

REPORT TO: Cabinet

MEETING DATE: 19 January 2021

BY: Executive Director for Council Resources

SUBJECT: Budget Development 2021-2026

1 PURPOSE

- 1.1 To present to Cabinet an update on matters affecting development of budgets including the draft budget proposals prepared on behalf of the Administration.

2 RECOMMENDATIONS

- 2.1 To note the current position relating to the national Local Government Finance Settlement and the implications for East Lothian Council.
- 2.2 To approve the draft budget proposals as contained within the report appendices noting the intention of the Council Leader to invite further discussion with other political groups via Group Leaders between now and the formal budget setting meeting.
- 2.3 To request that any formal amendments to the draft proposals be submitted in accordance with the timeline set out in para 3.14 of this report.

3 BACKGROUND

- 3.1 At meetings of the Council held on 27 October 2020 and 15 December 2020, information was provided in relation to the future financial prospects for the Council and the 5 year Financial Strategy incorporating the Capital Strategy was formally approved.
- 3.2 The framework governing development of budgets was also approved that would require the Administration to bring forward to Cabinet a balanced draft budget proposal reflecting the most up to date information available.

Local Government Settlement

- 3.3 Typically by mid-December, the Council would have received notification of the draft Local Government Finance settlement from the Scottish Government as part of their draft Budget proposals. This year, due to delays in UK Government Spending Plans, the Scottish Government budget and related finance settlement

for Local Government will now be delayed from early December until end of January 2021, with the final Stage 3 of the Scottish Government budget now expected to take place during the first week in March 2021.

- 3.4 A Finance Circular setting out details of the Local Government Settlement will be issued to all Councils on 28 January 2021. This circular will set out the **DRAFT** individual local authority grant allocations for **2021-22 only**. When received, details will be shared with all political Group Leaders as early as practically possible.
- 3.5 At this point in time, it remains unclear what the expected grant settlement will be for the Council. The Scottish Budget is significantly influenced by the level of resources made available within the UK Budget, but Scottish Government does also have at its discretion, a range of fiscal powers over taxation and welfare. Detailed spending plans are dependent on the Scottish Government's own budget priorities and passage through their formal budget processes therefore making it very difficult to estimate what funding will be made available to Local Government and subsequently through to this council.
- 3.6 As set out in previous reports, the UK Spending Review (25 November 2020) suggested that Scotland will receive an extra £2.3bn of funding in 2021-22. Of this, £1.3bn is to support recurring COVID related funding, a further increase of £1.3bn on revenue baseline (equating to around a 4% increase), and a reduction in capital funding by £0.3bn. The formal UK Budget for 2021-22 will be announced on 3 March 2021, and it currently remains unclear whether this will change any allocation already provided to Scotland.
- 3.7 Whilst there remain many variables affecting grant, members are reminded that the proportionately high level of grant support we currently receive from the Scottish Government makes up approximately 2/3rds of the Council's overall funding. Given the significance, any change to the grant awarded can have a disproportionately significant impact upon future financial plans and ultimately services that the Council can provide.
- 3.8 It has become normal practice within the grant settlement that Scottish Government also impose limits on the setting of Council Tax – most recently by way of limits on the maximum level of increase. Due to the late settlement, it is still not known whether or not any limits will be put in place for 2021-22.

DRAFT Administration Budget Proposals – Key Assumptions

- 3.9 Given draft Scottish Government allocations are not yet available, the Administration budget proposals have been developed on a number of key assumptions which are set out below:
- The 2021-22 funding from the Scottish Government has been estimated at a level reflecting an increase of 4%, which is commensurate with the level of Scottish Government funding set out within the recent UK Government Spending Plans. In the absence of anything being declared beyond the first year, this position has then been projected as 'flat cash' across the remaining 2 years with the following variant:

- It has been assumed that the additional investment required to support investment in social care will be met in full by additional Scottish Government funding each year. This includes contractual commitments relating to National Care Home Contract, Non National Care Home Contract and Care at Home, and this remains consistent with the condition set within the 2020-21 budget settlement.
- An amount equivalent to a 2% annual increase has been provided for all pay bargaining groups in each of the 3 years, but no pay deal has been reached and this remains subject to national negotiation.
- A Council Tax increase of 3% in 2021-22 is being proposed, with indicative rises of 5% in the following 2 years, although again it must be noted that we have not yet had clarity on any council tax capping limits that may be imposed.
- In line with the previously reported commitment from the Scottish Government, it is anticipated that £3.1m of 'fiscal flexibilities' will be applied in 2021-22 enabled by the application of a repayment holiday on the Council's Loans Fund. Detailed guidance has yet to be formally received from the Scottish Government, and therefore this remains 'provisional' pending clarification of guidance and legislative changes required by the Scottish Government.
- Capital grant is estimated to remain broadly in line with previous planning assumptions and has been flat lined in each of the years. Some projects remain dependent on confirmation of Scottish Government specific grant funding, most significantly relating to Flood Prevention Schemes. These are significant in value, and should this anticipated level of funding not be forthcoming consideration will need to be given to making further adjustments consistent with the new capital limits set within the recently approved Financial Strategy.
- Whilst recognising the rationale supporting these assumptions and the need for vital additional investment to support essential local services, the reality may be very different. COSLA has prepared a national campaign setting out the requirement to protect Local Government funding and this is set out for information at **Appendix 1** of this document. Some independent commentators have suggested that Local Government may at best receive a 'flat cash', whereas some others suggest a likely real terms reduction. This remains subject to determination by the Scottish Government and should funding levels be less than estimated, this will require further adjustment and some very difficult decisions to be made on what services can be provided and supported.

3.10 Draft revenue and capital budget proposals for both General Services and the Housing Revenue Account have been prepared on behalf of the Administration and are attached within **Appendix 2** (General Services Revenue), **Appendix 3** (General Services Capital) and **Appendix 4** (Housing Revenue Account – Revenue and Capital).

- 3.11 Given the unusual circumstances described earlier whereby these budget proposals have been formulated without the benefit of a draft settlement circular/allocation, it is important to note that both they and any related underlying assumptions will require to be updated once confirmation of the draft settlement offer made to Local Government is announced. Even then, it must also be noted that the draft Scottish Government position remains subject to possible change as the Scottish Budget goes through the wider parliamentary process.

Next Steps

- 3.12 Taking into account the somewhat unique circumstances surrounding the UK, Scottish and Local Government budgets, the Council budget timetable has been amended to reflect the changing circumstances. In keeping with the Council approved budget framework, the HRA budget will be considered by Council on 23 February 2021, and the General Services budget will be considered on 2 March 2021. Every effort will be taken to meet these dates to ensure compliance with statutory requirements relating to rent and council tax notification and billing.
- 3.13 The formal HRA statutory consultation on rent levels will take place from 19 January 2021 and closes on 12 February 2021. Emerging results of the consultation will be made available through Political Group Leaders to inform any HRA budget proposals, and will be formally reported to Council on 23 February 2021.
- 3.14 Given the Administration draft budget proposals are being considered in advance of the draft Local Government Settlement, even if approved by Cabinet, they will subsequently require to be further updated to reflect details of the draft settlement on 28 January. In line with the approved budget framework to manage any budget amendments which may arise between approval and the formal budget setting meetings - key dates and processes are set out below:

- HRA statutory rent consultation – 19 January 2021 to 12 February 2021
- Draft Scottish Budget and Local Government Settlement – 28 January 2021

Budget Amendments

- An amendment must be presented to Council in the form of an alternative budget proposal. The amendment must be deemed competent, both in its ability to be delivered as well as ensuring that it can still deliver a balanced budget.
- Political Group Leaders should during this period work with Finance around any suggested budget changes which may be reflected within any final proposed amendments.
- Any final amendments to be considered by Council must be submitted through Group Leaders to the Head of Finance no later than the following dates:
 - **HRA by Friday 12 February 2021**
 - **General Services by Friday 19 February 2021**

Key Budget Dates

- HRA Budget and rent levels for 2021-21 will be considered by Council on 23 February 2021.
- General Services Budget and council tax levels for 2021-22 will be considered by Council on 2 March 2021.

2020-21 General Services Revenue Position

- 3.15 The Council has already received a number of financial reports on the challenging in-year financial position, and a high level update was reported to Council in December. Officers continue to work on a wide range of mitigation measures to manage the financial deficit. A further report setting out the position and mitigation measures will be provided to Council in February 2021.

