

**FALKIRK COUNCIL**

**Subject: REVENUE BUDGET FRAMEWORK 2015/16 – 2017/18**  
**Meeting: FALKIRK COUNCIL**  
**Date: 11 February 2015**  
**Author: CHIEF EXECUTIVE & CHIEF FINANCE OFFICER**

**1. INTRODUCTION**

- 1.1 This report sets out the Administration's Revenue Budget proposals for the financial year 2015/16, a provisional budget for 2016/17 (reflecting uncertainty over government grant etc.), together with an overview position for 2017/18, the final year in the three year budget framework. This three year Budget framework is considered further at section 4. The report takes forward the Budget position reported to Council in November 2014. [see Appendix 1]
- 1.2 Each Council is legally required to approve an annual balanced Budget and set a council tax and this is required to be done by 11 March in the preceding financial year.
- 1.3 There are also 3 other reports in this Budget booklet dealing with the:-
  - a) General Capital Programme
  - b) Housing Revenue Account and Council House Rents
  - c) Housing Investment Programme

Together, these 4 elements of the budget cover the full spectrum of the Council's service activities, providing firm proposals for 2015/16 and provisional proposals for the subsequent 2 years. The Business Plans for Falkirk Community Trust were approved by Council at its meeting on 12 January 2015. The Council's Budgets have been informed by the 2012-17 Corporate Plan, Strategic Community Plan and the Single Outcome Agreement.

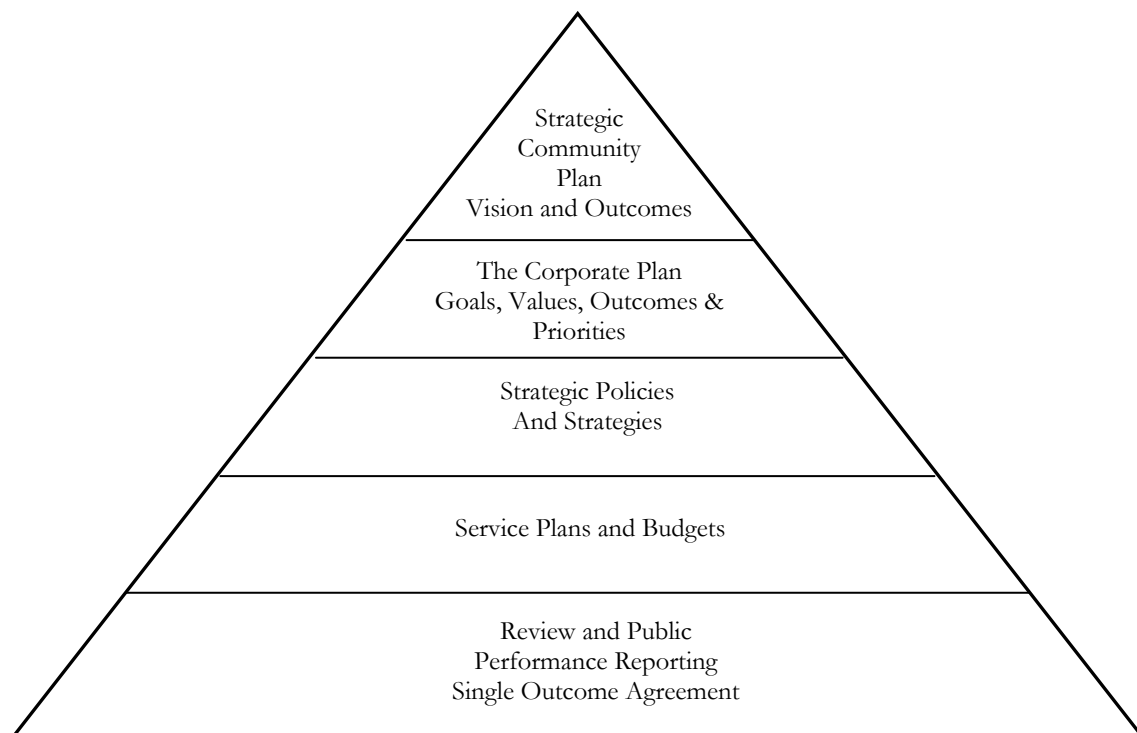
**2. BUDGET CONTEXT**

- 2.1 The Budget is presented against the backcloth of a continuing challenging economic climate and precarious public finances with it seems particular constraint destined for local government and this is expected to prevail over the medium term and quite possibly beyond.
- 2.2 An important context for the Council's Budget is the Budget of the Scottish Government and in particular the local government grant settlement which flows from it. The main features of the Scottish Government's Budget were reported to Council on 12 November [see Appendix 1]. In particular, the important linkage with the grant settlement was highlighted in terms of the delivery of specific commitments by Local Government:-

- Maintain the Council tax freeze for an eighth year
- Provide places for all probationers who require one under the teacher induction scheme

Discussions are ongoing between Scottish Government and Local Government regarding moving the commitment on maintaining teacher numbers to a more outcomes based approach. The outcome of these talks will determine how the Council manages its overall teacher numbers in future years. It was previously indicated that whilst the work to reach an in principle agreement was ongoing, the sanctions in relation to teacher numbers would be suspended for 2015/16. This issue is now less certain and discussions are ongoing between the Scottish Government and Cosla. A report on the grant settlement was considered by the Executive at its January 2015 meeting (see Appendix 2) and Section 3 of this report directs further attention to this key Budget resource.

- 2.3 The Council's anticipated Budget gap, now estimated at £46m over the three years, Reserves position and Medium Term Financial Picture are considered in dedicated sections later in this Report.
- 2.4 The meshing of our resources of finance, assets and workforce with priorities takes place within the framework of the Single Outcome Agreement, Strategic Community Plan and Corporate Plan (2012-17). The hierarchy of these and related strands is shown in the diagram below:-



- 2.5 A budget public consultation exercise was undertaken. This involved a web based survey together with a focussed questionnaire given to the Citizens Panel. In addition, to further understand the impact of savings on particular groups i.e. those covered by the Equality & Poverty Impact assessment, six focus groups were undertaken. The outcome of these engagements were assimilated and factored into the Budget process. Appendix 5 summarises the outcome from the consultation.

For the first time, the Council consulted on specific options asking people for comments on these. On the whole, while not welcomed, respondents generally understood the extent of savings the Council had to make. It was significant that while thousands looked at the information provided via the website etc. a lot fewer then took the time to respond. Paragraph 3.7 of Appendix 5 notes the number of respondents by service area and their responses are more fully detailed there. On the whole, respondents generally accepted the need for the Council to look for efficiencies in the way it delivered its services with few people actually utilising local offices etc. It must be remembered that not all savings were subject to public consultation. Some savings had little or no impact following an initial EPIA assessment such as internal efficiencies, rebasing budgets etc. In relation to specific services, the largest number of comments were on Education proposals.

2.6 It is important to appreciate that the Council's Budget process is constantly evolving, as illustrated by the following changes in the current Budget round:-

- The preliminary Budget report to Council in November set the financial scene and identified provisional savings proposals from officers
- The separate consideration of the Community Trust's Annual Plans by Council in January
- The preparation of a 2 year revenue budget

Looking forward, the Joint Resourcing agenda which promotes greater alignment of Community Planning Partner Budgets with the Single Outcome Agreement, together with the creation of an Integration Joint Board (IJB) for adult social care and health will have significant implications for the process and will inevitably create new dynamics. Over the course of 2015/16 work will be completed to identify the budget for the functions which will be delegated to the IJB and the full delegation will require to be in place by April 2016. Likewise, with the creation of an Integrated Children's Service, the budget for Social Work Services will require to be disaggregated to support the new service delivery arrangements.

### 3. LOCAL GOVERNMENT FINANCE SETTLEMENT

3.1 Over 80% of the Council's net expenditure is financed from Scottish government grant and in consequence this is a critical element in balancing the budget.

3.2 The following table shows the grant movement across three years at both the Scotland and Falkirk Council level.

	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	
			<u>Initial</u>	<u>Final</u>
	<u>£'m</u>	<u>£'m</u>	<u>£'m</u>	<u>£'m</u>
Scotland	9,766.391	9,804.911	9,846.751	9,993.191
Falkirk Council	272.532	275.393	279.550	282.124
Year on Year Increase	0.62%	1.05%	-	2.44%

The initially advised position for 2015/16 reflected movements to capture demographic factors which drive increased spend the Council requires to incur, together with specific Scottish Government spend initiatives relating to children and young people. The final grant circular reflected further additional funding for free school meals and young people.

- 3.3 In summary, the funding has increased by £6.7m (2.44%) and the reasons for the increase are presented in the table below. The Government spending initiatives noted above account for £4.2m (1.53%) of the additional funding received. Consequently, this large element of additional grant does not reflect resources that can be readily directed to meeting the underlying budget gap. Of the remaining balance, £2.4m (0.88%) can be attributed to demographic factors and an increasing population, which naturally drives increased expenditure for the Council. There is, however, no specific funding provision for new budget pressures, such as the £1.4m increase in teachers pensions or the substantial increase in national insurance contributions of £4m from April 2016.

	<u>£'m</u>
Children & Young People	2.5
Free School Meals	1.7
Self Directed Support	0.1
Demographics	2.4
	6.7

- 3.4 Members have previously been advised that there has been a shift in the balance of the funding distribution, with an increasing proportion being funded by Non-Domestic Rate income. This income, in addition to the normal increase in rate poundage, is predicated on increased yield as the country recovers from the recession. Should this increased yield not be forthcoming, the Scottish Government has guaranteed the full funding envelope and will bridge the difference.
- 3.5 The Scottish Government has confirmed that the Non-Domestic Rate increase will again be restricted to 2%. The thresholds for the Small Business Bonus Scheme remain as they were for 2014/15. The Scottish Government is committed to a review of the rates system ahead of the 2017 revaluation.
- 3.6 The Settlement Circular also covers Capital Grant which is dealt with in the relevant report later in this Budget book.

#### **4. MEDIUM TERM FINANCIAL PICTURE**

- 4.1 It is sound financial practice for an organisation of the scale of Falkirk Council with its diverse range of activities, to have a medium term financial planning horizon. This better accommodates a more strategic approach and is certainly something Audit Scotland supports and encourages.
- 4.2 As previously noted the Scottish Government Grant is the most significant element in the Budget. Whilst the figure for 2015/16 is certain, the subsequent two years have had to be estimated. It is expected that shortly following the UK general election in May 2015, there will be a Spending Review which in turn will transmit resources to Scotland via the Barnett formula. The Scottish Government will decide how to allocate its total resources between the big spending blocks, notably health & local government. It is only then, when the local government block is determined and then flushed through the grant distribution formula, will Falkirk know its future grant resource. The grant position for 2016/17 is unlikely to be known before December 2015. Moreover, to support medium term planning, it is to be hoped that the grant information will

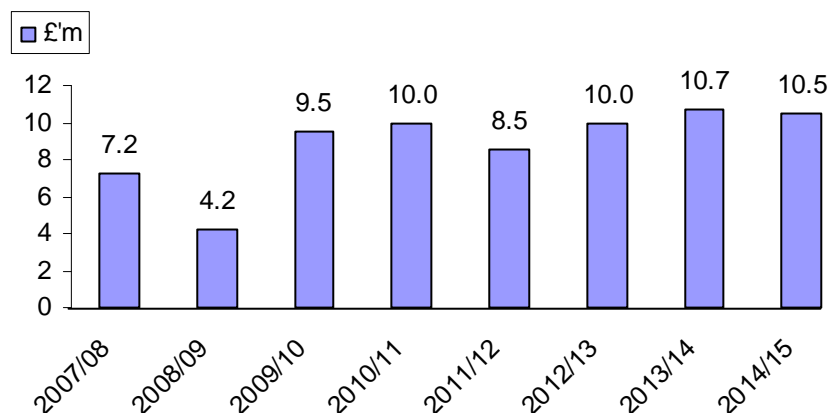
stretch beyond one year. The Council's medium term plan by its nature also necessarily reflects other important assumptions in terms of inflation and demographics.

4.3 Members will recall in the Budget Framework report to Council in November it was advised that a material tilt was occurring in the Council's finances. This was attributable to:-

- a) The projected significant overspend for 2014/15 of £3.5m, primarily due to demographic drivers in Social Work and with a consequential impact on Reserves (see Section 5). This follows many consecutive years of aggregate underspend. A position statement at Appendix 9 outlines the budget pressures faced by Social Work Services, the actions being taken to mitigate these and the consequent implications for the budget setting process.
- b) A tightening of the Budget due to rebasing previous underspends, which removes "flex".
- c) The European Court judgement on holiday pay which will cost the Council an estimated £0.5m per annum, together with a potential back-pay liability.
- d) Planned Budget savings which are not always achieved to the extent forecast e.g. resulting from consultation outcomes.

This, together with the chart in para 4.4 provides the backcloth to addressing the projected Budget gaps presented at para 4.5.

4.4 The profile of budget gaps the Council has had to deal with in recent years is set out in the chart below.



As this table shows, the Council has had to identify savings of £70.6m over the last 8 years. Average savings since 2009/10 have been almost £10m pa.

It will be evident that the further we move along this timeline of Budget gaps, the more challenging the task of bridging them becomes.

4.5 Switching the focus now to the future, the Council's projected gaps over the next 3 years, together with proposals to close the gaps in 2015/16 and 2016/17, are set out in the table below. The projected gaps have been adjusted to reflect latest known information with the largest change relating to the Social Work overspend in 2014/15, which is explained in more detail at Appendix 9.

	<u>15/16</u> <u>£'m</u>	<u>16/17</u> <u>£'m</u>	<u>17/18</u> <u>£'m</u>	<u>Total</u> <u>£'m</u>
Projected Gap	12.4	18.4	15.2	46.0
Bridged By:				
Budget Rebasing	0.8	3.2	-	4.0
General Fund Reserve	-	-	-	-
Earmarked Reserves	0.4	-	-	0.4
Service Savings	10.0	10.1	-	20.1
Trust	0.6	1.2	-	1.8
External Funding including Fairer Falkirk etc.	0.6	0.4	-	1.0
Workforce	-	1.5	-	1.5
Service Reconfiguration/Transformation	-	2.0	-	2.0
	12.4	18.4	-	30.8
Budget Gap 17/18 still to be bridged	-	-	15.2	15.2
				46.0

Budget rebasing is the proper starting point for closing the Budget gap, whereby existing budget underspends are reviewed with Services. Budget spend assumptions are also reviewed. As noted in Section 5, there is no scope to deploy General Fund Reserves but there is some headroom to harness Earmarked Reserve resources. Clearly there remains a challenging gap in 17/18 that must be tackled. These stated gaps are projections and they will change as assumptions crystallise and new factors come to light.

Further details on the savings options are set out at Sections 6, 7 and 8 and Appendices 6, 7 and 8.

## 5. RESERVES

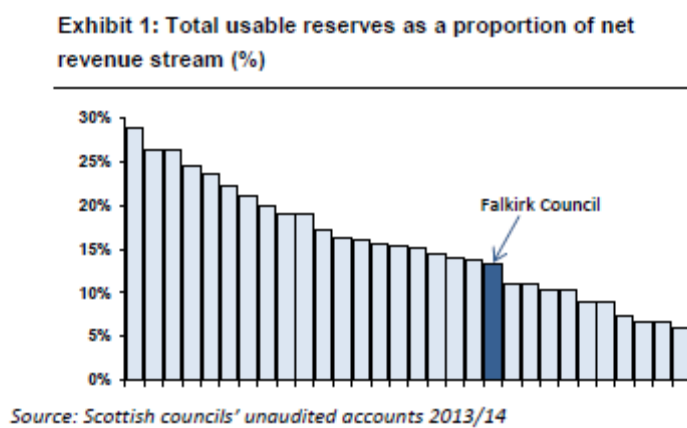
5.1 Recognising the tilt in the Council's finances and its consequential impact on Reserves, a review of the Council's reserve strategy was undertaken in late 2014 and reported to the Executive in January. This review highlighted that councils can hold reserves for three main purposes:-

- a. a working balance to help cushion the effect of uneven cash flows and unnecessary temporary borrowing
- b. a contingency to cushion the impact of unexpected events or emergencies
- c. a means of building up funds to meet known or predicted requirements by earmarking a portion of the General Fund – although earmarked reserves are accounted for separately, legally they remain part of the General Fund.

Recent examples were also given of the unknown factors which can hit the Council with little warning:-

- Changes to the contracting out arrangements for national insurance relating to defined benefit pension schemes, with an estimated cost to the Council of £4m per annum from 2016/17.
- The impact of holiday pay legislation with an estimated cost of up to £0.5m per annum with a possible further significant back pay element.
- An increase to teachers pension costs of 2.3%, costing c£1.4m per annum.

- 5.2 The review also drew on information from the Accounts Commission. In their 2013 Overview, they note that, “Typically, these (reserves) are in the range of one to four percent of net cost of services. A number of councils have non-earmarked general fund reserves greater than the level set out in their policies, which may be prudent in the current environment”. It is useful to see how Falkirk Council’s reserves compare with other councils and the following chart sourced from Audit Scotland is helpful in this respect.



- 5.3 The review concluded, “In considering all of the above, it is considered that the current strategy of retaining an Uncommitted General Fund Balance of 2% of annual revenue expenditure is still fit for purpose”. This suggests a range of £6.6m - £10m.
- 5.4 The projected balance on the General Fund Reserve is set out below:-

	<u>£'m</u>
Opening Balance as at 1 April 2014	12.309
Budgeted Use of Reserves	(1.500)
2014/15 projected overspend	(3.471)
Projected Closing Balance as at 31 March 2015	7.338

The fund balance is clearly gravitating towards the strategy floor. Consequently, there is no scope to deploy part of the Reserve to help balance the Budget as has been the practice. Moreover, as emphasised elsewhere in this report, the projected level of overspend for 2014/15 is not sustainable and expenditure will require to be managed within budget, with appropriate remedial actions taken to address any emergent spend pressure.

- 5.5 The balance of the Repairs and Renewals Fund as at 31 March 2015 is projected to be £3.1m. The financial position report to January 2015 Executive provided details on the proposed use of the Repairs and Renewals Funds and, as a result of these plans, there is no scope to use these funds to help balance the budget.
- 5.6 There are in addition five Earmarked Reserves and they are noted below, together with their projected balance at 31<sup>st</sup> March 2015. The position with these Reserves was explained in the Financial Position report to January 2015 Executive, noting that they are established for particular purposes and in consequence their funds, in large measure, are already committed.

<b><u>Earmarked Reserves</u></b>	<b><u>Balance</u> <u>£'m</u></b>
Devolved School Management	3.556
Economic Development	0.834
Central Energy Efficiency Fund	0.439
Insurance Fund	4.568
Spend to Save	1.853
	11.250

Having reviewed the financial position and commitments of each of these funds, it is assessed that £400k in total can be released from the first two of the Funds listed above to help balance the budget gap in 2015/16. As with any application of reserves for this purpose, it must be recognised that it is a transient action and the underlying gap between expenditure and sustainable resources still remains to be addressed.

## **6. SERVICE BUDGETS**

- 6.1 This section of the report summarises the position for each Service area, highlighting matters of particular significance or note. The detail for the Services for 2015/16 is presented at Appendix 3 and this forms the bulk of the budget book. Within each Service section there is a Summary of Movements statement which details changes from 2014/15. A full list of savings proposed for both 2015/16 and 2016/17 are set out at Appendix 6. Efforts have been made to minimise the savings in Education and Social Work notwithstanding that they jointly comprise three quarters of the Council's overall Budget. An overview of the 2016/17 provisional balanced budget is provided at Appendix 4.
- 6.2 Equality and Poverty Impact Assessments (EPIA) have been carried out on the Revenue Budget proposals. Information on the process undertaken in assessing the impact on equalities is attached at Appendix 8 together with a summary of the assessed impact in relation to each budget proposal based on the fuller assessments. Where, after following due process of consultations and engagement it is decided not to progress a particular savings proposal or it is delayed, the Service will need to determine how the shortfall will be covered within their budget and refer to Members any potential remedial actions which would require a change in agreed Council policy. Whilst Appendix 6 shows a summary of savings over 2 years, the EPIA summary shows the full saving for relevant proposals which may go beyond the 2 years of this budget. This reflects the need to fully assess the impact of a saving proposal at the outset. It must be remembered that the EPIA will highlight an assessment of impact which can be reduced if relevant mitigations are identified. In addition, while some savings proposals will have a significant impact on the people who currently use these services, if they are not in a group covered by the equalities legislation or have not been highlighted in the Council's poverty strategy there may not be a significant impact highlighted in the Appendix.
- 6.3 It is important in reviewing the EPIAs that Members remember that while these must be used to inform decisions, they should not hamper nor hinder Members taking difficult decisions at this time.



Following the EPIA assessment, there are only two areas of service that are identified as having a high impact and where no mitigating actions have been identified. These are:-

- Charging non-council tenants for Garden Aid; and
- Reprofiting of eligibility criteria for adult social care services with a view to reducing costs

Clearly both of these have an impact on 2 particular groups - older people and people with a disability. While there will be an impact, it is reasonable that the Council reduces or charges for such services given the level of savings to be achieved, the nature of the service provided and also in the case of the latter saving this is about more rigorously applying current policy and procedure. This will involve focussing resources on people whose care needs and risks are the most serious and reviewing the Council's approach to eligibility criteria.

6.4 In addition to the high risk impact savings there are a number of proposals which when seen together can be said to have a cumulative impact which Members should have regard to. The group most impacted on by a variety of savings are low-income families as identified in the Council's poverty strategy. While the savings proposed will have a cumulative impact on this group, it is difficult to identify savings of the scale required that would not impact given the nature of the services the Council provides. It is important that the Council's response through support services and through its revised poverty strategy, have regard to these impacts and identifies ways that their potential impact is minimised.

6.5 Given the financial pressures facing the Council allied with a reduction in the level of Reserves, it is essential that Services deliver timeously the savings approved by Council and, moreover, ensure that they operate within their budget, proactively taking remedial actions as necessary. This to be within agreed Council policy with any potential remedial actions which require a change in Council policy being referred to Members.

## 6.6 Education

### 2015/16

6.6.1 As noted with Social Work, the creation of a Children's Service will require the development of a Children's Service budget. The Education Services budget including provision for pay awards, increments, increased pension costs and price inflation is set to increase by £3.074m to £174.126m (1.8%). This incorporates an additional £1.631m funding to implement the early learning and childcare provisions contained within the Children and Young People Act which includes providing 600 hours of nursery provision for all 3 and 4 year olds and eligible 2 year olds. In addition £1.215m has been provided to deliver free school meals for school children in primary 1-3. There is also provision of £0.200m to reflect demographic pressures. The budget also includes savings proposals of £2.031m in 2015/16. These savings proposals are detailed at Appendix 6, with significant proposals summarised below. Proposed changes for fees and charges are also included in Appendix 3 to this report.

- 6.6.2 Savings options include reducing Support for Learning Assistants in schools by around 6%, resulting in savings of £0.100m (2016/17 - £0.200m). A reduction in management, administrative and educational psychologist posts will also save a further £0.325m (2016/17 - £0.270m). In addition the Community Learning & Development provision will be reviewed and staffing levels reduced, saving £0.150m (2016/17 - £0.520m).
- 6.6.3 Options will be considered to reduce the number of Community Halls we have taking into consideration current local usage rates. This may include options around closure or community transfer. An estimated saving of £0.020m (2016/17 - £0.190m) has been included.
- 6.6.4 Operational savings include reducing the building cleaning frequency and specification within Schools, saving £0.200m (2016/17 £0.165m).

### **2016/17**

- 6.6.5 The 2016/17 budget is set to increase by circa £3.7m (before savings are taken into account) primarily due to provision for pay awards, increments, increased pension costs and price inflation. Appendix 6 gives details of savings proposals totalling £4.322m.
- 6.6.6 It is proposed to reduce the current primary school week from 25 to 22.5 hours. This option is also being considered by a number of other Councils and would mean the school week matches teachers contracted class contact time. This could mean a reduction of 30 minutes in each school day, or moving to an asymmetric week model of provision. This would allow the Council to cover the primary school week with fewer teachers, saving £1.191m from August 2016. Although this proposal still enables the Council to fulfil its statutory obligations some consultation of implementation options will be needed. The removal of discretionary teaching allocations from both primary and secondary schools will also save £0.542m in 2016/17. Both options will however increase the current teacher/pupil ratio of 1:13.5, which is at present in line with national targets.
- 6.6.7 From August 2016 it is also proposed to increase the current discretionary home to school distance entitlement from 2 miles for secondary school pupils to the statutory provision of 3 miles and from 1 mile to 2 miles for primary school pupils up to age 8. Primary school pupils aged 8 or over would retain the current discretionary distance of 2 miles. Retendering the contracts associated with current entitlements is estimated to save £0.250m in 2016/17.
- 6.6.8 It is also proposed to reorganise the school library service and provide a decentralised cluster model of provision to all primary schools from each of our secondary schools. This would save £0.225m.

## **6.7 Social Work**

### **2015/16**

- 6.7.1 It is acknowledged that the recent decision on Council structures with respect to a new Childrens' Service means that a Childrens' Service budget will need to be prepared. The Social Work budget will have to be re-allocated to the new structure in due course.

- 6.7.2 The Social Work budget is set to increase by £2.451m to £92.130m (2.73%). Provision for pay awards, increased pension costs, incremental increases for staff and provision for price inflation for purchase of care from external providers are the main reasons for the increase. For external purchasing, this includes £0.247m in Children and Families for residential care and foster care, £0.690m in Community Care for adult residential care and £0.240m for home care. There is also provision of £0.350m to reflect demographic movements, £0.354m in respect of implementing several strands of the Children and Young People Act, £0.300m provision for anticipated increases in the costs of supporting Kinship Carers and £0.103m to provide continued support for the implementation of Self Directed Support. The budget reflects £1.025m savings proposals which are detailed in Appendix 6. This includes savings of £65k relating to the termination of the existing shopping service and the commissioning of an alternative service from the voluntary sector. This process will be completed over a 2 year period with further savings built into the 2016/17 budget. Savings of £0.400m from reprofiled eligibility criteria and consequent reductions in levels of provision in adult social care have also been included. This is the first year in what is anticipated to be a 3 year process and a report will be brought to the Executive outlining any proposals for changes to existing guidance. Proposed charges are included in Appendix 3 to this report. As noted in Section 4, Appendix 9 contains a position statement which outlines management actions to mitigate the current overspend. Provision has been built into the overall Budget to meet inescapable spending pressures which cannot be controlled by other means.
- 6.7.3 Financial year 2014/15 was the final year of the Change Fund for Older People's Services which provided nationally £80m in 2012/13, £80m in 2013/14 and £70m in 2014/15. The Scottish Government has confirmed that this will be replaced in 2015/16 by a £100m Integrated Care Fund which will be distributed via Health Boards to support delivery of improved outcomes from Health and Social Care Integration and help drive the shift towards prevention. The allocation to the Falkirk partnership is £2.88m over 3 years and it will be the local partnership's responsibility to develop their plan for the use of this funding to meet its priorities. It is also anticipated that the local partnership will receive a share of the recently announced funding which the government have made available to support the more ambitious targets relating to delayed discharge. This is also for a sum of £100m spread over 3 years and the Falkirk partnership's share of this will again be £2.88m.

### **2016/17**

- 6.7.4 The 2016/17 budget is set to increase by circa £2.8m (before savings are taken into account) primarily due to provision for pay inflation, provision for inflation on care purchasing, pension increase and provision for demographic movements. Appendix 6 gives details of savings proposals totalling £1.821m which includes £0.500m from the ongoing exercise of reprofiling eligibility criteria, £0.300m is included from a redesign of care home provision with closure of Oakbank, reflecting that the building is not fit for purpose, and reprovisioning of Summerford. This process would be carefully managed to minimise disruption using the same approach as was taken when Burnbrae was temporarily closed for refurbishment. Savings of £0.230m are also included from a reduction of building based day services in response to increased demand for self directed support packages and £0.102m from a redesign of employment services for people with a disability and potential closure of ASSET. Savings of £0.100m are included which would be achieved by developing alternative provision to the current respite service delivered at the Rowans.

## 6.8 **Development Services**

### **2015/16**

- 6.8.1 The Development Services budget including provision for pay awards, increments, increased pension costs and price inflation is set to reduce by £0.918m to £33,905m (2.64%). The budget also incorporates savings proposals of £2.044m in 2015/16. These savings proposals are detailed at Appendix 6. Proposed changes for fees and charges are also included in Appendix 3 to this report.
- 6.8.2 Savings of £0.500m (2016/17 - £0.500m) will be achieved by reduction in staff costs of 8% over the two years. It is anticipated that some, but not all of these savings, will be achieved through voluntary severance and not filling vacant posts.
- 6.8.3 It is also proposed to save a further £0.250m (2016/17 - £0.250m) by removing the additional funding for youth employment support which was introduced in 2012. The effect of this proposal would be a reduction in the number of training places. Reducing the funds available to support Economic Development incorporating Business Property, Growth & Investment and Employment & Training will also save £0.100m (2016/17 - £0.400m).
- 6.8.4 It is expected that there will be a saving of £0.183m from bus subsidies in 2015/16. This includes the removal of the X19, Bo'ness to Edinburgh Express service but provides an early morning Bo'ness to Linlithgow service to ensure commuters can transfer to rail/bus to and from Edinburgh. The financial pressures facing the Council means that it can no longer afford to increase its expenditure if services are terminated by bus companies.
- 6.8.5 The Executive, at its meeting on 2 December 2014, agreed to extend the Free After Three and Free Festive Parking initiatives until 31st March 2015. The view is that the impact on service income should these initiatives be continued is unsustainable. Removal of both initiatives would increase car parking income to the Council by £0.079m annually.

### **2016/17**

- 6.8.6 The 2016/17 budget is set to remain at the same level as 2015/16. (before savings are taken into account) Appendix 6 gives details of savings proposals totalling £1.782m.
- 6.8.7 Changing the residual waste collection from fortnightly to 3 weekly was approved by Council on 11 December 2013, reducing the amount of waste actually sent to landfill. It is now proposed to move to a 4 weekly collection, generating savings of £0.400m in 2016/17.

## 6.9 **Corporate & Neighbourhood Services**

### **2015/16**

- 6.9.1 Elements of this Service's budget such as HR, Policy and ICT have been removed and presented under the Central Support Services Section so that similar service functions are considered together. The Corporate & Neighbourhood Services budget is set to decrease by £1.744m to £13.039m (11.8%). Provision has been made for pay awards, increased pension costs and reduced income at the crematorium which will be closed for a period during refurbishment. The Budget reflects savings of £2.434m which are detailed in Appendix 6. These include £0.470m from the

transfer of the Sign Factory to the Haven partnership, £0.255m from the outcome of the fleet review which is allocated to individual services, a total of £0.300m from a reduction in litter picking and a review of mechanical street sweeping, £0.360m from a reduction in grass cutting, shrub maintenance, summer bedding and tree works, £0.100m from a review of weed control and £0.227m from the introduction of charging for all special uplifts, £0.039m from introduction of charges for pest control, a reduction in the Community Warden Team of £0.1m and £0.06m from changing the building cleaning frequency in buildings. Proposed charges are included in Appendix 3 to this report.

## **2016/17**

- 6.9.2 The 2016/17 budget is set to increase by circa £0.5m (before savings are taken into account) and the main reasons for this are provision for pay awards, pension increase and provision for inflation in supplies and services. Appendix 6 gives details of savings proposals totalling £1.294m which includes £0.250m following a review of the introduction of a charge for the Garden Aid Scheme, £0.093m from charging for the small repair scheme, £0.249m from the closure of staffed public conveniences, £0.112m from the closure of automated public conveniences, £0.200m from changing the frequency of brown bin collection to 4 weekly and a further saving of £0.100m in grounds maintenance.

## **6.10 Miscellaneous**

- 6.10.1 Over the years 2015/16 and 2016/17, savings totalling £1.533m have been identified in respect of Miscellaneous Services, and Central Support Services. £1.058m of this is in 2015/16 and £0.475m is in 2016/17.

## **2015/16**

- 6.10.2 The Miscellaneous Services budget has reduced by £1.420m to £11.475m (11%). After providing for £0.250m for additional costs arising from the Scottish Government's HRA guidance and £0.100m provision for an increase in the Living Wage, the central support budget has reduced by £0.494m, reflecting savings which are outlined in Section 6.11 below. There are also savings of £0.099m from general efficiencies and £0.300m from reduced council tax bad debt provision. There are also proposed savings of £0.476m from reduced grants to external agencies which are contained in Appendix 7. Proposed charges are included in Appendix 3 to this report.

## **2016/17**

- 6.10.3 The 2016/17 budget is estimated to increase by circa £4.4m (before savings are taken into account), mostly as a result of providing £4m for the estimated effect of changes to employers national insurance as outlined in Section 5 of last year's Budget report and provision of a further £250k in respect of the costs of HRA guidance.

## 6.11 **Central Support Services**

### **2015/16**

- 6.11.1 The budget for Central Support Services is set to rise by £0.237m to £23.515m (1.0%). This takes into account an increase of £0.383m covering increased Capital Charges and Central Support reallocation. The budget makes provision for savings of £0.299m from a reduction in Central Support Services staff budgets and £0.195m from various other savings in central support costs, both of which have been initially allocated to Miscellaneous Services.

### **2016/17**

- 6.11.2 The 2016/17 budget is estimated to increase by circa £0.450m, (before savings are taken into account), mostly due to provision for pay awards and increased pension costs. Appendix 6 shows total savings proposed of £0.475m which includes £0.157m from a reduction in Central Support Services staff budgets, £0.191m from removing the Customer First service from our One Stop Shops, and £0.100m from a proposal to close the registrars offices at Denny and Grangemouth and centralise the service in Falkirk with a resultant reduction in the number of staff needed to deliver the service.

## 6.12 **Trading Account**

After providing for pay inflation and increased pension costs, the Building Maintenance Trading Account is budgeted to make a surplus of £0.752m. in 2015/16 and £0.686m in 2016/17.

## 6.13 **Falkirk Community Trust**

The Council approved the Trust's Business Plan on the 12 January 2015 and a Service Payment of £12.660m for 2015/16. This represents a decrease of £0.578m (4.4%) on the previous year's Service Payment. To help balance the Budget in 2016/17, the Trust will be asked to make a provisional additional saving of £0.5m beyond their current assumptions.

