	£248.1m



How your money was used in 2018/19

WASTE
Collections

6.8m
BINS
COLLECTED

50,130
TONNES
WASTE COLLECTED

ADULT CARE
Services

21,800
HOURS CARE AT HOME
PER WEEK PROVIDED

605
OVER 65s LOOKED
AFTER IN CARE HOMES

AMENITY
Services

276
PARKS, PITCHES, PLAY AREAS
& BURIALGROUNDS MANAGED

41,712KM
OF COAST, COUNTRY,
KERBSIDE & VERGES MANAGED

310
BURIALS UNDERTAKEN

BUSINESS
Support

171
JOBS PROTECTED
BY GRANTS & LOANS

463
COUNCIL EMPLOYABILITY
PROGRAMME PARTICIPANTS

EDUCATION

14,468
PUPILS IN SCHOOL

2,526
2-4 YR OLDS ACCESSING
EARLY LEARNING &
CHILDCARE

ROADS
Maintain:

920KM OF ROAD

18,591
STREET LIGHTS: 48% NOW LED

2,587 POTHOLES
FILLED

186 GRITTING
TREATMENTS

SPORT
& Leisure

629,211
INDOOR FACILITES
ATTENDANCES

465,742
POOL ATTENDANCES

LIBRARIES
& Museums

581,419
LIBRARY VISITORS

50,298
PC/DIGITAL LEARNING
SESSIONS HELD

FACILITIES

1.15M
SCHOOL MEALS
PROVIDED

139
SCHOOL, PUBLIC & COUNCIL
BUILDINGS CLEANED inc 30
PUBLIC TOILETS

HOUSING
Services

292
AFFORDABLE HOUSES BUILT

455
NEW BATHROOMS FITTED

406
NEW KITCHENS FITTED

PLANNING

1,090
PLANNING APPLICATIONS
DETERMINED

CHILDREN'S
Services

OVER **3,210**
CHILDREN REFERRED

234
LOOKED AFTER CHILDREN

REVENUES
Services

96.9%
COUNCIL TAX COLLECTION

99.1%
BUSINESS RATES
COLLECTION

ENVIRONMENTAL
HEALTH

1,327
HOUSING CONDITION,
NOISE, PESTS & OTHER
NUISANCE COMPLAINTS
DEALT WITH