4 POLICY IMPLICATIONS

- 4.1 The Draft proposals have been prepared in accordance with the new Financial Strategy approved by Council on 15 December 2020.
- 4.2 There are no direct policy implications associated with approval of these draft budget proposals but clearly should they be supported by Council in February / early March, individual elements within the proposals may lead to policy changes.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report has been considered and given there is no direct change in policy direction, there is no immediate requirement to undertake any further impact assessment.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – the proposals contained within this report have been prepared within the context of the Council’s approved Financial Strategy. Although potentially the proposals will have significant financial implications, given this report simply seeks to secure approval of a set of draft budget proposals on behalf of the Administration, there are currently no direct financial implications arising.
- 6.2 Personnel - none at this stage
- 6.3 Other – none at this stage

7 BACKGROUND PAPERS

7.1 Financial Prospects 2021 and beyond – Report to Council 27 October 2020

7.2 Council Financial Strategy 2021-26 – Report to Council 15 December 2020

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DATE	11 January 2021

Respect our communities

Protect our **Funding**

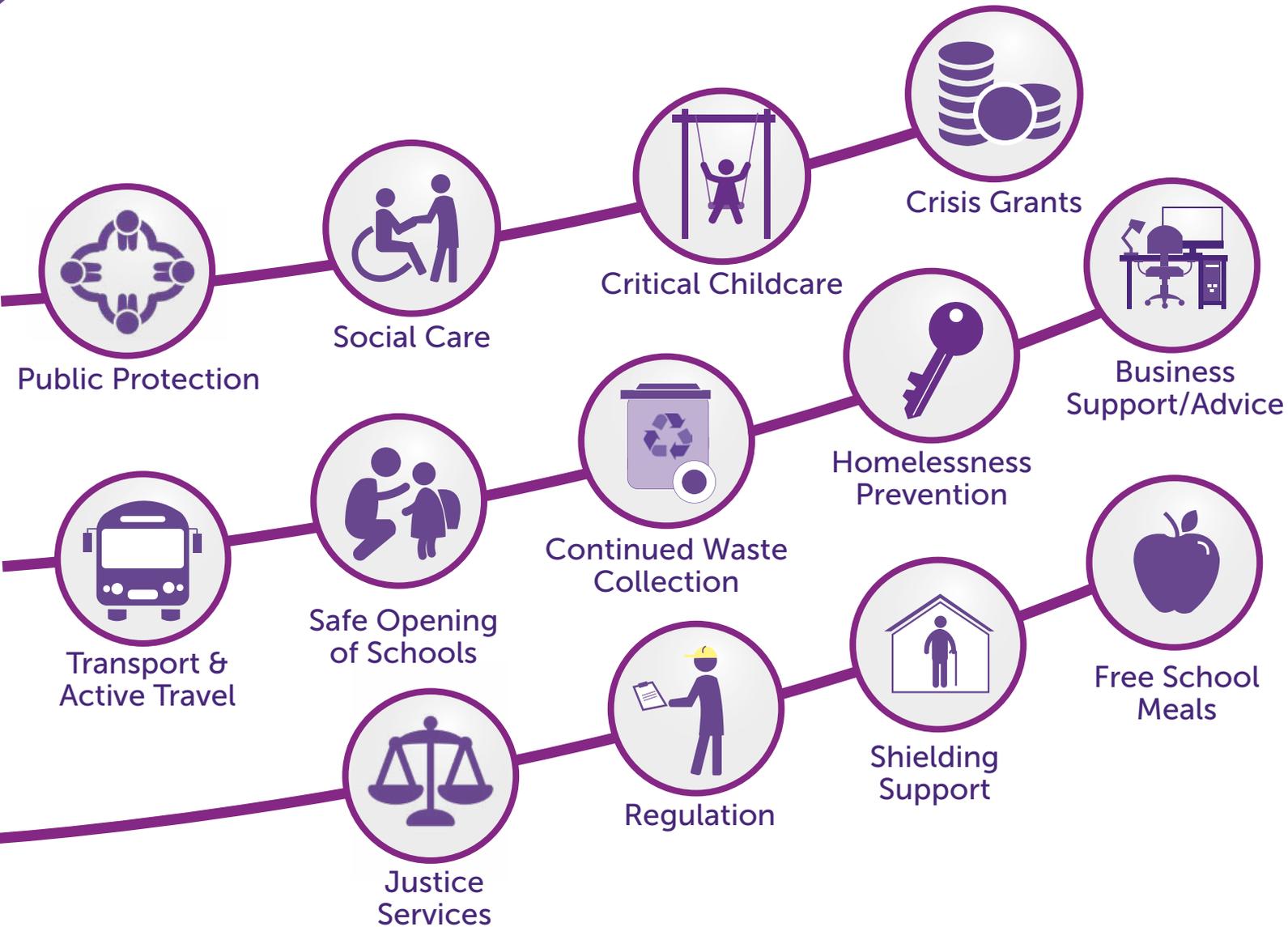
essential
services



essential
everyday

**This
Year**

across every community in Scotland, **COVID has magnified** Local Government's role



**"I want
to pay
tribute**

Nicola Sturgeon
Scotland's First Minister
Daily COVID update
24 July 2020

today to staff in Local Authorities across the country. During this pandemic, council workers have continued to deliver **essential services** in very difficult conditions.

"They have also worked closely with Scottish Government on **vital issues** such as housing homeless people, paying business grants, providing education hubs, and much, much more.

"In doing so, they have protected vulnerable people, and provided help for those who need it. **That effort has been – and continues to be – hugely appreciated.**"

Financial Impacts

of COVID on Local Government

On top of already strained budgets, COVID has created costs pressures for Local Government for 2020-21 including:



immediate spending requirements (social work, community justice, housing etc)



reductions in Council Tax income



unachievable savings due to the pandemic



lost income including fees, charges & commercial income due to closures



capital project costs



recovery costs (excluding Education and ELC)

Once all COVID-related funding is taken into account a gap of around **£360m** still remains - this is on top of already strained budgets. **Loss of income this and next year remains a key concern.**

Ongoing restrictions mean that income - parking, libraries, museums, art galleries and theatres, sports facilities, planning, school food etc - **is unlikely to recover until much later in 2021/22.**

Income accounts for an increasing proportion of Council budgets, so this will cause an immediate pressure.

In its *Local Government in Scotland Overview 2020* report, Audit Scotland recognised real challenges even before the pandemic:

"Councils are working hard

to deliver services to their communities. But the context they are working in is increasingly uncertain and complex.

Demographic and social change is creating demand for services, while the strain on budgets continues to intensify.

National policy commitments are increasing and the stresses on other public and third sector partners add to the difficulties in delivering services.

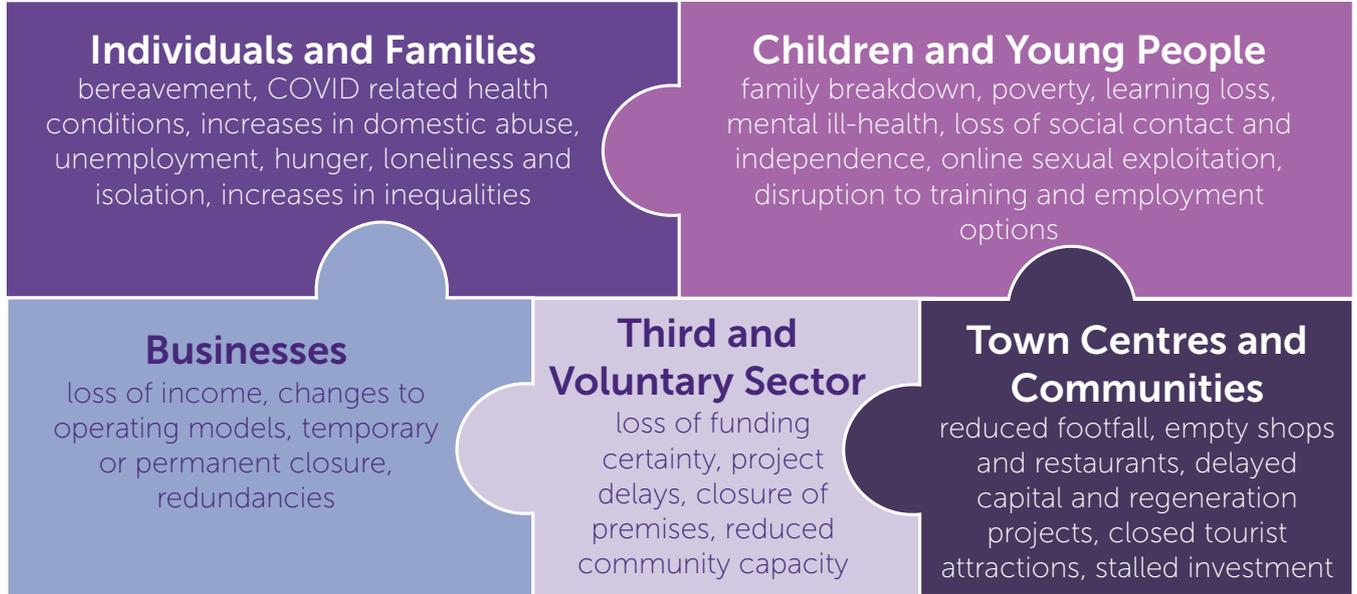
The cumulative effect of these pressures on councils is beginning to show across service performance and use of financial reserves."



The Social Impacts of COVID

are serious, long-term and need support

Every part of our community has been impacted over the last year



Only councils can provide the wide network and safety net of support that is now needed. COSLA's [Blueprint for Local Government](#) makes this clear

But Local Government is facing significant pressures...