## **7. WORKFORCE**

- 7.1 As is explained in Section 6 of this report, there are areas being presented for Members' consideration which necessitate a reduction in workforce numbers of 429.3 FTE , if the required savings are to be achieved. Such impact on the workforce is always one which the Council has aimed to avoid.
- 7.2 Given the current financial position, it has been necessary to consider options which include reductions in workforce spend. This is inevitable with a gap in budget now estimated at £46m over the next three years, and the spend on workforce equating to c60% of the Council's budget.
- 7.3 Members will be aware that following their decision in November 2014, a programme of employee consultation meetings were held by all Services, and all Council employees were given the opportunity to attend these. Trade Unions were also invited and attended a number of the meetings. The meetings shared the options which were presented to Members in November 2014, as relevant to each specific employee group. Trade Unions welcomed the meetings and found the process to be positive and particularly helpful in raising awareness with employees on the scale of the budget gap, and the options which Members may need to consider to address this gap.
- 7.4 Employees welcomed the opportunity to ask questions about the options. All employees were given the opportunity to feedback comments to their line manager on the Budget options, although limited feedback was received. Trade Unions were also asked if there were any comments they wished to make on the options, but again these were limited, recognising the difficult financial situation the Council finds itself in with regards to setting a balanced Budget.
- 7.5 Consultation meetings have also been held with Trade Unions to discuss how such changes in workforce may be achieved. The preferred method will be by voluntary means through the use of the severance policy, the redeployment policy and any other such voluntary methods. Given however, the scale of the potential changes, and depending on Members' decisions, it is possible that the option of redundancy will require to be used.
- 7.6 In light of this, a formal statutory notice covering the option of redundancy will require to be issued to the Trade Unions in respect of the 429.3 FTE posts, to comply with the Council's obligations under employment legislation, and to ensure that the Trade Unions are aware that redundancy may become necessary to achieve the savings attributable to workforce spend. Officers will progress the savings agreed and aim to achieve these as far as possible by voluntary means. Where this is not possible through voluntary options, compulsory redundancy will require to be implemented by officers in order that the Council maintains a balanced Budget in line with Member decisions.
- 7.7 As detailed in Appendix 8 of this report, the equality and poverty impact assessments associated with any proposed changes which require to be considered as part of the statutory notice, will be refined as the impact on the workforce is better determined in those areas of change, following consultation with the Trade Unions.
- 7.8 In addition, Members will note that savings of £1.5m in 2016/17 from terms and conditions have been built in to the options for setting a balanced Budget. Discussions have already commenced with the Trade Unions in this regard, with a view to achieving any necessary changes to terms and conditions, ideally through collective agreement, and subject to decisions taken by Council on the savings to be achieved from this area. It must be highlighted however, that the Trade Unions continue to indicate that they are unwilling to enter into discussions unless there is a potential to

protect jobs. Even in the current situation where reductions in jobs and changes to terms and conditions are being considered, it is possible that the Trade Unions may not enter into meaningful discussions on terms and conditions. As such, it is suggested that the option for the Council to impose the necessary changes to achieve £1.5m of savings from terms and conditions, be built into the statutory notice. In the event that no collective agreement can be reached on changes, it is further suggested that this be reported back to Members for a final decision on whether such changes should be imposed or whether the savings should be found from elsewhere, e.g., further job losses.

7.9 Members will also be aware of the actions being taken during 2014/15 to reduce workforce related spend. These included the following areas which will continue, in order to mitigate as far as possible against compulsory redundancies:-

- Consideration of all severance applications. This is being done in the context of the severance policy, the impact on service delivery and the savings each case will generate, particularly given the cost implications of granting a severance. It will specifically be targeted at those employees in functions covered by any workforce related saving options which Members agree to progress in order to achieve a balanced Budget. In addition, severance will be granted for posts which will enable efficiencies in service delivery methods to be achieved. In accordance with the Policy, and to ensure best use of any available budget to fund severances, offers are being made on the basis of the full pension rights where these are applicable and a percentage of the compensatory lump sum, lower than the full 100%. Only in situations where through discussion, it is in the best interests of the Council to grant up to 100% lump sum, is this being offered. Given the expected demands on the Council's limited Reserves to finance voluntary severance payments, representations have been made to the Scottish Government to seek special approval to allow such expenditure to be financed from capital resources. Mr Swinney has written to Cosla giving approval to use capital receipts for this purpose, but with several qualifications:-
  - a) It cannot be used for teachers
  - b) Only the statutory element of severance is eligible
  - c) It should be linked with service redesign
- Review and scrutiny of vacancies to ensure only essential posts are filled. In addition and where appropriate, Services have been holding posts vacant for a period of 6 months prior to filling, where this does not impact on service delivery and/or create a risk for the Council. This practice will continue.
- Redeployment offered to all employees on a voluntary basis. During the past year only one employee volunteered for redeployment of this nature. This option will continue as part of the process of redesign to assist in enabling options agreed by Members to be implemented.
- Terms and conditions. As detailed above, consideration will be given to options for reviewing terms and conditions which may assist with current and longer term savings. This will continue to be discussed with the Trade Unions.



- 7.10 In addition to the above, the Business Transformation project continues to work across all Services to review service delivery and identify more efficient and effective methods of delivery. Ultimately, the aim of this work is to contribute to the overall savings to be achieved by the Council in the medium to long term and £2m has been included for 2016/17 in the gap statement at para 4.5. Further to the update provided to Members in the Chief Executive's report to Council on 12 November 2014, a number of business transformation projects are continuing including:
- Fleet Review
  - Support Service Review
  - Building Cleaning Review
  - Mobile Working
- 7.11 A report providing further details on business transformation projects will be submitted to a future meeting of the Executive Committee. Such business transformation work may result in targeted voluntary severance and/or redeployment in areas being considered, to enable efficiencies and savings to be achieved.
- 7.12 Members will also recall the decision reached by Council on 12 November 2014 to implement a Children's Service and to review the remaining functions of the Council to ensure a balanced Service structure. The Childrens' Service is now being implemented and the process to appoint the Director of this Service is now well underway. Work has also commenced on the remaining functions of the Council by initially assessing those functions to determine how best to achieve a balanced Service structure. Whilst there was no overall savings target set for this work by Council in November, it was recognised any such structure re-design must achieve savings to contribute towards the overall Budget gap.
- 7.13 With this in mind, Members are asked to request that the Chief Executive presents a report to Council in March, which provides a proposal to review the number of Council Services in a way which contributes to savings. If Members are minded to agree savings being achieved from Service structures, further work will be undertaken on the Service design arrangements to enable a proposal to be brought back to Members for consideration.

## **8. EXTERNAL FUNDING**

- 8.1 Last year, with minimal exception, Members agreed to not cut these budgets, with all organisations receiving the same funding they received in 2013/14. However the report on the Budget to Council in February 2014, advised all organisations to plan for reductions in future years. Given the level of savings the Council is required to achieve, it is important that Members consider all areas of spend including the resources it allocates to many valued partners including the third sector.
- 8.2 This year is the second year all organisations have been subject to more focused review through Scrutiny Committee as part of the Council's Following the Public Pound arrangements. This year organisations were monitored by client groups or issues rather than by the service that funds them. This has allowed Members to compare and have oversight of all spend for each group rather than simply look at each organisation in isolation. The results of this scrutiny are now coming through, with some in depth review work requested which will be reported on in the coming months. This

will allow monitoring services to start negotiating different complementary services, reduce duplication and agree clearer monitoring and reporting arrangements thus releasing savings.

- 8.3 In addition all services have critically reviewed the work of each organisation and have proposed savings proportionate to the level of risk determined through the EPIA process, the performance of the organisation, the ability of the organisation to attract other external funding and also the priority of the services the organisation provides relative to other areas. Moreover, given some of the reviews have yet to report and others have just started, there is a balance identified in 2016/17 which has not been attributed to any one organisation. It is important that this review work concludes so that final allocations for 2016/17 can be identified as early as possible.
- 8.4 In addition proposals are made to reduce some of the budgets which have supported specific policy objectives. These budgets have been in place for some years and were intended to pump prime initiatives to support those policy intentions. While there is no proposal to reduce significantly those important budgets, savings in these areas have been identified through review.
- 8.5 These proposals for all external organisations that fall under the auspices of our Following the Public Pound arrangements are noted in Appendix 7 with the savings from central policy budgets also noted along with the activities that will be targeted to achieve those savings.
- 8.6 It is recognised that these decisions are difficult and the services and activities these budgets support are valued in many ways by many different groups and communities. However they must be seen in the context of the significant savings the Council has to achieve and the services affected by those savings. It must also be recognised that there is a continued commitment to the third sector and other partners through on going funding of over £5m per annum including the Fairer Falkirk Fund etc.

## **9. SERVICE INITIATIVES**

- 9.1 Notwithstanding the evident challenges in producing a balanced budget, there has been room to progress service developments as illustrated by the following:-
- A sum of £1.631m within Education Services to implement the early learning and childcare provisions contained within the Children and Young People Act
  - £1.215m to deliver Free School Meals for school children in primary 1 - 3
  - Kerbside recycling
  - A sum of £0.550m has been added to Social Work and Education budgets to recognise the demographic pressures being faced by Services especially in terms of Services to Older People and early years provision.
  - The budget contains provision for an increase to the Living Wage.
  - The Social Work budget includes £0.300m provision for anticipated increases in the cost of supporting Kinship Carers.
  - A sum of £0.354m has been provided by the Scottish Government and allocated to the Social Work budget for implementation of several strands of the Children and Young People Act.
  - A sum of £0.103m has been made available by the Scottish Government and added to the Social Work budget in respect of support for implementation of Self Directed Support albeit this is at a reduced level than previous years.

## 10. COUNCIL TAX

- 10.1 After taking account of the share of the additional funding of £70m to allow the Council Tax to be frozen for the eighth consecutive year, the 2015/16 Budget can be summarised as follows:

	<b>£'m</b>
Total Net Expenditure (see Appendix 3)	335.230
Less: Scottish Government General Grant and share of Non-Domestic Rates	282.124
Surplus Balances deployed	0.400
Balance to be met from Council Tax	52.706
Council Tax yield of £1	£57,391
Band D Council Tax	£1,070

This is the second lowest Council Tax in mainland Scotland.

- 10.2 Members will be aware that Council Tax Benefit was abolished from April 2013 with responsibility transferring from the DWP to the Scottish Government who are now operating their own Council Tax Reduction Scheme. Scottish Government has confirmed that for 2015/16 the Council Tax Reduction will continue to be calculated in the same way as the former Council Tax Benefit scheme. This will ensure claimants remain protected from the changeover. The funding to deliver the scheme is now included in the Scottish Government Grant albeit at a reduced level.
- 10.3 The charge for each band is set out in the following table:-

	No of Chargeable Dwellings	% of Houses in Band	Ratio to Band D	Annual Council Tax
Band A	21,267	30.0	6/9	713.33
Band B	18,829	26.5	7/9	832.22
Band C	6,431	9.1	8/9	951.11
<b>Band D</b>	<b>8,441</b>	<b>11.9</b>	<b>9/9</b>	<b>1,070.00</b>
Band E	8,406	11.8	11/9	1,307.78
Band F	5,053	7.1	13/9	1,545.56
Band G	2,457	3.5	15/9	1,783.33
Band H	61	0.1	18/9	2,140.00
<b>TOTAL</b>	<b>70,945</b>	<b>100.0</b>		

## **11. CONCLUSION**

Council is presented with a balanced Budget for 2015/16 as legally required, together with a balanced provisional Budget for 2016/17. The latter illustrates the evolving nature of the Budget process and as the report observes, this will continue going forward. Services have had to identify some challenging savings to achieve a balanced position and these have been tested against equality and poverty impacts as demonstrated at Appendix 8. A challenging gap remains in 2017/18 still to be bridged. On a positive vein, however, the Budget does contain proposals for new initiatives which will help our community. During the course of the next year the provisional Budget for 16/17 will be reviewed in the light of relevant factors, primarily notification of the grant settlement but also outcomes of consultation. Given the projected economic climate and precarious state of the public finances, it seems inevitable that the Council will continue to face difficult decisions over the medium term.

## **12. RECOMMENDATIONS**

**12.1 It is recommended that Council considers the foregoing budget proposals and determines whether to:**

- (a) accept the Draft Budget for 2015/16 as proposed in this report and as appended**
- (b) levy a Council Tax for 2015/16 as follows:-**
  - (i) A Council Tax to be paid in respect of a chargeable dwelling in Council Tax Valuation Band D of £1,070, representing a nil increase;**
  - (ii) A Council Tax to be paid in respect of a chargeable dwelling in each of the other Council Tax Valuations Bands in accordance with Section 74 (1) of the Local Government Act 1992 (as set out in paragraph 10.3 above);**
- (c) accept the provisional Draft Budget for 2016/17 as proposed in this report in Appendix 4;**
- (d) agree that any shortfall in savings proposals flowing from the Equality & Poverty Impact Assessment process, together with other necessary consultations and reviews, will be covered by alternative actions within Services' Budgets;**
- (e) to delegate authority to the Chief Executive to issue a statutory notice to the Trade Unions in respect of the workforce implications of the budget proposals, which meets statutory requirements and enables officers to implement compulsory redundancies if all other voluntary options are exhausted, to achieve a balanced budget;**
- (f) to delegate authority to the Chief Executive to include in a statutory notice, if agreed as a method of achieving savings, the option to impose changes to terms and conditions if no collective agreement can be reached on the basis that this will be referred back to Members for further consideration should imposition be required;**

- (g) agree to deploy capital receipts to finance voluntary severance per para 7.9, where the Chief Executive in liaison with the Chief Finance Officer assess this to be in the best interests of the Council
- (h) note the actions being taken to assist with reductions in workforce spend, as outlined at section 7;
- (i) note the work being undertaken by the Business Transformation project and that an update report will be provided to a future meeting of the Executive;
- (j) Request the Chief Executive to submit a report to the March meeting of Council which includes a proposal to review the number of Services in order to achieve savings.
- (k) instruct Chief Officers to deliver Services within the specific budget allocation for each Service and authorise them to take such actions as may be required within Council policy to give effect to the service delivery proposals outlined in section 6, 7 and 8 of this report and appendices 6, 7 and 8.

Chief Executive

Chief Finance Officer

Date: 3 February 2015

Contact Officers: Bryan Smail, Danny Cairney, Amanda Templeman, Brian Heron

#### **LIST OF BACKGROUND PAPERS**

1. Scottish Government Finance Circular No. 9/2014

Any person wishing to inspect the background papers listed above should telephone Falkirk 01324 506300 and ask for Bryan Smail.

## FALKIRK COUNCIL

**Subject:** REVENUE BUDGET FRAMEWORK 2015/16 – 2017/18  
**Meeting:** SPECIAL FALKIRK COUNCIL  
**Date:** 12 November 2014  
**Author:** CHIEF EXECUTIVE & CHIEF FINANCE OFFICER

### 1. INTRODUCTION

- 1.1 The primary purpose of this report is to progress the General Fund Revenue Budget process in a proactive manner, having particular regard to the extremely challenging projected gaps in financial years 2016/17 (£17m) and 2017/18 (£15m).
- 1.2 The report firstly, however, gives context at both the national level in terms of the Scottish Government's recently announced budget and then provides an overview of Falkirk Council's financial position.
- 1.3 Whilst the focus of this report is on the Revenue Budget, it should not be forgotten that parallel workstreams are progressing the other elements of the Council's overall budget position in terms of:-
  - a) General Services Capital Programme
  - b) HRA – Revenue
  - c) HRA – Capital
  - d) Trust

It is anticipated that items a) to c) along with the Revenue Budget, will be presented to the planned Council Meeting on 11 February in the conventional manner, with the Trust considered separately at an earlier special Council meeting.

### 2. SCOTTISH GOVERNMENT BUDGET 2015/16

- 2.1 The Cabinet Secretary for Finance, Employment and Sustainable Growth presented his Budget on 9<sup>th</sup> October. The Budget set out three key themes:-
  - Making Scotland a more prosperous country
  - Tackling inequality
  - Protecting and reforming public services

The following paras focus on content pertinent to local government and the Falkirk Council area, but do not purport to be exhaustive.

- 2.2 Mr Swinney sets out the position with respect to local government in his letter to the Cosla President, a copy of which is at Annexe 1. Councils will, in return for the settlement, be expected to continue to deliver specific commitments:-
  - Maintain the council tax freeze for an eighth year
  - Provide places for all probationer teachers who require one under the teacher induction scheme

The position on maintaining teacher numbers is shifting to an outcomes based approach which will be pursued by the Scottish Government and Local Government in partnership with other stakeholders. Whilst work to reach an in principle agreement is on-going the sanctions in relation to teacher numbers are suspended for 2015/16.

As in previous years it is not open to councils to select elements of the package, it is all or nothing, and significant grant loss will result if a council fails to accept these terms. In such a case the Council Leader is required to advise the Cabinet Secretary of their Council's position.

- 2.3 Mr Swinney's letter notes a number of changes since the announcement of the previous draft budget, with additional sums for:-

- Free school meals
- Pre-School entitlement
- Council Tax Reduction Scheme administrative costs
- Children & Young People Act Capital Grant

[There are also adjustments announced for 2014/15 in the letter]

- 2.4 The letter also notes that the published sums do not yet include some elements which will be added at a later stage:-

- Scottish Welfare Fund
- Discretionary Housing Payments
- Teacher pay agreements

In addition, the Budget itself advises that there will be an extension of kinship care allowances in discussion with Cosla.

[Again, there are also related adjustments for 2014/15 in the letter]

- 2.5 As part of its efforts to mitigate the impacts of UK welfare reform the Scottish Government will roll forward its contribution of £23m to support the Council Tax Reduction Scheme, with an expectation that local government will again contribute £17m.

- 2.6 Funding of £100m will be allocated via NHS Boards in 2015/16 to support partnership work to drive the shift towards prevention across all adult services. This resource will be open to councils and the third sector.

- 2.7 Mr Swinney also announced plans for a new Falkirk College campus.

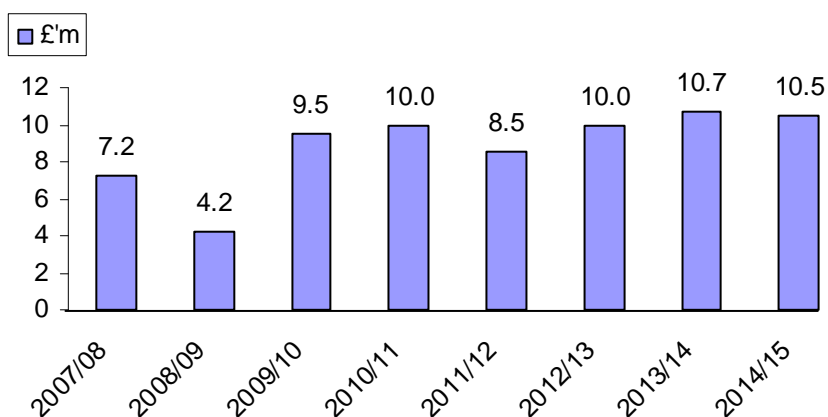
- 2.8 An overall assessment of the Budget provided by the independent Fiscal Affairs Scotland concludes:-

“The overall profile of austerity that UK government is embarked on, and which impinges heavily on the profile of the Scottish Budget via the Barnett formula, suggest that 2015-16 is likely to prove to be one of the milder years in terms of cuts.

For financial year 2015-16, the real terms (i.e., inflated adjusted) cut is given in the new Scottish Budget as -1.7%. This is considerably lower than the -3% to -5% real terms cuts seen in both 2010-11 and 2011-12 and than the cuts of over -3% that are likely to re-emerge in both 2016-17 and 2017-18.”

### 3. FALKIRK COUNCIL'S FINANCIAL POSITION

- 3.1 The profile of budget gaps the Council has had to deal with in recent years is set out in the chart below.



As this table shows, the Council has had to identify savings of **£70.6m** over the last 8 years. Average savings since 2009/10 have been almost **£10m pa**. The future projected Budget gaps are considered later in this report (section 4.2).

- 3.2 Until now, the Council's robust and healthy reserves position has allowed the Council to draw on that resource as part of a toolkit for dealing with these Budget gaps. This is notwithstanding the important points that deployment of reserves in this manner is not strictly compliant with the standard purposes for holding such reserves, nor does it deal with the underlying resource shortfall. Use of reserves is therefore a temporary expedient. The paragraphs below indicate that, going forward, the capacity to continue to use reserves in this manner will be very seriously constrained.
- 3.3 The Council also has a trend of overall underspends on General Fund stretching back for 7 years. Variances against Budget are inevitable in an organisation of the scale and service diversity of Falkirk Council. With a gross General Fund Revenue Budget of circa £500m even a 1/2% variance represents a significant cash sum of £2.5m.
- 3.4 The "Financial Position 2014/15" report to the re-arranged October Executive, projects net expenditure to be £3.1m in excess of the Budget based on advice from Services. This is primarily attributable to projected overspends in the Council's two largest Services and a report setting out the reasons for this with respect to Social Work in particular, was considered by the September Executive.
- 3.5 In addition to the Service demand pressures attributable to demographic drivers, a position being encountered by Councils across Scotland and indeed the UK, there are additional factors contributing to the overspend pressure:-
- As part of the Budget management toolkit mentioned at para 3.2, a budget rebasing exercise has taken nearly £5m out of the budget over the past two financial years. This reflects areas of underspend where it is agreed with the Service that they could, and should, be removed from the Budget. The consequence of this is that previous "flex" in the Budget has been removed.



- b) As previously reported to Members, the European Court judgement on holiday pay will cost the Council an estimated £0.5m per annum, together with a potentially very significant backpay liability. This is not budgeted for.
- c) Planned Budget savings are not always achieved to the extent forecast.

- 3.6 The implication of this is that we are now encountering a tilt in the Council's finances, and whilst vigorous efforts will be made to manage the projected overspends, it is anticipated that the era of regular and on occasion quite significant underspends is behind us. This self-evidently has profound implications for the Council's financial position going forward.
- 3.7 The Council's Reserves Strategy was reviewed and updated by P&R Committee on 04/09/12. This continued to provide for an indicative reserve range based on 2% of net and gross expenditure which equates to £7-£10m. In practice, largely attributable to the underspends mentioned at para 3.3, the actual balance has been at the upper end and beyond of this range.
- 3.8 With the reserve no longer being replenished by underspends, any deployment of the reserve will clearly reduce the balance and this will of course be compounded if overspends in 14/15 (and future years) materialise. The reserve position can be summarised as follows:-

	<u>£'m</u>	
Opening Balance	12.3	
- Application to 14/15 Budget	(1.5)	Per February Budget report
- Transfer to Spend to Save	(0.6)	Per August Executive report
- 14/15 Projected <u>Overspend</u>	(3.1)	Per October Executive report
	<u>7.1</u>	Per October Executive report

It can be seen that this takes the balance down to the floor of the approved reserve range. There are, however, additional pressures not reflected in the above position:-

	<u>£'m</u>	
a) Holiday backpay liability	?	
b) thinkWhere (refer report on this Council Agenda)	0.5	Paid over several years
c) Unexpected events	?	

Moreover, this effectively removes any substantive capacity to deploy reserves to help balance the Budget Gap. As noted at para 3.2, this would in any case only be a temporary expedient. The position on the reserve will be reviewed and revisited, informed by more up to date information, in the financial update report to the January Executive.

- 3.9 As attention is turned in the following section to the forthcoming budgets, it can be concluded from the above analysis that the Council will have less scope for manoeuvre than has hitherto been the case. One illustration of this will be the actual delivery of approved savings will be vital as there will not be the previous level of contingency cover available from the reserve. This will unfortunately make what are going to be very challenging choices and decisions that bit more difficult.

#### 4. BUDGET FRAMEWORK 2015/16 – 2017/18

##### 4.1 Regulatory Considerations

- 4.1.1 Each Council is legally required to approve an annual balanced Budget and set a council tax and this is required to be done by 11 March in the preceding financial year.

4.1.2 In practice, it is now more common for Councils to operate within a framework beyond one year, usually two or three years. The main drivers for this are:

- a) It better accommodates a more strategic approach
- b) It allows more time for due process to be undertaken prior to the Budget decision meeting. In particular, this relates to progression of Equality and Poverty Impact Assessments (EPIA) of savings proposals and any necessary consultation including those of a statutory nature.

This is an approach which finds favour with Audit Scotland.

4.1.3 Every Council is also legally required to “make arrangements for the proper administration of their financial affairs”. The Chief Finance Officer holds this (Section 95) responsibility for Falkirk Council. A key element of this responsibility is securing a balanced and timeous Budget. This legal and professional responsibility is clarified and expanded in the CIPFA document, “The Role of the CFO in Local Government”.

4.1.4 There is an expectation by both the Scottish Government and Audit Scotland that, going forward, budgets will be much more integrative in nature, in terms of an interface with Community Planning Partners with a joint focus on the priorities in the Single Outcome Agreement (SOA). This is reflected in practice in the Joint Resourcing Agenda and the integration of Social Work and Health adult care.

## 4.2 The Budget Gap

4.2.1 The profile of the projected Budget Gap is as follows:-

<u>15/16</u>	<u>16/17</u>	<u>17/18</u>	<u>Total</u>
£7.8m	£17.4m	£15.2m	£40.4m

These figures are the aggregation of an extremely diverse array of expenditure and income elements allied with a range of assumptions on, for example, demographic factors, inflation and interest rates. The most significant element is government grant which covers some 80% of our income. The grant figures for 15/16 is known (subject to confirmation in December) but not for 16/17 and 17/18. The latter figures will be determined by a range of factors, including the outcome of the Westminster election, the subsequent Spending Review and grant award to the Scottish Government, coloured by the Barnett Formula and its mechanisms, how the Scottish Government decides to distribute that sum, together with resources from its new powers and finally how the local government element is distributed to individual Councils via the grant methodology.

4.2.2 Whilst the Budget Gaps are estimates, and accepting the further they project into the future inherently the less certain they are, they are nevertheless held to be robust. In the event they may prove to over-estimate the size of the Budget Gaps, but the converse could also apply.

4.2.3 The approach, or toolkit as previously referred to, for achieving a balanced Budget is set out at Annexe 2. The final outcome will be some combination of these elements, but what is absolutely clear and needs to be confronted, is that **to achieve aggregate savings of circa £40m over the three years will require significant contraction in service delivery and reduction in staffing**. This needs to be conveyed, albeit sensitively, to stakeholders including the general public, service users and staff/trade unions. This is considered in the next section.

### **4.3 Consultation/Engagement**

- 4.3.1 The scale of the cuts the Council is facing and the difficult choices that entails has been flagged up in the “Falkirk Council News” and in briefings to senior staff and Trade Unions.
- 4.3.2 Tripartite and more informal related meetings have taken place with Trade Unions and will continue to do so during the Budget process. In these meetings, the TUs have made it very clear that they are not prepared to consider discussing changes to staff terms and conditions until they see evidence of the specific and difficult savings options the Council is having to consider. Staff briefings have provisionally been arranged geared to this Council meeting’s consideration of the Budget. Following today’s meeting of Council, individual Service Based Trades Union Forums will be held together with workplace briefings for employees. These will provide more information to unions and staff on the overall budget position of the Council and the areas/ issues that the Council is seeking feedback on through the consultation process.
- 4.3.3 A general public consultation will be conducted on the Council’s website. A more qualitative supplement to this will be pursued via Focus Groups drawn from the Citizens Panel. The outcome from this will feed into and inform the decision-making process.
- 4.3.4 It is intended that all Community Councils will be invited in to the Municipal Buildings to hear a briefing on the Budget position and ask questions.
- 4.3.5 Equality and Poverty Impact Assessments together with any other formal/statutory consultations relating to specific savings options are considered in the next section of this report.

### **4.4 Budget Savings Options**

- 4.4.1 The benefits of adopting a proactive approach over a time horizon beyond one year has already been highlighted in this report. It is difficult to imagine how Budget Gaps of the magnitude forecast for 16/17 (£17m) and 17/18 (£15m) can be managed effectively, if tackling them is only started in the year in question.
- 4.4.2 Consequently, it is proposed that Council gives authority to officers to progress Equality & Poverty Impact Assessments (EPIA) and other required consultations relating to savings options identified by officers, including these which extend beyond financial year 2015/16. It is clear that it is Members who will finally take the decisions on savings options, but these decisions will be better informed having this information sitting behind the option. The legal position on the equality element makes this an important consideration. Moreover, savings options need only be selected by Members consistent with the size of the updated Budget Gap i.e. if that is reduced then only the requisite level of savings options require to be approved.
- 4.4.3 The EPIA/consultation savings options identified at this stage by officers are presented by Service at Annexe 3. These savings will inevitably be expanded as the Budget exercise progresses. In addition, funding for external organisations will be reviewed.

## **5. CONCLUSIONS**

- 5.1 This report considered initially the broad budgetary and economic context with respect to the Scottish Government's 15/16 Budget. The report then sharpened its focus to the position for Falkirk Council. It was highlighted that the Council's finances showed evidence of tilting from the previous position of regular underspends and robust reserves and reasons for this were outlined. This, it was argued, would limit flexibility and make managing the projected significant Budget Gaps over the next three years even more difficult.
- 5.2 A particular focus was then directed to the process for managing these very challenging Budget Gaps. It is proposed that Council sanctions progression of Equality & Poverty Impact Assessments and other necessary consultations to both capitalise on available time and to ensure eventual Budget decisions taken by Members are underpinned by this supporting information. This is particularly important with respect to equality aspects where there is a clear legal requirement.

## **6. RECOMMENDATIONS**

- 6.1 Note the Scottish Government Budget per Section 2.
- 6.2 Note the Council's financial position per Section 3.
- 6.3 Note the Budget framework per Section 4.
- 6.4 Approve the progression of Equality & Poverty Impact Assessments and other necessary consultations as set out at Section 4.4 and Annexe 3.

.....  
Chief Finance Officer

.....  
Chief Executive

Date: 22 October 2014

Contact Officer: Mary Pitcaithly/Bryan Smail

### **LIST OF BACKGROUND PAPERS**

1. Budget Working Paper Files.

Any person wishing to inspect the background papers listed above should telephone Falkirk 01324 506300 and ask for Bryan Smail.

Cabinet Secretary for Finance, Employment and Sustainable Growth  
John Swinney MSP

T: 0845 774 1741  
E: [scottish.ministers@scotland.gsi.gov.uk](mailto:scottish.ministers@scotland.gsi.gov.uk)



Councillor David O'Neill  
President  
COSLA  
Verity House  
19 Haymarket Yards  
EDINBURGH  
EH12 5BH

In 2014 Scotland Welcomes the World



Copy to: The Leaders of all Scottish local authorities

9 October 2014

This letter sets out the terms of the local government finance settlement allocations to be provided to local government for 2015-16 as part of our continuing partnership negotiations and confirms a number of changes to the allocations that we have agreed since the indicative figures for 2015-16 were previously confirmed.

This settlement is set against the challenging fiscal environment and austerity measures set out by the current UK Government in their budget projections, which are set to continue in the coming years. Over the course of 2010-11 to 2015-16, the Scottish Government's Fiscal DEL Budget has been cut by around 10% in real terms with the Capital budget facing a particularly challenging real terms reduction of around 26% over the same period.

Despite that the terms of this offer on the funding package to be provided to local government represent a very fair settlement and delivers on this Government's priority to continue to protect Scottish local authorities from the cuts imposed on the Scottish budget. This is in stark contrast to the swingeing cuts the UK Government has applied to local authority funding in England.

Local government is an integral and essential element of the overall good governance of Scotland and continues to be a critical partner in the Scottish Government's transformative programme of public service reform. This funding package builds on the priorities laid out in the Scottish Spending Review 2011 and the Draft Budget 2014-15 and continues to be focussed on delivery of our joint priorities of growing the economy together with protecting front-line services and the most vulnerable in our society. COSLA is invited to agree the terms of the settlement set out below on behalf of local authorities.

For 2015-16, in addition to the pursuit of our joint priorities, individual local authorities, in return for this settlement will require to agree formally to work with the Scottish Government to deliver a council tax freeze for the eighth consecutive year and secure places for all probationers who require one under the teacher induction scheme. The Scottish Government and COSLA have also agreed to:

- A five month timetable to reach an in-principle agreement on an outcomes based approach to educational outcomes subject to the completion of work which is satisfactory to both Scottish Government and Local Government. We would embark on this work immediately with the first phase to be completed by 1st March 2015. This process should be inclusive and engage other parties notably trade unions, parent bodies and others with an interest in educational outcomes. This approach would consider a broader range of indicators of educational improvement and should include teacher numbers as an important contributory factor.
- Commencing over the same five month period and in relation to 2015-16: if a local authority is able to reach agreement with partners through engagement mechanisms, including the LNCT, to introduce flexibilities which impacts on the numbers of teachers then this may be viewed as a derogation to the national commitment on teacher numbers.
- That the commitment to maintain teacher numbers in line with pupil numbers along with associated sanctions remain in place for 2014-15. While the work to reach an in-principle agreement (as above) is on-going, the sanctions in relation to teacher numbers are suspended for 2015-16. If a new agreement is not reached for 2015-16 there will be a continued Scottish Government commitment to maintain teacher numbers in line with pupil numbers at a national level.

The financial support to be distributed to authorities will be the subject of consultation with COSLA and set out in a Scottish Local Government Finance Circular early in December 2014. As in previous years, the Scottish Government will hold back £70m from the Local Government Finance Order put to Parliament in early February 2015, representing the amount that is included in the settlement to deliver the Council Tax Freeze. Parliamentary approval to pay out the remaining amount will be sought in March 2015 once all councils have set their budgets and their council tax rates for the year ahead.

Delivery of these commitments will be monitored and in the event of a failure to deliver, appropriate adjustments made to distributable resources as described below.

I can confirm that for 2015-16 I will only require those Council Leaders who do not intend to take up the offer and agree the full package of measures to write to me setting out the reasons why they do not wish to comply. Any Leader not intending to take up the offer should write to me confirming their Council's decision by no later than 11 March, but preferably by the end of February, (and ideally as soon as possible after they have set their budgets and announced their council tax rates for 2015-16). Any Council not taking up the offer will not receive their share of the monies held back to be distributed later in March 2015.

The total funding as set out in the Draft Budget 2015-16 document, including provision for the council tax freeze and the support for teacher employment, which the Scottish Government will provide to local government in 2015-16 is £10,756.7 million.

Within the total funding package, revenue funding will amount to £9,895.4 million,

including the funding to deliver a council tax freeze and capital £861.3m for 2015-16.

This total includes the Government's estimate of non domestic rate income over the period.

The 2015-16 total of £10,756.7 million includes a number of changes since the publication of the £10,608.2 million included in the 2014-15 Draft Budget. The additional sums are as follows:

- £54m for free school meals in General Revenue Grant (GRG);
- £44m for pre-school entitlement (GRG);
- £6.5m for the Council Tax Reduction Scheme administration costs (GRG);
- £39m for Children and Young People Act in General Capital Grant (GCG); and
- £5m for Shetland Islands Council to support future house building projects (GCG).

The cash neutral changes are as follows:

- £7m increase in GRG with a corresponding reduction in Specific Revenue Grants as a result of the re-classification of the Hostels Grant funding; and
- £83.5m increase in GRG with a corresponding reduction in Non Domestic Rates because of the impact of the cap on the 2014-15 poundage and further estimating changes.

There have also been changes to the published 2014-15 total funding figure of £10,531.4 million and the revised total is now £10,586.7 million. The changes are as follows:

- £13m for free school meals (GRG);
- £18.5m for pre-school entitlement (GRG);
- £0.3m for Blanefield contaminated land project (GRG); and
- £23.5m Children and Young People Act in General Capital Grant (GCG).

The only cash neutral change was as follows:

- £38.5m increase in GRG with a corresponding reduction in Non Domestic Rates because of the impact of the cap on the 2014-15 poundage.

It should be note that these published sums do not include a number of other agreed, or still to be finally agreed, sums that will be included in the final local government finance settlements for both 2014-15 and 2015-16 and added to the Draft Budget figures at either Autumn Budget Revision (ABR) or Spring Budget Revision (SBR). These additions include:

2014-15

- £15m additional Discretionary Housing Payments (GRG);
- £5.1m for additional teacher support (National Qualifications) (GRG);
- £3m additional Family Support funding (GRG);
- £2m agreed as a result of the teacher pay agreement in 2014 which adds to the £39 million already included in the settlement (GRG);
- £24.8m for Free School Meals (GCG); and
- £17.5m top-up for the Children and Young People Act (GCG).

2015-16

- £38m for the Scottish Welfare Fund (GRG);
- £35m for the Discretionary Housing Payments (GRG); and
- £2m baselined agreed as a result of the teacher pay agreement in 2014 which adds to the £39 million already included in the settlement (GRG).

This settlement package for 2015-16, which funds councils to maintain the council tax freeze to households and provides additional resources to deliver our shared priorities around school education, free school meals and childcare, remains a fair settlement in the continuing challenging financial circumstances. The package continues to be focussed on delivery of our joint priorities of growing the Scottish economy and protecting front line services and the most vulnerable in our society, and supported by continued investment in prevention and wider reform actions.

