

The background of the slide features a large, light blue watermark of the City of Vancouver's coat of arms. The crest is a shield divided into four quadrants. The top-left quadrant shows a sailing ship on wavy lines representing water. The top-right quadrant shows a stag's head with large antlers. The bottom-left quadrant shows a beaver. The bottom-right quadrant shows a grizzly bear. Above the shield is a crown with four maple leaves. A banner at the bottom of the shield contains the motto "CITY OF VANCOUVER" in a stylized font.

Agenda Item 3

Revenue Budget 2017/18

Falkirk Council

Title: Revenue Budget 2017/18
Meeting: Falkirk Council
Date: 22 February 2017
Submitted By: Chief Executive & Director of Corporate & Housing

1. Purpose of Report

- 1.1 This report, together with the appendices, sets out the Administration's draft Revenue Budget proposals for the financial year 2017/18, but with options for Members to consider around the level of council tax as discussed at section 4.3. The report takes forward the Budget position previously reported to Executive and Council during the course of this financial year.
- 1.2 The Revenue Budget contains significant distributions of funding to Falkirk Community Trust and the Integration Joint Board which has responsibility for Adult Health and Social Care. Sections 4.8 & 4.9 respectively deal with these important elements.
- 1.3 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 (albeit it is not invalid merely because it is set on or after that date).
- 1.4 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 2017/18.

2. Recommendations

2.1 Council is asked to consider the Budget proposals and determine whether to:-

(1) accept the Draft Budget for 2017/18 as proposed in this report and as appended

(2) levy a Council tax for 2017/18 as follows:-

(a) Increase up to a maximum of 3% consistent with the Band D sums set out in the table at para 4.12.8.

- (b) A Council Tax to be paid in respect of a chargeable dwelling in each of the other Council Tax Valuation Bands in accordance with Section 74 (1) of the Local Government Finance Act 1992 (as amended by The Council Tax (Substitution of Proportion) (Scotland) Order 2016). These charges are also set out in table at para 4.12.8;
- (3) agree either at this meeting and/or at a subsequent Council meeting, in terms of section 4.3, how any sum available is to be utilised;
- (4) continue Cosla membership for a further year consistent with para 4.7.18;
- (5) agree the Business Plans and Savings options for Falkirk Community Trust as set out in section 4.8 and the Service Payment for 2017/18 of £11.105m subject to Council's considerations of the options available at section 4.3;
- (6) agree the content of Section 4.9 and a sum of £60.151m to be made available to the Integration Joint Board subject to Council's considerations of the options available at section 4.3;
- (7) note the update on terms and conditions, agree the next steps in negotiations and ask officers to implement these as appropriate;
- (8) note the Chief Officers who have either left, or are intending to leave, the Council and agree to:
 - (a) Call an Appointments Committee to make an appointment to the post of Head of Social Work Children's Services;
 - (b) Slot the current Depute Chief Governance Officer into the post of Chief Governance Officer and delete the resulting Depute Chief Governance Officer post at chief officer level;
 - (c) Slot the three Heads of Service within Development Services in to the re-designed Head of Service roles to enable a reduction in Heads of Service from 4 to 3 as agreed by Council in 2015;
 - (d) Delete both chief officer Depute Chief Finance Officer posts at chief officer level to bring the Finance structure into line with other parts of the Council's chief officer structure;
 - (e) Receive a report back on the current temporary arrangements for the Head of Housing post;
 - (f) Note the position with regards to the Head of Social Work Adult Services;
 - (g) Implement a new grade O, as detailed in paragraph 4.10.25, to enable appropriate remuneration for officers who deputise for statutory officers.
- (9) 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 relevant sections of this report and related appendices, annexes and addendums.

3. Background

- 3.1 Further to a report on the Medium Term Financial Strategy which was presented to Council on 22 June 2016, an update report on the Budget fiscal environment was considered by Council at its meeting on 21 September 2016. That meeting agreed that Officer savings options would be presented to the October meeting of the Executive.
- 3.2 Executive duly considered these savings options at its meeting on 18 October, together with an update on negotiations with the Trade Unions.
- 3.3 Two reports on the Budget were submitted to Council on 19 December. The first of these gave a general update and also contained the Budget business cases for both the Falkirk Community Trust and the Integration Joint Board (IJB). In the case of the Trust, Members asked the Trust to identify a further £200k of savings which did not involve facilities closures. The Trust Board has agreed to this request and the updated position for both the Trust and IJB are set out in sections 4.8 & 4.9 of this report. Moreover, Council provisionally agreed to increase Council Tax Band D by the maximum of 3%, subject to further considerations and confirmation at today's meeting. This is considered further at sections 4.3 & 4.12.
- 3.4 The second report updated Council on the Scottish Government Budget and the 2017/18 Settlement. This resulted in a c£10m reduction in revenue support grant which in turn confirmed the Council's Budget Gap of c£20m. The report noted the Scottish Government's change in position whereby the council tax yield attributable to the higher banding changes would now be retained by local councils. In terms of the Cabinet Secretary for Finance and Constitution's Settlement offer letter, Council elected to respond advising that whilst not rejecting it, it does not endorse it and communicating concerns over the impact on service provision.
- 3.5 Executive at its meeting on 10 January considered the Accounts Commission report, "Local Government in Scotland – Financial Overview 2015/16". The issue of this report was timed to help inform Council's 2017/18 budget setting considerations.
- 3.6 That meeting of Executive also considered a financial projection report for 2016/17 which provided an update on the projected reserves position at 31 March 2017.