Funding

In real terms (using 20/21 prices) there has actually been a reduction in core grant funding from Scottish Government since 2013/14, but increased policy demands. This is not sustainable to meet growing demand, and inflationary pressures (including pay)



Demographics

With an ongoing shift in the age profile of Scottish citizens, there are real challenges for social care, including dealing with multiple, complex conditions. COVID will only increase this demand



EU Transition

As well as longer term impacts on Scotland's population structure, there will be impacts on workforce and staff, food and supply costs and on regulatory capacity to keep consumers safe and business trading

A reduction in Scottish Government funding will mean

cuts to core services

The impact on communities of COVID will be deeper, longer lasting, with widening inequalities

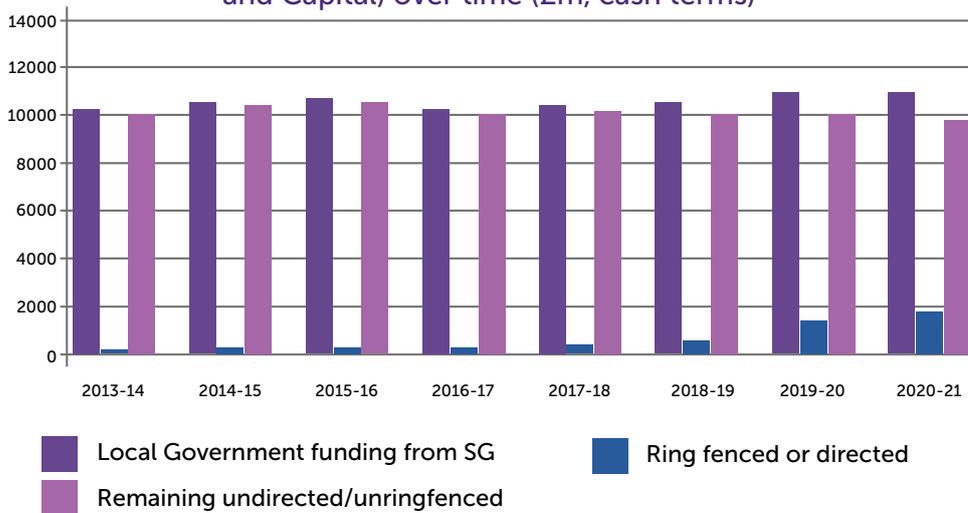
Local Government Funding

Key Trends

“ Councils have less flexibility in how they use funding. (Revenue) Funding dedicated to national policy initiatives, increased from £1 billion in 2019/20 to £1.5 billion in 2020/21, equating to **14.1** per cent of council funding from the Scottish Government. ”

Audit Scotland Local Government in Scotland Overview 2020

Change to Local Government Funding (Revenue and Capital) over time (£m, cash terms)



In 2020-21 there was **£482m less general, undirected grant funding** when compared to 2013/14.

What appears as a cash increase is for new policies - Early Learning and Childcare, free personal care, health and social care integration - and commitments like teachers' pay and pensions, pupil/teacher ratio.

This approach erodes the very core of communities and the essential services they rely on.

Between 2013/14 and 2020/21, the differences in rates of increases in available funding were significant



Despite increased investment by Scottish Government, health outcomes for people are not improving as fast as they should

Many of the services that impact health positively are funded from **Local Government's core budgets** - reductions in the core mean that the very services needed to **bring communities out of the COVID-19 emergency**, particularly around the wider public health agenda, are inhibited. Our aspirations are laid out in the [Blueprint for Local Government](#).



Local Government Funding Must be Protected



The financial impacts of COVID-19 are severe

Individuals, families, and businesses have all felt the effects and **look to councils for support** every day

But sustaining this **lifeline support** is placing **extreme pressure** on **already strained budgets** and on our **workforce**. COVID has also impacted the health and wellbeing of our staff.



We need fair funding for 21/22 that respects our communities

Fair Funding means:

- Resources to address the inequalities exposed by the pandemic
- Sustainable services that can fully support communities
- Local spending that supports economic recovery
- Job security for our workforce and opportunities for training and apprenticeships
- Councils can remain an exemplar employer, and a key part of local economies & communities

Local Government's asks of Scottish Government

- **Any additional COVID-related funding** for 2020-21 from UK Government must be passed on to Local Government – there remains a gap of at least £360m that must be addressed
- Any **cash increase** for 2021-22 from UK Government must be passed on
- **Additional social care costs** (for delegated services) should continue to be met from Health consequential during 2021-22 (c£300m additional for 20-21)
- All **known Scottish Government policy commitments** must be fully funded
- **No cap on council tax** - this must be a truly local tax
- The settlement should respect the efforts across **"one workforce"** and allow councils to make a pay award that aligns with all other parts of the public sector
- An **end to small pots** of ring-fenced, highly directed funding out with the Settlement
- **Local Government's wider role** must be respected and funded - this includes adequate capital for affordable housing

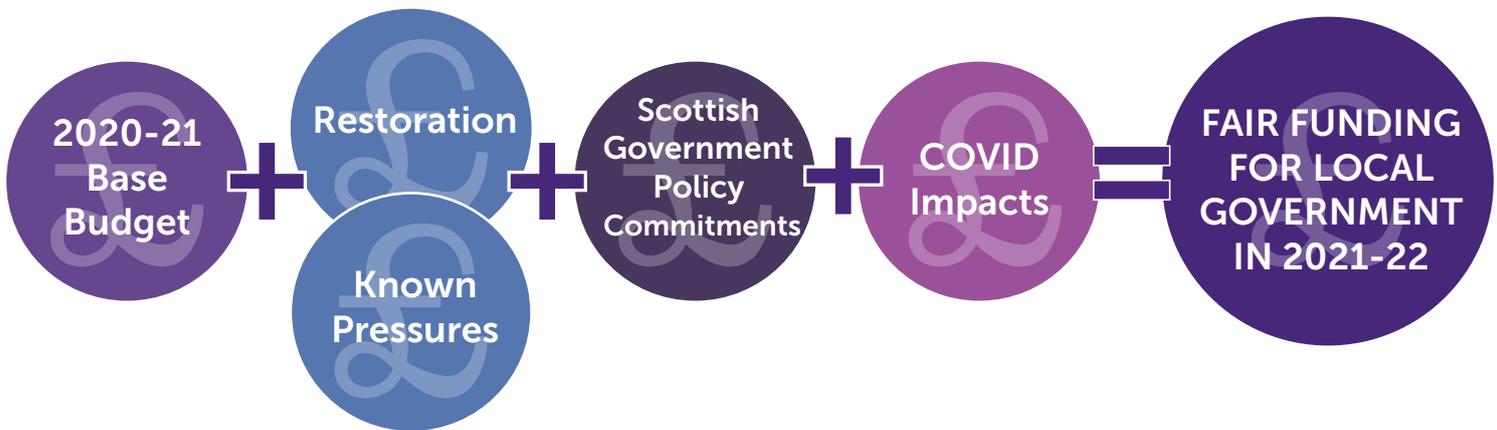


Fair Funding for Local Government in 2021-22

We need fair funding for Local Government that:

- looks across the whole system, that fully respects communities and allows councils to provide the support that will be required
- allows Local Government to address very real pressures – pay (including living wage), increased service demand (including as a result of COVID), inflation, EU transition, and ongoing loss of income next year.

At the very least, our funding ask is as follows:



	20-21 Base Budget	Restoration (3%) Known Pressures (2%)	Scottish Government known policy commitments	COVID impact	FAIR FUNDING for 2021-22
Revenue	£10,668m	£320m £213m	£164m	£770m*	£12,135m
Capital	£607m**	£18m £12m			£637m

*This figure is based on COSLA's full year cost collection exercise for 20/21 and does not include Education recovery costs, nor Social Care (funded via HSCPs) and is indicative of the scale of additional costs incurred by councils during a pandemic of this nature.

**Scottish Government presented £778m capital in Circular but this included £121m ELC and £50m Heat Network early adopters

Council services **keep people out of hospital**

During winter, this will be key to ensuring that the NHS can cope

Council support **protects lives and livelihoods**

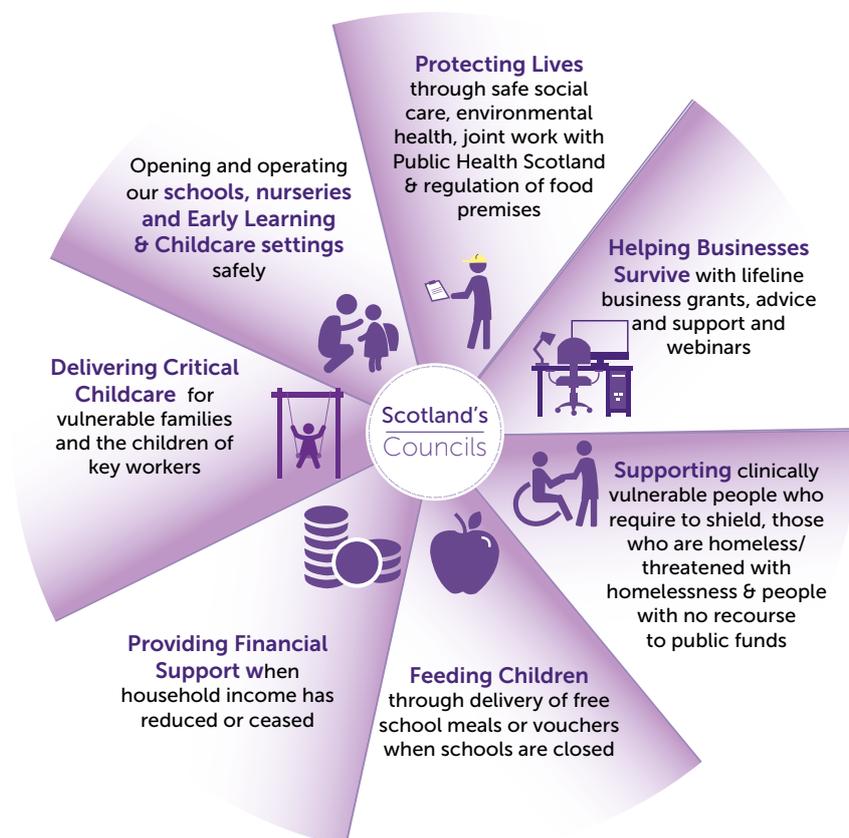
It prevents unemployment, increases in poverty and poor mental health

RESPECT our communities

Protect our **FUNDING**

From
**Day
One**

of the pandemic, Local Government
has supported every community



has magnified Local Government's wider role across communities

Councils are playing a key role in **public protection**

Homecare staff are in and out of older people's homes every day of every week, keeping them cared for and supported



Community hub staff are supporting people to shield, co-ordinating deliveries of food, pharmacy and other essentials

Homelessness prevention services have been essential to the emergency response, working in new ways to support vulnerable people and those who have no access to public funds