**JOHN SWINNEY**





**BRIDGING THE BUDGET GAP**  
**TEMPLATE**

	<u>2015/16</u> <u>£m</u>	<u>2016/17</u> <u>£m</u>	<u>2017/18</u> <u>£m</u>	<u>Total</u> <u>£m</u>
Estimated Budget Gap	7.8	17.4	15.2	40.4
Budget Rebasing				
Possible deployment of Reserve				
Spend to Save				
Corporate Savings				
Reduced Capital Programme				
<u>Service Savings</u>				
Education				
Social Work				
Corporate & Neighbourhood				
Development				
Chief Executive				
Community Trust				
	7.8	17.4	15.2	40.4

	<b>FALKIRK COUNCIL OPTIONS FOR SERVICE SAVINGS</b>			<b>ANNEXE 3</b>
	<b>EDUCATION SERVICES</b>			
<b><u>Savings Ref</u></b>	<b><u>Description</u></b>	<b><u>3 Year Budget Savings</u></b>	<b><u>3 Year FTE</u></b>	
1	SfLA's - Reduce level of support by efficiencies & new model of operation	400	28.0	
2	Transport - Change to Statutory Minimum of 2/3 miles	350	0.0	
3	Early Years - Review management structures in nursery schools and sessionalise Heathrigg	145	3.0	
4	Early Years - Full cost recovery on baby provision	17	0.0	
5	Primary Schools - Shared HT's/school management	60	2.0	
6	Reduce level of provision of Speech and Language therapy	50	0.0	
7	Secondary Schools - Reduce teachers/subjects and rationalise management structures	400	12.0	
8	Special Education - Reduce teacher/manager posts	300	8.0	
9	Psychological Services - Reduce number of Psychologists	50	1.0	
10	CLD - Reduce number of staff	320	16.0	
11	ES Central Support Staff (admin and clerical) - Reduce number of staff	400	12.0	
12	CLD Halls - Community Transfer	100	0.0	
13	Increase Childcare Fees by 5%pa	45	0.0	
14	Reduce frequency of building cleaning	365	16.2	
15	Review of PPP/NPDO contractual arrangements e.g. contract specification reductions and refinancing	950	4.0	
16	Charge for all school lets	40	0.0	
17	Reduce schools per capita budgets	100	0.0	
18	Promote use of parental contracts instead of taxis	5	0.0	
19	Schools Catering - increase price by 20% over 3 years	300	0.0	
20	Review of Options to Reduce Primary School Teaching Hours (From 25 to 22.5hrs/wk)	595	17.0	
21	Close Bo-ness CLD Office	10	0.0	
22	Centralise CLD Management	40	2.0	
23	Stop School Library Service (13fte) & move to management via Secondary Schools	325	10.0	
24	Stop Baby Provision (48 places)	115	0.0	
25	Transport from Travelling People Site - stop automatic provision & move to distance entitlement	10	0.0	
26	Stop Breakfast Clubs	60	0.0	
27	Music/Instrument Instruction - review curricular choices	50	0.0	
28	School Lets - Increase charges by 5%	23	0.0	
29	Primary Schools - Removal of Discretionary Teaching	600	17.5	
30	Wider Review of CLD Provision	700	22.0	
		<b>6,925</b>	<b>301.9</b>	

<b>FALKIRK COUNCIL OPTIONS FOR SERVICE SAVINGS</b>			
<b>SOCIAL WORK SERVICES</b>			
<b>Ref</b>	<b>Description</b>	<b>3 Year Budget Savings</b>	<b>3 Year FTE</b>
1	Increase existing non residential charges and charging caps in line with inflation	96	
2	Introduce charges for day care for older people at a rate of £5 per week.	29	
3	Reduce frequency of cleaning to buildings	16	1.0
4	Introduce eligibility criteria for transport accompanied by charges for transport provided	50	
5	Inflationary increase for meals provided through meals on wheels and through day centres and lunch clubs	6	
6	Home Care - Shift the balance of internal/external provision towards a greater proportion of external provision	75	4.0
7	Redesign of employment services to people with a disability and potential closure of ASSET	102	12.0
8	Potential reduction of existing buildings based day services in response to anticipated increase in demand for packages of self directed support with built in efficiencies of 20%	460	66.0
9	Terminate existing shopping service with alternative reduced service being commissioned through the voluntary sector	125	13.0
10	Review Caledonia Clubhouse and Services provided by FDAMH with a view to achieving efficiency savings of 20%	71	
11	5% reduction in funding to Barnardo's Axis, Sacro Mediation and Barnardo's Cluaran	26	
12	Inflationary uplift in charges for Older People's homes	35	
13	Non - Residential Charging for adult care - Move to Phase 2 charging with removal of capped charges	TBC	
14	Close Rowans short break service and purchase equivalent number of places externally	100	
15	Review and redesign of Joint Dementia Initiative	TBC	
16	Redesign of care home provision with closure of Oakbank and reprovision of Summerford	300	
17	Tighter Eligibility Criteria for adult social care to restrict provision to those whose needs are critical or substantial	1,400	
		<b>2,891</b>	<b>96.0</b>

	<b>FALKIRK COUNCIL OPTIONS FOR SERVICE SAVINGS (CORPORATE &amp;) NEIGHBOURHOOD SERVICES</b>		
<b><u>14/15</u> <u>Ref</u></b>	<b>Description</b>	<b>3 Year Budget Savings</b>	<b>3 Year FTE</b>
1	Community Safety Team - Reduce Level of Patrols and the geographical areas patrolled	75	3.0
2	Graden Aid - Start Charging	250	-
3	Public Conveniences - Closure of APCs excluding Bo'ness.	112	-
4	Refuse Collection - introduce charges for Special Uplifts	227	3.0
5	Bereavement Services - increase charges	150	-
6	Waste Disposal - Close 1 household waste site.	200	10.0
7	Pest Control - introduce charges for all residents	45	-
8	Refuse collection - Charge for bins in new housing developments.	15	-
9	Trade Waste - reduce crew sizes to 2 staff	50	2.0
10	Street Cleaning - Litter picking - Reducing the number of teams/squads and reducing the frequency of the current litter picking cycles.	200	8.0
11	Street Cleaning : Mechanical Sweeping - review sweeping cycles	100	2.0
12	Grounds Maintenance :Grass Cutting Operations - review grass cutting routes /beats	215	8.0
13	Grounds Maintenance : Weed Control - reduce frequency of weed spraying	100	2.0
14	Grounds Maintenance :Shrub Bed Maintenance and hedges - reduce level of maintenance	75	3.0
15	Grounds Maintenance - Reduce the size of the squads carrying out tree works.	40	2.0
16	Grounds Maintenance - Summer Bedding - Reduce the number of annual flower beds and revert to grass areas.  Reduce the overall number of hanging baskets displayed.	30	2.0
17	Grounds Maintenance : Nursery - stop operating a glasshouse at Kinneil Nursery	40	-
18	Private Sector Housing -top slice total working budget by 12%	99	-
19	General Fund Housing. Third Party Payments - ongoing Supported Accommodation Review	202	-
20	Stop the Deposit Guarantee Scheme	56	2.0
21	Small Repair Scheme	93	1.0
22	Closure of all Public Conveniences	249	4.3
23	Removal of discretionary elements of Private Sector Team	256	2.0
24	Building Services Administration Function	79	7.9
		<b>2,958</b>	<b>62.2</b>

	<b><u>FALKIRK COUNCIL OPTIONS FOR SERVICE SAVINGS</u></b>		
	<b><u>DEVELOPMENT SERVICES</u></b>		
<b><u>14/15</u></b> <b><u>Ref</u></b>	<b><u>Description</u></b>	<b><u>3 Year</u></b> <b><u>Budget</u></b> <b><u>Savings</u></b>	<b><u>3 Year</u></b> <b><u>FTE</u></b>
1	Charge for car parking at stations where parking is free	130	
2	Removal of 14/15 year old travel concessions	74	
3	Phased reduction in provision of school crossing patrols	150	20.5
4	Youth Employment - removal of additional funding element first agreed in 2012/13	500	
5	Economic Development - reduction in Service provision	500	
6	Reduce staff costs by 8%	1,000	25.0
7	Removal of taxi cards	64	
8	Street naming and numbering (new charges to developers/householders)	7	
9	Transport Planning (including Bus Subsidies)	1,808	
		<b>4,233</b>	<b>45.5</b>

	<b><u>FALKIRK COUNCIL OPTIONS FOR SERVICE SAVINGS</u></b>		
<b><u>14/15 Ref</u></b>	<b><u>Description</u></b>	<b><u>3 Year Budget Savings</u></b>	<b><u>3 Year FTE</u></b>
	<b><u>CENTRAL SUPPORT SERVICES</u></b>		
1	Surcharge for use of credit cards to pay council bills	25	
2	Childrens Panel / Safeguarder - recovery of costs from constituent councils	20	
3	Payroll & HR Systems Support	70	3.0
4	Customer First - consolidate one stop shop services	45	2.0
5	HR Operations - changes to Occupational Health contract	27	-
6	Staff Savings in Policy, Technology & Improvement.	116	3.0
7	10% staff savings across Central Support Services	1,000	35.3
		<b>1,303</b>	<b>43.3</b>

**FALKIRK COUNCIL**

**Subject :** LOCAL GOVERNMENT FINANCE SETTLEMENT 2015/16  
**Meeting :** EXECUTIVE  
**Date:** 13 January 2015  
**Author :** CHIEF FINANCE OFFICER

**1. INTRODUCTION**

- 1.1 On 11 December 2014, the Scottish Government issued Finance Circular No. 9/2014 which provides local authorities with details of their revenue and capital allocations for 2015/16. It also includes an update on grant changes for 2014/15 and these are reflected in the financial position report elsewhere on the agenda. These figures are provisional and are subject to debate by the Scottish Parliament in February 2015.

**2. BACKGROUND**

- 2.1 My previous report to Council on 12 November 2014 provided an update on the Scottish Government Budget for 2015/16. As noted at that time the Cabinet Secretary for Finance, Employment and Sustainable Growth wrote to COSLA on 9 October 2014 reaffirming the terms of the settlement to be provided to local government in return for the provisional funding allocations set out in this Circular.
- 2.2 The terms of the settlement included specific commitments which are shown below:
- Maintain the Council Tax Freeze for 2015/16
  - Secure places for all probationers who require one, under the teacher induction scheme
- 2.3 The commitment to maintain teacher numbers in line with pupil numbers remains in place for 2014/15. The sanctions are suspended for 2015/16 whilst work to reach an in-principle agreement is ongoing.
- 2.4 The previous “sign-off” arrangements have been retained in that only those Councils who do not intend to take up the offer and agree the full package of measures outlined above are required to write to the Cabinet Secretary setting out the reasons why they do not wish to comply, by no later than 10 March 2015. The Leader of the Council has indicated that Falkirk Council intends to continue to deliver these commitments and as such will not be writing to the Cabinet Secretary.

### 3. REVENUE FUNDING

3.1 The amount of all-Scotland local government funding is set out in the following table.

	<u>2015/16</u> <u>£'m</u>
Total Revenue Funding	<u>9,993.191</u>
Less: Teachers Induction Scheme	27.600
Criminal Justice Social Work	86.450
Council Tax Reduction Scheme	343.000
Discretionary Housing Payments	35.000
	<u>9,501.141</u>
Distributed Revenue Funding	<u>9,501.141</u>
Distributed as:	
General Revenue Funding	6,613.659
Non-Domestic Rates	2,883.000
Ring-Fenced Grants	4.482
	<u>9,501.141</u>

3.2 No indicative allocations have been provided for future years.

3.3 Allocation of the Scottish Welfare Fund monies for 2015/16 is as follows:-

	<u>National</u> <u>£'m</u>	<u>Falkirk</u> <u>£'m</u>
Community Care Grants	23.000	0.634
Crisis Grants	9.995	0.294
Administration	<u>4.878</u>	<u>0.137</u>
	<u>37.873</u>	<u>1.065</u>

Discussions will continue between the Scottish Government and COSLA regarding additional funding for administration costs.

### 4. REVENUE FUNDING – FALKIRK COUNCIL

4.1 Falkirk Council's grant allocation for 2015/16 is £274.056m and is in line with the anticipated sum as part of the settlement announced last year. It is analysed as follows:-

	<u>2015/16</u> <u>£'m</u>
General Revenue Funding	209.595
Non-Domestic Rates	64.449
Ring-Fenced Grants	0.012
	<u>274.056</u>



## 5. CAPITAL FUNDING

5.1 The Scotland wide figures shown below reflect the reprofiling previously reported to Members with £120m being deducted in 2012/13 and a further £100m in 2013/14; this being repaid over the subsequent 2 years £120m in 2014/15 and £100m in 2015/16. Falkirk Council's funding allocation for 2015/16 is £16.208m.

5.2 The all Scotland figures are noted below.

	<u>2015/16</u>
	<u>£'m</u>
General Capital Grant	711.200
Specific Capital Grants	123.200
Distribution for SPT	21.900
	<u>856.300</u>

5.3 As with the Revenue Budget, no indications are given for future years.

5.4 Falkirk Council's share of the 2015/16 funding is in line with expectations and is analysed below:-

	<u>2015/16</u>
	<u>£'m</u>
General Capital Grant	15.972
Specific Capital Grant	0.236
	<u>16.208</u>

## 6. NON-DOMESTIC RATES

6.1 The Scottish Government has confirmed the increase for the Non-Domestic Rate poundage will be restricted to 2%.

6.2 The Small Business Bonus Scheme was amended in 2014/15 to provide more assistance for small businesses. The table below shows the 2015/16 thresholds continued from 2014/15:

Combined Rateable Value (RV) of all Business Properties in Scotland	
	<u>2015/16</u>
Up to £10,000	100%
£10,001 - £12,000	50%
£12,001 - £18,000	25%
£18,001 - £35,000	25% on each individual property with a rateable value not exceeding £18,000 *

\* This will allow a business with 2 or more properties with a cumulative RV of under £35,000 to qualify for relief at 25% on individual properties with a RV of up to £18,000.

- 6.3 The Scottish Government published a consultation on 11 December 2014 on the rating valuation appeals system. This is part of the Scottish Government's plan to review the rates system ahead of the 2017 revaluation. The consultation is open until 6 March 2015.
- 6.4 Following a review of the original Business Rates Incentivisation Scheme (BRIS) by a joint Scottish Government/COSLA Review Group, it was agreed that the original scheme should be suspended and a revised scheme introduced in 2014/15. The revised scheme is focussed on incentivising growth in the business tax base by creating targets based on buoyancy alone. The 2014/15 buoyancy target is now 1.5% with an indicative target of 1.2% for 2015/16.

## **7. SUMMARY**

- 7.1 Finance Circular 9/2014 provides details of the provisional financial support which will be made available to Councils for 2015/16. The information is in line with expectations. The level of government funding has a very significant impact on the Council's budget and work is continuing to present spending plans for Members' consideration in February 2015.

## **8. RECOMMENDATION**

**Members are invited to note the provisional Local Government Finance Settlement 2015/16.**

**Chief Finance Officer**

**Date : 17 December 2014**

### **LIST OF BACKGROUND PAPERS**

1. Scottish Government Finance Circular No 9/2014

Any person wishing to inspect the above background papers should telephone Falkirk (01324) 506371/506300 and ask for Amanda Templeman/Bryan Smail.

FALKIRK COUNCILSUMMARY OF THE REVENUE BUDGET 2015/16

<u>SERVICE</u>	<u>2014/15</u> <u>Estimate</u> <u>at Outturn</u> <u>Prices</u> <u>£'000</u>	<u>2015/16</u> <u>Estimate</u> <u>at Outturn</u> <u>Prices</u> <u>£'000</u>
Education Services	171,052	174,126
Social Work Services	89,679	92,130
Development Services	34,823	33,905
Corporate & Neighbourhood Services	14,783	13,039
Miscellaneous Services	12,895	11,475
Provision for Budget Pressures	-	2,000
Trading Accounts	(949)	(752)
Sub-Total	322,283	325,923
Falkirk Community Trust	13,238	12,660
Capital Financed from Current Revenue	500	-
Joint Valuation Board	1,251	1,119
Add: Adjustment for Capital Charges	(4,398)	(4,472)
<b>Total Net Expenditure</b>	<b>332,874</b>	<b>335,230</b>
Less: Aggregate External Finance	278,913	282,124
Less: Use of Reserves		
General Fund	1,500	-
Earmarked Reserves	189	400
Council Tax (see below)	52,272	52,706
<b>Total Income</b>	<b>332,874</b>	<b>335,230</b>
Estimated yield of £1 Council Tax	57,030	57,391
Council Tax (Band D)	£1,070	£1,070
Product	61,022	61,408
Less: Council Tax Reduction Scheme	8,750	8,702
	52,272	52,706

## **2015/16 Education Services Budget**

### **Service - Objective Analysis**

	2014/15 Budget Outturn Prices <u>£</u>	2015/16 Budget September 2014 Prices <u>£</u>	2015/16 Budget Outturn Prices <u>£</u>
<b><u>SERVICE</u></b>			
Early Years	8,546,810	9,441,850	<b>9,529,750</b>
Primary Education	62,423,990	63,370,010	<b>64,163,660</b>
Secondary Education	79,023,430	78,443,910	<b>79,572,590</b>
Special Education	15,332,080	15,068,080	<b>15,310,370</b>
Psychological Service	886,340	797,420	<b>808,180</b>
Community Learning & Development	4,187,680	4,019,370	<b>4,075,620</b>
Community Halls	651,240	652,580	<b>665,560</b>
<b>NET EXPENDITURE</b>	<u>171,051,570</u>	<u>171,793,220</u>	<u><b>174,125,730</b></u>

## 2015/16 Education Services Budget

### Service - Subjective Analysis

	2014/15 Budget Outturn Prices £	2015/16 Budget September 2014 Prices £	2015/16 Budget Outturn Prices £
<b><u>EXPENDITURE</u></b>			
<b><u>EMPLOYEE EXPENSES</u></b>			
Former APT&C	25,435,140	25,069,020	25,388,060
Teachers	74,153,640	75,006,640	75,935,940
Former Manual	2,435,700	2,441,820	2,472,330
Pension/Termination Costs	19,740	19,740	19,740
Indirect Employee Expenses	957,210	933,950	937,490
<b>Total Employee Expenses</b>	<b>103,001,430</b>	<b>103,471,170</b>	<b>104,753,560</b>
<b><u>PROPERTY EXPENSES</u></b>			
Repairs and Maintenance	1,450,490	1,450,490	1,472,110
Grnds Maint Internal Recharges	74,880	74,880	75,920
Energy Costs	3,372,990	3,372,990	3,558,420
Rents	91,330	91,330	91,330
Rates/Council Tax	5,086,580	5,086,580	5,239,200
Water Services	536,220	536,220	541,580
Fixtures and Fittings	133,670	133,670	133,670
Cleaning & Domestic Supplies	3,043,270	2,908,220	2,911,310
Property Insurance	188,190	211,390	224,440
<b>Total Property Expenses</b>	<b>13,977,620</b>	<b>13,865,770</b>	<b>14,247,980</b>
<b><u>TRANSPORT EXPENSES</u></b>			
Transport Recharges	86,950	107,130	107,820
Direct Transport Costs	3,173,490	3,158,690	3,206,270
<b>Total Transport Expenses</b>	<b>3,260,440</b>	<b>3,265,820</b>	<b>3,314,090</b>
<b><u>SUPPLIES &amp; SERVICES</u></b>			
Equip, Furniture and Materials	279,920	1,224,810	1,224,810
Services	775,700	793,740	796,970
Catering	5,091,910	5,943,850	5,944,240
Printing, Staty & Gen Off Exps	139,530	139,530	140,810
Communications & Computing	518,250	510,870	510,870
Contribution to Funds	10,000	10,000	10,000
Miscellaneous Supplies	1,671,540	1,967,480	1,967,480
<b>Total Supplies &amp; Services</b>	<b>8,486,850</b>	<b>10,590,280</b>	<b>10,595,180</b>
<b><u>THIRD PARTY PAYMENTS</u></b>			
Health Authorities	575,600	525,600	525,600
Internal Recharges	655,010	(345,110)	(345,110)
Other Local Authorities	417,830	417,830	430,370
Other Agencies	5,537,300	5,330,770	5,418,580
Grants to Voluntary Orgs	15,220	15,220	15,220
Community Schools Project	11,706,980	10,956,980	11,251,390
Falkirk Schools Project	13,795,470	13,720,470	13,887,790
<b>Total Third Party Payments</b>	<b>32,703,410</b>	<b>30,621,760</b>	<b>31,183,840</b>

## **2015/16 Education Services Budget**

### **Service - Subjective Analysis**

	2014/15 Budget Outturn Prices <u>£</u>	2015/16 Budget September 2014 Prices <u>£</u>	2015/16 Budget Outturn Prices <u>£</u>
<b><u>TRANSFER PAYMENTS</u></b>			
Payments to Pupils/Students	898,000	898,000	901,440
<b>Total Transfer Payments</b>	<u>898,000</u>	<u>898,000</u>	<u>901,440</u>
<b><u>SUPPORT SERVICES</u></b>			
Central Support Recharges	2,888,350	2,925,000	2,974,220
Departmental Recharges	7,922,240	5,813,260	5,916,950
<b>Total Support Services</b>	<u>10,810,590</u>	<u>8,738,260</u>	<u>8,891,170</u>
<b><u>CAPITAL CHARGES</u></b>			
Capital Charges	11,088,380	11,088,390	11,088,390
<b>Total Capital Charges</b>	<u>11,088,380</u>	<u>11,088,390</u>	<u>11,088,390</u>
 <b>TOTAL EXPENDITURE</b>	 <u>184,226,720</u>	 <u>182,539,450</u>	 <u>184,975,650</u>
 <b><u>INCOME</u></b>			
Specific Government Grants	14,000	14,000	14,000
Other Government Grants	1,019,580	1,019,580	1,019,580
Other Grants,Reimburse & Conts	192,890	192,890	192,890
Customer and Client Receipts	3,091,500	2,733,320	2,733,320
Rents Received	43,590	87,590	87,590
Internal Recharges	7,971,850	5,857,110	5,960,800
Charges to Other Bodies	799,800	799,800	799,800
Charges to Staff	2,220	2,220	2,220
Miscellaneous Income	39,720	39,720	39,720
<b>TOTAL INCOME</b>	<u>13,175,150</u>	<u>10,746,230</u>	<u>10,849,920</u>
 <b>NET EXPENDITURE</b>	 <u>171,051,570</u>	 <u>171,793,220</u>	 <u>174,125,730</u>

**EDUCATION SERVICES BUDGET 2015/16**  
**Summary of Movements**

£' 000

2014/15 Budget 171,052

**Add: Budget Changes**

1	<u>Employee Expenses</u>	
	Pension Contributions - SJC	90
	Increased Pension Contribution - Teachers	808
	Teacher - Demographics	200
	Government Funding	
	- New National Qualification	(23)
	Savings (No.11) Community Learning & Development (CLD)	(150)
	Savings (No.13) Education HQ Staffing	(200)
	Savings (No.3) Early Years Management	(75)
	Savings (No.1) Support Staff in Schools	(100)
	Savings (No.9) Psychologists	(50)
	Savings (No.28) Music Instructors	(30)
		<u>470</u>
2	<u>Property Expenses</u>	
	Property Insurance	23
	Building Cleaning	65
	Savings (No.15) Building Cleaning	(200)
		<u>(112)</u>
3	<u>Transport Expenses</u>	
	Transport Recharges	20
	Savings (No.18) Use of Parental Contracts	(5)
	Savings (No.27) Transport from Travelling People's Site	(10)
		<u>5</u>
4	<u>Supplies &amp; Services</u>	
	Catering	852
	Government Funding	
	- Early Years	1,631
	- Early Years Workforce Development	(111)
	- New National Qualification	(137)
	Savings (No.12) CLD Halls	(20)
	Savings (No.17) Per Capita	(50)
	Savings (No.14) Camelon Education Centre	(50)
	Savings (No.10) Relocate Bo'ness CLD Office	(10)
	Savings (No.26) Government Funding	(100)
	Other Changes	99
		<u>2,104</u>

5	<u>Third Party Payments</u>	
	Falkirk Schools Project	(75)
	Government Funding	
	- Probationers	(1,000)
	- Looked after Children and Family Centres	(127)
	Savings (No.5) Speech & Language Therapy	(50)
	Savings (No.16) Review of PPP/NPDO Contractual Arrangements	(750)
	Savings - External Funding	(80)
		<u>(2,082)</u>
6	<u>Support Services</u>	
	Central Support Charges	43
	Departmental Recharges	(2,115)
		<u>(2,072)</u>
7	<u>Income</u>	
	Departmental Recharges	2,115
	Government Funding	
	- Free School Meals P1-3	495
	Savings (No.4) Childcare Fees - Baby Provision	(17)
	Savings (No.23) Childcare Fees - 5% increase	(15)
	Savings (No.21 & 22) School Lets	(44)
	Savings (No.19) School Meals Income	(100)
	Savings (No.24) Breakfast Club	(5)
		<u>2,429</u>
	2015/16 Base Budget at September Prices	171,794
	<b>Add: Inflation</b>	2,332
	2015/16 Budget at Outturn Prices	<u>174,126</u>



## **EDUCATION SERVICES**

### **REVIEW OF FEES AND CHARGES 2015/16**

It is proposed to review the following range of charges for services delivered within Education:-

<b><u>SCHOOL MEALS</u></b>	<b><u>Current 2014/15</u></b>	<b><u>Proposed 2015/16</u></b>
----------------------------	-----------------------------------	------------------------------------

It is proposed that breakfast charges will be increased by 5p and pupil meal prices will be increased by 15p wef April 2015.

**Breakfast Clubs**

Breakfast (full rate)	1.30	1.35
Breakfast (reduced rate)	0.65	0.70

**Nursery Schools**

2 Course Meal	1.60	1.75
---------------	------	------

**Primary Schools**

Meal Tray Options	1.80	1.95
-------------------	------	------

**Secondary Schools**

Meal Deal Options	1.80	1.95
2 Course Meal	2.30	2.45

Adult Meals (inclusive of VAT)	3.95	4.10
--------------------------------	------	------

### **CHILDCARE PLACES**

It is proposed that charges will be increased by 10p per hour from July 2015:

Children(Under 2 Years of Age)	£4.50 per hour	£4.60 per hour
Children (Aged 2 Years & upwards)	£3.50 per hour	£3.60 per hour

### **SCHOOL & COMMUNITY LETS**

It is proposed to increase letting charges by 3% (subject to roundings and de-minimus constraints).

### **OTHER FEES & CHARGES**

It is also proposed to increase all other fees and charges within the Service by an average of 3% (subject to roundings and de-minimus constraints). This includes areas such as Music Tuition.

## **2015/16 Social Work Services Budget**

### **Service - Objective Analysis**

	2014/15 Budget Outturn Prices <u>£</u>	2015/16 Budget September 2014 Prices <u>£</u>	2015/16 Budget Outturn Prices <u>£</u>
<b><u>SERVICE</u></b>			
Child Care	20,367,850	21,072,690	<b>21,482,170</b>
Community Care	67,447,360	67,213,170	<b>68,739,430</b>
Mental Health	1,334,340	1,335,560	<b>1,350,610</b>
Criminal Justice	-	-	-
Service Strategy & Regulation	529,200	499,160	<b>557,460</b>
<b>NET EXPENDITURE</b>	<u>89,678,750</u>	<u>90,120,580</u>	<u><b>92,129,670</b></u>

## **2014/15 Social Work Services Budget**

### **Service - Subjective Analysis**

	2014/15 Budget Outturn Prices £ A	2015/16 Budget September 2014 Prices £ B	2015/16 Budget Outturn Prices £
<b><u>EXPENDITURE</u></b>			
<b><u>EMPLOYEE EXPENSES</u></b>			
Former APT&C	41,360,780	41,620,580	42,142,180
Former Manual	2,279,000	2,283,180	2,311,720
Indirect Employee Expenses	729,100	727,220	729,690
<b>Total Employee Expenses</b>	<b>44,368,880</b>	<b>44,630,980</b>	<b>45,183,590</b>
<b><u>PROPERTY EXPENSES</u></b>			
Repairs and Maintenance	462,290	462,290	469,240
Maintenance of Grounds	430	430	440
Grnds Maint Internal Recharges	5,120	5,120	5,200
Energy Costs	586,330	586,330	620,130
Rents	349,180	349,180	356,170
Rates/Council Tax	227,130	167,130	173,850
Water Services	105,000	105,000	106,050
Fixtures and Fittings	23,240	23,240	23,240
Expenses of Operational Bldgs	7,470	7,470	7,470
Cleaning & Domestic Supplies	267,990	255,930	256,230
Property Insurance	26,030	28,810	30,100
<b>Total Property Expenses</b>	<b>2,060,210</b>	<b>1,990,930</b>	<b>2,048,120</b>
<b><u>TRANSPORT EXPENSES</u></b>			
Direct Transport Costs	4,410	7,780	7,820
Transport Recharges	586,990	623,400	627,460
Transportation Costs	490,620	490,620	497,770
<b>Total Transport Expenses</b>	<b>1,082,020</b>	<b>1,121,800</b>	<b>1,133,050</b>
<b><u>SUPPLIES &amp; SERVICES</u></b>			
Equip, Furniture and Materials	839,620	839,620	839,620
Training Materials	203,490	203,490	203,490
Services	273,660	303,950	306,090
Catering	522,890	502,010	509,340
Clothing, Uniforms & Laundry	48,100	48,100	48,100
Printing, Staty & Gen Off Exps	95,630	95,630	96,180
Client Amenities	47,610	47,610	47,610
Communications & Computing	581,700	580,810	580,810
Contribution to Funds	45,000	45,000	45,000
Miscellaneous Supplies	962,050	868,050	868,050
<b>Total Supplies &amp; Services</b>	<b>3,619,750</b>	<b>3,534,270</b>	<b>3,544,290</b>

## 2014/15 Social Work Services Budget

### Service - Subjective Analysis

	2014/15 Budget Outturn Prices <u>£</u>	2015/16 Budget September 2014 Prices <u>£</u>	2015/16 Budget Outturn Prices <u>£</u>
<u>THIRD PARTY PAYMENTS</u>			
Health Authorities	387,390	387,390	395,140
Internal Recharges	2,602,210	2,554,250	2,601,650
Other Local Authorities	368,150	368,150	379,200
Private Contractors	12,200,590	11,975,590	12,219,600
Other Agencies	19,829,070	20,105,040	20,550,760
Residential/Long Term Paymnt	26,912,640	27,087,640	27,627,070
<b>Total Third Party Payments</b>	<u>62,300,050</u>	<u>62,478,060</u>	<u>63,773,420</u>
 <u>TRANSFER PAYMENTS</u>			
Payments to Individuals	3,505,080	3,805,080	3,874,240
<b>Total Transfer Payments</b>	<u>3,505,080</u>	<u>3,805,080</u>	<u>3,874,240</u>
 <u>SUPPORT SERVICES</u>			
Central Support Recharges	2,593,570	2,678,820	2,723,870
Departmental Recharges	3,101,860	3,105,180	3,130,660
<b>Total Support Services</b>	<u>5,695,430</u>	<u>5,784,000</u>	<u>5,854,530</u>
 <u>CAPITAL CHARGES</u>			
Capital Charges to Services	422,340	422,340	422,340
<b>Total Capital Charges</b>	<u>422,340</u>	<u>422,340</u>	<u>422,340</u>
 <b>TOTAL EXPENDITURE</b>	<u>123,053,760</u>	<u>123,767,460</u>	<u>125,833,580</u>
 <u>INCOME</u>			
Other Government Grants	3,601,410	3,680,650	3,689,440
Other Grants,Reimburse & Conts	10,807,630	10,907,630	10,907,630
Customer and Client Receipts	9,528,200	9,629,320	9,629,320
Internal Recharges	5,984,190	5,984,190	6,008,000
Charges to Other Bodies	3,427,990	3,419,500	3,443,930
Charges to Staff	25,590	25,590	25,590
<b>TOTAL INCOME</b>	<u>33,375,010</u>	<u>33,646,880</u>	<u>33,703,910</u>
 <b>NET EXPENDITURE</b>	<u>89,678,750</u>	<u>90,120,580</u>	<u>92,129,670</u>

**SOCIAL WORK SERVICES BUDGET 2015/16**  
**Summary of Movements**

£' 000

2014/15 Budget

89,679

**Add: Budget Changes**

1	<u>Employee Expenses</u>	
	Increments	151
	Increase in Pension Contributions	161
	Savings (No 7) Shift the Balance of Home Care	(37)
	Savings (No 10) Shopping Service	(65)
	Other Employee Expenses	52
		<u>262</u>
2	<u>Property Expenses</u>	
	Savings (No 3) Reduce Frequency of Cleaning to Buildings	(16)
	Savings (No 13) Reduced Property Rates	(60)
	Other Movements	7
		<u>(69)</u>
3	<u>Transport Expenses</u>	
	Other Movements	<u>40</u>
4	<u>Supplies &amp; Services</u>	
	Change Fund Projects	(40)
	Savings (No 4) Transport Costs	(25)
	Other Movements	(20)
		<u>(85)</u>
5	<u>Third Party Payments</u>	
	Provision for Demographic Growth	350
	Children & Young People Act	354
	Self Directed Support New Funding	103
	External Funding Savings	(26)
	Savings (No 6) No Inflationary Uplift for Supporting People	(200)
	Savings (No 17) Reprofiled Eligibility Criteria	(400)
	Other Movements	(3)
		<u>178</u>
6	<u>Transfer Payments</u>	
	Kinship Care	<u>300</u>
7	<u>Support Services</u>	
	Increase in Central Support Recharges	85
	Other Movements	3
		<u>88</u>

8	<u>Income</u>	
	Savings (No 1) Increase Non-residential Charges	(34)
	Savings (No 2) New Day Care Charges for Older People	(28)
	Savings (No 4) Transport Costs	(25)
	Savings (No 5) Inflationary Uplift for Services Funded by NHS	(100)
	Savings (No 12) Charges for Older People's Homes	(35)
	Other Movements	(50)
		<u>(272)</u>

2015/16 Base Budget at September Prices	90,121
---	--------

<b>Add: Inflation</b>	2,009
-----------------------	-------

2015/16 Budget at Outturn Prices	<u>92,130</u>
----------------------------------	---------------

## **SOCIAL WORK SERVICES**

### **REVIEW OF FEES AND CHARGES 2015/16**

#### **Older Peoples Homes**

	<b><u>Current Charge</u></b> <b><u>Per Resident</u></b> <b><u>Per Week</u></b> £	<b><u>Proposed Charge</u></b> <b><u>Per Resident</u></b> <b><u>Per Week</u></b> £	<b><u>Proposed Charge</u></b> <b><u>For pre-April 2008 residents</u></b> <b><u>Per week with</u></b> <b><u>Transitional Protection</u></b> <b><u>And maximum 2.6% increase</u></b> £
		Current Charge Plus 2.6% Increase	
Burnbrae	717.16	735.81	667.72
Cunningham House	717.16	735.81	735.81
Grahamston	717.16	735.81	729.03
Oakbank	717.16	735.81	669.87
Summerford	717.16	735.81	675.70
Torwoodhall	717.16	735.81	735.81

All placements made to our Older Peoples Homes by other Local Authorities or Health have been charged at actual cost from 1 April 2010.