Environmental Health Officers have been regulating restaurants and takeaways, supporting businesses through COVID restrictions

Trading Standards Scotland have been warning and protecting our communities and businesses against scams



Fleet and transport services keep communities moving - alternatives to public transport for key workers and care services, and work with partners to support the current vaccination programme

Continued waste collection throughout lockdown, so our streets stayed clean, clear and safe



Practical support for the Gypsy / Traveller community during lockdown including toilets and sanitation

Councils are delivering **lifeline financial support** to individuals and businesses

Councils are continuing to deliver ongoing business support on behalf of Scottish Government – closure grants, hardship grants, sector specific support, help for the newly-self employed and now a discretionary business grant scheme to support those who have fallen through the cracks



Since March, we've delivered almost **£1.32b of business grants**

Business Gateway has changed and adapted to provide critical business support and advice during these unprecedented times – helping business move online and explore new business models



By opening schools and Early Learning & Childcare settings, we enabled people to get back to work when it was safe to do so, allowing them to earn a living

Families are being supported through provision of **free school meals** during the holidays and through the delivery of the **£100 Winter Hardship Payment** in time for Christmas



We continue to deliver crisis grants, additional Discretionary Housing Benefits and additional Council Tax reductions for individuals and families

Administration of £500 payments for those on low incomes who have to self-isolate



Outbound calling to ensure support packages are put in place for those who have no support networks

With Fair Funding

Local Government can drive improvements in health and wellbeing

Despite Scottish Government investing 29% more in Health services since 2013/14 (cash terms), outcomes for people are not improving as fast as they should:

- ➔ unacceptable gap in healthy life expectancy between our most and least deprived areas drug deaths
- ➔ increased drug deaths and alcohol addiction issues
- ➔ increases in childhood obesity



Investment in health cannot simply continue to be about more money for the NHS. Local Government's role is well recognised:



“Community health and wellbeing is complex. Its foundations include:

- an inclusive economy with good work
- quality housing and education
- accessible and effective health & social care services
- clean open spaces
- water and sanitation

”

Public Health Scotland's Strategic Plan

“The strongest influences on people's health are social determinants such as their level of education, income, quality of housing and employment.”

The Health Foundation – Reframing the conversation on social determinants

Many of the services that impact health positively are funded from Local Government's core budgets - reductions in the core mean that the very services needed to bring communities out of the COVID-19 emergency, particularly around the wider public health agenda, are inhibited.

Local Government's role must be viewed as part of a wider system. This is made clear in [in our submission](#) to the Independent Review of Adult Social Care

“the whole system”

stretches beyond traditional health and social care support services and into a wide range of other elements that impact wellbeing such as public transport, availability of arts and leisure services and a healthy local economy.”

With Fair Funding

Local Government can drive faster recovery



Social Care Services

are getting people out of hospital and providing increased community-based care and support for those whose health is impacted by COVID



Mental Health Support services

are supporting those whose wellbeing has been impacted (including support for children and young people in schools)



Financial Inclusion & Welfare Teams

are there for those who have been hardest hit



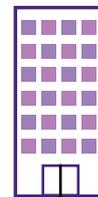
Schools and Children's Social Work Services

are working with vulnerable children and young people whose learning and home lives have been turned upside down by COVID



Council Building Projects

are helping local supply chains recover and creating much needed apprenticeship and training opportunities



Employability Services

are working with those furthest from the labour market or people now threatened with redundancy



Business Gateway and Local Economic Development Teams

are working hard to rebuild a strong business base



Planning & Development Management

will now stimulate local economies and support a move to Net Zero Carbon



Procurement & Service Commissioning

is ensuring that third and community sector organisations can once again thrive and survive



Transport and Active Travel

initiatives are adapting to new normal and working towards lowering emissions

“ We need to ensure that councils are at the forefront of economic recovery. They are one of the anchor employers in many areas and so it absolutely makes sense that they are empowered and at the forefront of that recovery. ”

Unison (Holyrood Magazine)



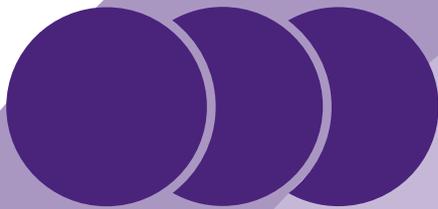
COSLA's Blueprint for Local Government

shows what is possible if Local Government is properly funded



Key Sources

- Accounts Commission "[Local Government in Scotland Overview 2020](#)", June 2020
- Scottish Parliament Information Centre (SPICe) "[LOCAL GOVERNMENT FINANCE: FACTS AND FIGURES 2013-14 TO 2020-21](#)", July 2020
- Scottish Government, [Local Government Finance circulars](#) 2013 - 2020
- Public Health Scotland "[A Scotland where everybody thrives](#)", Strategic Plan 2020-2023
- Scottish Government Budget Spreadsheets, various years
- COSLA "[Blueprint for Local Government](#)", Aug 2020



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essential
services



essential
everyday

Budget 2021/22-2023/24

	2021/22 Budget			2022/23 Budget			2023/24 Budget		
	2020/21 Base Budget £'000	Changes £'000	Total Budget £'000	2021/22 Base Budget £'000	Changes £'000	Total Budget £'000	2022/23 Base Budget £'000	Changes £'000	Total Budget £'000
CORPORATE INCOME									
Revenue Support Grant	(176,598)	(7,064)	(183,662)	(183,662)	(1,582)	(185,244)	(185,244)	(1,745)	(186,989)
National Non-domestic Rates Grant									
Specific Grants	(13,477)	(1,418)	(14,895)	(14,895)	-	(14,895)	(14,895)	-	(14,895)
Council Tax	(64,751)	(2,973)	(67,724)	(67,724)	(5,269)	(72,993)	(72,993)	(5,804)	(78,797)
Social Care Fund	(6,240)	-	(6,240)	(6,240)	-	(6,240)	(6,240)	-	(6,240)
Renewable Energy/Loan Interest	(90)	-	(90)	(90)	-	(90)	(90)	-	(90)
Transfer to/(from) Reserves	(1,466)	1,216	(250)	(250)	(2,595)	(2,845)	(2,845)	2,845	-
EXPENDITURE LIMIT	(262,622)	(10,239)	(272,861)	(272,861)	(9,446)	(282,307)	(282,307)	(4,704)	(287,011)
LESS CORPORATE COMMITMENTS									
Valuation Board Requisition	642	23	665	665	-	665	665	-	665
Council Tax Reduction Scheme	5,300	470	5,770	5,770	114	5,884	5,884	-	5,884
Asset Management	(4,343)	-	(4,343)	(4,343)	-	(4,343)	(4,343)	-	(4,343)
Debt Charges	15,250	(3,143)	12,107	12,107	3,393	15,500	15,500	500	16,000
Review of Service Provision	-	-	-	-	-	-	-	(2,268)	(2,268)
Review of Council Assets	-	-	-	-	(150)	(150)	(150)	(850)	(1,000)
Management of Staffing Budgets	(2,000)	-	(2,000)	(2,000)	-	(2,000)	(2,000)	(175)	(2,175)
Pension Deficit	503	(415)	88	88	-	88	88	-	88
External Audit	327	-	327	327	-	327	327	-	327
Criminal Justice Social Work Funding	1,068	-	1,068	1,068	-	1,068	1,068	-	1,068
Apprenticeship Levy	591	12	603	603	12	615	615	12	627
Housing Benefit Loss/Discretionary Payments	1,380	75	1,455	1,455	50	1,505	1,505	50	1,555
	18,718	(2,978)	15,740	15,740	3,419	19,159	19,159	(2,731)	16,428
FUNDING FOR COUNCIL SERVICES	(243,904)	(13,217)	(257,121)	(257,121)	(6,027)	(263,148)	(263,148)	(7,435)	(270,583)
SERVICE PLANNED EXPENDITURE									
Resources & People Services									
Education & Children's									
Children's Services	15,653	1,736	17,389	17,389	161	17,550	17,550	171	17,721
Additional Support for Learning	9,286	1,257	10,543	10,543	350	10,893	10,893	269	11,162
Pre-school Education & Childcare	16,503	1,330	17,833	17,833	29	17,862	17,862	32	17,894
Schools - Primary	43,065	1,978	45,043	45,043	1,484	46,527	46,527	1,749	48,276
Schools - Secondary	44,812	1,286	46,098	46,098	1,718	47,816	47,816	2,586	50,402
Schools Support Services	3,715	58	3,773	3,773	57	3,830	3,830	54	3,884
Education total	133,034	7,645	140,679	140,679	3,799	144,478	144,478	4,861	149,339
Council Resources									
Financial Services	1,468	139	1,607	1,607	46	1,653	1,653	46	1,699
Revenues & Benefits	2,093	163	2,256	2,256	33	2,289	2,289	59	2,348
IT Services	2,304	240	2,544	2,544	38	2,582	2,582	38	2,620
Legal	326	12	338	338	9	347	347	9	356
Procurement	250	9	259	259	5	264	264	6	270
People & Governance	4,910	144	5,054	5,054	107	5,161	5,161	119	5,280
Council Resources total	11,351	707	12,058	12,058	238	12,296	12,296	277	12,573

Resources & People Services total	144,385	8,352	152,737	152,737	4,037	156,774	156,774	5,138	161,912
Health & Social Care Partnership									
Adult Wellbeing	54,547	1,901	56,448	56,448	1,332	57,780	57,780	1,495	59,275
Sub-total	54,547	1,901	56,448	56,448	1,332	57,780	57,780	1,495	59,275
Partnerships & Community Services									
Development									
Planning	1,043	121	1,164	1,164	95	1,259	1,259	(41)	1,218
Economic Development	868	18	886	886	(37)	849	849	15	864
Housing & Strategic Regeneration	687	5	692	692	4	696	696	7	703
Community Housing	2,334	25	2,359	2,359	25	2,384	2,384	27	2,411
Property Maintenance Trading Activity	(863)	-	(863)	(863)	-	(863)	(863)	-	(863)
Development total	4,069	169	4,238	4,238	87	4,325	4,325	8	4,333
Infrastructure									
Facility Support Services	3,623	136	3,759	3,759	53	3,812	3,812	51	3,863
Facility Trading Activity	(276)	-	(276)	(276)	-	(276)	(276)	-	(276)
Landscape & Countryside Management	5,271	191	5,462	5,462	12	5,474	5,474	140	5,614
Asset Maintenance & Engineering Services	3,242	66	3,308	3,308	58	3,366	3,366	59	3,425
Asset Management & Capital Planning	(576)	60	(516)	(516)	33	(483)	(483)	35	(448)
Roads Network & Flood Protection	4,730	67	4,797	4,797	22	4,819	4,819	39	4,858
Roads Trading Activity	(688)	126	(562)	(562)	47	(515)	(515)	48	(467)
Transportation	1,089	138	1,227	1,227	65	1,292	1,292	67	1,359
Waste Services	8,099	1,625	9,724	9,724	51	9,775	9,775	153	9,928
Active Business Unit	3,591	48	3,639	3,639	42	3,681	3,681	41	3,722
Infrastructure total	28,105	2,457	30,562	30,562	383	30,945	30,945	633	31,578
Communities & Partnerships									
Corporate Policy & Improvement	1,213	58	1,271	1,271	10	1,281	1,281	21	1,302
Connected Communities	6,094	114	6,208	6,208	62	6,270	6,270	9	6,279
Protective Services	1,821	80	1,901	1,901	32	1,933	1,933	41	1,974
Customer Services Group	3,670	86	3,756	3,756	84	3,840	3,840	90	3,930
Communities & Partnerships total	12,798	338	13,136	13,136	188	13,324	13,324	161	13,485
Partnerships & Community Services total	44,972	2,964	47,936	47,936	658	48,594	48,594	802	49,396
TOTAL SERVICE EXPENDITURE	243,904	13,217	257,121	257,121	6,027	263,148	263,148	7,435	270,583

Budget Deficit/(Surplus)	-	-	-	-	-	-	-	-	-
Funding (Surplus) / Shortfall									
Band D Council Tax									
% increase / (decrease) in Band D		3.00%			5.00%			5.00%	

East Lothian Council
General Services - ADMINISTRATION DRAFT BUDGET PROPOSALS - JANUARY 2021

BUDGET CHANGES

Description	2021/22			2022/23			2023/24		
	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000
CORPORATE INCOME									
Revenue Support Grant (RSG)/Non Domestic Rates (NDR)									
Expected General Change in Revenue Support Grant (including NDR) <i>Change in expected core Scottish Government Funding aligned to UK Government increase to Scotland</i>	(4,913)	-	(4,913)	-	-	-	-	-	-
Investment in Social Care <i>Additional investment provided by Scottish Government to meet a wide range of obligations within health and social care budgets which are delegated to the Integrated Joint Board (IJB)</i>	(2,151)	-	(2,151)	(1,582)	-	(1,582)	(1,745)	-	(1,745)
Revenue Support Grant (RSG)/Non Domestic Rates (NDR) total	(7,064)	-	(7,064)	(1,582)	-	(1,582)	(1,745)	-	(1,745)
Specific Grants									
Specific Grants received from Scottish Government <i>Increase in funding to support the delivery of additional 1140 hours in Early Learning & Childcare</i>	(1,300)	-	(1,300)	-	-	-	-	-	-
<i>Increase in Pupil Equity Funding in line with existing Scottish Government commitment</i>	(118)	-	(118)	-	-	-	-	-	-
Specific Grants total	(1,418)	-	(1,418)	-	-	-	-	-	-
Council Tax									
Change in Council Tax yield <i>Increase in Council Tax yield Incorporating additional properties and increase in Council Tax by 3% in 2021/22 and 5% in 2022/23 and 2023/24</i>	(2,973)	-	(2,973)	(5,269)	-	(5,269)	(5,804)	-	(5,804)
Council Tax total	(2,973)	-	(2,973)	(5,269)	-	(5,269)	(5,804)	-	(5,804)
Transfer to/(from) Reserves									
<i>Use of General Fund Reserves</i>	1,216	-	1,216	(2,595)	-	(2,595)	2,845	-	2,845
Transfer to/(from) Reserves total	1,216	-	1,216	(2,595)	-	(2,595)	2,845	-	2,845
CORPORATE INCOME TOTAL	(10,239)	-	(10,239)	(9,446)	-	(9,446)	(4,704)	-	(4,704)
CORPORATE COMMITMENTS									
Valuation Joint Board									
<i>Expected reduction in requisition from Lothian Joint Board</i>	23	-	23	-	-	-	-	-	-
Valuation Joint Board total	23	-	23	-	-	-	-	-	-
Council Tax Reduction Scheme									
<i>Increase in costs relative to increase in Council Tax yield</i>	470	-	470	114	-	114	-	-	-

Description	2021/22			2022/23			2023/24		
	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000
Council Tax Reduction Scheme total	470	-	470	114	-	114	-	-	-
Review of Council Assets									
<i>Efficiency to be met through review and rationalisation of Council assets</i>	-	-	-	-	(150)	(150)	-	(850)	(850)
Review of Council Assets total	-	-	-	-	(150)	(150)	-	(850)	(850)
Management of Staffing Budgets									
<i>Efficiency to be met through enhanced vacancy management, deletion of posts, service reviews and wider review / modernisation of staff terms and conditions</i>	-	-	-	-	-	-	-	(175)	(175)
Management of Staffing Budgets	-	-	-	-	-	-	-	(175)	(175)
Debt Charges									
<i>Changes in debt charges made to the General Fund</i>	-	-	-	250	-	250	500	-	500
<i>Change reflects alignment with capital investment plans and reflects the on-going review of the Council's Loans Fund</i>									
Fiscal Flexibilities	(3,143)	-	(3,143)	3,143	-	3,143	-	-	-
<i>Change reflects anticipated benefit from Loans Fund repayment holiday in line with anticipated SG Guidance on Fiscal Flexibility</i>									
Debt Charges total	(3,143)	-	(3,143)	3,393	-	3,393	500	-	500
Review of Service Provision									
<i>Efficiencies to be generated through a wide review aligned to the financial strategy and include: review of service provision; enhanced programme of transformational change; new ways of working; exploring further options for partnership working; exploring further options to maximise and generate income.</i>	-	-	-	-	-	-	-	(2,268)	(2,268)
Service Reduction Total	-	-	-	-	-	-	-	(2,268)	(2,268)
Council Pension Deficit									
<i>Payments to Lothian Pension Fund</i>	(415)	-	(415)	-	-	-	-	-	-
<i>Deficit contribution no longer applies from 2021/22 for a minimum of a four year period.</i>									
Council Pension Deficit total	(415)	-	(415)	-	-	-	-	-	-
Apprenticeship Levy									
<i>Increase linked to assumed pay increases based on 0.5% of annual payroll</i>	12	-	12	12	-	12	12	-	12
Apprenticeship Levy total	12	-	12	12	-	12	12	-	12
Housing Benefit Loss									
<i>Change in subsidy rules and increase in B&B charges</i>	75	-	75	50	-	50	50	-	50
Housing Benefit Loss total	75	-	75	50	-	50	50	-	50

Description	2021/22			2022/23			2023/24		
	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000
CORPORATE COMMITMENTS TOTAL	(2,978)	-	(2,978)	3,569	(150)	3,419	562	(3,293)	(2,731)
EXPENDITURE LIMIT	(13,217)	-	(13,217)	(5,877)	(150)	(6,027)	(4,142)	(3,293)	(7,435)
SERVICE PLANNED EXPENDITURE									
RESOURCES AND PEOPLE SERVICES									
Children's Services									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	234	-	234	160	-	160	170	-	170
Increase in Utility Charges <i>Increase in Utility Charges</i>	2	-	2	1	-	1	1	-	1
Additional Investment <i>Additional investment designed to support a range of pressures including existing demographic, service pressures, investment in operational staff and the delivery of non legislative requirements.</i>	1,500	-	1,500	-	-	-	-	-	-
Children's Wellbeing total	1,736	-	1,736	161	-	161	171	-	171
Additional Support for Learning									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	26	-	26	23	-	23	22	-	22
Increase in ASL requirements aligned to increase in Pupil School Roll <i>Increased costs aligned to Pupil School Roll growth</i>	49	-	49	129	-	129	181	-	181
Increase in ASL support <i>Increased in ASL support from August 2020</i>	182	-	182	198	-	198	66	-	66
Additional Investment <i>Additional investment to support a range of pressures within ASL</i>	1,000	-	1,000	-	-	-	-	-	-
Additional Support for Learning total	1,257	-	1,257	350	-	350	269	-	269
Pre-School Education & Childcare									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	29	-	29	28	-	28	31	-	31
Increase in Utility Charges <i>Increase in Utility Charges</i>	1	-	1	1	-	1	1	-	1
1140 Hours <i>1140 Hours additional funding</i>	1,300	-	1,300	-	-	-	-	-	-
Pre-School Education & Childcare total	1,330	-	1,330	29	-	29	32	-	32
Schools - Primary									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	864	-	864	823	-	823	844	-	844
Increase in Utility Charges <i>Increase in Utility Charges</i>	35	-	35	36	-	36	27	-	27
Increase in Waste Charges	14	-	14	14	-	14	14	-	14