#### **Rowans Short Breaks Service**

	<b><u>Current Charge</u></b> <b><u>Per night</u></b> £	<b><u>Proposed Charge</u></b> <b><u>Per night</u></b> £
Client's contribution	9.00	9.20

#### **Day Centre Charges to Other Local Authorities**

	<b><u>Current Charge</u></b> <b><u>Per client</u></b> <b><u>Per day</u></b> £	<b><u>Proposed Charge</u></b> <b><u>Per client</u></b> <b><u>Per day</u></b> £
Bainsford	91.58	93.96
Camelon	95.35	97.83
Oswald Avenue	80.17	82.25
Dundas	149.96	153.86

## Work Experience Programme

### Charge to Other Local Authorities

	<u>Current Charge</u>	<u>Proposed Charge</u>
	<u>Per client</u>	<u>Per client</u>
	<u>Per day</u>	<u>Per day</u>
	£	£
ASSET	90.88	93.24

### Meals on Wheels, Lunch Clubs and Day Centre Lunches

	<u>Current Charge</u>	<u>Proposed Charge</u>
	<u>Per Meal</u>	<u>Per Meal</u>
	£	£
Meals on Wheels	3.40	3.40
Lunch Clubs	3.40	3.40
Day Centre Clients	3.40	3.40

### Housing with Care Meal Charges

	<u>Current Charge</u>	<u>Proposed Charge</u>
	<u>Per Meal</u>	<u>Per Meal</u>
	£	£
Breakfast	0.74	0.76
Lunch	1.92	1.97
Tea	0.87	0.89

### Joint Dementia Initiative

	<u>Current Charge</u>	<u>Proposed Charge</u>
	<u>Per client</u>	<u>Per client</u>
	<u>Per week</u>	<u>Per week</u>
	£	£
“Time to Share” - Respite	78.40	80.40

### Day Care for Over 65's

	<u>Current Charge</u>	<u>Proposed Charge</u>
	<u>Per client</u>	<u>Per client</u>
	<u>Per week</u>	<u>Per week</u>
	£	£
Client Contribution	0	5.00



**Charges for Non Residential Services Subject to Weekly Cap**

	<b><u>Current Charge</u></b> <b><u>Per Week</u></b> £	<b><u>Proposed Charge</u></b> <b><u>Per Week</u></b> £
Domicillary Care (over 65's)	5.45	5.60
MECS	3.20	3.30

	<b><u>Current Charge</u></b> <b><u>Per Delivery</u></b>	<b><u>Proposed Charge</u></b> <b><u>Per Delivery</u></b>
Shopping Service	5.45	5.55

	<b><u>Current Charge</u></b> <b><u>Per Hour</u></b>	<b><u>Proposed Charge</u></b> <b><u>Per Hour</u></b>
Care at Home (under 65's)	9.80	10.05

	<b><u>Current Charge</u></b> <b><u>Per Week</u></b>	<b><u>Proposed Charge</u></b> <b><u>Per Week</u></b>
Day Care	26.00	26.65

**Maximum Weekly Charges for Services Subject to Weekly Cap**

	<b><u>Current Charge</u></b> <b><u>Per Week</u></b>	<b><u>Proposed Charge</u></b> <b><u>Per Week</u></b>
Under 65's	26.00	26.65
Over 65's	14.10	14.45

## **2015/16 Development Services Budget**

### **Service - Objective Analysis**

	2014/15 Budget Outturn Prices <u>£</u>	2015/16 Budget September 2014 Prices <u>£</u>	2015/16 Budget Outturn Prices <u>£</u>
<b><u>SERVICE</u></b>			
Planning & Transportation	7,627,460	6,831,200	<b>6,995,280</b>
Roads & Design	12,521,770	12,012,420	<b>12,421,710</b>
Economic Development & Environmental	14,673,980	14,247,790	<b>14,487,810</b>
<b>NET EXPENDITURE</b>	<u>34,823,210</u>	<u>33,091,410</u>	<u><b>33,904,800</b></u>

## **2015/16 Development Services Budget**

### **Service - Subjective Analysis**

	2014/15 Budget Outturn Prices £	2015/16 Budget September 2014 Prices £	2015/16 Budget Outturn Prices £
<b><u>EXPENDITURE</u></b>			
<b><u>EMPLOYEE EXPENSES</u></b>			
Former APT&C	14,358,420	13,920,450	14,105,110
Former Manual	5,972,010	5,957,120	6,031,960
Indirect Employee Expenses	886,320	861,800	864,150
<b>Total Employee Expenses</b>	<b>21,216,750</b>	<b>20,739,370</b>	<b>21,001,220</b>
<b><u>PROPERTY EXPENSES</u></b>			
Repairs & Maintenance	625,770	625,770	635,140
Grnds Maint Internal Recharges	82,560	82,560	83,790
Energy Costs	1,507,650	1,507,650	1,636,510
Rents	1,216,320	1,226,190	1,226,190
Rates/ Council Tax	453,390	453,390	467,000
Water Services	32,100	32,100	32,420
Fixtures & Fittings	4,240	4,240	4,240
Expenses of Operational Bldgs	14,010	14,010	14,010
Cleaning & Domestic Supplies	196,930	173,040	173,270
Property Insurance	234,990	240,370	247,840
Other Property Expenses	96,740	96,740	96,740
<b>Total Property Expenses</b>	<b>4,464,700</b>	<b>4,456,060</b>	<b>4,617,150</b>
<b><u>TRANSPORT EXPENSES</u></b>			
Direct Transport Costs	989,110	997,050	1,026,420
Transport Recharges	1,515,390	1,664,640	1,678,440
Transport Insurance	11,050	11,050	11,330
Other Transportation Costs	9,960	9,960	9,960
<b>Total Transport Expenses</b>	<b>2,525,510</b>	<b>2,682,700</b>	<b>2,726,150</b>
<b><u>SUPPLIES &amp; SERVICES</u></b>			
Equip, Furniture and Materials	2,283,750	2,110,750	2,165,750
Services	1,201,310	1,034,850	1,043,610
Catering	4,210	4,210	4,210
Clothing, Uniforms & Laundry	31,170	30,170	30,170
Printing, Staty & Gen Off Exps	256,410	255,410	257,620
Communications & Computing	414,520	385,720	385,720
Contribution to Funds	13,000	13,000	13,000
Miscellaneous Expenses	3,840,860	3,737,260	3,841,550
<b>Total Supplies &amp; Services</b>	<b>8,045,230</b>	<b>7,571,370</b>	<b>7,741,630</b>
<b><u>THIRD PARTY PAYMENTS</u></b>			
Internal Recharges	505,780	505,870	505,870
Other Local Authorities	141,220	141,220	141,220
Private Contractors	4,458,790	3,885,790	4,002,270
Other Agencies	5,002,000	4,667,000	4,671,260
Internal Trading Organisations	1,044,150	1,044,150	1,075,480
Roads Sub-contractors	710,760	710,760	710,760
<b>Total Third Party Payments</b>	<b>11,862,700</b>	<b>10,954,790</b>	<b>11,106,860</b>

## **2015/16 Development Services Budget**

### **Service - Subjective Analysis**

	2014/15 Budget Outturn Prices £	2015/16 Budget September 2014 Prices £	2015/16 Budget Outturn Prices £
<b><u>SUPPORT SERVICES</u></b>			
Central Support Recharges	1,731,270	1,776,200	<b>1,800,870</b>
Departmental Recharges	3,616,000	3,661,260	<b>3,661,260</b>
<b>Total Support Services</b>	<b>5,347,270</b>	<b>5,437,460</b>	<b>5,462,130</b>
<b><u>CAPITAL CHARGES</u></b>			
Operating Leasing Charges	482,540	482,540	<b>482,540</b>
Capital Charges to Services	6,663,750	6,663,750	<b>6,663,750</b>
<b>Total Capital Charges</b>	<b>7,146,290</b>	<b>7,146,290</b>	<b>7,146,290</b>
<b>TOTAL EXPENDITURE</b>	<b>60,608,450</b>	<b>58,988,040</b>	<b>59,801,430</b>
<b><u>INCOME</u></b>			
Other Government Grants	1,508,910	1,438,910	<b>1,438,910</b>
Insurance Recoveries	73,910	79,910	<b>79,910</b>
Other Grants	2,161,170	2,161,170	<b>2,161,170</b>
Customer and Client Receipts	2,460,610	2,579,110	<b>2,579,110</b>
Rents Received	3,978,020	3,927,110	<b>3,927,110</b>
Internal Recharges	15,101,320	15,202,120	<b>15,202,120</b>
Charges to Other Bodies	477,000	477,000	<b>477,000</b>
Miscellaneous Income	24,300	31,300	<b>31,300</b>
<b>TOTAL INCOME</b>	<b>25,785,240</b>	<b>25,896,630</b>	<b>25,896,630</b>
<b>NET EXPENDITURE</b>	<b>34,823,210</b>	<b>33,091,410</b>	<b>33,904,800</b>

**DEVELOPMENT SERVICES BUDGET 2015/16**  
**Summary of Movements**

£' 000

2014/15 Budget 34,823

**Add: Budget Changes**

1	<u>Employee Expenses</u>	
	Pension Contributions	71
	Savings (No.11) Staff Savings	(500)
	Savings (No.1) Reduce Overtime	(30)
	Other Movements	(18)
		<u>(477)</u>
2	<u>Property Expenses</u>	
	Cleaning	(24)
	Other Movements	15
		<u>(9)</u>
3	<u>Transport Expenses</u>	
	Transport Recharges	157
4	<u>Supplies &amp; Services</u>	
	Savings (No.7) Landfill tax	(164)
	Savings (No.6) Economic Development	(100)
	Savings (No.2) Supplies and Services	(100)
	Savings (No.5) Roads	(158)
	Other Movements	48
		<u>(474)</u>
5	<u>Third Party Payments</u>	
	Savings (No.15) Bus subsidy	(183)
	Savings (No.3) Bus Concessions	(74)
	Savings (No.10) Employment Training Unit	(250)
	Savings (No.4) Flooding	(316)
	Fairer Falkirk Fund - Youth Employment	(70)
	Grants to Other Bodies	(15)
		<u>(908)</u>
6	<u>Support Services</u>	
	Central Support Recharges	45
	Departmental Recharges	28
	Other Movements	17
		<u>90</u>
7	<u>Income</u>	
	Fairer Falkirk Fund - Youth Employment	70
	Building Warrants	50
	Savings (No.13) External funders admin fees	(55)
	Savings (No.9) Car parking fees	(82)
	Savings (No.12) Planning application fees	(25)
	Savings (No.14) Charges for street naming and numbering	(7)
	Internal Recharges	(101)
	Other Movements	39
		<u>(111)</u>

2015/16 Base Budget at September Prices 33,091

**Add: Inflation** 814

2015/16 Budget at Outturn Prices 33,905

## DEVELOPMENT SERVICES FEES & CHARGES 2015/16

### NEW CHARGES

#### Street Naming and Numbering

A schedule of new charges has been introduced for the naming and numbering of new streets and properties, and for the creation/changing of addresses. The charges have been set taking account of similar charges by neighbouring councils and will offset the costs to the Falkirk Council of providing this service.

	<b>Per Property</b>
<b>Naming a New Street</b>	£100
<b>Allocation of New Name or Numbering of New Properties -</b>	
1 Property	£40
2 – 5 Properties	£35
6 – 10 Properties	£30
11 – 25 Properties	£25
26 – 50 Properties	£20
51>	£15
<b>Any renumbering after issuing notification</b>	£100 per property renumbered

#### Ranger Events

Charges ranging from £3 to £7 per person, for guided walks and other outdoor events, will be introduced with effect from 1<sup>st</sup> October 2015.

## INCREASES TO EXISTING FEES

We propose the following fees and charges be increased to more accurately reflect costs. Many of them have not increased for several years.

### BUILDING STANDARDS

	2014/15	2015/16
Letter of Comfort - where no Building Warrant was issued for the works (including two inspections) plus an additional fee based on the estimated cost of the works	£185	£190
Letter of Comfort - where the Building Warrant for the works has expired (including two inspections)	£210	£215
Letter of Comfort - Additional Inspections (if required)	£65	£68
Exempt Works Report from Building Standards	£85	£90
Exempt Works Additional Site Visit - cost per visit	£65	£68
Search Fee {Works related to Building (Scotland) Act}	£95 per hour	£97 per hour
Copy Document Fee	£30 per document	£31 per document
Licensing Certificates – required by Licensing (Scotland) Act 2005 Section 50	£100	£105

### DEVELOPMENT MANAGEMENT

Search Fee	£95 per hour	£97 per hour
Copy of Certificate	£30 per certificate	£31 per certificate
Licensing Certificates – required by Licensing (Scotland) Act 2005 Section 50	£100	£105

### TRANSPORT PLANNING

Monitoring of Travel Plans	£30 per hour	£30.60 per hour
Fee for carrying out Automatic Tube Count	£109 per day	£111 per day
Fee for carrying out Manual Classified Count	£6.54 per hour/ per person	£6.67 per hour/ per person

### ENVIRONMENTAL HEALTH & TRADING STANDARDS

Export Health Certificate	£30	£32.50
Licensing Certificates – required by Licensing (Scotland) Act 2005, Section 50.	£100	£105

## ROADS

### Parking Charges –

- 30p across the board increase in basic parking charges
- West Bridge Street car park charges are amended from short stay car park charges to tie in with Garrison Place short/long stay charges
- Annual permits in long stay car parks are able to be discounted for multiple purchases

### Increases to Road Permits to reflect the increase in workload monitoring these activities –

ROADS PERMITS – issued under the Roads (Scotland) Act 1984			
Provision	Type of Permit	2014/15	2015/16
Section 85	Skip occupying a public road	£25 per month	£30 per month
Section 56	Footway Crossing (dropped kerbs)	£30	£30
	All other alteration or excavation in a public road	£110	£150
Section 61	All installations of private apparatus in public roads	£110	£150
Section 58	Road occupations per location	£70 per month	
Supplementary charges for Roads Permits		All supplementary charges are set at £22 each (2014/15) at £25 each (2015/16)	
Additional Charge for Traffic Sensitivity (per application)			
Late Application Fee			
Retrospective Charging *This may be substituted by a larger fine			

<b>TRAFFIC REGULATION ORDERS / NEW ROADS AND STREET WORKS ACT 1991 (VAT is not applicable)</b>		
	<b>2014/15</b>	<b>2015/16</b>
Temporary Traffic Regulation Order application	£705	£725
Temporary Traffic Lights application (where specific approval required)	£60	£70
Temporary Traffic Lights extension to the above application	£30	£35
Operational change to permanent traffic light (off/on)	£166	£180
Operational change to pedestrian lights (off/on)	£166	£180
Weekend uplift charge (50%)	£83	£90

Please note that fees and charges for Development Management, Building Standards and Trading Standards are set by statute and will be updated as soon as we are notified



## **2015/16 Corporate and Neighbourhood Services Budget**

### **Service - Objective Analysis**

	2014/15 Budget Outturn Prices <hr/> £	2015/16 Budget September 2014 Prices <hr/> £	2015/16 Budget Outturn Prices <hr/> £
<b><u>SERVICE</u></b>			
Building Services	351,520	349,760	<b>356,000</b>
Grounds Maintenance	2,883,290	2,531,070	<b>2,561,250</b>
Cemeteries & Crematorium	(1,008,190)	(969,970)	<b>(957,420)</b>
Waste Disposal	1,173,910	1,143,180	<b>1,160,770</b>
Street Cleansing	2,838,340	2,534,560	<b>2,567,040</b>
Refuse Collection	3,791,280	3,442,820	<b>3,486,240</b>
Environmental Initiatives	929,080	813,290	<b>824,420</b>
Sign Factory	400,030	-	-
Private Sector Housing	758,520	661,760	<b>666,320</b>
Housing Loans	2,200	2,220	<b>2,250</b>
Maintenance of Grounds & Other Council Property	707,200	705,590	<b>717,860</b>
General Fund Homelessness	1,955,920	1,641,940	<b>1,654,710</b>
<b>NET EXPENDITURE</b>	<hr/> 14,783,100	<hr/> 12,856,220	<hr/> <b>13,039,440</b>

## **2015/16 Corporate and Neighbourhood Services Budget**

### **Service - Subjective Analysis**

	2014/15 Budget Outturn Prices £	2015/16 Budget September 2014 Prices £	2015/16 Budget Outturn Prices £
<b><u>EXPENDITURE</u></b>			
<b><u>EMPLOYEE EXPENSES</u></b>			
Former APT&C	6,448,610	6,008,240	6,085,890
Former Manual/Craft	13,580,420	12,694,950	12,867,440
Indirect Employee Expenses	352,560	336,580	338,730
<b>Total Employee Expenses</b>	<b>20,381,590</b>	<b>19,039,770</b>	<b>19,292,060</b>
<b><u>PROPERTY EXPENSES</u></b>			
Repairs and Maintenance	208,960	201,240	204,200
Maintenance of Grounds	344,210	344,210	349,380
Grnds Maint Internal Recharges	547,110	547,110	553,960
Housing Repairs-Ext Contractor	510	510	530
Energy Costs	310,820	295,020	311,260
Rents	103,130	103,130	103,130
Rates/Council Tax	433,730	413,650	426,070
Water Services	66,440	64,740	65,380
Fixtures and Fittings	10,050	8,760	8,760
Cleaning & Domestic Supplies	231,580	229,830	232,480
Property Insurance	19,230	13,540	14,870
Other Property Expenses	4,650	4,430	4,430
<b>Total Property Expenses</b>	<b>2,280,420</b>	<b>2,226,170</b>	<b>2,274,450</b>
<b><u>TRANSPORT EXPENSES</u></b>			
Direct Transport Costs	4,042,910	3,724,210	3,750,310
Transport Recharges	3,843,970	3,668,860	3,696,060
Transport Insurance	360,150	352,260	361,070
<b>Total Transport Expenses</b>	<b>8,247,030</b>	<b>7,745,330</b>	<b>7,807,440</b>
<b><u>SUPPLIES &amp; SERVICES</u></b>			
Equip, Furniture and Materials	1,500,590	1,502,860	1,505,150
Services	241,330	243,440	244,200
Catering	1,682,140	2,209,650	2,210,600
Clothing, Uniforms & Laundry	84,050	78,320	78,320
Printing Staty, Gen Off Exps	70,720	61,900	62,520
Communications & Computing	148,160	138,430	138,430
Contribution to Funds	8,000	7,000	7,000
Voids & Irrecoverables	11,810	11,810	12,240
Miscellaneous Supplies	220,410	204,810	204,810
<b>Total Supplies &amp; Services</b>	<b>3,967,210</b>	<b>4,458,220</b>	<b>4,463,270</b>

## 2015/16 Corporate and Neighbourhood Services Budget

### Service - Subjective Analysis

	2014/15 Budget Outturn Prices £	2015/16 Budget September 2014 Prices £	2015/16 Budget Outturn Prices £
<b><u>THIRD PARTY PAYMENTS</u></b>			
Internal Recharges	690,930	578,440	<b>578,440</b>
Other Agencies	345,880	124,170	<b>124,170</b>
Repair/Improvement Grants	199,220	100,220	<b>100,220</b>
Scottish Welfare Fund	-	-	-
Payments to Sub-Contractors	15,240	-	-
<b>Total Third Party Payments</b>	<b>1,251,270</b>	<b>802,830</b>	<b>802,830</b>
<b><u>SUPPORT SERVICES</u></b>			
Central Support Recharges	1,233,920	1,228,410	<b>1,237,510</b>
Departmental Recharges	1,965,640	1,845,630	<b>1,853,720</b>
<b>Total Support Services</b>	<b>3,199,560</b>	<b>3,074,040</b>	<b>3,091,230</b>
<b><u>CAPITAL CHARGES</u></b>			
Loans Fund	12,770	11,370	<b>11,370</b>
Capital Charges to Services	2,324,370	2,480,820	<b>2,480,820</b>
<b>Total Capital Charges</b>	<b>2,337,140</b>	<b>2,492,190</b>	<b>2,492,190</b>
<b>TOTAL EXPENDITURE</b>	<b>41,664,220</b>	<b>39,838,550</b>	<b>40,223,470</b>
<b><u>INCOME</u></b>			
Insurance Recoveries & Commission	130,130	130,130	<b>130,130</b>
Other Grants, Reimburse & Conts	139,700	17,000	<b>17,000</b>
Customer and Client Receipts	2,986,730	2,847,770	<b>2,848,280</b>
Rents Received	118,560	118,560	<b>120,570</b>
Internal Recharges	12,364,880	12,202,340	<b>12,301,510</b>
Charges to Staff	10,050	4,000	<b>4,000</b>
Income from Loans Advanced	12,350	10,980	<b>10,980</b>
Catering Internal recharge	4,717,400	5,536,250	<b>5,570,580</b>
Building Clean Int Trad Rechgs	4,170,210	3,904,190	<b>3,946,460</b>
Grnds Maint Int Trading Rechgs	1,691,410	1,691,410	<b>1,712,570</b>
Veh Maint Int Trad Rechgs	30,000	-	-
Miscellaneous Income	509,700	519,700	<b>521,950</b>
<b>TOTAL INCOME</b>	<b>26,881,120</b>	<b>26,982,330</b>	<b>27,184,030</b>
<b>NET EXPENDITURE</b>	<b>14,783,100</b>	<b>12,856,220</b>	<b>13,039,440</b>

**CORPORATE & NEIGHBOURHOOD SERVICES BUDGET 2015/16**  
**Summary of Movements**

		<u>£'000</u>
2014/15 Budget		14,783
<b>Add: Budget Changes</b>		
1	<u>Employee Expenses</u>	
	Pension Contributions	22
	Savings (No 1) Sign Factory	(473)
	Savings (No 6) Community Safety Team	(100)
	Savings (No 9 & 13) Refuse Collection	(150)
	Savings (No 14 - 15) Street Cleansing	(289)
	Savings No (16 - 20) Grounds Maintenance	(443)
	Other Employee Costs	13
		<u>(1,420)</u>
2	<u>Property Expenses</u>	
	Savings (No 1) Sign Factory	(79)
	Other Property Costs	21
		<u>(58)</u>
3	<u>Transport Expenses</u>	
	Fleet Services Recharge	140
	Fuel Costs	(96)
	Savings (No 1) Sign Factory	(7)
	Savings (No 4) Fleet Services	(140)
	Other Transport Costs	37
		<u>(66)</u>
4	<u>Supplies &amp; Services</u>	
	Savings (No 1) Sign Factory	(150)
	Savings (No 14 - 15) Street Cleansing	(11)
	Savings No (16 - 20) Grounds Maintenance	(17)
	Other Supplies & Services	23
		<u>(155)</u>
5	<u>Third Party Payments</u>	
	Savings (No 1) Sign Factory	(15)
	Savings (No 21) GFH - Private Sector Housing	(99)
	Savings (No 22) GFH - Supported Accommodation	(202)
	Hostels Grant - Reduced funding	(112)
		<u>(428)</u>
6	<u>Support Services</u>	
	Savings (No 1) Sign Factory	(43)
	Savings No (10 - 12) Admin & Support Services	(36)
		<u>(79)</u>
7	<u>Capital Charges</u>	
	Home Loans	(1)
	Savings (No 1) Sign Factory	(14)
		<u>(15)</u>

8	<u>Income</u>	
	Crematorium Closure	144
	Departmental Recharge Income	58
	Savings (No 1) Sign Factory	311
	Savings (No 8) Pest Control	(39)
	Savings (No 3) Bereavement Services	(100)
	Savings (No 5 & 9) Refuse Collection	(137)
	Other Income	57
		<u>294</u>
	2015/16 Base Budget at September Prices	12,856
	<b>Add:</b> Inflation	183
	2015/16 Budget at Outturn Prices	<u>13,039</u>

## **CORPORATE & NEIGHBOURHOOD SERVICES**

### **REVIEW OF FEES AND CHARGES 2015/16**

#### **Commercial Waste Collection Charges per Annum** **for Once a Week Collections**

<b>Container Size</b>	<b>Current Annual Charge</b>	<b>Proposed Annual Charge from 1<sup>st</sup> April 2015</b>
240 Litre container	£246.90	£245.52
360 Litre container	£354.90	£328.62
660 Litre container	£642.40	£646.12
1100 Litre container	£900.90	£857.74
Sacks per roll of 50	£71.40	£81.18

#### **Commercial Waste Collection Charges per Annum** **for Trade Waste Blue Bin Recycling Service**

<b>Container Size</b>	<b>Current Annual Charge</b>	<b>Proposed Annual Charge from 1<sup>st</sup> April 2015</b>
240 Litre container	£134.70	£165.87
360 Litre container	£181.20	£188.06
660 Litre container	£344.90	£415.61
1100 Litre container	£460.70	£506.35
1280 Litre container	N/A	£538.82
140 Litre container (Food)	N/A	£169.34
Labels per pack 25 Cardboard	£49.30	£57.75

Sizes are quoted as examples of containers. Customers will receive detailed information relating to their specific container size and frequency of collection.

Prices shown are exclusive of VAT.

#### **Household Waste Charge to Developers**

#### **for Containers including delivery to Household**

<b>Container Size</b>	<b>Current Annual Charge</b>	<b>Proposed Charge per Bin from 1<sup>st</sup> April 2015</b>
240 Litre container	£23.40	£23.40
360 Litre container	£41.75	£41.75

Prices shown are exclusive of VAT.

**Small Trader Tipping Ticket**  
**Kinneil Kerse & Roughmute Household Waste Recycling Centres**

<b>Mixed Waste</b>	<b>Current charge per ticket</b>	<b>Proposed charge per ticket from 1<sup>st</sup> April 2015</b>
Rate per Small Trader Tipping Ticket	£96.22	£96.22

<b>Recyclable Waste</b>	<b>Current charge per ticket</b>	<b>Proposed charge per ticket from 1<sup>st</sup> April 2015</b>
Rate per Small Trader Tipping Ticket	£24.00	£24.00

Small Trader Tipping Tickets for vehicles up to 3.5 tonnes gross vehicle weight. Rate shown is inclusive of VAT and Landfill Tax (where appropriate).

**Note**

**Landfill Tax is to increase in 2015/16 from £80 per tonne to £82.60 per tonne.**

**Household Special Uplifts**

<b>Waste type</b>	<b>Current charge</b>	<b>Proposed charge per uplift from 1<sup>st</sup> April 2015</b>
Household	£22.00*	£15.00

This charge per uplift is inclusive of VAT and will be levied on households for all special uplifts i.e. no free uplifts.

\* The current charge of £22.00 is based on 2 free uplifts.

### **Commercial Waste Special Uplifts Fridges**

<b>Waste type</b>	<b>Current charge</b>	<b>Proposed charge per uplift from 1<sup>st</sup> April 2015</b>
Small Fridge or Freezer	£55.00	£55.00
Large Fridge or Freezer	£100.00	£100.00

These charges are inclusive of VAT.

### **Commercial Waste Special Uplifts**

<b>Waste type</b>	<b>Current charge</b>	<b>Proposed charge per uplift from 1<sup>st</sup> April 2015</b>
Mixed Waste	£96.65 per hour	£96.65 per hour
Recyclable Waste	£71.44 per hour	£71.44 per hour

These charges are inclusive of VAT please note min charge 30 mins

### **MOT's & Hackney Tests**

	<b>Current charge</b>	<b>Proposed Charge from 1<sup>st</sup> April 2015</b>
<b>Hackney</b>		
Hackney Test	£65.50	£65.50
Hackney Re-test inc MOT	£32.75	£32.75
MOT retest not in Hackney Test	N/A	£27.40
Hackney Re-test not inc MOT	£5.50	£5.50
Subsequent Re-tests	£65.50	£65.50
Non-arrival/same day cancellation	£64.00	£65.50
Cancelled with up to 24 hrs notice	£43.00	£43.00
Cancelled with up to 48 hrs notice	£32.75	£32.75
Meter resets and calibration	£14.00	£14.00
<b>Public – Charges are set by VOSA</b>		
Class IV cars	£54.85	£54.85
Class IV private passenger vehicles & Ambulances 9-12 Passengers	£57.30	£57.30
Class VII – Goods vehicles		
Over 3000 kg up to 3500 kg	£58.60	£58.60
Duplicate MOT certificates	£10.00	£10.00

All charges are outwith the scope of VAT.



### **Pest Control**

#### **Prevention of Damage by Pests Act 1949**

#### **Current charge per hour**

#### **Proposed charge per hour from 1<sup>st</sup> April 2015**

Commercial

£39.30  
(plus minimum £9.90 for  
materials)

£40.50  
(plus minimum £10.20 for  
materials)

#### **Current Charge per treatment**

#### **Proposed charge per treatment from 1 April 2015**

Residential

N/A

£30.90

Prices shown are inclusive of VAT.

### **Falkirk Crematorium**

#### **Current charge**

#### **Proposed Charge from 1<sup>st</sup> April 2015**

Cremation – Adult (resident)  
with music

£588.00

£660.00

Saturday Cremation – Adult  
(resident) with music

£706.00

£793.00

Cremation – Adult (non –  
resident) with music

£920.00

£1,032.00

All charges are exempt from VAT.

It is also proposed to increase all other Crematorium fees & charges by an average of 12% (subject to rounding).

**Burial Grounds**

	<b>Current charge</b>	<b>Proposed charge from 1<sup>st</sup> April 2015</b>
Interment fees – Adult (resident)	£378.00	£424.00
Saturday Interment fees – Adult (resident)	£454.00	£509.00
Interment fees – Adult (non-resident)	£583.00	£654.00
Saturday Interment fees – Adult (non-resident)	£699.00	£784.00
Saturday Interment fees – (resident) cremated remains	£124.00	£139.00
Saturday Interment fees – (non-resident) cremated remains	£191.00	£214.00
Lair Purchase (resident)	£415.00	£466.00
Lair Purchase (non-resident)	£639.00	£717.00
Genealogy/Lair Search	£26.00	£30.00

All charges are outwith the scope of VAT.

It is also proposed to increase all other Burial Grounds fees & charges by an average of 12% (subject to rounding).

## **2015/16 Miscellaneous Services Budget**

### **Service - Objective Analysis**

	2014/15 Budget Outturn Prices £	2015/16 Budget September 2014 Prices £	2015/16 Budget Outturn Prices £
<b><u>SERVICE</u></b>			
Registration	248,360	230,510	<b>238,690</b>
Grants & Donations	671,140	611,200	<b>611,220</b>
Local Tax Collection	1,141,100	877,360	<b>906,420</b>
Other Services	2,296,210	2,713,910	<b>2,724,010</b>
Corporate & Democratic Core	3,344,620	2,603,820	<b>2,659,690</b>
Non-Distributed Costs	2,875,300	2,604,340	<b>2,630,360</b>
Licensing	311,140	264,730	<b>272,900</b>
Housing Benefit	935,380	340,130	<b>352,540</b>
Scottish Welfare Fund	1,071,960	1,076,590	<b>1,078,970</b>
<b>NET EXPENDITURE</b>	<b>12,895,210</b>	<b>11,322,590</b>	<b>11,474,800</b>

## 2015/16 Miscellaneous Services Budget

### Service - Subjective Analysis

	2014/15 Budget Outturn Prices £	2015/16 Budget September 2014 Prices £	2015/16 Budget Outturn Prices £
<b><u>EXPENDITURE</u></b>			
<b><u>EMPLOYEE EXPENSES</u></b>			
Former APT&C	826,100	929,790	940,150
Pension/Termination Costs	3,352,480	3,322,480	3,355,190
Indirect Employee Expenses	12,630	12,860	12,880
<b>Total Employee Expenses</b>	<b>4,191,210</b>	<b>4,265,130</b>	<b>4,308,220</b>
<b><u>PROPERTY EXPENSES</u></b>			
Repairs and Maintenance	7,140	7,140	7,250
Energy Costs	46,430	46,430	48,310
Rents	850	(19,150)	(19,150)
Rates/Council Tax	9,690	9,690	9,980
Water Services	11,880	11,880	12,000
Cleaning & Domestic Supplies	7,870	(51,470)	(51,470)
Property Insurance	1,780	1,330	1,500
Other Property Expenses	30,050	30,050	30,050
<b>Total Property Expenses</b>	<b>115,690</b>	<b>35,900</b>	<b>38,470</b>
<b><u>SUPPLIES &amp; SERVICES</u></b>			
Equip, Furniture and Materials	59,800	59,800	61,360
Services	641,900	660,330	660,340
Printing, Staty & Gen Off Exps	71,830	71,830	72,220
Communications & Computing	261,030	257,530	257,530
Contribution to Funds	392,350	92,350	107,120
Miscellaneous Supplies	769,780	1,081,780	1,081,780
<b>Total Supplies &amp; Services</b>	<b>2,196,690</b>	<b>2,223,620</b>	<b>2,240,350</b>
<b><u>THIRD PARTY PAYMENTS</u></b>			
Joint Board	159,930	159,930	159,930
Internal Recharges	286,260	281,290	281,290
Other Agencies	2,051,760	1,664,250	1,664,250
Scottish Welfare Fund	927,820	927,820	927,820
Grants to Voluntary Orgs	166,400	115,400	115,400
<b>Total Third Party Payments</b>	<b>3,592,170</b>	<b>3,148,690</b>	<b>3,148,690</b>
<b><u>TRANSFER PAYMENTS</u></b>			
Housing Benefits	44,267,100	43,346,550	44,969,280
Rent Allowances	(55,000)	(55,000)	(55,000)
<b>Total Transfer Payments</b>	<b>44,212,100</b>	<b>43,291,550</b>	<b>44,914,280</b>

**SUPPORT SERVICES**

Central Support Recharges	<u>6,799,370</u>	<u>6,390,850</u>	<u>6,507,640</u>
<b>Total Support Services</b>	<u>6,799,370</u>	<u>6,390,850</u>	<u>6,507,640</u>

**CAPITAL CHARGES**

Capital Charges	<u>15,480</u>	<u>29,880</u>	<u>29,880</u>
<b>Total Capital Charges</b>	<u>15,480</u>	<u>29,880</u>	<u>29,880</u>

<b>TOTAL EXPENDITURE</b>	<u>61,122,710</u>	<u>59,385,620</u>	<u>61,187,530</u>
--------------------------	-------------------	-------------------	-------------------

**INCOME**

Other Government Grants	43,117,210	42,939,740	<b>44,524,880</b>
Customer and Client Receipts	600,700	600,700	<b>600,700</b>
Rents Received	5,200	5,200	<b>5,200</b>
Internal Recharges	1,288,770	1,288,770	<b>1,295,480</b>
Charges to Other Bodies	533,200	521,200	<b>521,200</b>
Charges to Staff	20,000	20,000	<b>20,000</b>
Interest Received	505,000	505,000	<b>505,000</b>
Miscellaneous Income	<u>2,157,420</u>	<u>2,182,420</u>	<u>2,240,270</u>
<b>TOTAL INCOME</b>	<u>48,227,500</u>	<u>48,063,030</u>	<u>49,712,730</u>

<b>NET EXPENDITURE</b>	<u>12,895,210</u>	<u>11,322,590</u>	<u>11,474,800</u>
------------------------	-------------------	-------------------	-------------------

**MISCELLANEOUS SERVICES BUDGET 2015/16**  
**Summary of Movements**

£' 000

2014/15 Budget 12,895

**Add: Budget Changes**

1	<u>Employee Expenses</u>	
	Savings (No 4) Pension costs	(30)
	Other Changes	4
	Living Wage Provision	100
		<u>74</u>
2	<u>Property Expenses</u>	
	Building Cleaning savings	(60)
	Savings (No 5) Repairs and Renewal Provision	(20)
		<u>(80)</u>
3	<u>Supplies &amp; Services</u>	
	Savings (No 9) Other Supplies & Services	(20)
	Savings (No 2) Council Tax Bad Debt Provision	(300)
	Savings (No 7) Postages	(4)
	External Funding Savings	(68)
	Other changes	46
	Enterprise Subscription Agreement	123
	HRA Guidance	250
		<u>27</u>
4	<u>Third Party Payments</u>	
	External Funding Savings	<u>(443)</u>
5	<u>Transfer Payments</u>	
	External Funding	35
	Discretionary Hsg Payment - Funding to be confirmed	(956)
		<u>(921)</u>
6	<u>Support Services</u>	
	Central Support Recharges	87
	CSS Savings	(494)
		<u>(407)</u>
7	<u>Capital Charges</u>	
	Capital Charges Depreciation	<u>14</u>
8	<u>Income</u>	
	DWP Hsg Benefit Pmt Subsidy	24
	Savings (No 1) Printworks Surplus	(25)
	Hsg Benefit Admin Subsidy	153
	Other Changes	12
		<u>164</u>

2015/16 Base Budget at September Prices 11,323

**Add: Inflation** 152

2015/16 Budget at Outturn Prices 11,475

## **MISCELLANEOUS SERVICES**

### **REVIEW OF FEES AND CHARGES 2015/16**

	<b><u>Current Charge</u></b> £	<b><u>Proposed Charge</u></b> £
Taxi Driver Application Fee	195	195
Taxi Driver Renewal Fee	100	100
Taxi Operator Application Fee	235	235
Taxi Operator Renewal Fee	120	120

#### **Statutory Charges**

A number of fees chargeable by local registrars for births, deaths, marriages and civil partnerships are set by the General Registrars Office.