Description	2021/22			2022/23			2023/24		
	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000
<i>Increase in Waste Charges</i>									
Pupil School Roll increase	126	-	126	169	-	169	432	-	432
Estimated increase in Primary School Rolls									
Expansion of School Estate	176	-	176	373	-	373	363	-	363
<i>Additional revenue costs of primary school extensions and new builds</i>									
Facility Services Charges	77	-	77	77	-	77	77	-	77
<i>Increases in Facilities Charges in line with salary increases</i>									
School Meals	(8)	-	(8)	(8)	-	(8)	(8)	-	(8)
<i>Increase in cost of school meals in year with future years subject to an annual inflationary increase or uprating in line with relevant benchmarking</i>									
Reduction in PEF	98	-	98	-	-	-	-	-	-
<i>Increase in Pupil Equity Funding in line with existing Scottish Government commitment</i>									
School Cleaning & Transport Costs	600	-	600	-	-	-	-	-	-
<i>Additional school cleaning and transport costs</i>									
Insurance	20	-	20	-	-	-	-	-	-
<i>Increased Insurance Costs</i>									
School Merger	-	(24)	(24)	-	-	-	-	-	-
<i>Merger of school with separate Primary & Infants school subject to consultation</i>									
Schools - Primary total	2,002	(24)	1,978	1,484	-	1,484	1,749	-	1,749
Schools - Secondary									
Increases in Pay Costs	684	-	684	659	-	659	673	-	673
<i>Effect of assumed pay increase.</i>									
Increase in Utility Charges	34	-	34	34	-	34	26	-	26
<i>Increase in Utility Charges</i>									
Increase in Waste Charges	5	-	5	5	-	5	6	-	6
<i>Increase in Waste Charges</i>									
Pupil School Roll increase	418	-	418	318	-	318	424	-	424
Increase in Secondary School Rolls									
Expansion of School Estate	19	-	19	411	-	411	1,324	-	1,324
<i>Additional revenue costs of secondary school extensions and new builds</i>									
School Meals	(10)	-	(10)	(10)	-	(10)	(10)	-	(10)
<i>Increase in cost of school meals in year with future years subject to an annual inflationary increase or uprating in line with relevant benchmarking</i>									
Facility Services Charges	12	-	12	12	-	12	12	-	12
<i>Increases in Facilities Charges in line with salary increases</i>									
Reduction in PEF	25	-	25	-	-	-	-	-	-
<i>Increase in Pupil Equity Funding in line with existing Scottish Government commitment</i>									
Insurance	20	-	20	-	-	-	-	-	-
<i>Increased Insurance Costs</i>									
PPP Contract	83	-	83	289	-	289	291	-	291
<i>Increase in PPP contract charges for Education facilities</i>									
Improving options in the Senior Phase across the Authority	-	-	-	-	-	-	-	(160)	(160)
<i>Use of IT to enhance/support delivery of curriculum in the senior phase (S4-S6). Subject to changes in Scottish Government policy re teacher/pupil ratio</i>									
Grab and Go Expansion	-	(4)	(4)	-	-	-	-	-	-

Description	2021/22			2022/23			2023/24		
	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000
<i>Reduction in Facilities contract payment aligned to the expansion of Grab and Go</i>									
Schools - Secondary total	1,290	(4)	1,286	1,718	-	1,718	2,746	(160)	2,586
Schools Support Services									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	53	-	53	50	-	50	51	-	51
SEEMIS <i>Increase in SEEMIS costs</i>	5	-	5	7	-	7	3	-	3
Schools Support Services total	58	-	58	57	-	57	54	-	54
EDUCATION & CHILDREN'S TOTAL	7,673	(28)	7,645	3,799	-	3,799	5,021	(160)	4,861
Financial Services									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	147	-	147	46	-	46	46	-	46
Systems Upgrade <i>Costs associated with the upgrade of the Council's Financial Ledger</i>	20	-	20	-	-	-	-	-	-
Review of CMT <i>Savings from CMT Review</i>	-	(28)	(28)	-	-	-	-	-	-
Financial Services total	167	(28)	139	46	-	46	46	-	46
Revenues & Benefits									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	63	-	63	58	-	58	59	-	59
IT Systems Costs <i>Increase in IT requirements for the Capita System</i>	100	-	100	(25)	-	(25)	-	-	-
Revenues & Benefits total	163	-	163	33	-	33	59	-	59
Information Technology									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	40	-	40	38	-	38	38	-	38
IT Digital Strategy & System Costs <i>Investment in Digital Strategy & IT infrastructure</i>	200	-	200	-	-	-	-	-	-
Information Technology total	240	-	240	38	-	38	38	-	38
Legal									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	12	-	12	9	-	9	9	-	9
Legal total	12	-	12	9	-	9	9	-	9
Procurement									
Increases in Pay Costs	9	-	9	5	-	5	6	-	6

Description	2021/22			2022/23			2023/24		
	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000
<i>Effect of assumed pay increase.</i>									
Procurement Total	9	-	9	5	-	5	6	-	6
People & Governance									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	124	-	124	103	-	103	105	-	105
Income <i>3% uplift on existing income</i>	-	(10)	(10)	-	(10)	(10)	-	-	-
Employee Assistance Programme <i>Increased cost of Employee Assistance Programme contract renewal</i>	16	-	16	-	-	-	-	-	-
Councillors Remuneration <i>Assumed annual increase in Councillors remuneration in line with national agreement</i>	14	-	14	14	-	14	14	-	14
People & Governance total	154	(10)	144	117	(10)	107	119	-	119
COUNCIL RESOURCES TOTAL	745	(38)	707	248	(10)	238	277	-	277
HEALTH & SOCIAL CARE PARTNERSHIP									
Adult Wellbeing									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	412	-	412	373	-	373	370	-	370
Increase in Utility Charges <i>Increase in Utility Charges</i>	7	-	7	7	-	7	5	-	5
Increase in Waste Charges <i>Increase in Waste Charges</i>	2	-	2	2	-	2	2	-	2
National Contract Increase <i>Care Home, Care at Home and Direct Payment Rate Increases</i>	1,114	-	1,114	1,147	-	1,147	1,180	-	1,180
Facility Services Charges <i>Increases in Facilities Charges in line with salary increases</i>	63	-	63	50	-	50	50	-	50
Transitions <i>Costs of clients transitioning from Children's to Adults</i>	486	-	486	-	-	-	-	-	-
Systems Upgrade <i>Mosaic System extension and enhancements</i>	67	-	67	3	-	3	138	-	138
Integration of Health and Social Care <i>Including: review and redesign models of care; savings and efficiencies generated through joint working, shifting the balance of and uplift in fees and charges</i>	-	(250)	(250)	-	(250)	(250)	-	(250)	(250)
HEALTH & SOCIAL CARE PARTNERSHIP TOTAL	2,151	(250)	1,901	1,582	(250)	1,332	1,745	(250)	1,495
PARTNERSHIPS & COMMUNITY SERVICES									
Planning									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	72	-	72	45	-	45	46	-	46
Planning Fee Income <i>Impact of timing of Planning applications</i>	49	-	49	50	-	50	(87)	-	(87)

Description	2021/22			2022/23			2023/24		
	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000
Planning total	121	-	121	95	-	95	(41)	-	(41)
Economic Development									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	18	-	18	13	-	13	15	-	15
Scottish Open <i>Hosting Scottish Open</i>	-	-	-	(50)	-	(50)	-	-	-
Economic Development	18	-	18	(37)	-	(37)	15	-	15
Housing & Strategic Regeneration									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	13	-	13	12	-	12	7	-	7
HEEPS <i>Develop in-house capacity to deliver HEEPS</i>	-	(8)	(8)	-	(8)	(8)	-	-	-
Housing & Strategic Regeneration	13	(8)	5	12	(8)	4	7	-	7
Community Housing									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	20	-	20	20	-	20	22	-	22
Increase in Utility Charges <i>Increase in Utility Charges</i>	1	-	1	1	-	1	1	-	1
Facility Services Charges <i>Increases in Facilities Charges in line with salary increases</i>	4	-	4	4	-	4	4	-	4
Community Housing total	25	-	25	25	-	25	27	-	27
DEVELOPMENT TOTAL	177	(8)	169	95	(8)	87	8	-	8
Asset Maintenance & Engineering Services									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	44	-	44	37	-	37	38	-	38
Increase in Utility Charges <i>Increase in Utility Charges</i>	1	-	1	-	-	-	-	-	-
Property Maintenance Costs <i>Impact of increase in property maintenance costs</i>	21	-	21	21	-	21	21	-	21
Asset Maintenance & Engineering Services Total	66	-	66	58	-	58	59	-	59
Asset Management & Capital Planning									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	40	-	40	33	-	33	35	-	35
Insurance <i>Increased Insurance Costs</i>	20	-	20	-	-	-	-	-	-

Description	2021/22			2022/23			2023/24		
	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000
Asset Management & Capital Planning Total	60	-	60	33	-	33	35	-	35
Facility Support Services									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	10	-	10	8	-	8	9	-	9
Increase in Utility Charges <i>Increase in Utility Charges</i>	31	-	31	24	-	24	21	-	21
Increase in Waste Charges <i>Increase in Waste Charges</i>	2	-	2	2	-	2	2	-	2
Facility Services Charges <i>Increases in Facilities Charges in line with salary increases</i>	83	-	83	19	-	19	19	-	19
Insurance <i>Increased Insurance Costs</i>	10	-	10	-	-	-	-	-	-
Facility Support Services total	136	-	136	53	-	53	51	-	51
Landscape & Countryside Management									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	140	-	140	107	-	107	122	-	122
Increase in Utility Charges <i>Increase in Utility Charges</i>	2	-	2	1	-	1	1	-	1
Increase in Waste Charges <i>Increase in Waste Charges</i>	3	-	3	3	-	3	3	-	3
Depot Replacement <i>Additional revenue costs relating to Depot Replacement</i>	24	-	24	9	-	9	-	-	-
Increase in Skips Charges <i>Increase in Skip Charges</i>	10	-	10	10	-	10	10	-	10
Insurance <i>Increased Insurance Costs</i>	20	-	20	-	-	-	-	-	-
Increase in Vehicle Fuel <i>Increase in Vehicle Fuel</i>	4	-	4	4	-	4	4	-	4
Income Generation - new opportunities <i>Explore new opportunities for income maximisation from Land Management</i>	-	-	-	-	(5)	(5)	-	-	-
Sale of burial lairs <i>Increased income from advanced sale of burial lairs</i>	-	(5)	(5)	-	-	-	-	-	-
Commercial Income <i>Explore opportunities for landscape construction in private developments</i>	-	-	-	-	(30)	(30)	-	-	-
Plant Nursery <i>Review of plant nursery provision</i>	-	-	-	-	(80)	(80)	-	-	-
Income <i>3% uplift on existing income</i>	-	(7)	(7)	-	(7)	(7)	-	-	-
Landscape & Countryside Management total	203	(12)	191	134	(122)	12	140	-	140
Roads Network									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	103	-	103	38	-	38	39	-	39
Income	-	(6)	(6)	-	(6)	(6)	-	-	-

Description	2021/22			2022/23			2023/24		
	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000
<i>3% uplift on existing income</i>									
Electric Vehicles <i>Introduce charging for electric vehicles in line with national benchmarking and guidance</i>	-	(30)	(30)	-	(10)	(10)	-	-	-
Roads Network total	103	(36)	67	38	(16)	22	39	-	39
Roads Trading									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	112	-	112	43	-	43	44	-	44
Insurance <i>Increased Insurance Costs</i>	10	-	10	-	-	-	-	-	-
Increase in Vehicle Fuel <i>Increase in Vehicle Fuel</i>	4	-	4	4	-	4	4	-	4
Roads Trading total	126	-	126	47	-	47	48	-	48
Transportation									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	74	-	74	26	-	26	27	-	27
Increase in Vehicle Fuel <i>Increase in Vehicle Fuel</i>	2	-	2	2	-	2	2	-	2
Supported Bus Contract <i>Saving generated by retender of supported bus contract</i>	-	(10)	(10)	-	-	-	-	-	-
Increase in Utility Charges <i>Increase in Utility Charges</i>	1	-	1	1	-	1	1	-	1
Public Transport <i>Contract Indexation</i>	10	-	10	10	-	10	10	-	10
VPMU <i>Materials and Services Indexation</i>	61	-	61	26	-	26	27	-	27
Transportation total	148	(10)	138	65	-	65	67	-	67
Waste Services									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	66	-	66	55	-	55	57	-	57
Increase in Utility Charges <i>Increase in Utility Charges</i>	2	-	2	1	-	1	1	-	1
Increase in Waste Charges <i>Increase in Waste Charges</i>	(29)	-	(29)	(28)	-	(28)	(29)	-	(29)
Facility Services Charges <i>Increases in Facilities Charges in line with salary increases</i>	3	-	3	-	-	-	-	-	-
Increase in Vehicle Fuel <i>Increase in Vehicle Fuel</i>	5	-	5	6	-	6	6	-	6
Waste Collection <i>New contract cost increase</i>	1,500	-	1,500	-	-	-	-	-	-
Waste Disposal <i>Savings related to new contract</i>	-	(61)	(61)	-	(44)	(44)	-	-	-
Income from Waste Materials <i>Increased income relating to new contract</i>	-	(29)	(29)	-	(21)	(21)	-	-	-

Description	2021/22			2022/23			2023/24		
	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000
Income from Bulky Uplifts	-	(47)	(47)	-	(33)	(33)	-	-	-
Introduction of Bulky Uplift charges	-	-	-	-	-	-	-	-	-
Insurance	20	-	20	-	-	-	-	-	-
Increased Insurance Costs	-	-	-	-	-	-	-	-	-
Waste Disposal	195	-	195	115	-	115	118	-	118
Increase in tonnage and indexation costs	-	-	-	-	-	-	-	-	-
Waste Services total	1,762	(137)	1,625	149	(98)	51	153	-	153
Active Business Unit									
Increases in Pay Costs	30	-	30	25	-	25	25	-	25
Effect of assumed pay increase.	-	-	-	-	-	-	-	-	-
Increase in Utility Charges	6	-	6	5	-	5	4	-	4
Increase in Utility Charges	-	-	-	-	-	-	-	-	-
PPP Contract	12	-	12	12	-	12	12	-	12
Increase in PPP contract charges for Mercat Gait	-	-	-	-	-	-	-	-	-
Active Business Unit total	48	-	48	42	-	42	41	-	41
INFRASTRUCTURE TOTAL	2,652	(195)	2,457	619	(236)	383	633	-	633
Corporate Policy & Improvement									
Increases in Pay Costs	28	-	28	20	-	20	21	-	21
Effect of assumed pay increase.	-	-	-	-	-	-	-	-	-
Digital Strategy	30	-	30	-	-	-	-	-	-
Support costs for developing and implementing digital strategy	-	-	-	-	-	-	-	-	-
Digital Change	-	-	-	-	(10)	(10)	-	-	-
Move Living Magazine to online platform	-	-	-	-	-	-	-	-	-
Corporate Policy & Improvement total	58	-	58	20	(10)	10	21	-	21
Connected Communities									
Increases in Pay Costs	103	-	103	51	-	51	52	-	52
Effect of assumed pay increase.	-	-	-	-	-	-	-	-	-
Increase in Utility Charges	7	-	7	7	-	7	5	-	5
Increase in Utility Charges	-	-	-	-	-	-	-	-	-
Increase in Waste Charges	2	-	2	2	-	2	2	-	2
Increase in Waste Charges	-	-	-	-	-	-	-	-	-
Facility Services Charges	11	-	11	11	-	11	11	-	11
Increases in Facilities Charges in line with salary increases	-	-	-	-	-	-	-	(70)	(70)
Village Halls	-	-	-	-	-	-	-	-	-
Transfer ownership of Village Halls to Community	-	-	-	-	-	-	-	-	-
PPP Contract	9	-	9	9	-	9	9	-	9
Increase in PPP contract charges for Musselburgh CLC	-	-	-	-	-	-	-	-	-
Partnership Funding	-	(18)	(18)	-	(18)	(18)	-	-	-
East Lothian Advice Services new contract cost saving	-	-	-	-	-	-	-	-	-
Community & Area Partnerships total	132	(18)	114	80	(18)	62	79	(70)	9

Description	2021/22			2022/23			2023/24		
	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000	Budget Change £000	Efficiency Measures/Savings/Increased Income £000	Total Change £000
Protective Services									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	80	-	80	39	-	39	41	-	41
Review of Service Provision <i>Service review, savings from subscriptions and mileage reductions</i>	-	-	-	-	(7)	(7)	-	-	-
Protective Services Total	80	-	80	39	(7)	32	41	-	41
Customer Services									
Increases in Pay Costs <i>Effect of assumed pay increase.</i>	108	-	108	87	-	87	88	-	88
Increase in Utility Charges <i>Increase in Utility Charges</i>	2	-	2	1	-	1	1	-	1
Increase in Waste Charges <i>Increase in Waste Charges</i>	-	-	-	-	(2)	(2)	-	-	-
Facility Services Charges <i>Increases in Facilities Charges in line with salary increases</i>	1	-	1	1	-	1	1	-	1
Review of Service Provision <i>Review of frontline service provision and booking systems</i>	-	(22)	(22)	-	-	-	-	-	-
Income <i>3% uplift on existing income</i>	-	(3)	(3)	-	(3)	(3)	-	-	-
Customer Services total	111	(25)	86	89	(5)	84	90	-	90
COMMUNITIES TOTAL	381	(43)	338	228	(40)	188	231	(70)	161
SERVICES TOTAL	13,779	(562)	13,217	6,571	(544)	6,027	7,915	(480)	7,435
TOTAL	562	(562)	-	694	(694)	-	3,773	(3,773)	-