#### **Non-Statutory Charges**

	<b><u>Current Charge</u></b> £	<b><u>Proposed Charge</u></b> £
Additional Fees for Life Events during normal working hours	180	180
Additional Fees for Life Events on a Saturday	210	210
Additional Fees for Life Events on a Sunday	240	240
Additional Fees for Life Events on Public Holidays	250	250
Additional Fees for Ceremonies with 8 or more guests	-	50
Non-Refundable Deposits	100	100
Replacement ID or barrier access card	-	5

## **2015/16 Trading Accounts Budget**

### **Service - Objective Analysis**

	2014/15 Budget Outturn Prices <u>£</u>	2015/16 Budget September 2014 Prices <u>£</u>	2015/16 Budget Outturn Prices <u>£</u>
<b><u>STATUTORY TRADING ACCOUNTS</u></b>			
Operating Surpluses:-			
Building Maintenance	(948,610)	(580,570)	<b>(752,320)</b>
<b>TOTAL OPERATING SURPLUSES</b>	<u>(948,610)</u>	<u>(580,570)</u>	<u><b>(752,320)</b></u>



## 2015/16 Trading Accounts Budget

### Service - Subjective Analysis

	2014/15 Budget Outturn Prices £	2015/16 Budget September 2014 Prices £	2015/16 Budget Outturn Prices £
<b><u>EXPENDITURE</u></b>			
<b><u>EMPLOYEE EXPENSES</u></b>			
Former APT&C	2,083,130	2,095,720	2,121,920
Former Manual/Craft	10,760,210	11,082,620	11,221,150
Indirect Employee Expenses	328,050	326,840	331,520
<b>Total Employee Expenses</b>	<b>13,171,390</b>	<b>13,505,180</b>	<b>13,674,590</b>
<b><u>PROPERTY EXPENSES</u></b>			
Repairs and Maintenance	42,110	42,110	42,740
Energy Costs	109,060	109,060	115,610
Rents	96,410	96,410	96,410
Rates/Council Tax	96,000	96,000	98,890
Water Services	17,100	17,100	17,270
Fixtures and Fittings	3,000	3,000	3,000
Cleaning & Domestic Supplies	61,540	61,850	61,850
Property Insurance	4,300	4,850	5,050
<b>Total Property Expenses</b>	<b>429,520</b>	<b>430,380</b>	<b>440,820</b>
<b><u>TRANSPORT EXPENSES</u></b>			
Direct Transport Costs	377,920	387,100	387,320
Transport Recharges	1,104,440	1,048,850	1,054,550
Transport Insurance	37,700	37,700	38,640
<b>Total Transport Expenses</b>	<b>1,520,060</b>	<b>1,473,650</b>	<b>1,480,510</b>
<b><u>SUPPLIES &amp; SERVICES</u></b>			
Equip, Furniture and Materials	5,131,470	5,777,480	5,919,680
Services	34,080	32,060	32,910
Clothing, Uniforms & Laundry	33,900	33,900	33,900
Printing Staty, Gen Off Exps	24,830	24,830	25,000
Communications & Computing	61,200	61,780	61,780
Miscellaneous Supplies	130,750	130,750	130,750
<b>Total Supplies &amp; Services</b>	<b>5,416,230</b>	<b>6,060,800</b>	<b>6,204,020</b>
<b><u>THIRD PARTY PAYMENTS</u></b>			
Payments to Sub-Contractors	5,494,450	4,458,860	4,570,330
<b>Total Third Party Payments</b>	<b>5,494,450</b>	<b>4,458,860</b>	<b>4,570,330</b>
<b><u>SUPPORT SERVICES</u></b>			
Central Support Recharges	396,470	406,010	412,840
Departmental Recharges	447,740	463,020	463,020
<b>Total Support Services</b>	<b>844,210</b>	<b>869,030</b>	<b>875,860</b>

## **2015/16 Trading Accounts Budget**

### **Service - Subjective Analysis**

	2014/15 Budget Outturn Prices <u>£</u>	2015/16 Budget September 2014 Prices <u>£</u>	2015/16 Budget Outturn Prices <u>£</u>
<b><u>CAPITAL CHARGES</u></b>			
Capital Charges to Services	36,850	36,850	<b>36,850</b>
Charges to Revenue	10,000	10,000	<b>10,000</b>
<b>Total Capital Charges</b>	<u>46,850</u>	<u>46,850</u>	<u><b>46,850</b></u>
 <b>TOTAL EXPENDITURE</b>	 <u>26,922,710</u>	 <u>26,844,750</u>	 <u><b>27,292,980</b></u>
 <b><u>INCOME</u></b>			
Internal Recharges	385,000	385,000	<b>385,000</b>
Interest Received	(14,000)	(10,000)	<b>(10,000)</b>
Build Maint Int Trading Rechgs	27,404,320	26,954,320	<b>27,574,300</b>
Miscellaneous Income	96,000	96,000	<b>96,000</b>
<b>TOTAL INCOME</b>	<u>27,871,320</u>	<u>27,425,320</u>	<u><b>28,045,300</b></u>
 <b>TOTAL OPERATING SURPLUS</b>	 <u>(948,610)</u>	 <u>(580,570)</u>	 <u><b>(752,320)</b></u>

## **2015/16 Central Support Services Budget**

### **Objective Analysis**

	2014/15 Budget Outturn Prices £	2015/16 Budget September 2014 Prices £	2015/16 Budget Outturn Prices £
<b><u>SERVICE</u></b>			
Chief Executive Office	297,770	305,620	<b>309,660</b>
Chief Executive: Governance	2,542,890	2,601,530	<b>2,639,590</b>
Chief Executive: Finance	7,352,950	7,088,670	<b>7,187,960</b>
Corporate Services	8,923,680	9,139,310	<b>9,243,790</b>
General & Common Services	2,257,810	2,281,930	<b>2,305,730</b>
Administrative Buildings	1,903,210	1,794,260	<b>1,827,920</b>
<b>NET EXPENDITURE</b>	<b>23,278,310</b>	<b>23,211,320</b>	<b>23,514,650</b>

## **2015/16 Central Support Services Budget**

### **Subjective Analysis**

	2014/15 Budget Outturn Prices £	2015/16 Budget September 2014 Prices £	2015/16 Budget Outturn Prices £
<b><u>EXPENDITURE</u></b>			
<b><u>EMPLOYEE EXPENSES</u></b>			
Former APT&C	14,854,040	14,725,580	<b>14,926,610</b>
Former Manual	112,720	104,720	<b>106,010</b>
Indirect Employee Expenses	282,710	264,140	<b>265,070</b>
<b>Total Employee Expenses</b>	<b>15,249,470</b>	<b>15,094,440</b>	<b>15,297,690</b>
<b><u>PROPERTY EXPENSES</u></b>			
Repairs and Maintenance	189,260	181,860	<b>184,600</b>
Energy Costs	246,650	233,140	<b>247,140</b>
Rents	443,260	392,770	<b>392,770</b>
Rates/Council Tax	452,320	428,400	<b>441,250</b>
Water Services	62,270	56,960	<b>57,530</b>
Fixtures and Fittings	690	630	<b>630</b>
Cleaning & Domestic Supplies	243,200	248,250	<b>248,440</b>
Property Insurance	20,830	22,630	<b>23,370</b>
Other Property Expenses	3,500	3,100	<b>3,100</b>
<b>Total Property Expenses</b>	<b>1,661,980</b>	<b>1,567,740</b>	<b>1,598,830</b>
<b><u>TRANSPORT EXPENSES</u></b>			
Direct Transport Costs	110	580	<b>580</b>
Transport Recharges	42,640	46,810	<b>47,050</b>
<b>Total Transport Expenses</b>	<b>42,750</b>	<b>47,390</b>	<b>47,630</b>
<b><u>SUPPLIES &amp; SERVICES</u></b>			
Equip, Furniture and Materials	77,900	76,820	<b>76,820</b>
Services	818,280	810,460	<b>815,650</b>
Catering	105,860	100,710	<b>101,450</b>
Clothing, Uniforms & Laundry	1,300	1,300	<b>1,300</b>
Printing, Staty & Gen Off Exps	173,850	170,980	<b>172,300</b>
Communications & Computing	759,620	762,900	<b>766,540</b>
Members Expenses	708,950	708,950	<b>718,920</b>
Miscellaneous Supplies	467,830	466,830	<b>466,830</b>
<b>Total Supplies &amp; Services</b>	<b>3,113,590</b>	<b>3,098,950</b>	<b>3,119,810</b>
<b><u>THIRD PARTY PAYMENTS</u></b>			
Other Agencies	173,130	173,130	<b>173,130</b>
<b>Total Third Party Payments</b>	<b>173,130</b>	<b>173,130</b>	<b>173,130</b>
<b><u>SUPPORT SERVICES</u></b>			
Central Support Recharges	2,978,520	3,161,600	<b>3,213,270</b>
Departmental Recharges	45,580	47,520	<b>47,520</b>
<b>Total Support Services</b>	<b>3,024,100</b>	<b>3,209,120</b>	<b>3,260,790</b>

**CAPITAL CHARGES**

Capital Charges to Services

**Total Capital Charges**

375,660

375,660

573,550

573,550

573,550

573,550

**TOTAL EXPENDITURE**

23,640,680

23,764,320

24,071,430

**INCOME**

Other Government Grants

-

236,630

240,410

Insur Recoveries &amp; Commission

41,000

41,000

41,000

Customer and Client Receipts

76,000

30,000

30,000

Rents Received

49,980

49,980

49,980

Internal Recharges

111,550

111,550

111,550

Charges to Other Bodies

23,240

23,240

23,240

Charges to Staff

14,000

14,000

14,000

Miscellaneous Income

46,600

46,600

46,600

**TOTAL INCOME**

362,370

553,000

556,780

**NET EXPENDITURE**

23,278,310

23,211,320

23,514,650

**CENTRAL SUPPORT SERVICES BUDGET 2015/16**  
**Summary of Movements**

	<u>£'000</u>
2014/15 Budget	23,278
<b>Add: Budget Changes</b>	
1. <u>Employee Expenses</u>	
Savings (No 15) Staff Reductions	(299)
Other Changes	(70)
Savings (No 11) Payroll & HR Systems Support Staff Restructure	(70)
Savings (No 4) Pensions costs	(8)
Pension Contributions	55
Staff Costs met from Economic Downturn funding	237
	<u>(155)</u>
2. <u>Property Expenses</u>	
Savings (No 10) Reduction in Premises costs	(99)
Other Changes	5
	<u>(94)</u>
3. <u>Transport Costs</u>	
Other Changes	5
	<u>5</u>
4. <u>Supplies &amp; Services</u>	
Savings (No 7) Reduction in Supplies & Services	(13)
Savings (No 10) Reduction in Supplies & Services	(5)
Other Changes	3
	<u>(15)</u>
5. <u>Support Services</u>	
Central Support Services allocation	185
	<u>185</u>
6. <u>Capital Charges</u>	
Capital Charge Depreciation	198
	<u>198</u>
7. <u>Income</u>	
Economic Downturn funding to offset Staff Costs	(237)
Fire Board Recharge	46
	<u>(191)</u>
2015/16 Base Budget at September Prices	23,211
<b>Add: Inflation</b>	304
2015/16 Budget at Outturn Prices	<u>23,515</u>

## APPENDIX 4

### FALKIRK COUNCIL

#### SUMMARY OF THE REVENUE BUDGET 2016/17

<b><u>SERVICE</u></b>	<b><u>2015/16</u> <u>Estimate</u> <u>at Outturn</u> <u>Prices</u> <u>£'000</u></b>	<b><u>2016/17</u> <u>Estimate</u> <u>at Outturn</u> <u>Prices</u> <u>£'000</u></b>
Education Services	174,126	177,804
Social Work Services	92,130	94,910
Development Services	33,905	33,938
Corporate & Neighbourhood Services	13,039	13,592
Miscellaneous Services	11,475	15,921
Provision for Budget Pressures	2,000	2,000
Savings	-	(16,248)
Trading Accounts	(752)	(686)
Sub-Total	<u>325,923</u>	<u>321,231</u>
Falkirk Community Trust	12,660	13,062
Joint Valuation Board	1,119	1,131
Add: Adjustment for Capital Charges	<u>(4,472)</u>	<u>(3,537)</u>
<b>Total Net Expenditure</b>	<u>335,230</u>	<u>331,887</u>
Less: Aggregate External Finance	282,124	279,059
Less: Use of Reserves		
General Fund	-	-
Earmarked Reserves	400	-
Council Tax (see below)	<u>52,706</u>	<u>52,828</u>
<b>Total Income</b>	<u>335,230</u>	<u>331,887</u>
Estimated yield of £1 Council Tax	<u>57,391</u>	<u>57,505</u>
Council Tax (Band D)	<u>£1,070</u>	<u>£1,070</u>
Product	61,408	61,530
Less: Council Tax Reduction Scheme	<u>8,702</u>	<u>8,702</u>
	<u>52,706</u>	<u>52,828</u>

## **BUDGET CONSULTATION**

### **1. INTRODUCTION**

- 1.1 This appendix sets out the background to the consultation exercises that have been undertaken on the Council's savings options, the method and focus of consultation and the results in general terms of that consultation.
- 1.2 The report also notes that some focus groups were organised to give specific feedback as part of the Equality and Poverty Impact assessment process. The results of this exercise one reported the appendix covering the EPIA process.

### **2. KEY MESSAGES**

- 2.1 It is important that in consulting or engaging with the public that we were clear about the messages we wanted to convey. Previous budget consultation exercises had asked general questions about where the Council could look to save money. The results of these had not informed to any significant extent the decisions that Members had taken on specific areas of budget but rather had given a sense of the public's thoughts on the importance of some services over others. It was important this year that we were clear about the scale of the challenge and the need to find significant savings. It was also important that the public understood that the Council and our services would change over the coming years as a result of the reduction in budgets. The key messages of the consultation exercises were:
  - Council budgets cut by £40m over next three years.
  - These are very challenging times. Falkirk Council, along with the rest of the public sector in Scotland, is facing up to a very tough financial climate.
  - Costs are rising while funding is reducing, making it harder to balance Council budgets and protect the services we deliver to our communities – services like education, housing, social care, roads, transport and waste collection.
  - There are no easy savings. Any savings the Council makes now will mean reductions in services and these savings will have an impact on our communities.
  - Three quarters of the Council's budget is spent on Education and Social Work Services so it is inevitable there will be reductions in these areas.
  - The Council had a revenue budget of £325 million in 2013/14. Most of this is paid for through the grant from Central Government.
  - The rest comes from Council Tax. The Government has frozen Council Tax levels since 2007-8.
  - Falkirk's Council Tax has always been one of the lowest rates in mainland Scotland. The freeze means the rate has not gone up since 2007-8.
  - For every pound the Council spends, 80p comes from the Government and only 20p from Council Tax – so any reduction in Government grant has a massive impact on budgets.



- Work is underway across all Council services to look at how we can cut back spending and reduce staff costs, which account for over 60% of our total expenditure.
  - The Council values its staff very highly and knows how important the services they provide are to our local communities.
  - The Council needs to be fit for the future. Areas being looked at include:
    - Efficiency - looking at how we can deliver the same services at less cost by making sure the Council is as efficient as possible, e.g. increased use of technology;
    - Income/Expenditure - exploring new ways of bringing income into the Council or reducing the amount the Council has to pay out;
    - Changing our Services – changing the services we deliver. This could mean reducing services or in some cases stopping them altogether; and
    - Workforce Planning – 60% of the Council's total expenditure is on staff so we must make sure we have the right workforce of the right size and with the right skills for the future.
- 2.2 Information about the budget challenges facing the Council over the next three years and the approach being taken to bridge the gap was included in all editions of Falkirk Council News published during 2014, with information being shared as it became available. Following the meeting of Council in November, information was also issued to the media and made available to the public via the Council's website.

### **3. THE BUDGET CONSULTATION PROCESS**

- 3.1 It was agreed by Council at its meeting in November that Officers should consult on options that were being considered as part of the budget exercise. This consultation would have three main purposes:
- to get an overall impression of the public's views on the choices Members would be considering at the Council's budget meeting in February;
  - to identify potential areas for future savings, e.g. by modernising the way we deliver our services; and
  - to engage with specific focus groups to inform our Equalities and Poverty Impact Assessment.
- 3.2 It was important that the consultation was undertaken in line with the Council's agreed principles of engagement, which are set out in 'Have Your Say', the corporate participation strategy.
- 3.3 Once the options to be consulted on were agreed by Members, work was done to frame the consultation in such a way that people could offer opinion on options and that views could be collated and responded to.

3.4 The generic budget consultation was undertaken in two ways:

### **Citizens Panel**

3.5 Firstly, the Citizens Panel was asked to consider a number of generic questions about services such as charging and use of local offices. This consultation was sent out in early December and had a closing date of 17 January 2015, with 467 Citizen Panel members responding. It should be noted that in addition to the budget questions, this survey asked questions about open spaces in the Falkirk area and also included questions from Fire Scotland.

### **Website**

3.6 In addition to generic questions put to the Citizens Panel, the Council undertook a more specific exercise on the website. This exercise ran from early December until 10 January inclusively. It set out a similar range of generic questions to those included in the Citizens Panel in a section entitled “Modernising Our Services” but also set out the savings proposals from Services in detail and asked people to comment on the impact they might have.

3.7 The number of visits to the consultation pages on the website was 3,921. However a significantly fewer number of people responded to the specific questions posed about modernising services and specific service areas. The survey covered the following areas, with the number of respondents noted:

- Modernising our services – 425
- Education – 307
- Social Work Services – 58
- Development Services – 75
- Corporate and Neighbourhood Services – 77
- Central Support Services – 35
- Falkirk Community Trust – 49

3.8 The cover page of the website consultation has been attached to this appendix for information.

### **Have Your Say**

3.9 In addition, the Council’s generic ‘Have Your Say’ email address has received a number of comments. Most of these are focussed on the proposed reduction in school library services and have been passed onto relevant services for information and for an appropriate response.

3.10 In addition the Council has been directly approached by some specific organisations e.g. Enable, regarding the proposals relating to people with a disability. This has allowed Council Officers to clarify proposals and confirm their willingness to engage in ongoing dialogue on these. The views of these organisations are reflected in the service specific comments attached to this appendix.

- 3.11 The budget consultation was publicised on the Council's website and via the Council's Twitter account, which has 10.8k followers. Twenty three tweets were posted over 23 days, generating 38k impressions (this is the number of times that users saw the tweets) and 1,500 engagements (where a twitter user expands the tweet/clicks on the picture/clicks on the link/retweets, i.e. did more than simply read it).
- 3.12 The consultation received local and national media coverage via the Falkirk Herald, the Bo'ness Journal and BBC online. As noted at 2.2, the background to the exercise has also been highlighted in the most recent editions of the Falkirk Council News.
- 3.13 This is the first time the Council has put this level of detail about the savings options it is considering into the public domain in advance of its budget meeting. There has been a lot more information issued about what we are considering and the areas for savings have been more detailed than ever before. In addition to the options, the website provided a lot more information about the services that the Council provides and importantly the cost of those services so that options could be considered against that information.

#### **4. RESULTS**

- 4.1 The key results of both the Citizens Panel consultation and the web site consultation are attached to this appendix. The results have been presented to give overall results to Members. It must be remembered that people were not asked specifically if they agreed or otherwise with the options but rather were asked to comment on the savings, ask what could be done to mitigate the impact of savings on people and their families and also are there other areas that where savings could be made.
- 4.2 In order to present an analysis of the responses, there has been an assessment of whether people have provided a comment in support or otherwise of the various options. In addition information has been provided which shows where some of the respondents come from.
- 4.3 In general there appears to be general support for areas such as modernising services and targeted increases in charging for some services. Most respondents who took the time to comment were not in favour of the service specific proposals. However it is noticeable the number of people who responded to the general questions who did not then go on to respond specifically to service options.
- 4.4 Further work will be undertaken on the responses to further analyse the results and ensure that the comments provided are taken into account in moving forward.

# We want your views on our budget



- We are planning our budget for 2015/18. Our annual services budget is around £332 million. Over the next three years we will need to save £40m, on top of the £70m we have saved over the past eight years. This is a big gap and we are carrying out a full review of what the Council spends.
- Areas we are looking at include:
  - Providing the same services at less cost, for example through greater use of technology
  - Reducing costs by reducing the number of Council offices and other buildings
  - Changing, reducing or stopping some services
  - Increasing charges for some services
  - Looking at our workforce as 60 per cent of our budget is spent on employees
- Senior Council managers have identified areas where savings could be made and we are looking for your views. No decisions have been taken yet and feedback from the public and staff will be taken into account when Councillors set the final budget in February 2015.

## Budget background

- Over 75% of our annual budget is spent on providing social work and education services, including schools
- Government grants make up just over 60% of the budget and around 22% comes from non-domestic rates
- Only 15.7% comes from Council Tax payments
- We have the second lowest Council Tax in mainland Scotland and charges have been frozen for eight years
- Our population is increasing, with more young people and more older people in the area

- This means the demand for services is increasing, particularly schools and care for the elderly

### **What services cost**

- £500 covers:
  - One week in a residential care home for an elderly person
  - Refuse collection for six houses for a year
  - Garden aid to five households for a year
  - Maintenance of five stair lifts for disabled persons for a year
- £25,000 covers:
  - One year's care in a residential home for an elderly person
  - Servicing and maintaining two automatic public toilets for a year
- £50,000 covers:
  - The Council's gas bill for just over a week
  - Running costs of two average-sized community halls for one year
- £150,000 covers:
  - One year's support for 10 children in foster care placements
- £250,000 covers:
  - Annual cost of primary education for 54 pupil
  - Annual costs of providing footwear and clothing grants to school children
  - Cost of landfill tax on the disposal of just under one month's household refuse
- £500,000 covers:
  - Running costs for five nursery classes for one year
  - One year of maintenance for 70 miles of road (110km)
  - Operating costs of a major sports centre for just under six months

### **We need your views**

- The scale of the savings we will need to make will have an impact on services so it is important to have your views.
- The first part of this survey sets out some general options where savings could be made through modernising how the Council works.
- [Modernising our services](#)

- The second part of the survey asks for your views on specific proposals for services to change, reduce or stop and for charges to be increased for services. The proposed savings are set out in sections and you can comment on as many or as few as you wish.
  - [Education Services](#)
  - [Social Work Services](#)
  - [Development Services](#)
  - [Corporate & Neighbourhood Services](#)
  - [Central Support Services](#)
  - [Falkirk Community Trust](#)

## Citizen Panel

The following provides an analysis of questions in the Citizen Panel. It should be noted that not every member of the Panel provided a response to each question.

- 80% would prefer increases to some service charges, for example, special uplifts, parking etc. than cuts in services;
- 72% have never visited a Council building or only visited once yearly;
- 94% strongly agree or agree that we should look at savings on the better use of our buildings;
- 63% strongly agree or agree that we should reduce the number of local offices;
- 66% strongly agree or agree that services should be available online to reduce costs;
- 63% felt there would be no impact on them if we reduced our opening hours;
- 62% felt there would be no impact on them if some buildings were closed but some services were moved to other buildings;
- 46% felt there would be no impact on them, and 25% felt it would be more convenient, if some buildings either closed or had reduced opening hours and more services were provided by telephone through the Contact Centre;
- 31% felt it would be more convenient, and 36% felt there would be no impact on them, if some buildings either closed or had reduced opening hours and more services were provided through email and our website; and
- 67% felt it would be more convenient, or would have no impact on them or slightly inconvenient if the number of phone lines was reduced and more enquiries and complaints were dealt with through email and our website; and 30% would find this very inconvenient.

467 respondents provided their postcode.

	Respondents
Airth	6
Avonbridge	2
Bainsford	9
Bo'ness	26
Bonnybridge	34
Brightons	5
California	4
Camelon	14
Carron	7
Carronshore	10
Denny	23
Falkirk	47
Glen Village	1
Grangemouth	36
Hallglen	8
Langlees	3
Laurieston	4
Linlithgow	1
Maddiston	6

	Respondents
Middlefield	10
Polmont	19
Redding	8
Reddingmuirhead	4
Shieldhill	5
Slamannan	5
South Alloa	1
Stenhousemuir/Larbert	45
Tamfourhill	5
Wallacestone	9
Westquarter	1
No recognisable postcode	109
	<b>467</b>

## Modernising Our Services

A total of 425 responses were received however not all respondents commented on each question.

The headline issues are:

- 56% would pay more Council Tax to maintain the same level of service;
- 85% would prefer increases to some service charges, for example, special uplifts, parking etc. than cuts in services;
- 74% have never visited a Council building or only visited once yearly;
- 96% strongly agree or agree that we should look at savings on the better use of our buildings;
- 77% strongly agree or agree that we should reduce the number of local offices;
- 85% strongly agree or agree that services should be available online to reduce costs;
- 66% felt there would be no impact on them if we reduced our opening hours;
- 65% felt there would be no impact on them if some buildings were closed but some services were moved to other buildings;
- 45% felt there would be no impact on them, and 21% felt it would be very convenient, if some buildings either closed or had reduced opening hours and more services were provided by telephone through the Contact Centre;
- 30% felt it would be very convenient, and 37% felt there would be no impact on them, if some buildings either closed or had reduced opening hours and more services were provided through email and our website; and
- 64% felt there would be no impact or more convenient on them if the number of phone lines was reduced and more enquiries and complaints were dealt with through email and our website and 36% thought this would be slightly or very inconvenient.



346 respondents provided their postcode.

	<b>Respondents</b>
Avonbridge	1
Banknock	2
Bo'ness	11
Bonnybridge	12
Brightons	12
California	1
Camelon	11
Carron	13
Carronshore	6
Denny	14
Dennyloanhead	1
Falkirk	65
Grangemouth	22
Hallglen	3
Larbert	62
Larbert / Stenhousemuir	8
Laurieston	6
Linlithgow	1
Longcroft	1
Maddiston	6
Polmont	15
Redding	6
Reddingmuirhead	3
Shieldhill	5
Slamannan	2
Stenhousemuir	35
Wallacestone	2
Westquarter	2
No recognisable postcode	18
	<b>346</b>

### **Central Support Services**

A total of 35 responses were received in relation to the budget options for Central Support Services. The majority of those responses had no comment on the individual budget options.

#### **Question One: Do you have any comment on these savings?**

Analysis on the budget options is below. Actual responses have been summarised into three broad headings; favourable, negative and did not comment. Of the 35 respondents 30 responded to Question One. It should be noted however that not every respondent commented on each budget option.

Only two respondents were negative with a saving. One felt adding a surcharge for the use of credit cards would impact on cost savings made in other areas by providing more online services. Another respondent felt the 10% staff savings should be mitigated by determining what functions should remain to be undertaken by the Council, rather than try to continue to do the same with less staff. No other respondent was negative with any of the other budget options.

- Surcharge for the use of Credit Cards to pay Council Bills. 18 favourable; one negative and 11 did not comment.
- Childrens Panel / Safeguarder. Nine respondents favourable; no-one negative and 21 did not comment.
- Payroll & HR Systems Support. Nine respondents favourable; no-one negative and 21 did not comment.
- Customer First – Consolidation of One Stop Shop Services. 13 respondents favourable; no-one negative and 17 did not comment.
- HR Operations – Changes to Occupational Health Contract. Nine respondents favourable; no-one negative and 21 did not comment.
- Staff Savings in Policy, Technology and Improvement. Nine respondents favourable; no-one negative and 21 did not comment.
- 10% Staff Savings across Central Support Services. Ten respondents favourable; one negative and 19 did not comment.

**Question Two: Is there anything we should do to reduce the impact of these savings on you or your family?**

Eight responded to Question Two - only 22.9% of respondents. The responses received were general statements which did not reflect if there was anything that Central Support Services should do to reduce the impact on families.

**Question Three: Can you think of other areas in Central Support Services where savings could be made?**

18 responded to Question Three - 51% of respondents. Several suggestions were made in relation to other areas where we could make savings.

Suggestions included were in relation to staff remuneration, terms and conditions including reducing overtime payments and reviewing overtime rates. Reviewing general wages, sick pay, maternity pay, pension contributions, holiday entitlement etc.

A number of suggestions included sharing services with other Councils, e.g. HR, Finance and Occupational Health. A full transformation of the Council with services moving to the web with larger focus on customer service and fewer silo specialists. Using external companies to provide advice and support on HR etc. Reducing processes and admin levels and incorporating finance, HR and admin into a streamlined service.

Several responses were in relation to One Stop Shops (OSS). Suggestions included reducing OSS from seven to one in Falkirk Town Centre and on a bus route. Replacing OSS with properly manned telephone lines. Operating hours were also suggested for change to allow those working access to services. Potentially shorter weekdays – maybe closed – and open one to two evenings and perhaps Saturday mornings.

Other suggestions included no new build until performance needs are known. Charging for dog bags and switching off street lights during the day.

One respondent suggested the better use of IT equipment to generate energy savings should be implemented, such as power management, external server hosting, reduce the number of double monitors, leaving PC's on for Whale etc. There should be more accountability from IT in each service area's IT requirements, through the allocation of a named individual to "champion" the service needs to produce savings in their service area.

**Question Four: Providing your postcode helps us understand how these proposals may affect individual areas.**

31 respondents provided their postcode.

	Respondents
Bo'ness	2
Brightons	1
Denny	2
Falkirk	4
Grangemouth	4
Hallglen	1
Larbert	8
Larbert / Stenhousemuir	1
Polmont	2
Slamannan	1
Wallacestone	1
No recognisable postcode	4
	<b>31</b>

**Corporate & Neighbourhood Services**

Analysis on the budget options is below. Actual responses have been summarised into three broad headings; favourable, negative and did not comment. Of the 77 respondents only 68 responses were received in total to Question One. It should be noted however that not every respondent commented on each budget option.

The only budget option where more people disagree than agree was the closing of all public conveniences.

***Estates Management***

- Introducing a charge for the Garden Aid scheme would produce savings of £250,000. 22 respondents favourable; one negative and 45 did not comment.
- Reducing the number of litter picking teams and the frequency of litter picking cycles within the Council area would result in a saving of £200,000. This would require more efficient and targeted litter picking. Six respondents favourable; two negative and 60 did not comment.

- Reviewing the mechanical sweeping cycles would produce a saving of £100,000. This would require more efficient and targeted mechanical sweeping cycles. Seven respondents favourable; one negative and 60 did not comment.
- Reviewing grass cutting routes and beats would produce a potential saving of £215,000. This review would include the use of new technology to produce more efficient routes and beats. Nine respondents favourable; no-one negative and 59 did not comment.
- Reducing the frequency of weed spraying within the area can result in savings of £100,000. Nine respondents favourable; one negative and 58 did not comment.
- Reducing the level of maintenance to shrub beds and hedges results in a saving of £75,000. Nine respondents favourable; one negative and 58 did not comment.
- Reducing the size of the squads undertaking tree works results in a saving of £40,000. There is potential this could result in longer response times to deal with requests / complaints from the public to deal with tree issues. Eight respondents favourable; no-one negative and 60 did not comment.
- Reducing the number of annual flower beds and reverting these areas to grass and reducing the overall number of hanging baskets results in savings of £30,000. 15 respondents favourable; three negative and 50 did not comment.
- Cease operating the glasshouse at Kinneil Nursery produces savings of £40,000. Eight respondents favourable; one negative and 59 did not comment.

### ***Waste Management***

- Introduce charging for special uplifts resulting in a saving of £227,000. This would remove the current two free uplifts. 20 respondents favourable; four negative and 44 did not comment.
- Closure of one household waste site producing savings of £200,000. The impact to the public would be potential travel costs to the site that would remain open. Six respondents favourable; nine negative and 53 did not comment.
- Introducing charging for new bins in new housing developments could generate £15,000. Nine respondents favourable; three negative and 56 did not comment.
- Reducing trade waste crew sizes to 2 staff resulting in a saving of £50,000. It is viewed this would have little impact on trade customers. Nine respondents favourable and one negative and 58 did not comment.

### ***Housing***

- Reducing the budget for providing the Private Sector Housing service would result in savings of £99,000. Eight respondents favourable; no-one negative and 60 did not comment.
- Reducing third party payments to the Supported Accommodation Review would result in savings of £202,000. Eight respondents favourable; no-one negative and 60 did not comment.
- Stopping the Deposit Guarantee Scheme would produce savings of £56,000. This would impact on members of the public unable to raise funds to cover a deposit for a private rent. Nine respondents favourable; four negative and 55 did not comment.

- Removal of the Small Repair Scheme would result in savings of £93,000. This would impact on over 65s and the disabled where there is no able-bodied person living in the accommodation to carry out small repairs. Seven respondents favourable; seven negative and 54 did not comment.
- Reducing discretionary elements of the Private Sector Team that provide a service to owner/occupiers and landlords would result in savings of £256,000. Seven respondents favourable; no-one negative and 61 did not comment.
- Reducing the level of administration to the building services functions would result in savings of £79,000. Eight respondents favourable; no-one negative and 60 did not comment.

### ***Other Savings***

- Reducing the level of community wardens patrols and the areas within the Council that are currently patrolled would result in savings of £75,000. Eight respondents favourable; no-one negative and 60 did not comment.
- Increasing the charges within the Bereavement Service would produce additional income to the Council of £150,000. Six respondents favourable; no-one negative and 62 did not comment.
- Introducing a charge to all residents for a pest control service would generate income of £45,000. Seven respondents favourable; no-one negative and 61 did not comment.
- Closing all automated public conveniences excluding Blackness would save £112,000. Nine respondents favourable; eight negative and 51 did not comment.
- Closing all public conveniences in the Council area would result in savings of £249,000. Six respondents favourable; 12 negative and 50 did not comment.

### **Question Two: Is there anything we should do to reduce the impact of these savings on you or your family?**

Of the 77 respondents 30 responded to Question Two – only 38.9% of respondents. The responses received were general statements which did not reflect if there was anything that we should do to reduce the impact on families. Only one comment received in regarding an individual was in relation to public toilets. They are a lifeline to them and they would be unable to leave the house if there was no facility.

### **Question Three: Can you think of other areas in C&NS where savings could be made?**

Of the 77 respondents 45 responded to Question Three – 58.4% of respondents. Several suggestions were made in relation to other areas where we could make savings.

A number of responses were in relation to staffing and included:

- reducing seven One Stop Shops to one;
- reducing staff that do not provide a frontline service;
- reducing middle management and administrative functions in corporate support;
- using more volunteers and community service for neighbourhood charges;
- efficiencies in the use of manpower;
- reduce workers through winter;

- less corporate perks;
- ratio of management to staff;
- vehicles being parked up waiting on finish time resulting in lost man hours;
- tendering work out to private companies; and
- home working for more staff.

Other suggestions were in relation to charges and included increasing charges for dog fouling, litter etc., charging for new bins for corporate companies and charging for the maintenance of new development areas.

A couple of respondents suggested looking at energy efficiencies. These included using energy efficient vehicles for staff instead of paying for mileage and looking at leasing new fit for purpose buildings to save energy in Council buildings that are now old and inefficient.

A couple of suggestions were in relation to estates management which included the removal of hanging baskets and setting aside grass areas and offer for allotments which will generate revenue.

Housing suggestions were received including introducing an appointment system for tradesmen, look at families waiting on housing when single / elderly are in larger houses and look at potential savings from discretionary housing benefit top ups.

**Question Four: Providing your postcode helps us understand how these proposals may affect individual areas.**

59 respondents provided their postcode.

	Respondents
Bo'ness	3
Bonnybridge	1
Brightons	2
Carron	3
Carronshore	1
Denny	4
Falkirk	9
Grangemouth	6
Hallglen	2
Larbert	11
Larbert / Stenhousemuir	1
Laurieston	1
Maddiston	1
Polmont	2
Redding	1
Stenhousemuir	2
No recognisable postcode	9
	<b>59</b>

## Development Services

There were a total of 75 responses. Some of these responses provided comment on more than one option. By far the largest number of comments was about new charges at station car parks and about bus subsidies and the bus services in general. There were also some general comments and suggestions. Some examples of these are shown in the final paragraph.

### ***New parking charges (£130k)***

The majority of comments were negative. Reasons given included causing congestion in residential streets in Polmont and Larbert, unfairly penalising commuters and that instead the Council should be encouraging more use of public transport.

There were a small number of favourable responses with the comments that it should not be too expensive and electronic payment methods should be available.

### ***Reducing the number of school crossing patrols (£150k)***

Most comments were negative with just one or two supporting the reduction. Comments included a need to provide a safe alternative, e.g. pedestrian crossing with lights and a suggestion that school crossing patrols be funded by donations raised by PTA's etc.

### ***Removal of taxicards (£64k)***

There were slightly more comments supporting this proposal than against, with mixed views about the availability of alternatives.

### ***Removal of travel concessions for 14 and 15 year olds (£74k)***

Most responses supported this proposal with just a couple of comments that this would affect poor families without cars. There was also a comment that children attending school should still get half fare on school days.

### ***Bus subsidies (£1.8m)***

There were slightly more favourable responses in support of this option than against. There were comments about the fact that the bus companies do not provide value for money and that services are poor and under used. Suggestions included using technology to provide better information to passengers and cheaper fares to increase use.

### ***New charge for street naming and numbering (£7k)***

All responses to this were favourable with one comment that it should only apply to developers and not individuals.

### ***Removal of additional funding for youth employment support (£500k)***

Most responses were negative. Comments included a question about whether this could be incorporated into schools.

### ***Reduction in support for the economy and business (£500k)***

There were only a few responses to this proposal and they were mixed. There was a suggestion that business support for profitable or larger firms should be limited. There was also a suggestion that a modest charge be made to cover catering at the Annual Business Seminars.

### ***Reduction of 8% in staff costs across the whole service (£1m)***

Again there were only a few responses to this and they were broadly favourable with a suggestion that more savings could be made and also a comment that staff cuts should only be by voluntary severance.

### ***Sample of general comments***

Reduce the number of buildings occupied. Better use of office space and storage. Trying to align staff costs to outputs. Where services are better utilised, be able to make savings that are counted to Development Services.

Tackle people who claim Council services fraudulently - that would save a fortune.

I note that the proposed cuts here are in excess of £3m which is less than 10% of the total required. If education and social work budgets are to be retained bigger savings are going to have to be made in other areas. Again stick to delivering high quality services in areas which have a statutory driver all other spending should go. Large savings can be made on low use transport where alternatives can be introduced.

What is the impact on staff removal? Cost and service, will there be a lean review to find better working practices to allow better productivity from current staff / ensure they don't get overburdened with work done by people no longer there? You need to explain better what is required to.

Cut out the areas that are delivered through goodwill rather than essential. While we have a social responsibility, we cannot be expected to maintain these standards on a vastly reduced budget.

Reduce fares on the buses and more folk will use them. Put an additional levy on all the food outlets that keep getting approval to move into Falkirk. Exploit Falkirk's historical connections to bring tourists in e.g. Battle of Falkirk, Antonine Wall, to locals, schools and people outside Falkirk. Use Falkirk Stadium for exhibitions, conferences, fitness centre.

Reduction in the use of external consultants.

Could the Council not raise revenue from residents in estates where they pay a Factor Fee by doing this work for the fee? I pay a factor fee and the service I receive is terrible - I would much prefer to pay this fee to the Council for the maintenance of the verges and communal areas, in addition to the Council Tax.



**Question Four: Providing your postcode helps us understand how these proposals may affect individual areas.**

64 respondents provided their postcode.

	<b>Respondents</b>
Airth	1
Avonbridge	1
Banknock	1
Bo'ness	3
Bonnybridge	1
Brightons	2
Camelon	1
Carron	2
Denny	4
Dennyloanhead	1
Falkirk	10
Grangemouth	3
Hallglen	1
Larbert	11
Larbert / Stenhousemuir	2
Laurieston	1
Maddiston	2
Polmont	7
Reddingmuirhead	1
Stenhousemuir	3
Wallacestone	1
No recognisable postcode	5
	<b>64</b>

**Education Services**

A total of 307 responses were received in relation to the budget options for Education Services. The majority of those responses had no comment on the individual budget options. The following provides an analysis of responses:

***All School Sectors***

- 30 favourable and 12 negative responses in relation to Home to School Transport (£365k).
- Nine favourable and 34 negative responses on School Library Service (£325k/10fte).
- Three favourable and 39 negative responses on Teaching Allocations (£600k/17fte).
- One favourable response and 84 negative response on Non-Teaching School Staff (£400k/28fte).

- 11 favourable and 10 negative responses in relation to Building Cleaning (365k/16fte).
- Two favourable and five negative responses in relation to Schools' Devolved Budgets - Per Capita (£100k).

### ***Early Years & Primary School Sector***

- 12 favourable and five negative responses in relation to Review Management Structures (£205k).
- 10 favourable and 50 negative responses in relation to End Baby Provision & Breakfast Clubs (£175k).
- 12 favourable and 101 negative responses in relation to Primary School Week (£595k/17 staff).

### ***Secondary & Special School Sector***

- Two favourable and six negative responses in relation to Management Structures & Teacher Allocations (£700k/20fte).
- Three favourable and no negative responses in relation to Review NPDO/PPP Contractual Arrangements (£950k).
- Two favourable and seven negative responses in relation to Instrumental Music Provision (£50k).

### ***Community Learning & Development***

- Five favourable and 10 negative responses in relation to Review existing CLD provision/Reduce staffing levels (£1.07m/40fte).
- Six favourable and no negative responses in relation to Community Halls (£100k).

### ***Central Support Teams***

- Nine favourable and eight negative responses in relation to Reduce staffing levels (£500k/13fte).

### ***Fees & Charges***

- Seven favourable and seven negative responses in relation to Childcare, School Lets & School Meals (£425k).

A number of suggestions on other areas in Education Services where savings could be made were received and these include:

- Cut staff in Education areas that don't affect children.
- Stop swimming lessons in Primary 5.
- Stop free school meals.
- Scrap nursery places for 2 year olds.
- Scrap principal teachers & more teaching done by depute head teachers.

- Ask staff to sacrifice some pay during holidays.
- Sessionalise day nurseries.
- Use parent volunteers to staff libraries, reading support & playground support.
- Give an extra week of holiday out with normal times.
- Charge for parking at school.
- Consider closing smaller schools.
- Looked after children sharing school transport.
- Relocation of Education Services HQ.
- Alter pension scheme to a defined contribution scheme.
- School repairs could be done cheaper by local businesses / tender for maintenance work.
- More freedom given to schools when purchasing materials.
- Consolidate Day Nursery provision during summer & Christmas holidays - there can sometimes be more staff than children! Each should take a turn at being open.
- Scrap free school meals P1-3 or bring in means testing.
- Reduce the number of private partner nurseries.
- Use schools more out of hours to replace community halls.
- Use volunteers to cover breakfast clubs
- Change school meal options to hot ones only.
- Scrap free taxi entitlement to children from traveller sites.
- Review school office staff in smaller schools.
- Reduce management in schools to a head teacher and deputy.
- Turn down heating by 1 degree.
- Cut down on the amount of leaflets produced.
- Parents given the option of whether they want free school meals or wish the money to be spent on other areas of education (e.g. SFL).
- Create school trusts/parent council trusts to help supplement or give back some budgets to benefit schools that don't have the parental means to operate this way.
- Scrap Quality Improvement Officers and go back to having 1 Director of Education.
- Seek alternative investment from other sources.
- Reduce the number of taxis to transport pupils to schools out with catchment area.
- Make breakfast club provision for working parents only and make the provision means tested.
- Only provide statutory maternity pay and statutory sick pay.
- Teach core subjects and streamline learning.
- Increase fees for groups using community centres.
- Charge realistic rates for commercial lets.
- Take back management of community halls.
- Reduce wastage of materials.
- Ensure that all non essential electrical equipment is switched off and not left on standby.
- Reduce staff contracts to 35 hrs per week.
- Closer monitoring of use of buildings & accommodation.

- Demolish old Victoria primary school & sell for housing.
- Remove dishwashers from school staffrooms.
- Stop free catering when providing training courses - everyone should bring lunch with them.
- Stop outsourcing programmes to FFC, skills force etc - Use CLD provision to provide the programmes.
- Percentage pay cut for staff (higher % if director, senior management).
- Reduce opening hours during holidays to save heating, lighting etc.
- Temporary reduction in working hours.
- Councillors should take a pay & allowances cut.
- Teachers should take a pay cut during the holidays.
- Offer retirement packages to staff over retirement age.
- Primary school libraries could be centralised.
- Secondary Schools - Replace depute heads with principal teachers.
- In the interest of fairness as all schools don't have access to breakfast clubs they should be axed.
- Remove denominational schools completely and have a single stream for all.
- Rationalise non-core buildings.
- Cut placement requests.
- Close schools with less than 60% occupancy rate.
- Art & PE could be taught by the class teacher rather than a specialist teacher
- Reduce school crossing patrols.
- Cut food waste (address portion sizes as 5 year olds don't need the same size portion as 11 year olds).
- Cut electricity/gas usage.
- Different bus services in summer term as lighter mornings mean that more children could walk.
- Use school facilities for community education/hire out the rooms at evenings & weekends.
- Scrap free school lets.
- Free school meals/Footwear & Clothing grants - Tighten the income criteria.
- Maintain all FTE levels of teaching and support staff in schools. Restrict staff reductions to admin and managerial only.
- Reduced the number of children catered for outwith the council area.
- Restrict taxi provision to children with special needs only.
- Devolve all admin to schools and close Sealock House.
- Redeploy some staff to each secondary school to provide admin services to that school and its associated primary schools.
- Could invest in an ebased library system.
- Procurement savings.
- Employ people directly saving the need to contract out e.g. painters to paint school buildings.

**Question Four: Providing your postcode helps us understand how these proposals may affect individual areas.**

277 respondents provided their postcode.

	<b>Respondents</b>
Airth	3
Alloa	1
Banknock	2
Bo'ness	30
Bonnybridge	7
Brightons	5
Camelon	1
Carron	8
Carronshore	3
Denny	12
Dennyloanhead	3
Duns	2
Edinburgh	2
Falkirk	46
Glasgow	5
Grangemouth	8
Larbert	47
Larbert / Stenhousemuir	13
Laurieston	2
Linlithgow	1
Livingston	1
London	1
Maddiston	2
Paisley	1
Penicuik	1
Polmont	13
Redding	5
Reddingmuirhead	1
Shieldhill	2
Stenhousemuir	21
Torwood	1
Tranent	1
Wallacestone	1
Westquarter	1
No recognisable postcode	24
	<b>277</b>

## Social Work Services

A total of 58 responses were received in relation to the budget options for Social Work Services. The majority of those responses had no comment on the individual budget options.

The budget options for Social Work Services are as follows:

- Non-Residential Charging (£96k)
- Day Care Charges for Older People (£29k)
- Building Cleaning (£16k)
- Social Work Transport (£50k)
- Meals provided through Meals on Wheels, Day Centres and Lunch Clubs (£6k)
- Supported Employment (£102k)
- Home Care (£75k) and Shopping Service (£25k)
- Potential Reduction of Building-Based Day Services (£460k)
- Review Caledonia Clubhouse & Services provided by FDAMH (£71k)
- Barnardo's AXIS Service (£6k)
- Sacro Restorative Justice Service (£4k)
- Barnardos' Cluaran Service (£16k)
- Charges for Older People's Accommodation (£35k)
- Rowans Short Break Service (£100k)
- Care Home Provision (£300k)
- Review of Eligibility Criteria (£1.4m)

Very mixed views expressed - 6 people were opposed to everything and 7 were supportive of everything. Generally comments were supportive of the charging options with very little dissent other than from the people who were opposed to all the social work savings options.

There was general support for transport option and mixed support for options relating to home care and shopping service.

Little specific comment on ASSET proposals other than from the 6 people who opposed all SW savings options.

Strong concerns expressed in relation to reduction in buildings based day care services. Some people emphasised that reductions should only happen if this was in keeping with service users wishes.

Some concern about impact of proposals relating to the review of Caledonia Clubhouse and FDAMH.

Polarised views on the reductions in funding to voluntary organisations, although only a minority of respondents commented on this.

General opposition to proposals relating to the Rowans, to closure of Oakbank and to changes in eligibility criteria.

In addition to the areas covered in the consultation respondents made a number of alternative suggestions, the most common being:

- Increase Council tax
- Reductions in senior management posts
- Use voluntary sector more
- Use volunteers more
- Consider social enterprises as alternative provision
- Reduce sick pay entitlement
- Reduce heating costs/postage costs/advertising costs
- Employ social work assistants/unqualified staff rather than social workers.
- Amalgamate with neighbouring councils to find savings
- Create own residential school and sell places to other areas.

**Question Four: Providing your postcode helps us understand how these proposals may affect individual areas.**

51 respondents provided their postcode.

	<b>Respondents</b>
Bo'ness	3
Bonnybridge	1
Brightons	2
Camelon	1
Carron	2
Denny	5
Falkirk	9
Grangemouth	3
Hallglen	1
Larbert	7
Larbert / Stenhousemuir	1
Polmont	6
Stenhousemuir	5
Wallacestone	1
No recognisable postcode	4
	<b>51</b>

**Summary of 2015/16 -2016/17 Proposed Savings Options****Education Services**

<b>No</b>	<b>Description</b>	<b>2015/16 Saving £'000</b>	<b>2016/17 Saving £'000</b>	<b>2 Yr Savings £'000</b>	<b>2Year FTE</b>
1	Reduce level of support for learning assistants by efficiencies	100	200	300	21.0
2	Home to School Transport - Change to Statutory Minimum of 2/3 miles		250	250	
3	Early Years - Review management structures in nursery schools and sessionalise Heathrigg	75	70	145	3.0
4	Early Years - Full year effect of price increase in 2014/15 for baby provision	17		17	
5	Reduce level of provision of Speech and Language therapy	50		50	
6	Review of Options to Reduce Primary School Teaching Hours (From 25 to 22.5 hrs/wk)		1,191	1,191	54.0
7	Remove discretionary teacher allocations in primary and secondary schools		542	542	25.5
8	Review curricular choices and move to a more standardised provision in secondary schools		100	100	2.0
9	Psychological Services - Reduce number of Psychologists	50		50	1.0
10	Relocation of Bo'ness CLD Office	10		10	
11	Review existing Community Learning and Development provision and reduce service in non-statutory areas	150	520	670	35.0
12	Community Halls - Usage levels in all 22 community halls will be assessed and options considered around the halls that are least used, including options for closure or community transfer.	20	190	210	
13	Central Support Staff (Management, Admin and Clerical) - Reduce number of staff	200	200	400	12.0
14	Relocate staff from Camelon Education Centre to Sealock House	50		50	
15	Reduce building cleaning frequency and specification	200	165	365	16.2
16	Review of PPP/NPDO contractual arrangements e.g. contract specification reductions and refinancing	750	200	950	4.0



## Summary of 2015/16 -2016/17 Proposed Savings Options

### Education Services

<u>No</u>	<u>Description</u>	<u>2015/16 Saving £'000</u>	<u>2016/17 Saving £'000</u>	<u>2 Yr Savings £'000</u>	<u>2Year FTE</u>
17	Reduce schools per capita budgets	50	50	100	
18	Promote use of parental contracts instead of taxis	5		5	
19	Schools Catering - Increase increase price by 20% over 3 years. (15p/10p/10p)	100	100	200	
20	Reduce the number of meal choices in primary and secondary schools		80	80	
21	School Lets: Increase charges by 3% (Aligned to Falkirk Community Trust charges)	4	4	8	
22	School Lets Charges: Full year effect of price increase in 2014/15	40		40	
23	Childcare Fees : Increase by 5% pa	15	15	30	
24	Breakfast Clubs: Increase charges by 5p	5		5	
25	Reorganise school library service and provide a decentralised service within each secondary school		225	225	10.0
26	Additional Funding Grants - Savings	100	200	300	
27	Transport from Travelling People Site - stop discretionary provision & move to statutory distance entitlement.	10		10	
28	Musical Tuition Service - Reduce the number of instruments that are offered for curricular tuition in line with demand and increase group tuition delivery.	30	20	50	0.5
		<b>2,031</b>	<b>4,322</b>	<b>6,353</b>	<b>184.2</b>

**% of Adjusted Net Revenue Budget**

**1.60%**

**3.40%**

**Summary of 2015/16 -2016/17 Proposed Savings Options**  
**Social Work Services**

<b>No</b>	<b>Description</b>	<b><u>2015/16</u> <u>Saving</u> <u>£'000</u></b>	<b><u>2016/17</u> <u>Saving</u> <u>£'000</u></b>	<b><u>2 Yr</u> <u>Savings</u> <u>£'000</u></b>	<b><u>2 Year</u> <u>FTE</u></b>
1	Increase existing non residential charges and charging caps in line with inflation	34	34	68	
2	Introduce charges for day care for older people at a rate of £5 per week	28	1	29	
3	Reduce frequency of cleaning to buildings	16		16	1.0
4	Introduce eligibility criteria for transport accompanied by changes for transport provided	50		50	
5	Inflationary uplift in income for services funded by NHS Forth Valley	100	100	200	
6	No inflationary uplift for supporting people expenditure	200	200	400	
7	Home Care - Shift the balance of internal/external provision towards a greater proportion of external provision	37	38	75	4.0
8	Redesign of employment services to people with a disability and potential closure of ASSET		102	102	12.0
9	Potential reduction of existing buildings based day services in response to anticipated increase in demand for packages of self directed support with built in efficiencies of 20%		230	230	33.0
10	Switch existing shopping service to an alternative reduced service being commissioned through the voluntary sector	65	60	125	10.5
11	Review Caledonia Clubhouse and Services provided by FDAMH with a view to achieving efficiency savings of 20%		35	35	
12	Inflationary uplift in charges for Older People's homes	35		35	
13	Property savings from reduced rates	60		60	
14	Property savings from ending leases		20	20	
15	Close Rowans short break service and purchase equivalent number of places externally		100	100	10.3
16	Redesign of care home provision with closure of Oakbank and reprovision of Summerford		300	300	64.0

**Summary of 2015/16 -2016/17 Proposed Savings Options**  
**Social Work Services**

<b>No</b>	<b>Description</b>	<b><u>2015/16</u> <u>Saving</u> <u>£'000</u></b>	<b><u>2016/17</u> <u>Saving</u> <u>£'000</u></b>	<b><u>2 Yr</u> <u>Savings</u> <u>£'000</u></b>	<b><u>2 Year</u> <u>FTE</u></b>
17	Reprofiled Eligibility Criteria for adult social care with a focus on provision for people whose needs are critical or substantial	400	500	900	
18	Joint working with the NHS		101	101	
		<b>1,025</b>	<b>1,821</b>	<b>2,846</b>	<b>134.8</b>

**% of Adjusted Net Revenue Budget**

**0.90%    1.60%**

**Summary of 2015/16 -2016/17 Proposed Savings Options**  
**Development Services**

<b>No</b>	<b>Description</b>	<b><u>2015/16</u> <u>Saving</u> <u>£'000</u></b>	<b><u>2016/17</u> <u>Saving</u> <u>£'000</u></b>	<b><u>2 Yr</u> <u>Savings</u> <u>£'000</u></b>	<b><u>2 Year</u> <u>FTE</u></b>
1	Reduce overtime	30	30	60	
2	Reduction in supplies and services	100	50	150	
3	Removal of 14/15 year old travel concessions	74		74	
4	Reduce revenue expenditure on flooding, compensated by an increase in capital expenditure	316		316	
5	Reduce revenue expenditure on roads, compensated by an increase in capital expenditure	158		158	
6	Economic Development - reduction in service provision in areas of Business Property, Growth & Investment and the Employment Training Unit	100	400	500	
7	Savings from changing the residual waste collection from fortnightly to 3-weekly	164	127	291	
8	Savings from changing the residual waste collection from 3-weekly to 4-weekly		400	400	
9	Increase car parking charges by 30p	82		82	
10	Youth Employment - removal of additional funding element introduced in 2012/13	250	250	500	
11	Reduce staff costs by 8% across the service	500	500	1,000	25.0
12	Increase in planning application fees	25		25	
13	Allow for administration costs for external funding applications	55		55	
14	Street naming and numbering (new charges to developers/householders)	7		7	
15	Reduce bus subsidies for unprofitable bus routes	183	25	208	
		<b>2,044</b>	<b>1,782</b>	<b>3,826</b>	<b>25.0</b>

**% of Adjusted Net Revenue Budget**

**4.25%    3.71%**

**Summary of 2015/16 -2016/17 Proposed Savings Options**  
**Corporate & Neighbourhood Services**

<b>No</b>	<b>Description</b>	<b>2015/16 Saving £'000</b>	<b>2016/17 Saving £'000</b>	<b>2 Yr Savings £'000</b>	<b>2 Year FTE</b>
1	Savings from the sign factory as a result of the partnership with Haven.	470		470	
2	Public Conveniences - Closure of APC's excluding Blackness		112	112	
3	Bereavement Services - increase charges	100	50	150	
4	Review of Fleet Services	255		255	
5	Refuse Collection - Charge for bins in new housing developments	10	5	15	
6	Community Safety Team - Reduce level of patrol	100		100	4.0
7	Review the introduction of a charge for the Garden Aid Scheme		250	250	
8	Pest Control - introduce charges for all residents	39		39	
9	Refuse Collection - introduce charges for all Special Uplifts	227		227	3.0
10	Property savings from rates	22		22	
11	Savings from deleting vacant posts	30		30	
12	Reduction in supplies and services	10		10	
13	Trade Waste - reduce crew sizes to 2 staff	50		50	2.0
14	Street Cleaning: Litter picking - Reducing the number of teams/squads and reducing the frequency of the current litter picking cycles	200		200	8.0
15	Street Cleaning - Mechanical Sweeping - review sweeping cycles	100		100	2.0
16	Grounds Maintenance - Grass Cutting Operations - reduce grass cutting frequencies	215	100	315	15.0

**Summary of 2015/16 -2016/17 Proposed Savings Options**  
**Corporate & Neighbourhood Services**

<b>No</b>	<b>Description</b>	<b>2015/16 Saving £'000</b>	<b>2016/17 Saving £'000</b>	<b>2 Yr Savings £'000</b>	<b>2 Year FTE</b>
17	Grounds Maintenance - review weed control	100		100	2.0
18	Grounds Maintenance - Shrub Bed Maintenance and hedges - reduce level of maintenance	75		75	3.0
19	Grounds Maintenance - Reduce the size of the squads carrying out tree works	40		40	2.0
20	Grounds Maintenance: Summer Bedding - Reduce the number of annual flower beds and revert to grass areas. Reduce the overall number of hanging baskets displayed.	30		30	2.0
21	Reduce the budget for providing the Private Sector Housing Service	99		99	
22	Reduce third party payments through a Supported Accommodation Review	202		202	
23	Reducing administration costs associated with the Deposit Guarantee Scheme		56	56	
24	Increase the charges for the Small Repair Scheme		93	93	
25	Close staffed public conveniences		249	249	4.6
26	Reduce building cleaning costs	60		60	2.5
27	Reducing administration costs for managing the services provided by the Private Sector Team to owner/occupiers and landlords		100	100	2.0
28	Change frequency of brown bin collection to 4-weekly		200	200	3.0
29	Reduce the level of administration costs to building services functions		79	79	3.0
		<b>2,434</b>	<b>1,294</b>	<b>3,728</b>	<b>58.1</b>

**% of Adjusted Net Revenue Budget**

**8.70%**

**4.63%**

**Summary of 2015/16 -2016/17 Proposed Savings Options**  
**Central Support Services & Miscellaneous Services**

<u>No</u>	<u>Description</u>	<u>2015/16</u> <u>Saving</u> <u>£'000</u>	<u>2016/17</u> <u>Saving</u> <u>£'000</u>	<u>2 Yr</u> <u>Savings</u> <u>£'000</u>	<u>2 Year</u> <u>FTE</u>
1	Budget for making a surplus within Printworks	25		25	
2	Reduce Council Tax Bad Debt Provision	300		300	
3	Increase council tax collection rate to 98% from current 97.8%	100		100	
4	Reduce pension costs to reflect current staffing profile.	38		38	
5	Remove repairs and renewals provision for a former CRC property	20		20	
6	Generate additional income by targeting fraud across all areas, starting with council tax discount	40		40	
7	General expenditure savings and efficiencies	17		17	
8	Surcharge for use of credit cards to pay council bills	25		25	
9	Childrens Panel/Safeguarder - recovery of costs from constituent councils	20		20	
10	Savings from ending a lease for a town centre office space	104		104	
11	Savings for restructure of Payroll & HR Systems Support.	70		70	3.0
12	Customer First - remove one stop shop services, generating savings from efficiencies		191	191	7.0
13	HR Operations - changes to Occupational Health contract and reducing the specification		27	27	
14	Centralise the Registrars in one location		100	100	4.0
15	Staff reductions across Finance and Governance functions	234	91	325	10.0
16	HR Operations - Review of Health & Safety and Employee & Organisational Development		32	32	1.2

**Summary of 2015/16 -2016/17 Proposed Savings Options**  
**Central Support Services & Miscellaneous Services**

<u>No</u>	<u>Description</u>	<u>2015/16</u> <u>Saving</u> <u>£'000</u>	<u>2016/17</u> <u>Saving</u> <u>£'000</u>	<u>2 Yr</u> <u>Savings</u> <u>£'000</u>	<u>2 Year</u> <u>FTE</u>
17	Policy, Technology & Improvement - review of operational arrangements	65	34	99	2.0
		1,058	475	1,533	27.2

% of Adjusted Net Revenue Budget                      5.22%    2.35%

Overall Totals	8,592	9,694	18,286	429.3
----------------	-------	-------	--------	-------



## All Funding Allocated By Category

### Services for Children

## APPENDIX 7

Organisation	Service	2014/15 Budget	2015/16 Budget proposal	2016/17 Budget proposal	Savings Over 2 Years
<b>EPIA PRIORITY MEDIUM</b>					
Cluaran - (Barnardos - Teachers)	E	222,710	200,439	200,439	22,271
Cluaran (Barnardos)	SW	464,800	448,450	448,450	16,350
New Beginnings (Barnardo's)	E	192,341	182,724	182,724	9,617
Children's Rights: Who Cares Scotland	SW	86,200	86,200	86,200	-
Children's Rights: Quarriers	SW	27,970	27,970	27,970	-
Aberlour Trust - CLASP(Camelon & Larbert)	E	315,162	905,531	867,281	153,050
Bo'ness Family Centre (Barnardos)	E	314,605			
Aberlour Trust - Langlees Family Centre	E	225,012			
One Parent Families Scotland - Braes Family Centre	E	136,064			
Home Start Denny	E	29,488			
Signpost Time 4 Us Project	C&N	18,000	15,000	15,000	3,000
Signpost Time 4 Us Project	SW	30,000	30,000	30,000	-
LAC Psychologist	SW	84,500	84,500	-	84,500
<b>EPIA PRIORITY LOW</b>					
Speech and Language Therapy (NHS)	E	515,040	465,040	465,040	50,000
Axis (Barnardos)	SW	110,952	105,405	105,405	5,547
AXIS (Barnardos)	C&N	33,724	33,724	-	33,724
SACRO	C&N	46,104	46,104	36,883	9,221
SACRO	SW	81,296	77,232	77,232	4,064
Sport 4 Youth	C&N	38,637	38,637	38,637	-
		<b>2,972,605</b>	<b>2,746,956</b>	<b>2,581,261</b>	<b>391,344</b>

### Marginalised Groups

Organisation	Service	2014/15 Budget	2015/16 Budget proposal	2016/17 Budget proposal	Savings Over 2 Years
<b>EPIA PRIORITY HIGH</b>					
Independent Living Association	SW	29,604	29,604	29,604	-
Princess Royal Trust for Carers	SW	141,898	141,898	141,898	-
WRVS Meals-on-Wheels	SW	10,400	10,400	10,400	-
Central Scotland Regional Equality Council	C&N	15,200	10,200	10,200	5,000
Action Group	C&N	118,378	100,621	100,621	17,757
Falkirk & District Assoc for Mental Health*	SW	177,777	177,777	177,777	-
Forth Valley Sensory Centre	SW	56,470	56,470	47,999	8,471
Alzheimer Scotland	SW	63,219	63,219	63,219	-
<b>EPIA PRIORITY MEDIUM</b>					
Forth Valley Family Support	C&N	20,000	20,000	17,000	3,000
Linkliving	C&N	14,114	14,114	-	14,114
Salvation Army	C&N	10,745	10,745	10,745	-
<b>EPIA PRIORITY LOW</b>					
CVS Falkirk & District - Health project	SW	18,430	18,430	18,430	-
		<b>676,235</b>	<b>653,478</b>	<b>627,893</b>	<b>48,342</b>

### Community Safety

Organisation	Service	2014/15 Budget	2015/16 Budget proposal	2016/17 Budget proposal	Savings Over 2 Years
<b>EPIA PRIORITY MEDIUM</b>					
Denny Community Support Group	C&N	22,000	-	-	22,000
<b>EPIA PRIORITY LOW</b>					
Central Scotland Fire and Rescue	C&N	5,645	4,798	4,798	847
Falkirk Bid District - Taxi marshalling	C&N	20,000	10,000	10,000	10,000
		<b>47,645</b>	<b>14,798</b>	<b>14,798</b>	<b>32,847</b>

### Abuse Related Services

Organisation	Service	2014/15 Budget	2015/16 Budget proposal	2016/17 Budget proposal	Savings Over 2 Years
<b>EPIA PRIORITY MEDIUM</b>					
Falkirk & District Women's Aid	C&N	224,170	224,170	201,753	22,417
Central Scotland Rape Crisis & Sexual Abuse Centre (or equivalent) *	SW	15,695	13,341	13,341	2,354
Relationship Scotland	SW	9,353	9,353	9,353	-
<b>EPIA PRIORITY LOW</b>					
Open Secret *	SW	115,442	115,442	115,442	-
		<b>364,660</b>	<b>362,306</b>	<b>339,889</b>	<b>24,771</b>

### Money & Debt Advice

Organisation	Service	2014/15 Budget	2015/16 Budget proposal	2016/17 Budget proposal	Savings Over 2 Years
<b>EPIA PRIORITY MEDIUM</b>					

G'mouth & Bo'ness CAB	C&N	108,987	103,538	103,538	5,449
Denny & Dunipace CAB	C&N	102,838	97,696	97,696	5,142
Armed Forces Project - Denny CAB	C&N	20,000	18,000	18,000	2,000
Falkirk CAB	C&N	186,695	177,360	177,360	9,335
Denny & Dunipace CAB	SW	9,624	9,624	9,624	-
G'mouth & Bo'ness CAB	SW	9,624	9,624	9,624	-
Falkirk CAB	SW	9,624	9,624	9,624	-
MacMillam Money Matters	C&N	50,000	40,000	40,000	10,000
		<b>497,392</b>	<b>465,466</b>	<b>465,466</b>	<b>31,926</b>

#### Community Development

Organisation	Service	2014/15 Budget	2015/16 Budget proposal	2016/17 Budget proposal	Savings Over 2 Years
<b>EPIA PRIORITY MEDIUM</b>					
Denny Community Support Group	E	29,536	29,250	27,788	1,748
Kersiebank Community Project	E	9,897	9,600	9,120	777
Dennyloanhead Community Hall Ltd	E	12,561	11,933	11,336	1,225
The Powerstation	E	10,620	10,302	9,787	833
Community Grants Programme (Small grants)	C&N	146,400	100,400	100,400	46,000
Westquarter & Redding		9,150	9,150	9,150	-
<b>EPIA PRIORITY LOW</b>					
CVS Falkirk & District (Core)	C&N	113,747	102,372	102,372	11,375
Community Councils	C&N	10,380	6,380	6,380	4,000
Dobbie Hall Trust		14,356	14,356	12,920	1,436
Worker Education Association	E	49,635	46,326	39,708	9,927
		<b>406,282</b>	<b>340,069</b>	<b>328,961</b>	<b>77,321</b>

#### Health

Organisation	Service	2014/15 Budget	2015/16 Budget proposal	2016/17 Budget proposal	Savings Over 2 Years
<b>EPIA PRIORITY LOW</b>					
Sport Central		20,638	20,638	16,510	4,128
		<b>20,638</b>	<b>20,638</b>	<b>16,510</b>	<b>4,128</b>

#### Economic Development

Organisation	Service	2014/15 Budget	2015/16 Budget proposal	2016/17 Budget proposal	Savings Over 2 Years
<b>EPIA PRIORITY LOW</b>					
Falkirk Town Centre Management	D	188,309	178,309	168,309	20,000
Visit Scotland	D	43,503	38,503	28,503	15,000
Scottish Railway Preservation Society		48,451	48,451	0	48,451
		<b>280,263</b>	<b>265,263</b>	<b>196,812</b>	<b>83,451</b>

#### Environment/Sustainability

Organisation	Service	2014/15 Budget	2015/16 Budget proposal	2016/17 Budget proposal	Savings Over 2 Years
<b>EPIA PRIORITY LOW</b>					
CSFT Area Programme	D	22,772	22,772	22,772	-
Falkirk Environment Trust	D	27,750	27,750	27,750	-
		<b>50,522</b>	<b>50,522</b>	<b>50,522</b>	<b>-</b>

#### Other

Organisation	Service	2014/15 Budget	2015/16 Budget proposal	2016/17 Budget proposal	Savings Over 2 Years
<b>EPIA PRIORITY LOW</b>					
Grangemouth Children's Day & Dawson Gala Day	C&N	14,472	12,000	12,000	2,472
Bo'ness Fair	C&N	30,429	27,929	25,429	5,000
		<b>44,901</b>	<b>39,929</b>	<b>37,429</b>	<b>7,472</b>

#### Fairer Falkirk Etc

Organisation	Service	2014/15 Budget	2015/16 Budget proposal	2016/17 Budget proposal	Savings Over 2 Years
<b>Fairer Falkirk</b>					
Employment Training Unit		750,000	680,000	680,000	70,000
Scottish Welfare Fund		153,510	103,617	103,617	49,893
Positive Transitions		150,000	50,000	50,000	100,000
<b>Community Safety</b>					
Support for Victims		4,000	-	-	4,000
PSP Support		5,000	-	-	5,000
Detached Youth Work		54,000	27,000	27,000	27,000
<b>Substance Misuse</b>					
Training		10,000	-	-	10,000
Recovery Café		1,000	-	-	1,000
Income FVDAP Policy Officer		30,000	16,150	-	30,000
		<b>1,157,510</b>	<b>876,767</b>	<b>860,617</b>	<b>296,893</b>

	2014/15 Budget	2015/16 Budget proposal	2016/17 Budget proposal	Savings Over 2 Years
Other Savings to be identified through further review	-	-	(188,151)	188,151
Savings Included in Service Budgets	-	-	-	(204,500)
<b>Overall Total</b>	<b>6,518,653</b>	<b>5,836,192</b>	<b>5,332,007</b>	<b>982,146</b>

\* The funding of these organisations is subject to the outcomes of ongoing reviews. Final proposals will be presented to Members on conclusion of these reviews.