	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total
	2021/22	2022/23	2023/24	2024/25	2025/26	
	£000	£000	£000	£000	£000	£000
Expenditure						
Community Projects						
Community Intervention	500	500	500	500	500	2,500
Bleachingfield Centre Remodelling Works	90					90
Dunbar Conservation Area Regeneration Scheme (CARS)	90	196	179	162	65	692
East Saltoun Community Hall			400			400
Support for Business	1,342	808	34			2,184
CCTV	168	150	43			361
Total Community Projects	2,190	1,654	1,156	662	565	6,227
ICT						
IT Programme	2,100	2,100	2,200	2,200	2,200	10,800
Total ICT	2,100	2,100	2,200	2,200	2,200	10,800
Fleet						
Amenties - Machinery & Equipment - replacement	213	230	193	250	135	1,021
Vehicles	2,325	1,350	1,350	1,350	1,350	7,725
Total Fleet	2,538	1,580	1,543	1,600	1,485	8,746
Open Space						
3G Pitch Carpet Replacement Programme		500	500	500		1,500
Cemeteries (Burial Grounds)	891					891
Coastal / Flood Protection schemes - Haddington	225	1,500	4,500	2,000	49	8,274
Coastal / Flood Protection schemes - Musselburgh	844	1,642	12,349	13,751	10,807	39,394
Coastal Car Park Toilets	107					107
Core Path Plan	50	50	50	50	50	250
Mains Farm Town Park & Pavilion	100	10				110
Polson Park		138				138
Replacement Play Equipment	100	100	100	100	100	500
Sports and Recreation LDP:	1,227	2,177	1,822	319	563	6,108
Waste - New Bins	250	160	160	160	160	890
Waste - Machinery & Equipment - replacement	40	40	40	40	40	200
Total Open Space	3,835	6,318	19,521	16,921	11,769	58,363
Roads, Lighting and related assets						
Cycling Walking Safer Streets	147	147	147	147	147	735
East Linton Rail Stop / Infrastructure	1,520	1,520				3,040
Parking Improvements	230	130				360
Roads	6,700	6,700	6,735	5,500	5,500	31,135
Roads - externally funded projects	4,077	5,293	19,112	2,385	2,489	33,356
Total Roads, Lighting and related assets	12,674	13,790	25,994	8,032	8,136	68,626
Property - Education						
Aberlady Primary - extension	853	707	20			1,580
Blindwells Primary - new school		52	807	7,091	4,938	12,888
Cockenzie Primary - Internal Remodelling	31					31
Craighall Primary - New School (Phase 1)			1,273	6,617	2,734	10,624
Dunbar Primary - John Muir Campus - Early Learning and 1140	101	2				103
East Linton Primary - extension including Early Learning and 1140	200	308				508
Elphinstone Primary - extension			29	541	14	584
Gullane Primary - extension including Early Learning and 1140	2,287	75				2,361
Haddington School (Infants & St. Mary)	25	25				50
Kingsmeadow Primary	25	25				50
Knox Academy - extension					545	545
Law Primary - extension including Early Learning and 1140	3,110	51				3,161
Letham Primary - New School	161	27				188
Letham Primary - Extension					123	123
Longniddry Primary - extension				221	2,065	2,287
Macmerry Primary - extension			61	938	13	1,012
Musselburgh Grammar - upgrades	919	10				929
North Berwick High School - Extension	3,850	78				3,928
Ormiston Primary - extension	1,177	27				1,204
Pinkie St Peter's Primary - sports hall extension		998	781	27		1,805
Pinkie St Peter's Primary - extension including Early Learning and 1140	2,712	288				3,000
Preston Lodge High School - extension (phase 1)		184	2,284	1,149	44	3,661
Preston Lodge High School - extension (phase 2)				123	4,055	4,178
Prestonpans Primary - upgrades		2	225	6		233
Ross High School - extension	7,764	123				7,887
School Estate - Curriculum Upgrades	460	330	330			1,120
School Kitchens - 1140 Upgrades	319					319
St Gabriel's Primary - extension including Early Learning and 1140	799	17				815
Wallyford Learning Campus	11,766	21,151	12,412	594		45,922
West Barns Primary - extension including Early Learning and 1140	1,285	420				1,706
Whitcraig Primary - new school including Early Learning and 1140	162	3,664	9,912	386		14,124

	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total
	2021/22	2022/23	2023/24	2024/25	2025/26	
	£000	£000	£000	£000	£000	£000
Expenditure						
Windygoul Primary - Early learning and 1140 extension	1,296	918	26			2,239
Windygoul Primary - extension					435	435
Unallocated 1140 Hours	1,000					1,000
Total Property - Education	40,302	29,481	28,159	17,693	14,965	130,601
Property - Other						
Accelerating Growth	6,391	15,473	14,181	4,309		40,353
Brunton Hall - Improved Community Access	100	100	1,530			1,730
Court Accommodation - incl. SPOC	1,486	228	5			1,719
Haddington Town House - Refurbishment and Rewire	579	14				593
New ways of working Programme	773	773	773	773		3,090
Prestongrange Museum		562	36			599
Property Renewals	3,000	3,000	2,000	2,000	2,000	12,000
Replacement Childrens House	995					995
Residential Care Homes Provision, subject to Older People Review				1,000		1,000
Sports Centres	200	200	200	200	200	1,000
Total Property - Other	13,523	20,350	18,725	8,281	2,200	63,079
Capital Plan Fees	1,322	1,322	1,322	1,322	1,322	6,608
Total Gross Expenditure	78,484	76,594	98,619	56,711	42,643	353,051
Total Income	(28,312)	(36,530)	(64,047)	(45,928)	(28,233)	(203,051)
Net Borrowing Requirement	50,171	40,064	34,572	10,783	14,410	150,000

OFFICER BUDGET
HRA BUDGET PROPOSALS 2021/22 TO 2025/26

	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	
Rent Increase	5.00%	2.00%	5.00%	5.00%	5.00%	5.00%	
BUDGET	£000	£000	£000	£000	£000	£000	
Income							
House Rents	(32,688)	(33,725)	(36,131)	(38,941)	(41,847)	(44,817)	
Garage Rents	(668)	(673)	(707)	(742)	(779)	(818)	
Services/Service Charges	(674)	(640)	(656)	(672)	(689)	(706)	
Other Income	(171)	(214)	(215)	(217)	(181)	(186)	
Interest	(50)	(51)	(51)	(53)	(53)	(54)	
Total Income	(34,251)	(35,302)	(37,760)	(40,624)	(43,549)	(46,581)	
Expenditure							
Employee Costs	2,604	2,732	2,760	2,816	2,872	2,930	
Repair Costs	10,552	10,974	11,413	11,870	12,345	12,715	
Void Rents (incl Garage void)	792	828	866	906	948	991	
Bad Debt Provision	585	614	645	677	711	747	
Operating Payments	1,280	1,342	1,481	1,434	1,419	1,443	
Transfer Payments	500	513	525	538	552	566	
Internal Recharges	3,792	4,308	4,399	4,517	4,613	4,736	
Debt Charges	11,034	11,106	12,029	13,415	14,319	15,598	
Total Expenditure	31,139	32,416	34,119	36,172	37,779	39,725	
Management of Balances							
Opening (Surplus) / Deficit	(1,968)	(1,705)	(1,591)	(1,732)	(1,784)	(2,054)	
Capital from current revenue	3,500	3,000	3,500	4,400	5,500	6,700	
(Surplus)/ Deficit for Year	(3,112)	(2,886)	(3,641)	(4,452)	(5,770)	(6,856)	
Closing (Surplus) / Deficit	(1,580)	(1,591)	(1,732)	(1,784)	(2,054)	(2,209)	
Capital Expenditure							5 Year Total
Modernisation/Extensions	15,652	15,888	14,382	13,420	12,557	12,157	68,404
New Council Housing	16,094	12,031	29,268	22,330	22,573	21,765	107,967
Fees	1,514	1,477	1,410	1,438	1,467	1,496	7,288
Mortgage to Rent	280	280	280	280	280	280	1,400
Total	33,540	29,676	45,340	37,468	36,877	35,698	185,059
Debt to Income Ratios	32.2%	31.5%	31.9%	33.0%	32.9%	33.5%	

OFFICER - HRA BUDGET PROPOSALS 2021/22 TO 2025/26

	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000
HRA Income					
House Rents					
Rent income adjustments relating to rent increases and new council house additions	(2,292)	(1,037)	(2,406)	(2,810)	(2,906)
<i>Changes as result of rent increases and new council housing additions</i>					
Rent income from External Customers	(55)	-	-	-	-
Garage Rents					
Rent income adjustments relating to rent increases	(32)	(5)	(34)	(35)	(37)
<i>Changes as result of rent inceases</i>					
Service Charges					
Income adjustments relating to service charge adjustments	18	(16)	(16)	(16)	(17)
<i>Changes as result of recharge adjustments</i>					
Factor Fee Charges					
<i>Review of Factor Fee Charges</i>	(50)	-	-	-	-
Other Income					
Homeless Rents, Renewable Energy Income, Refugee Support-Home Office Funding	(1)	(43)	(2)	(2)	36
Interest					
Interest on accumulated balances	5	(1)	-	(1)	-
<i>Internal interest received</i>					
TOTAL	(2,407)	(1,101)	(2,457)	(2,865)	(2,924)
HRA Expenditure					
Staffing					
General Inflation Increase	76	62	92	119	122
<i>Increase in line with assessed inflation rate</i>					
Increase in LGPS Contribution Rates	8	13	-	-	-
<i>Increase in contribution rates from 21.4% to 21.9% from April 2020, 22.4% from April 2021 and 22.9% from April 2022</i>					
Orchard System Project Team	-	(36)	(63)	(64)	(65)
<i>Orchard System Review project team, incl pay award,superann</i>					
	84	39	29	55	57
Repairs					
General Inflation Increase	1,376	423	439	457	475
<i>Increase in line with assessed inflation rate</i>					
	1,376	423	439	457	475
Void Rents					
Rent adjustments relating rent increases and new council house additions	43	36	38	40	42
<i>Changes as result of rent increases and new council housing additions</i>					
	43	36	38	40	42
Bad Debts					
Rent adjustments relating rent increases and new council house additions	-	29	31	32	34
<i>Changes as result of rent increases and new council housing additions</i>					
	-	29	31	32	34
Operating Expenses		108	152	(34)	(1)
	-	-	-	-	-
Internal Recharges					
General Inflation Increase	99	588	91	118	96
<i>Increase in line with assessed inflation rate</i>					
Service Review	-	-	-	-	-
<i>Additional staffing costs relating to service review</i>					
	99	588	91	118	96
Debt Charges					
Debt Charges	661	229	923	1,386	904
<i>In year changes in debt repayments</i>					
	661	229	923	1,386	904
TOTAL	(144)	351	(755)	(811)	(1,318)