## EQUALITY AND POVERTY IMPACT SCREENING

### 1. CONTEXT

- 1.1 Falkirk Council needs to make projected savings of more than £40 million over the next 3 years. In order to achieve this, Services were asked to identify a number of budget reductions and this report sets out the Equality and Poverty Impact Assessment (EPIA) process which was undertaken and also the outcomes of that.
- 1.2 Equality and poverty impact assessments are undertaken to help inform the Council's financial decision making and to ensure that hard decisions that have to be made on balancing the budget are made in a way that is as fair as possible.
- 1.3 The purpose of this report is to outline the equality and poverty impact assessment process as well as provide an overall summary of the impact assessments conducted. Prior to taking decisions about particular savings proposals, Members require to ensure their decision making is informed by the EPIAs that Services have produced and that the overall analysis supported by the assessments is robust enough to demonstrate that 'due regard' has been made of the potential impact of these proposals.
- 1.4 This budget has been built using a set of guiding principles that reflect the Council goals in terms of:
  - Developing a thriving, sustainable and vibrant economy
  - Improving the health, safety and wellbeing of our citizens and communities
  - Increasing our efforts to tackle disadvantage and discrimination
  - Enhancing and sustaining an environment in which people want to live and visit
- 1.5 It must be remembered that this report notes the specific impact of the equality and poverty impact assessment process. The legislation that covers this work only relates to equality impact assessments. Members will recall that in taking forward the Council's poverty strategy it was agreed that we would extend our approach to integrate a poverty assessment with the statutory requirements for equality impact assessment. These two assessments are complementary as many of the groups covered by equalities legislation are also those who are disadvantaged by poverty.

### 2. BACKGROUND – EQUALITY ACT 2010

- 2.1 The Equality Act 2010 places a General Duty on Falkirk Council to eliminate discrimination, promote equality of opportunity and to promote good relations between different groups according to nine "protected characteristics" (age, religious belief and non-belief, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, sex and sexual orientation).
- 2.2 The legislation also sets out a number of duties that all local authorities need to comply with in order to demonstrate that the decisions they make are carried out in a fair, transparent and accountable way and consider the needs of different members of the community. This is achieved through assessing the impact that changes to policies and practices could have on different protected groups set out in legislation.

- 2.3 Assessing the potential impact of decisions for equalities communities is an important part of our decision-making process, and we have used our equality and poverty impact assessment process against all relevant individual Service budget options. We also need to look at the 'bigger picture' of any potential impacts, and explore any combined impact where one saving option had the effect of impacting on another service or indeed where there is a potential cumulative impact of a number of options.
- 2.4 An example of service proposals which impact on other services would be e.g. the proposals to reduce the cleaning of buildings by one service clearly impacts on the number of staff employed by another. The service impact assessment for the service proposing the reduction also contains commentary from the affected service in this regard providing the relevant staff [numbers] impact information.
- 2.5 With regard to any cumulative impact arising from the proposals, it might be useful to consider charging. While included in the proposals is a range of charges, it is important to recognise that some charges are one-off; some are life cycle events and some might be regular/repeating as they are linked to activity.
- 2.6 It is understood that more people are experiencing financial pressures and worries in the current economic climate. These can often impact much more significantly on equalities groups and have to be taken into account when assessing budget reductions by extending consideration to include poverty impact as well. While in legislative terms the requirement is to consider the equality impact, it is recognised that poverty and inequality are inextricably linked. By way of example if there is an increase in charges, there may be an impact on low income households – it is known that many people with a disability and older people live in low income households.
- 2.7 Budget reductions are focussed in the following ways:
- Providing the same services at less cost, for example through greater use of technology
  - Reducing costs by reducing the number of Council offices and other buildings
  - Changing, reducing or stopping some services
  - Increasing charges for some services
  - Looking at our workforce as 60 per cent of our budget is spent on staff
- 2.8 The test in terms of equality and poverty impact assessment acknowledges that there are links between poverty and equality. Therefore there is need to examine if budget reductions are likely to disproportionately impact on people/groups for whom there is protection under the Equality Act 2010.
- 2.9 Some of the aforementioned equality protected characteristics are mentioned very little within our equality and poverty impact assessments. This may be because some of these groups are not specifically or disproportionately affected by our options, or that there is a gap in monitoring information. Making improvements to equality data will be a priority for the Council going forward and has already been identified as part of the Council's equality outcomes.

### 3. **EQUALITY AND POVERTY IMPACT ASSESSMENT PROCESS (EPIA)**

3.1 In line with guidance issued by the Equality and Human Rights Commission, Falkirk Council has carried out a rigorous equality impact assessment process. This process will help to ensure that 'due regard' has been taken of the potential impact on front line services and vulnerable people within Council area who have a protected characteristic. This has been achieved by:

- Regular briefings forming part of the Learning & Development training series for staff. A briefing was also delivered for Elected Members, and where Services requested or it was considered helpful separate Service Briefings.
- Services where it was considered that there was no impact recording this through screening assessment.
- This year we formed an EPIA Task Group with representatives from all Council Services. The purpose of the Group was to co-ordinate actions on the assessments and to quality assure the assessments as they were being carried out.
- A consistent definition of equality and poverty impact has been applied. This is set out at the end of this report.

3.2 The assessment ratings fall into the three categories:

- Low - No mitigation required – essentially proposals where the assessment identified that there was no/low disproportionate impact on any of the equality protected characteristics. Primarily this is where savings proposals are focused on systems and process rather than people related services.
- Medium - Mitigation identified - where the assessment identified that there was a disproportionate impact and that mitigation was possible. This might not result in the impact being completely alleviated but that it is possible to identify actions to help. Where an impact has been identified e.g. a specific service to a specific group of people [older people] the mitigation may focus on alternative ways of providing the service e.g. transitioning the change over a longer period of time; changing the service criteria for access to a service.
- High - No mitigation– where the assessment identified that there was a disproportionate impact and that it is not possible to mitigate the effects of the proposal. In this case the justification for there being no mitigation must be made. The reasons suggested fall into the following categories:
  - The Council's requirement to make savings and maintain a balanced budget;
  - The Council is unable to continue to deliver services without increasing charges as without the increased charge the service would be reduced significantly or withdrawn; and/or
  - The Council will maintain statutory services and in order to do so some non-statutory services will be reduced/withdrawn.

3.3 The key information used to determine the equality and poverty impact is derived from data i.e. equality monitoring data on staff and service users compared to local and national equality and poverty data captured from the census and other research sources. Knowing who our staff and customers are in terms of the equality profile helps determine the level of potential impact as well.

- 3.4 Consultation is also a key requirement of any equality and poverty impact assessment process. It provides the opportunity for services to consult with staff, service users and the community on changes to the way that they plan to deliver and provide services. The results from consultation will not only provide a 'temperature check' in relation to any potential savings option but offer the potential to explore different delivery methods which may contribute to more mitigation of impact.
- 3.5 In terms of the current budget reductions the following corporate information and consultation opportunities have been provided:
- Budget information was shared through the Council website, Falkirk Council news and in the press;
  - A series of budget questions was included as part of the Citizens Panel; and
  - A budget service specific web survey was also made available on the Council website.
- 3.6 For the EPIA process, focus groups were carried out with 32 participants in Camelon, Bo'ness, Stenhousemuir, Grangemouth and Carron – it should be noted that these groups included people from across the Council area and not restricted to that areas residents. Certain groups were targeted in order to ensure that we covered specific equality characteristics of age, disability and gender. Participants were accessed through local gatekeeper services, including Community Learning and Development and Social Work Services. Getting access in this way was advantageous given the quick turnaround required, but it also created a sample bias. This means that participants were more likely to talk about specific service cuts than general members of the public, as they were currently engaged with those services. Consent from participants was received before they partook in focus groups and data was anonymised. Feedback will be provided to participants through the officer who facilitated the sessions.
- 3.7 Participants were asked to select which of the proposals they felt would affect them, their families and their communities most, and then those topics were discussed. This allowed the pre-coding of the qualitative data and discuss what the proposals meant in the 'real lives' of participants. The focus groups included people from a range of socioeconomic backgrounds and life circumstances including older people, people either in work or looking for work, people with a disability, carers and young people. Participants often fitted within multiple 'categories', as could be expected.
- 3.8 It should be noted that the data from focus groups is only meant to provide Services and the Council with a view and indication of the impact taking a particular option might have upon communities. It is not a definitive assessment of impact but a view at a point in time from participants.
- 3.9 The most commonly selected and discussed budget proposal was the reduction in CLD staff. This was raised in 4 of the 6 focus groups we carried out. It was argued that reducing CLD staff and/or closing centres would impact particularly upon young people's learning and employment opportunities and people looking for work. The reprovision of Bo'ness CLD Base was also selected and discussed in 3 out of 6 focus groups (although in one focus group it was noted that it was not this base in particular that caused concern, rather it was perceived as a first step in closing other community centres). It should be noted that this impact might not have a particular equality impact but rather a poverty impact.

- 3.10 The delivery or enablement of youth work, Parent and Toddler groups, 50+ groups and Job Clubs were seen as important ways of reducing social isolation and keeping people active within their communities. Reduced educational attainment and employment opportunities, reduced social/leisure opportunities, reduced citizenship opportunities and increased likelihood of engagement in antisocial behaviour amongst young people were put forward as consequences of significantly reducing CLD provision. The following are extracts of views from the participants:

*Community learning is learning the population to go out and get a job and keep them off the streets and if the CLD is cut drastically then the impact would be more and more young people would be getting into trouble in the streets. They need the community workers developing the young people on the learning aspects of life (Female, 62, FG1).*

*[Y]outhprovision[...] is a big thing when you have a place like this and you have close to 100 kids over 3 nights a week coming in here. If that provision was removed what would these 100 kids go do?(Male, 66, FG5).*

*Just for the job club alone, it is worth its weight in gold, honestly [...]socially it is great just to hear someone else say yeah that is how I feel and this is where I'm at at the moment – you are not on your own etc. [...] I started here last Feb/March and stood outside the door a couple of times scared to come in because my computer skills are virtually none. I was approaching homelessness, dead end jobs and my confidence was literally on the floor. Without people [...] encouraging me and knowing how hard it was for me to just walk through that door every week. But I knew if I got through that door there was somebody saying "it's okay, right you can't do this so..." just taking the time to talk to you and encourage/help you. I got another part time job out of this – I couldn't have done this without the help I wouldn't have had the confidence to even apply for the job (Female, 46, FG5).*

- 3.11 Many participants emphasised that the budget proposals had cumulative impacts upon their lives, with some service reductions exacerbated by streamlining in other parts of the Council. For example, several people suggested that the combination of charges for special uplifts and the closure of a household waste site would lead to an increase in fly tipping. Reducing waste staff was suggested as further exacerbating the amenity and hygiene of areas.

*It is like a double whammy almost, if you increase the cost to a prohibited level and close a household waste site then you get a multiplied effect (Male, 56, FG5).*

*I have only used the special collection once but if I had to pay for it, particularly if there was reduction in the waste disposal areas, Roughmote is the only one that I would know of and if that was to go I would be tempted to fly-tip (Male, 60, FG6).*

*I suppose if they [couldn't afford] the special uplifts and that then some folk would just leave their old furniture in their gardens and make [the town] look even worse (Male, 19, FG3).*

*Why should folk like us have to go without a safe environment? You don't want your bairn coming in with their feet covered in dog waste or going out in the back garden and seeing a rat run along your window sill (Male, 46, FG4).*

- 3.12 However it was interesting that while comments were made specifically on these services, there wasn't any specific impact on either equality or poverty groups other than comments on charging. It could be therefore considered that what concerns equality and poverty groups are similar concerns of the general public.

- 3.13 Closing care homes and removing bus subsidies were seen to have a double-impact on both equality and poverty groups.

*If you close a care home that is close to where your family lives and you move somebody and you are going to change the buses too, how are you going to visit? It has a knock on effect for the families/visitors that they will have (Female, 70, FG1).*

*You take the people out and the buildings will stand empty and disintegrate. People are waiting to get into homes and that will only increase [...] Then there is the potential reduction in the transport of moving people around, so it is a snake eating its tail you know (Male, 59, FG6).*

#### 4. ASSESSMENT OF SAVINGS PROPOSALS 2014/2015

- 4.1 The following table outlines the savings options broken down to identify which would require formal consultation and the corresponding saving value:

Action required	Number of Options	Value £'000's
Nothing required - Low	52	7,261
Mitigation identified - Med	51	13,102
No mitigation - High	2	1,650
<b>TOTAL</b>	<b>105</b>	<b>22,013</b>

- 4.2 From the above table the proportion of the value of the budget savings proposals where no mitigation was needed was 33 %. The proportion where we were able to offer some mitigation is 60% and the proportion of value where it was not possible to identify mitigation is 7%. In this difficult climate people will inevitably feel that there is constriction of the services that the Council has been proud to provide. In order to reduce the impact actions have been identified:

##### **Maintain services by delivering them in a different way e.g.:**

- 4.3 One of the proposals is to make changes to the way we deliver supported employment through the sign factory. For a number of years we subsidised this workspace and service as a way of maintaining employment for local disabled people. However in the long term this is not sustainable and we are pleased that we have been able to attract a supported employment provider into the area who is able to offer support in the transfer of our Sign Factory to their operations. As part of this process our existing staff have been engaged in conversations about this change and supported to make decisions that are right for them and their future. In the longer term we anticipate that by having a specialist supported employment provider in the area that this will extend employment opportunities available to disabled people.

##### **Work with others to provide replacement/alternative services e.g.:**

- 4.4 One options considered is the proposal to close automated public conveniences. Mitigation for this option maybe working with local business and other public providers to offer a 'comfort scheme', thus allowing members of the public to use existing facilities available in other public spaces and places.

##### **Identify efficiencies by looking at our systems, processes and practices e.g.:**

- 4.5 As an organisation, the Council currently provides its services through a variety of buildings in a variety of locations. By reducing the number of premises leased or owned by the Council by



making improved use of existing building space as well as moving to more mobile/flexible working solutions, there will be a reduction in the need for staff to have a single office base.

**Of course there are difficult decisions and we have found that for some proposals it has not been possible to mitigate e.g.**

- 4.6 Options where mitigating actions have not be possible include those services where there is a proposal to stop service delivery or to increase our charges equivalent with inflation resulting in new charges being passed on to our service users/citizens. Equally there maybe an impact due to removing existing concessions and/or subsidies because it is no longer financially viable to maintain them.
- 4.7 The results from consultation will further inform the specific equality and poverty assessment risk ratings leading to a potential review of the savings options in relation to mitigation which may further reduce the risk rating.
- 4.8 Equality risk ratings were scrutinised over January 2015 and the equality and poverty risk values by Service and by impact were determined. This information has been summarised at the end of this report with every option where an EPIA has been undertaken set out with its description, assessment, consultation arrangements and comment.
- 4.9 The effects of the budget options on staffing will be addressed using existing HR organisational change policies where there are processes and practices in place to respond to voluntary severance and redeployment policies which have previously been subject to equality impact assessment.

## **5. PUBLICATION OF EQUALITY AND POVERTY IMPACT ASSESSMENTS**

- 5.1 Within the terms of the Equality Act 2010 there is a requirement to publish impact assessments once they are finalised. The budget related impact assessments will be published on the Council website. It is anticipated that the low rated assessments can be published first with subsequent assessments following thereafter.
- 5.2 The first report to be published will be this overall screening assessment covering the EPIA process as part of budget decision making; providing information on risk and assessment as well as contextualising the outcome as per the process against the legal duty.
- 5.3 The individual EPIA's publication will be confirmed after the February budget meeting. The budget proposals identified as low risk will be the first to be finalised, signed off and published. Those rated as medium/high will follow in line with different consultation processes (e.g. some options will require statutory consultation processes) and this will impact on timeframes for publication.
- 5.4 The Council has sought to balance the impact of service savings across the range of Council functions. Unfortunately in order to secure a balanced budget, difficult decisions are necessary which means that not all services could be protected. Where these services have budget options rated medium/high impact work will be undertaken to ensure risks and impacts are mitigated as far as possible. Indeed a great deal of work has taken place since options were identified to mitigate any potential risk. However it must be stressed that making savings of the magnitude required will undoubtedly have an impact on service delivery.

### **Assessment of workforce implications**

- 5.5 The Council's various services put forward options to make efficiencies through changes which result in a reduction of workforce numbers.
- 5.6 For equality purposes the information thus far has identified the possible net employee changes included from each service proposal. This information is still subject to clarification through the steps being taken with the Trade Unions; staff consultation and available options such as voluntary severance/early or flexible retirement. As this work progresses, it will lead to a better informed service delivery impact assessment.
- 5.7 The Council is committed to ensuring that the Council is as capable as possible to deliver services to our diverse communities by reflecting that diversity in the make-up of the work force. To minimise any unwelcome impacts resulting from these proposals, HR will undertake an overall workforce equality and poverty impact assessment. This assessment will allow a Council wide examination of the staff impact to test if there are any disproportionate consequences arising from the budget proposals.

## **6. SUMMARY OF EQUALITY IMPACT SCREENING**

- 6.1 Some of the options considered have an impact upon people because of age, disability and gender. However, public sector austerity creates a climate for significant savings requirements and through the process of equality and poverty assessment every effort has and will be made to identify and act on mitigating actions where that is possible. It is important that in reviewing the Members EPIA's that while these must be used to inform discussions, they should not hamper or hinder Members taking difficult decisions.
- 6.2 Following the EPIA process, there are only two areas of service that are identified as having a high impact and where the no mitigation actions have been identified. These are:-
- Charging non-council tenants for Garden Aid; and
  - Reviewing packages of care against eligibility criteria with a view to reducing costs.
- 6.3 Clearly both of these have an impact on 2 particular groups, older people and people with a disability. While there will be an impact, it is reasonable that the Council reduces or charges for such services given the level of savings to be achieved, the nature of the service provided, and also in the case of the latter saving this is about more vigorously applying current policy and procedure.
- 6.4 In addition to the high risk impact savings there are a number of proposals when seen together can be said to have a cumulative impact which Members also should have regard to. The group most impacted on by a variety of savings are low-income families as identified the Council's poverty strategy. The reduction in CLD, transport subsidies, community halls, increased charges for breakfast clubs etc. all have an impact on this group. It is important that the Council's response through support services and through its revised poverty strategy have regard to these impacts and identifies ways that their potential impact is minimised.
- 6.5 A robust process of development, implementation and review of the EPIA process is in place. This reports on compliance with duties set out within the Equality Act and has taken into consideration the protected characteristics in considering the implications of savings options with services seeking to put in place actions to minimise the equality impact of its 2015/2016 budget.

- 6.6 In terms of the identified mitigating actions in order to make sure that they are actioned these will be subject to Service monitoring in order to assure their intended effect.
- 6.7 This process will also produce lessons to be learnt to improve the equity of arrangements for impact assessing our 2016/17 budget and beyond. As a result this report has satisfied the requirement to assess the equality and poverty impacts of the proposed buget.

**30 January 2015**

## **Budget Proposals February 2015**

### **Definition of Risk**

#### **Low**

The assessments considered at this stage to be of **‘no or low impact’** are deemed such because the assessment demonstrates that there is no disproportionate impact on any of the equality protected characteristics. In relation to the Equality Act 2010 this is identified as age, disability, gender, gender re-assignment, race & ethnicity and sexual orientation. These savings can often be attributed to efficiencies, differing procurement or delivery arrangements being put in place.

#### **Medium**

The assessments considered at this stage to be of **‘medium impact’** are deemed such because the assessment has been able to identify mitigating actions which will reduce the impact on the equality protected characteristic groups. A medium impact is something that is assessed at having an impact on one of the equality protected groups or on one of the groups identified within the Council’s poverty strategy but can often be mitigated by some other action.

#### **High**

The assessments considered at this stage to be of **‘high impact’** are deemed such because the assessment has not been able to identify mitigating actions or that the information contained within the assessment has not allowed for a robust understanding of the impact of that option to be assessed.

### **Workforce Savings**

In addition to the above categories, we have identified where we intend to make savings in our workforce. These savings will require statutory consultation and therefore have been shown separately where appropriate. These are all identified as a medium risk as until the exact staff are identified any equality and poverty impact cannot be robustly assessed.

## CENTRAL SUPPORT SERVICES

LOW

EQUALITY AND PROVERTY IMPACT ASSESSMENT BUDGET REDUCTION OPTIONS				
EPIA RISK RATING – CENTRAL SUPPORT SERVICES.				
Budget ref	Description	Saving £'000's	Assessment, comment and mitigation	Group (s) Impacted.
2	Reduced council tax bad debt provision	300	These proposals focus on internal systems, for example income generation from business and reducing outgoing building lease expenditure where there is no impact on people.	None
3	Increase council tax collection rate from 97.8% to 98%	100		
4	Reduce pension costs in Finance to reflect current staffing profile.	38		
5	Remove repairs and renewal for pooled property	20		
6	Generate additional income through corporate fraud initiative, starting with council tax discount.	40		
7	General expenditure efficiencies	17		
8	Credit card surcharge for payments received.	25		
9	Children's panel safeguarder – recovery of costs from constituent councils.	20	Changes in legislation allow this saving to be achieved without impact on service users.	None
10	End of a lease for a town centre office space.	104	These proposals focus on internal systems, for example income generation from business and reducing outgoing building lease expenditure where there is no impact on people.	None
1	Printworks – income generation	25		
13	Changes to the Occupational Health	27		

EQUALITY AND PROVERTY IMPACT ASSESSMENT BUDGET REDUCTION OPTIONS				
EPIA RISK RATING – CENTRAL SUPPORT SERVICES.				
Budget ref	Description	Saving £'000's	Assessment, comment and mitigation	Group (s) Impacted.
	contract and reducing the specification			
TOTAL		716		

**CENTRAL SUPPORT SERVICES**  
**MEDIUM**

<b>EQUALITY AND PROVERTY IMPACT ASSESSMENT</b>				
<b>BUDGET REDUCTION OPTIONS</b>				
<b>EPIA RISK RATING – CENTRAL SUPPORT SERVICES.</b>				
<b>Budget ref</b>	<b>Description</b>	<b>Saving £'000's</b>	<b>Assessment, comment and mitigation</b>	<b>Group Impacted.</b>
12	Remove Customer First provision from one stop shops.	191	<p>The changes in service will be mitigated by a review of customer access to services and also by offering alternative means of engaging with the council e.g. home visits, channel shift etc.</p> <p>These savings are part of a reduction in the Councils workforce and will be included as part of the overall workforce assessment. Mitigation will be achieved through a variety of HR policy related to managing organisational change e.g. VS; flexible retirement; early retirement etc.</p>	Low income families and Older people
11	Savings from the restructure of Payroll & HR Systems Support	70	These savings are part of a reduction in the Councils workforce and will be included as part of the overall workforce assessment. Mitigation will be achieved through a variety of HR policy related to managing organisational change e.g. VS; flexible retirement; early retirement etc.	EPIA to be carried out once statutory consultation concluded and specific savings identified.
14	Centralise the Registrars in one location	100	These savings are part of a reduction in the Councils workforce and will be included as part of the overall workforce assessment. Mitigation will be achieved through a variety of HR policy related to managing organisational change e.g. VS; flexible retirement; early retirement etc.	EPIA to be carried out once statutory consultation concluded and specific savings identified.
15	Governance	111	<p>These savings are part of a reduction in the Councils workforce and will be included as part of the overall workforce assessment. Mitigation will be achieved through a variety of HR policy related to managing organisational change e.g. VS; flexible retirement; early retirement etc.</p> <p>These are in addition to savings identified as part of service options noted below.</p>	
15	Corporate Finance	221		
15	Revenues and Benefits	290		
16	HR Operations – Review of Health & Safety and Employee & Organisational Development	32	These savings are part of a reduction in the Councils workforce and will be included as part of the overall workforce assessment. Mitigation will be achieved through a variety of HR policy related to managing organisational change e.g. VS; flexible retirement; early retirement etc.	EPIA to be carried out once statutory consultation concluded and specific savings identified.

EQUALITY AND PROVERTY IMPACT ASSESSMENT BUDGET REDUCTION OPTIONS				
EPIA RISK RATING – CENTRAL SUPPORT SERVICES.				
Budget ref	Description	Saving £'000's	Assessment, comment and mitigation	Group Impacted.
17	Policy, technology and improvement – Review of operational arrangements	197	These savings are part of a reduction in the Councils workforce and will be included as part of the overall workforce assessment. Mitigation will be achieved through a variety of HR policy related to managing organisational change e.g. VS; flexible retirement; early retirement etc.	EPIA to be carried out once statutory consultation concluded and specific savings identified.
TOTAL		1,212		



# CORPORATE AND NEIGHBOURHOOD SERVICES

## LOW

EQUALITY AND PROVERTY IMPACT ASSESSMENT BUDGET REDUCTION OPTIONS				
EPIA RISK RATING – CORPORATE AND NEIGHBOURHOOD SERVICES.				
Budget ref	Description	Saving £'000's	Assessment, comment and mitigation	Group (s) Impacted.
9	Introduce charge for special uplifts	227	This change will not disproportionately affect any one group.	No groups disproportionately impacted.
3	Increase charges for bereavement services	150	Financial information and support is given to customers where required, in line with the Council's income maximisation work.	
4	Review of fleet services	255	Through general efficiencies and contractual arrangements.	
8	Charge for pest control services.	39	Introduce charging for Pest Control Services. Charges considered competitive in comparison to private services providers and other Local Authorities.	
5	Charge for refuse collection bins in new housing developments	15	Charge will lie with developer therefore no direct impact on customer.	
10	Property savings from rates	22	Savings delivered through a combination of property rationalisation; vacancy management and efficiencies in the purchase of supplies and equipment. No direct impact on any particular group or community.	
11	Savings from deleting vacant posts in resources & procurement	30		
12	Resources & procurement – reduction in supplies & services.	10		
21	Reduce the budget for providing the private sector housing service.	99	Savings delivered through efficiencies	
22	Reduce third party payments through a supported accommodation review.	202	Savings delivered through efficiencies and the reduction in the furniture project.	
27	Reduce administration	100	Realign budgets to cover the cost of the administration of Buy Backs;	

EQUALITY AND PROVERTY IMPACT ASSESSMENT BUDGET REDUCTION OPTIONS				
EPIA RISK RATING – CORPORATE AND NEIGHBOURHOOD SERVICES.				
Budget ref	Description	Saving £'000's	Assessment, comment and mitigation	Group (s) Impacted.
	costs for managing the services provided by the private sector team to owner/occupiers and landlords.		Mortgage to Rent; Empty Homes This will allow these services to continue.	
28	Refuse Collection – increase brown bin to monthly collection	200	No disproportionate impact on any equality group	
TOTAL		1,349		

**CORPORATE AND NEIGHBOURHOOD SERVICES  
MEDIUM**

<b>EQUALITY AND PROVERTY IMPACT ASSESSMENT BUDGET REDUCTION OPTIONS</b>				
<b>EPIA RISK RATING – CORPORATE AND NEIGHBOURHOOD SERVICES.</b>				
<b>Budget ref</b>	<b>Description</b>	<b>Saving £'000's</b>	<b>Assessment, comment and mitigation</b>	<b>Group (s) Impacted.</b>
1	Transfer of the Sign factory	470	Mitigation through re provision of services through partnership with Haven	People with a disability
2 & 25	Close automated Public conveniences excluding Blackness and close staffed public conveniences	361	A comfort scheme will be established to ensure provision of service is still available. The savings will on the whole be through staffing so will be part of the statutory workforce consultation.	People with a disability and Older people
6	Reduce number of Community Safety Team patrols	100	These savings are part of a reduction in the Councils workforce and will be included as part of the overall workforce assessment. Mitigation will be achieved through a variety of HR policy related to managing organisational change e.g. VS; flexible retirement; early retirement etc.	EPIA to be carried out once statutory consultation concluded and specific savings identified.
13	Trade waste – review crew sizes to 2 staff.	50		
14	Litter picking – reduce the number of teams/squads and reduce the frequency of the current litter picking cycles	200		
15	Review mechanical street sweeping cycles	100		
16	Reduce grass cutting frequencies	415		
17	Review weed control	100		
18	Reduce shrub bed and hedges maintenance	75		
19	Reduce the size of the squads carrying out tree works	40		
20	Reduce the number of annual flower beds and revert to grass areas. Reduce the overall	30		

EQUALITY AND PROVERTY IMPACT ASSESSMENT BUDGET REDUCTION OPTIONS				
EPIA RISK RATING – CORPORATE AND NEIGHBOURHOOD SERVICES.				
Budget ref	Description	Saving £'000's	Assessment, comment and mitigation	Group (s) Impacted.
	number of hanging baskets displayed.			
26 & 29	Reduce building cleaning costs and the level of administration costs to building services functions.	139		
23	Reduce administration costs associated with the Deposit Guarantee Scheme	56	Budget realignment will ensure that we can continue to administer this service.	This service is used by mainly homeless persons seeking accommodation in the private rented sector.
24	Increase charges for small repair scheme.	93	As a discretionary service, this increase in charging will ensure the provision of this service continues.	This service is mainly used by women and those over 75.
TOTAL		2,229		

## CORPORATE AND NEIGHBOURHOOD SERVICES

### HIGH

EQUALITY AND PROVERTY IMPACT ASSESSMENT BUDGET REDUCTION OPTIONS				
EPIA RISK RATING – CORPORATE AND NEIGHBOURHOOD SERVICES.				
Budget ref	Description	Saving £'000's	Assessment, comment and mitigation	Group (s) Impacted.
7	Review the introduction of a charge for the Garden Aid scheme.	250	This will mean those not Council tenants will be charged for garden aid. However this is a discretionary service and thus it is the Councils choice as to its provision of this. This service will transfer as part of Health & Social Care Integration.	This will impact on older people and people with a disability who are in receipt of DLA.
TOTAL		250		

## DEVELOPMENT SERVICES

**LOW**

EQUALITY AND PROVERTY IMPACT ASSESSMENT BUDGET REDUCTION OPTIONS				
EPIA RISK RATING – DEVELOPMENT SERVICES.				
Budget ref	Description	Saving £'000's	Assessment, comment and mitigation	Group (s) Impacted.
1	Reduce overtime	60	This will reduce costs but with no disproportionate impact on equalities groups.	None
2	Reduction in supplies & services	150	These proposals focus on internal systems, for example income generation from business and reducing outgoing expenditure where there is no impact on people.	
4	Capitalise flooding revenue	316		
5	Capitalise roads revenue	158		
9	Increase car parking charges by 30p	82		
12	Increase planning application fees	25		
13	Allow for administration costs for external funding applications.	55		
14	Street naming and numbering (new charges to developers/householders)	7		
7	Change the residual waste collection from fortnightly to 3-weekly.	291	These proposals will not directly impact on service users but will have a positive benefit as it will increase the level of recycling and reduce the cost of waste disposal.	
8	Change the residual waste collection from 3-weekly to 4-weekly	400		
6	Economic development – reduction in service	500	Includes reduction in funding to town centre management and Visit Scotland.	

EQUALITY AND PROVERTY IMPACT ASSESSMENT BUDGET REDUCTION OPTIONS				
EPIA RISK RATING – DEVELOPMENT SERVICES.				
Budget ref	Description	Saving £'000's	Assessment, comment and mitigation	Group (s) Impacted.
	provision in areas business property, growth &investment and the employment training unit.			
TOTAL		2,044		

## DEVELOPMENT SERVICES

### MEDIUM

EQUALITY AND PROVERTY IMPACT ASSESSMENT BUDGET REDUCTION OPTIONS				
EPIA RISK RATING –DEVELOPMENT SERVICES				
Budget ref	Description	Saving £'000's	Assessment, comment and mitigation	Group (s) Impacted.
10	Youth employment – removal of additional funding element introduced in 2012/13	500	This will look to reduce the Council's direct subsidy for youth employment programmes. However additional external funding such as European funding will be accessed to reduce the impact of this.	People on a low income and a small number of people with a disability.
11	Reduce staff costs by 8% across the service.	1,000	These savings are part of a reduction in the Councils workforce and will be included as part of the overall workforce assessment. Mitigation will be achieved through a variety of HR policy related to managing organisational change e.g. VS; flexible retirement; early retirement etc.	EPIA to be carried out once statutory consultation concluded and specific savings identified.
15	Reduction in bus subsidies for unprofitable bus routes	208	This is a discretionary service. While there will be a reduction in service, the Council will continue to provide significant subsidies in many areas. In addition alternative subsidised transport provision is available for people with a disability.	This may impact on older people and those on low incomes.
3	Remove 14/15 year old travel concession	74	Withdrawal of this subsidy will impact on 14/15 year olds. Discussions with First Bus indicate that they are likely to increase the fare from half to two thirds. Consultation results suggest that this would not have a disproportionate impact on any of the equality protected groups.	May contribute to a cumulative impact on low income families.
TOTAL		1,782		



## SOCIAL WORK

### LOW

EQUALITY AND PROVERTY IMPACT ASSESSMENT BUDGET REDUCTION OPTIONS EPIA RISK RATING – SOCIAL WORK.				
Budget ref	Description	Saving £'000's	Assessment, comment and mitigation	Group (s) Impacted.
1	Inflationary increase to non-residential charges and charging caps	100	Increase to keep pace with inflation at rate of 2.5% per annum. Financial inclusion advice available to provide information to service users	Older people People with a disability
2	Introduce charges for day care for older people at a rate of £5 per week	29	Increases equity regarding charging for services across all age groups.	
5	Inflationary uplift in income for services funded by NHSForthValley	200	These proposals focus on internal systems and there is no impact on people.	None
6	No inflationary uplift for supporting people expenditure	600	This will run at a stand still budget. Service will be maintained through internal efficiency.	None
12	Inflationary uplift in charges for older peoples homes.	35	Increase to keep pace with inflation rate of 2.5% per annum Financial inclusion actions available to provide information to service users.	None
13	Property savings from reduced rates	60	These proposals focus on internal systems and reducing outgoing building lease expenditure where there is no impact on people.	None
14	Property savings from ending leases	20		
18	Joint Working with the NHS	101	Reduce Council spend on joint services.	
TOTAL		1,145		

**SOCIAL WORK**  
**MEDIUM**

EQUALITY AND PROVERTY IMPACT ASSESSMENT				
BUDGET REDUCTION OPTIONS				
EPIA RISK RATING – SOCIAL WORK.				
Budget ref	Description	Saving £'000's	Assessment, comment and mitigation	Group (s) Impacted.
4	Introduce eligibility criteria for transport accompanied by changes for transport provided	50	An independent review of transport arrangements across Development, Education and SW is near conclusion and this is likely to further inform the assessment.	Potential impact on people with a disability.
3	Reduce frequency of cleaning to buildings.	16	These savings are part of a reduction in the Councils workforce and will be included as part of the overall workforce assessment. Mitigation will be achieved through a variety of HR policy related to managing organisational change e.g. VS; flexible retirement; early retirement etc.	EPIA to be carried out once statutory consultation concluded and specific savings identified.
7	Home care – shift the balance of internal/external provision towards a greater proportion of external provision	75	This will ensure a service is provided but through a different provider.	Mainly older people and people with a disability.
8	Redesign of employment services to people with a disability and potential closure of ASSET.	102	The employment support element of this project with service users and two staff is to be passed over to Employment and Training Unit as well as to the new Momentum Project. The remainder of service users will be reassessed and supported as appropriate in the community.	This proposal will impact on service users with learning disability.
9	Potential reduction of existing building based day services in response to anticipated increase in demand for packages of self directed support.	460	Gradual shift from provision via a building / base to different ways of supporting the needs of individuals	
10	Switch existing shopping service to an alternative reduced service being commissioned through the voluntary sector.	125	Scoping exercise needs to take place with the 3 <sup>rd</sup> sector to determine level of interest in picking up this provision. This is a discretionary service and can be provided by alternative providers.	Older people People with a disability.

EQUALITY AND PROVERTY IMPACT ASSESSMENT BUDGET REDUCTION OPTIONS EPIA RISK RATING – SOCIAL WORK.				
Budget ref	Description	Saving £'000's	Assessment, comment and mitigation	Group (s) Impacted.
11	Review Caledonia Clubhouse and Services provided by FDAMH with a view to achieving efficiency targets of 20%.	71	As yet the equality impact is to be determined thus the rating for this proposal. It is anticipated that the final review will identify mitigating actions that will minimise any loss of service. This review and re-design proposal will be identified during 2015.	People with a disability.
15	Close Rowans short break service and purchase equivalent number of places externally.	100	Service users will still be able to access a respite service from other providers.  Potential impact on staff and service users as the service changes are implemented.	People with a disability
16	Redesign of care home provision with closure of Oakbank and reprovision of Summerford.	300	This is awaiting a final report on the impact of these changes. This is currently being finalised by HubCo and will be presented to Members in due course. Service users may require to move depending on the care model agreed.	Older people
TOTAL		1,299		

## SOCIAL WORK

### HIGH

EQUALITY AND PROVERTY IMPACT ASSESSMENT BUDGET REDUCTION OPTIONS EPIA RISK RATING – SOCIAL WORK.				
Budget ref	Description	Saving £'000's	Assessment, comment and mitigation	Group (s) Impacted.
17	Reprofiled eligibility criteria for adult social care with a focus on provision for people whose needs are critical or substantial.	1,400	This proposal will mean reassessing need and reviewing eligibility criteria to focus provision on meeting the most critical levels of need.	Older people People with a disability.
TOTAL		1,400		

## EDUCATION

### LOW

EQUALITY AND PROVERTY IMPACT ASSESSMENT BUDGET REDUCTION OPTIONS				
EPIA RISK RATING – EDUCATION.				
Budget ref	Description	Saving £'000's	Assessment, comment and mitigation	Group (s) Impacted.
2	Home to School Transport: Move to Statutory Distance Entitlements	350	Move from our current 1 and 2 miles to the 2 and 3 mile statutory distance for Primary and Secondary Schools respectively.	Disabled parents and primary carers.
3	Review management structures in nursery schools and sessionaliseHeathrigg	145	The Service's re-design proposals (inclusive of management reductions) will be measured as part of the overall workforce EPIA.	None
4	Increase in Baby Charges – Full year effect of last year's decision.	17	This is a discretionary service and increasing charges reflects the higher cost of providing baby care provision. There would not be any disproportionate impact on any of the equality protected characteristic groups.	Potential impact on low income families who use the provision.
10	Relocation ofBo'ness CLD office	10	This service will be provided from another building in the area e.g. school and thus will utilise current assets more effectively.	Little or no impact – most service provision is located elsewhere.
17	Reduce schools per capita budget	100	This will reduce the funding that is devolved to schools to locally purchase education materials and supplies/services.	Pupils may be affected by fewer resources.
18	Promote the use of parental contracts instead of taxis	5	This involves advising parents of ASN pupils that they can if they wish opt to transport their child to school and be recompensed for that. This will save on taxi costs. The transport to school for ASN pupils will not be negatively impacted.	None
20	Reduce the number of meal choices in primary and secondary schools	80	This involves reducing existing budget to re-align with demand and to consider options around reducing the cost of existing service provision. Any change will still meet the required nutritional standards.	None
26	Additional Funding Grants - Savings	300	Relates to savings made in the delivery of the P1 to P3 school meals and the extension of early years provision to 600 hours.	None Staff affected by change in working location
14	Relocate staff from Camelon Education Centre to Sealock House	50	Relocate staff from Camelon Education Centre to Sealock House or another education premises. This will reduce building operating costs. This has no impact on service provision.	
16	Review of	950	Review the Council's contractual obligations with regards the provision	

EQUALITY AND PROVERTY IMPACT ASSESSMENT				
BUDGET REDUCTION OPTIONS				
EPIA RISK RATING – EDUCATION.				
Budget ref	Description	Saving £'000's	Assessment, comment and mitigation	Group (s) Impacted.
	PPP/NPDOcontractual arrangements.		of schools to reduce costs.	None
TOTAL		2,007		

**EDUCATION  
MEDIUM**

EQUALITY AND PROVERTY IMPACT ASSESSMENT BUDGET REDUCTION OPTIONS EPIA RISK RATING – EDUCATION.				
Budget ref	Description	Saving £'000's	Assessment, comment and mitigation	Group (s) Impacted.
1	Reduce level of support for learning assistants	400	Service re-design. Potential to impact on pupils with ASN. Potential to impact on staff. Service will try to negate any impact on those pupils who have the highest level of support needs.	Pupils with a disability
5	Reduce level of provision of speech & language therapy	50	This is a service that is provided by the NHS but funded by the Council.	Pupils with a disability.
8	Review curricular choices and move to a more standardised provision in secondary schools	100	This involves reviewing current Advanced Higher options and existing timetabling and delivery models with a view to making existing provision more efficient.	Secondary Senior Pupils
6	Review of options to reduce primary school teaching hours	1,995	Reduce teaching time for primary school pupils from 25 to 22.5 hours per week, in line with teachers' contractual class contact time.	Pupils & Families.
9	Reduce number of educational psychologists	50	Will be included as part of the overall workforce assessment. Mitigation will be achieved through a variety of HR policy related to managing organisational change e.g. VS; flexible retirement; early retirement etc.	Pupils with a disability
7	Remove discretionary teacher allocations in primary and secondary schools.	930	This involves the removal of all discretionary teachers allocated to specific schools for specific purposes such as Nurture Classes, Schools in Areas of Deprivation (TDA) and for School Capacity Easing purposes.	Pupils with a disability. Families of those pupils who are currently receiving support.
11	Review existing community learning and development provision and reduce service in non-statutory areas	1,062	Will be included as part of the overall workforce assessment. Mitigation will be achieved through a variety of HR policy related to managing organisational change e.g. VS; flexible retirement; early retirement etc.	Staff affected by reductions  Service users will receive less support.  EPIA to be carried out once statutory consultation concluded and specific savings identified.
12	Usage levels in all 22	250	Consider options around the least used Halls including community	Local communities may be

EQUALITY AND PROVERTY IMPACT ASSESSMENT BUDGET REDUCTION OPTIONS EPIA RISK RATING – EDUCATION.				
Budget ref	Description	Saving £'000's	Assessment, comment and mitigation	Group (s) Impacted.
	community halls will be assessed and options considered around the halls that are least used, including options for closure or community transfer.		transfer. Local meetings will be held to discuss these options.	affected depending on the future options.
13	Reduce central support staff (management, admin and clerical)	400	Will be included as part of the overall workforce assessment. Mitigation will be achieved through a variety of HR policy related to managing organisational change e.g. VS; flexible retirement; early retirement etc.	EPIA to be carried out once statutory consultation concluded and specific savings identified.
15	Reduce building cleaning frequency and specification	365	Will be included as part of the overall workforce assessment. Mitigation will be achieved through a variety of HR policy related to managing organisational change e.g. VS; flexible retirement; early retirement etc.	EPIA to be carried out once statutory consultation concluded and specific savings identified.
25	Reorganise school library service and provide a decentralised service within each secondary school	325	Will be included as part of the overall workforce assessment. Mitigation will be achieved through a variety of HR policy related to managing organisational change e.g. VS; flexible retirement; early retirement etc.	EPIA to be carried out once statutory consultation concluded and specific savings identified.
27	Transport from travelling peoples site	10	Stop discretionary provision and align to statutory distance entitlements.	Parents of pupils at Gypsy/Traveller site will need to make alternative transport arrangements.
28	Music Tuition Service	50	Reduce in line with demand the number of instruments available and increase group instruction delivery models.	Pupils
21	Increase school lets charges by 3%	12	Increase charges by 3% in line with the Falkirk Community Trust	Community groups will face higher charges for lets.
22	School lets – full year effect of last year's decision.	40	Charges in 2014/15 were aligned with those of the Falkirk Community Trust.	Community groups will face higher charges for lets.
23	Childcare Fees – Increase by 5% pa	45	Fees will be increased annually. Fees charged are comparable with those charged by other childcare providers.	Potential impact on low income families who use the provision.



EQUALITY AND PROVERTY IMPACT ASSESSMENT				
BUDGET REDUCTION OPTIONS				
EPIA RISK RATING – EDUCATION.				
Budget ref	Description	Saving £'000's	Assessment, comment and mitigation	Group (s) Impacted.
24	Breakfast Club Fees	5	Increase Charges in 2015/16 by 5p	Potential impact on low income families who use the provision.
19	Schools Meals - increase cost of school meals by 20% (over 3 years)	300	Increase cost by 20% over 3 years. (15p/10p/10p) Note: Free school meals introduced for all P1-3 pupils This does not affect pupils entitled to receive Free School Meals.	Families above the free school meals threshold will pay more.
TOTAL		6,389		

## ALL SERVICES

### LOW IMPACT

#### PROPOSALS ASSESSED BUT NOT PROCEEDING AT THIS TIME

EQUALITY AND PROVERTY IMPACT ASSESSMENT BUDGET REDUCTION OPTIONS				
EPIA RISK RATING – ALL SERVICES				
Budget ref	Description	Saving £'000's	Assessment, comment and mitigation	Group (s) Impacted.
DEV	Reduce school crossing patrols	150	This proposal would reduce the number of school crossing patrols to the amount required by the national guidelines.	
DEV	Increase parking charges at railway stations	130	Blue badge holders would be exempt thus mitigating any potential impact though the impact is deemed to be small.	
S WK	Full cost recovery for meals	6	This addresses existing inequities where by people who are known to social work services have the cost of their meals subsidised. Financial inclusion actions available to provide information to service users.	
CSS	Move Occ. Health into Council Offices	10	These proposals focus on internal systems, for example income generation from business and reducing outgoing expenditure where there is no impact on people.	None
CSS	Savings publications/advertising	49	These proposals focus on internal systems, for example income generation from business and reducing outgoing building lease expenditure where there is no impact on people.	None
CSS	Offsite PC storage	10		None
CSS	PC replacement	200	This saving is dependent on new ways of working being rolled out across the Council including virtual desk tops.	None

## ALL SERVICES

### MEDIUM IMPACT

#### PROPOSALS ASSESSED BUT NOT PROCEEDING AT THIS TIME

EQUALITY AND PROVERTY IMPACT ASSESSMENT BUDGET REDUCTION OPTIONS				
EPIA RISK RATING – ALL SERVICES				
Budget ref	Description	Saving £'000's	Assessment, comment and mitigation	Group (s) Impacted.
C&NS	Waste Site Closure	200	Reduce the number of civic amenity sites from two to one.	
C&NS	Cease plant production at Kinneil Nursery	40	Will be included as part of the overall workforce assessment. Mitigation will be achieved through a variety of HR policy related to managing organisational change e.g. VS; flexible retirement; early retirement etc.	
DEV	Accessible transport – review of existing services.	64	Among other things the review will look at possible efficiencies and where there are overlapping services.	People with a disability.
ED	Sharing head teachers in primary schools	60	Will be included as part of the overall workforce assessment. Mitigation will be achieved through a variety of HR policy related to managing organisational change e.g. VS; flexible retirement; early retirement etc.	EPIA to be carried out once statutory consultation concluded and specific savings identified.
ED	Reduce teachers/ subjects/ management structures.	400	Will be included as part of the overall workforce assessment. Mitigation will be achieved through a variety of HR policy related to managing organisational change e.g. VS; flexible retirement; early retirement etc.  Also need to ensure that if savings are achieved in Special learning education the impact on those with a disability needs to be considered.	EPIA to be carried out once statutory consultation concluded and specific savings identified.
ED	Special Education Teachers	300	Will be included as part of the overall workforce assessment. Mitigation will be achieved through a variety of HR policy related to managing organisational change e.g. VS; flexible retirement; early retirement etc.  Also need to ensure that if savings are achieved in Special learning education the impact on those with a disability needs to be considered.	EPIA to be carried out once statutory consultation concluded and specific savings identified.

## BUDGET PRESSURES IN SOCIAL WORK SERVICES POSITION STATEMENT

### 1. PURPOSE OF STATEMENT

- 1.1. The purpose of this position statement is to provide members with information on the ongoing budget pressures within Social Work Services and the management actions which are being taken to address these. The statement indicates that, without a further range of actions which would require a change in Council policies, these budget pressures have the potential to continue into the next financial year. The statement gives an overview of the range of actions which could be taken, however, it is highlighted that these carry a range of risks. As a consequence they have not been factored into the revenue budget for 2015/16. An additional provision has however been made within the overall Council Budget should the pressures on the Social Work budget continue.

### 2. BACKGROUND

- 2.1. On 30 September 2014, members of the Executive considered a report by the Director of Social Work Services. This report outlined the budget pressures experienced by Social Work Services and anticipated a potential overspend of £2.4m based on known expenditure until the end of July 2014. Members were asked to note the pressures which were contributing to this overspend, to note the actions which were being taken to address these pressures and to consider whether any other actions were required to address this situation.
- 2.2. On 13 January 2015, the Executive considered a further report by the Chief Finance Officer on the overall financial position of the Council. This report highlighted that, although the general position had improved slightly from the figure reported to members in November, the Council still faced a projected overspend of £3.471m. The report further highlighted that the position of Social Work Services had continued to deteriorate and that the projected overspend was now estimated to be £3.92m. The Chief Finance Officer has highlighted that this presents a significant risk to the Council's financial stability, should expenditure continue in this trajectory over the remainder of this financial year and most particularly into the next financial year. As a consequence, work has been undertaken to identify the range of remedial action which can be taken, in order that the implications of this can be taken into consideration in the budget setting process and the savings plans for the 2015/16 and 2016/17.
- 2.3. This is the second period of significant budget pressures in Social Work Services, the last one being over the 3 year period 2007 – 2010 when the budget outturns were as follows:

<b>Year</b>	<b>Budget</b>	<b>Actual</b>	<b>Adverse Variance</b>	<b>%</b>
	£000	£000	£000	
<b>2007/08</b>	61,320	62,980	1,660	2.7
<b>2008/09</b>	66,400	69,650	3,250	4.9
<b>2009/10</b>	79,740	82,620	2,880	3.6

2.4. In addition to normal budgetary control measures, the key actions which were taken in 2010 and thereafter were:

- Injection of additional budget of £2.3m in 2010/11, following £1m in 2009/10. These sums came from general financial resources
- Introduction of eligibility criteria for adult services – this had an impact on reducing provision and expenditure but the impact has lessened in recent years as a consequence of demographic pressures.
- Introduction of charging for non- residential social care services – this produced increased income to offset expenditure albeit income has always been less than the target on which the budget has been set.
- Introduction of preventative services in Children's Services such as the Intensive Family Support Service.
- Opening of our own children's units with a reduction in our reliance on more expensive external resources
- Investment in in-house fostering services, with a reduction in reliance on external fostering placements

2.5. Since then financial performance has been:

Year	Budget	Actual	Variance	%
	£000	£000	£000	
2010/11	83,120	82,130	(990)	(1.2)
2011/12	86,260	85,810	(450)	(0.5)
2012/13	85,670	84,700	(970)	(1.1)
2013/14	88,140	88,740	600	0.7
2014/15 Projected	89,764	93,684	3,920	4.4

2.6. Over this period, Social Work Services have also contributed to savings required by the Council with savings of £4m being achieved in the last 4 years and a savings target of £1.073m is reflected in the current year's budget, which includes £340k budget rebasing.

2.7. Section, 3 of this statement sets out in detail the pressures which are now being faced by Social Work Services which began to become apparent in the latter stages of the financial year 2013/14.

2.8. Section 4 of the report sets out the actions which are being taken to resolve this situation and section 5 outlines further actions which have been considered but which are not recommended at this time. .

- 2.9. In the light of the rising demand, the impact of successive years of budget savings and the level of organisational change which requires to be managed, solutions are now much more difficult to find and some may involve risks to people who use services, to the Council as a whole and to its Partners. The CSWO is responsible for advising the Council on the risks relating to the delivery of safe and effective services and the Chief Finance Officer is responsible for advising on risks to the Council's financial stability.
- 2.10. In considering potential solutions, the Council also needs to be mindful of the major multiple changes which are underway and the impact of these i.e:
- Creation of Integrated Health and Social Care Partnership
  - Creation of Children's Service
  - Disaggregation of Support Services in Social Work
  - Implementation of legislative changes e.g Self Directed Support, Children & Young Peoples Act
- 2.11. We also need to be mindful of ongoing challenges re Inspection. The multi-agency inspection of Older People's Services took place over a 6 month period last year resulting in a significant drain on Social Work's management resource and a report is expected in the next few months. An action plan will be required arising from this. A multi-agency inspection of Children's Services, including child protection, has recently been announced and is due to take place in the Autumn of this year, with a similar call on Social Work's management resources.
- 2.12. Thirdly account needs to be taken of the reduced capacity within Social Work Services. Social Work Services operate with a vacancy management target of £800k built into the budget. In addition to this further staff savings (£2m) have been achieved partly through using vacancies to facilitate redesign work, for example in home care and partly through a careful, risk based approach to vacancy management, in keeping with other services. The savings achieved in order to facilitate redesign work are offset by additional expenditure in purchasing budgets. The savings arising from vacancy management and natural turnover offset overspends elsewhere in the budget, however they also impact on the capacity within the service to manage additional pressures, both operationally and in relation to managing the actions which are required to initiate and bring to fruition savings options and to managing the scale of changes which the service faces. The service is highly dependent on the support provided by Finance Services, who are also experiencing a reduction in capacity including the retiral of a key manager. In addition to this, the retiral of the Director of Social Work Services in April 2015 will create an interim gap in governance arrangements until the appointment of a Director of Children's Services and the appointment of a Chief Officer for the Integrated Health and Social Care Partnerships are concluded and a full transfer of operational responsibility for relevant services and for critical support services takes place.

### **3. SUMMARY OF BUDGET PRESSURES**

- 3.1. The Social Work budgetary problems are not unique to Falkirk. Cosla are in the process of collating information on similar budget pressures from a cross section of Scottish Councils.

3.2. The pressures facing Social Work were set out in a report by the Director of Social Work Services presented to the September meeting of the Executive and the position has further deteriorated. The Chief Finance Officer's report to the January meeting of the Executive indicated that an overspend of circa £4m was now anticipated for Social Work. Significant pressure of demand on children's residential schools (£0.510m), children's residential care (£1.40m), foster care (£0.800m), adult 24 hour care (£3.0m) and adult care purchasing (£2.7m) are partially offset by savings in staff costs (£2.3m), higher levels of income from adult residential care (£1.6m), contributions from Health (£0.570m) and government grants and re-imbursements £0.380m). The higher level of income is largely a result of the increased number of people receiving care, which results in higher numbers of people paying a contribution towards their care.

3.3. Demand for care services is volatile and unpredictable and pressure of demand continues to place severe pressure on budgets. More details of these pressures are outlined below.

### 3.4. **COMMUNITY CARE SERVICES**

3.4.1. The Community Care budget is projecting a potential overspend of £1m, with the main areas of pressure being 24 hour care, home care purchasing and the purchasing of specialist support packages. The impact of these pressures is already being offset by savings in employee costs as outlined in paragraph 2.12.

3.4.2. The factors which are driving these areas of expenditure is an upward trajectory in the demand for services as outlined in reports to the Performance Panel and summarised as follows:-

- The number of people assessed for community care services increased by 673 or 8% in 2013/14, compared to 2012/13. This has a cumulative effect in driving expenditure in the current financial year.
- The number of Adult Support and Protection referrals increased by 55% in 2013-14. In the quarter ending 30<sup>th</sup> June 2014 they increased by 15% compared to the same quarter in the previous year. The number of people requiring an ASP Protection Plan also increased by 5% in the same reporting period. The work associated with Adult Support and Protection is highly resource intensive for Community Care teams.
- The number of people over 65 receiving home care services increased in 2013/14 by 4% and there was a 12% increase in the number of hours purchased to just under 14,000 per week in 2013/14.
- This points to higher levels of need being met by home care services which is further evidenced by an 18% increase in people aged 65 and over requiring home care during evenings or overnight.
- The total number of Home Care hours for all client groups has increased over the last year by 6% (1662 hours) since March 2013 to 27,018 hours per week as at the end of July 2014.

- The number of support hours per week provided in the form of Direct Payments has increased from 1,356 hours per week at 31<sup>st</sup> March 2013 to 1,569 hours per week, an increase of 16%.
- There has been significant pressure on care home places, with an increase in the number of people in externally purchased care homes in the last year from 893 to 945 at 31<sup>st</sup> July 2014, which is an increase of 6%.

3.4.3. The costs of external care at home provision are regulated by the framework agreement we have with external providers. This was subject to a recent tendering process. The cost of residential care/nursing home placements for older people is fixed by the national care home contract and is currently £505.46 per week for residential care homes and £587.00 for nursing homes.

### 3.5. **CHILDREN & FAMILIES SERVICES**

3.5.1. The Children & Families projected overspend as of the end of December 2014 is circa £3m, with pressures being experienced in the budgets relating to residential schools, crisis care, external fostering, fostering, residence/custody, external residential care and throughcare and aftercare.

3.5.2. The increased expenditure is directly related to increases in the number of children who are looked after away from home and the complexity of the needs they present. As of the end of December 2014, the Council was looking after 256 young people away from home, an increase of 32 from the same period last year, and an increase of 45 from December 2012, and the highest number in over 3 years. In recent years the rate of children and young people per thousand who are looked after and accommodated in Falkirk has been lower than the national average. It is now 7.9 per thousand compared to 10.9 nationally.

3.5.3. This would suggest that decision making in relation to children being removed from home is not out of kilter with the rest of Scotland and indicates that we are still performing well in maintaining children at home.

3.5.4. Over the course of the last year we have seen:-

- An increase in the number of pre-school children being accommodated and moving on to permanency and adoption, often related to parental substance misuse.
- An increase in the number of sibling groups who require to be accommodated.
- An increase in the use of residential schools, including secure care.
- An increase in the number of 14 and 15 year olds in stable and longer term fostering arrangements and who subsequently will require aftercare services.
- A substantial increase in the number of young people over the age of 16 who are looked after away from home. The most recent annual return indicates that the council was looking after 57 young people over the age of 16, 35 of whom were looked after away from home in residential care and 10 in foster care with the remainder being looked after at home or with relatives.



- 3.5.5. Wherever possible, children are accommodated in family settings using our own foster carers, however, when this is not possible, external providers require to be used. As at the end of December 2014, 40 young people were accommodated with external foster carers at a projected cost of £1.7m.
- 3.5.6. Where a foster placement is not appropriate to a child's needs, residential care placements require to be arranged. As at the end of December, 31 children were accommodated in external residential placements at a projected cost of over £4.7m. This represents an increase of 6 additional children places since July with a consequent increase in expenditure of approximately £700k

Where a child's additional needs cannot be met in mainstream school, for example they also have care needs, residential school placements require to be made. At the end of December 2014, 31 residential school placements were being used including 4 secure placements, at a cost of £2.8m to Social Work Services, with a further £2.6m expenditure being met by Education Services.

In addressing the scale of the pressures outlined above the following approaches can be adopted

- Continue to deliver efficiency savings
- Employ fewer staff
- Buy or provide less care services
- Pay less for what we provide i.e. procurement savings
- Charge more to offset costs of provision

These are explored in the following paragraphs:

#### **4. MANAGEMENT ACTIONS WHICH ARE BEING TAKEN**

##### **4.1. EFFICIENCY SAVINGS**

- 4.1.1. In the light of the incremental nature of savings which have been achieved over the last 5 years, efficiency savings are undoubtedly more challenging to achieve, however, it is intended that an efficiency target of £250k will be set in relation to absence management. It should be noted that this may require the injection of additional management support in order to achieve this.

##### **4.2. STAFF SAVINGS**

- 4.2.1. As outlined above, substantial staff savings are already being achieved, through vacancy management. These are being carefully risk assessed.
- 4.2.2. Managers are currently considering a range of voluntary severance applications with the same caveats that any applications must be risk assessed in order to ensure that offers of voluntary severance do not compromise critical service provision or place an unacceptable burden on remaining staff.

- 4.2.3. A spend to save initiative to train more Mental Health Officers is underway. This is with a view to reducing our reliance on using agency staff in order to meet our statutory responsibilities. This should reduce expenditure on agency staff by £136k in the next financial year.

#### **4.3. BUY OR PROVIDE LESS CARE SERVICES**

- 4.3.1. Managers are monitoring all adult care packages which are entered into against existing eligibility criteria in order to ensure that levels of provision are in keeping with the levels agreed by members when they established eligibility criteria for Adult Social Care Services. Further reductions in care provision would require a change to eligibility criteria which is outlined in section 5.
- 4.3.2. Similar scrutiny takes place in relation to Children's Services, however, it should be noted that 85 % of placements relating to children are underpinned by a legal requirements from the courts and the Children's Panel, which the Council is obliged to fulfil.
- 4.3.3. A spend to save initiative is underway to recruit more foster carers, thereby reducing our reliance on external provision. This is expected to reduce expenditure on external fostering placements by approx £200k in the next financial year.
- 4.3.4. Where rehabilitation of children is an option, rehabilitation plans are being accelerated.
- 4.3.5. Work has commenced to develop a business case for the redesign of some of the existing hostel/supported accommodation provision within the Council to make it more suitable to meet the needs of 16 and 17 year olds who currently remain in the care system in extended placements. This is expected to come to fruition over the course of 2015/16 and should enable more young people to be appropriately placed locally. Further work is being undertaken to estimate the potential savings from this development.
- 4.3.6. In Home Care a real time monitoring system has been developed and purchased and is about to be implemented. This will improve the Council's ability to schedule home care, making best use of in- house resources and to monitor the activity of the agencies we contract with.

#### **4.4. ACHIEVE THE BEST POSSIBLE PRICE FOR THE SERVICES WE PURCHASE**

- 4.4.1. Over the course of the current financial year the service has retendered for home care services. This enables the Council to have an assurance that the best price is being achieved for the services which are purchased, provided that the implementation of the framework agreement is closely monitored. This is an area where the service is now being supported by the Corporate Procurement Team.
- 4.4.2. Likewise a tender exercise has been undertaken relating to the provision of OT equipment.

- 4.4.3. An analysis has been undertaken of other areas of procurement which could produce further savings in the next financial year and we have identified that the provision of 24 hour care for younger adults, the provision of day care for adults and the provision of residential care for children as priorities. It is likely that this will involve a further spend to save initiative, however, it is anticipated that savings of at least £1m are likely.

#### 4.5. **CHARGE MORE FOR THE SERVICES WE PROVIDE**

- 4.5.1. Management actions in relation to charging are restricted to implementing the charges approved by members. Further actions would require a change in existing Council policy and these are set out in section 5.5.
- 4.5.2. Total potential savings arising from management actions therefore amount to £1.586m, consisting of £250k absence management target, £136k in relation to the spend MHO costs, £200k in relation to reduction in external fostering and £1m in relation to procurement. These savings will help to bring the Service's spending level closer to its budget.

### 5. **FURTHER POTENTIAL ACTIONS**

- 5.1. In the light of the scale of the financial pressures facing Social Work Services, and the instruction that Directors must take steps to contain expenditure within existing allocated budgets, consideration has been given to further actions which could be taken which would involve changes in existing policies and which would therefore require member approval. In view of the extent to which the pressures relating to Children's Services are driven by statutory requirements as outlined above, no further actions, other than the management actions outlined in section 4 are being recommended. The remainder of this section therefore relates to Adult Services. It should be noted that the further actions outlined below would involve risks, would have an impact on service users and on the Council and its partners and could compromise the Council's ability to fulfil its equality duties. For this reason it is the advice of the Chief Social Work Officer that these actions set out in the remainder of this section should only be pursued if the Council is unable to identify any other ways of addressing these pressures with less inherent risk

#### 5.2 **ADULT SERVICES**

- 5.2.1 Reduction in level of non residential care provided to adults through immediate changes to eligibility criteria. This differs from the savings options contained in the budget proposals for Social Work Services which involves a more phased tightening of eligibility criteria.

Current eligibility criteria enables care to be provided to those people whose needs are assessed as moderate, substantial and critical.

In relation to home care, the following are the maximum levels of service provided:-

Moderate	7 hours
Substantial	21 hours
Critical	up to maximum cost of 24 hour care package. .

### 5.2.2 At the present time

- The bulk of provision to people whose needs are moderate is within our in-house service.
- 247 people are receiving under 2 hours of care at a costs of £5,312 per week, with the bulk of this being provided by our in house service.
- 623 people are receiving between 2-7 hours care, at a cost of £47,668 per week, 90% of which is provided in-house.
- 306 people whose needs are assessed as substantial are receiving between 7 and 10 hours of care, at a cost of £45,551 per week. Two thirds of this is provided in-house
- 405 people whose needs are assessed as substantial are receiving between 10 and 21 hours of care, at a cost of £113,359 per week. 78% of provision is through external agencies, generally through specialist providers.
- 152 people whose needs are assessed as critical receive more than 21 hours of care per week, at a cost of £86,327 per week. Again the majority through specialist independent providers.

5.2.3 It will be seen from the above, that the impact of withdrawing or reducing levels of care to people whose needs are moderate would be to create significant additional capacity within our own home care service. If such provision was reduced by 10% a potential saving of £5,298 per week, or £275,496 over a full year would be estimated, however this would be dependent on the spare capacity being the used to avoid need for future external placement or alternatively by a reduction in the size of in-house service. There is the potential for 870 people to be affected by this.

5.2.4 In relation to people whose needs are substantial a target of 10% reduction in the hours of care provided could achieve a saving of £15,891 per week, and £826,332 over one year. This would create further additional capacity in house, however approximately £11,336 per week of this would be saved in an external provision. There is the potential for 711 people to be affected by this proposal.

5.2.5 In relation to people whose needs are assessed as critical, a target 10% reduction in the hours of care provided could achieve a saving of £8,633 per week and £448,916 over one year, with the majority of this being a saving in external provision. There is the potential for 152 people to be affected by this proposal.

5.2.6 In relation to Housing with Care, 73 people whose needs are moderate receive up to 7 hours care per week of a cost of £4,479 per week. 56 people whose needs are substantial received between 7 and 21 hours care at a cost of £9,923 per week and one person received more than 21 hours care at a cost of £414 per week. Service reductions would be unlikely to achieve immediate savings due to the fixed costs associated with this service.

- 5.2.7 In relation to Day Care Services, current Eligibility Criteria allow for the provision of one day per week for people whose needs are moderate, up to 3 days per week for people whose needs are substantial and up to 5 days per week for people whose needs are critical
- 5.2.8 The vast majority of people who attend our in house day services are assessed as having substantial or critical needs. Any reductions in provision would not result in cashable savings due to the fixed costs of current staff and so is not recommended at this time. By contrast, the bulk of provision in private day care provision is in relation to people whose needs are moderate. 113 people are currently in receipt of such services at a cost of £5,426 per week. A 10% reduction would not be realistic, due to the way in which day care is organised and so a reduction of 50% reduction to half day provision has been estimated which would produce savings of £2,713 per week, and £141,075 over a full year.
- 5.2.9 The summary of savings which could potentially be achieved by a target of 10% reduction in care packages as follows:-

Service	Weekly	Annual
Home Care (Moderate)	£5,298	£275,496
Home Care (Substantial)	£15,891	£826,333
Home Care (Critical)	£8,633	£448,916
External Day Care (Moderate)	£2,713	£141,075
Totals	£32,535	£1,691,820

It should be noted that £1.4m, over the next 3 years has already been anticipated as a contribution to the Council's budget gap. If, however, the implementation was accelerated to 15/16 rather than spread in stages over 3 years, this would yield an extra £1m in 15/16 to apply towards addressing the overspend, albeit a budget gap of £500k would be created in 16/17.

- 5.2.10 It should be noted that the above would be maximum savings and risk assessments would be required at an individual level as well as an equality and poverty impact assessment. For this reason it would require careful implementation over at least a 3 month period, depending on staff availability. This could be accelerated by employing additional staff on a short term basis to undertake such reviews.

- 5.2.11 It should also be noted that home care savings would be dependent on either spare capacity being used as an alternative to specialist external provision with agreement of service users, or through the contraction of our home care service. Again, the potential rescheduling of care would require to be undertaken over at least a 3 month period and would be resource intensive.
- 5.2.12 If Members wish to pursue this option, however, steps would be taken to immediately reduce the entitlement to services accordingly for any new people who access the service and a revised set of eligibility criteria would be provided for consideration by members

### **5.3 CAPPING OF CARE HOME PLACES**

In recognition of the pressures faced by NHS partners and the circumstances of older people who can otherwise be delayed in hospital for long periods of time, the Director of Social Work Services, with the approval of the Council, has always agreed to make placements where suitable placements are available, even although the pressure on places is such that demand now exceeds the available budget, which is currently overspent by approximately £400k. Consideration could be given to moving to a position where placements would be limited to those that can be afforded within the current allocated budget. The Council currently funds approximately 16 places more than can be afforded within the existing budget. The impact of such a decision would be that no further placements would be made, other than for people at critical and unacceptable risk in the community, until we have reached a break even position and thereafter placements would only be agreed where funding was available. If members wish to pursue this option, it is recommended that, as a first step, urgent discussion takes place with the NHS and with Scottish Government officials to seek their views on whether any alternative measures can be identified to reconcile the budget gap. This would include exploring the potential for funding to be allocated from the £2.88m which the government have indicated will be made available to Health & Social Care Partnerships over the next 3 years, to address pressures relating to delayed discharges.

### **5.4 INTRODUCE WAITING TIMES FOR THE PROVISION OF HOME CARE**

National guidance on eligibility criteria and waiting times for the provision of home care stipulate that, where people are assessed as being in substantial or critical need, services should be provided within a 6 week period. The Director of Social Work Services has previously reported to members that, where such assessments are completed, provision is made as soon as a care package can be sourced. Consideration could be given to introducing a delay in the commencement of care packages for up to 6 weeks. This could have an impact on discharge arrangements from hospital and could also contribute to carers stress for those people who are currently living in the community. Further work is required to estimate the likely impact of this.

### **5.5 INCREASED CHARGES**

Current charges are based on a maximum cap of £14.10 for older people (over 65's) and £26.00 for younger adults (under 65's).

- 5.5.1 There is no scope to increase the capped limit for older people without changing the individual charge for services, However, the cap for charges for younger adults could be increased. The current cap is based on 50% of the middle rate DLA rate or standard rate of Personal Independence Payment (PIP) in respect of those people who are now part of the new system. This could be increased to 75% of the middle rate DLA rate/ standard rate of PIP with a consequent potential increased income of £300k.
- 5.5.2 The total full year impact of these changes would be £1m, consisting of £300k relating to eligibility criteria, £400k if care home places were capped and £300k if the capped charge for young adult services was increased. As noted at paragraph 5.2.9, were the implementation to be accelerated to one year in 15/16 this would yield an extra £1m towards addressing the overspend, but leave a £500k budget gap in 16/17.
- 5.6 The actions outlined in Section 5 would require dedicated management support to implement and strong oversight of all actions would be required in order to bring about these savings. It should also be noted that the savings options outlined in respect of the 2015/16 revenue budget will also require significant management capacity and oversight which will need to be factored in to the redesign work which is currently ongoing in relation to the development of a Children's Service, the development of an Integrated Health and Social Care Partnership and the disaggregation of the cross cutting Support Services which currently exist in Social Work Services.

## **6. CONCLUSIONS**

**In the light of the serious impact of the potential actions outlined in Section 5 combined with the significant challenges faced by the Council in managing and implementing the structural and legislative changes affecting Social Work Services, the recommendation that alternative corporate actions are taken to offset the budget pressures experienced by Social Work Services has been factored into the Revenue Budget for 2015- 2018. Whilst the Social Work budget has not directly been increased to reflect these pressures, provision has been made in the budget under a general heading of Provision for Budget Pressures.**



**Margaret Anderson**  
**Director of Social Work**  
**29 January 2015**



**Bryan Smail**  
**Chief Finance Officer**  
**29 January 2015**