- 3.7 In terms of the Member Budget Working Group, the following meetings were held in December and January:-

<u>Date</u>	<u>Agenda Item</u>
6 December 2016	2017/18 Budget Options – Services' Reserves Strategy
13 December 2016	2017/18 Budget Options – FCT and IJB External Organisations
6 January 2017	Draft Capital Programme 2017/18 to 2019/20; Housing Revenue Account & Council House Rents 2017/18 – 2019/20; Housing Investment Programme 2017/18 to 2019/20
13 January 2017	Budget Gap Statement following Settlement; Outstanding Service Issues - Eligibility Criteria & Charging; Subsidised Bus Services; and savings options for CLD; and External Funding savings options
18 January 2017	Budget Gap Statement following Settlement
26 January 2017	Services' savings options; External Funding savings options

The Working Group managed to achieve a commendable level of consensus in its deliberations.

- 3.8 Following Stage I (final stage not until later in February) debate on the Scottish Government Budget, Parliament agreed a revised grant Settlement for local government. This was reflected in a letter to the Cosla President from Derek Mackay, dated 2 February 2017, copied to Council Leaders. The letter advised that there would be additional revenue grant awarded to Council of £3.776m thereby mitigating the £10.2m grant reduction announced on 15 December. The net effect is thus a revenue grant reduction of £6.4m for 2017/18. The Capital grant was also increased by £0.787m and this is considered further in the relevant report in this Budget booklet. Clearly, such a material change in the resource landscape a matter of weeks ahead of the commencement of the new financial year is not conducive to effective forward planning. This report gives consideration as to how this should be managed in section 4.3.

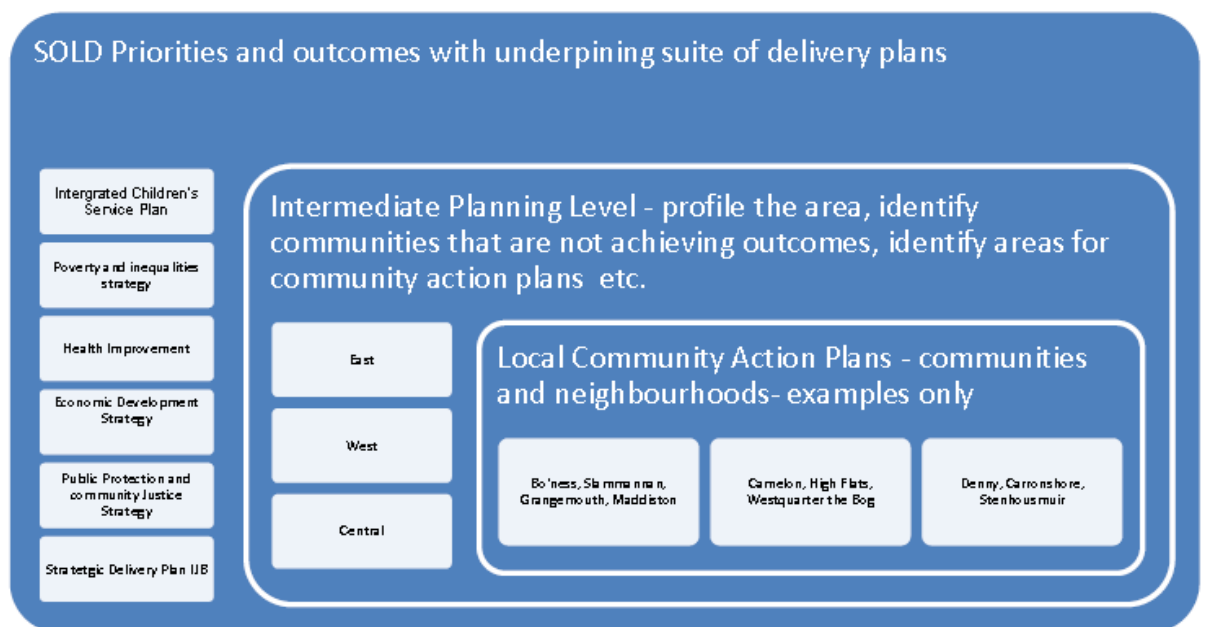
4. Considerations

4.1 Budget Context

- 4.1.1 The Budget is again presented against the backcloth of a continuing challenging climate for public services with evident particular constraint destined for local government and this is expected to prevail over the medium term and quite possibly beyond. Given the scale of the budget gaps the Council has had to address over the past decade, this has profound implications for the Council going forward. Further consideration is given to this in section 4.4.
- 4.1.2 A vital 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 were reported to Council on 19 December and this is supplemented by the revised grant allocations covered in this report.
- 4.1.3 The shape of local government has changed and will continue to do so. Police and Fire are now both national entities. The Integration Joint Board, a statutory entity in its own right, now has responsibility for adult social care & health services. The Scottish Government has given clear indications that regional boards will be established for Education. Moreover, two separate bills on public service reform and local government are anticipated. As this report notes in a later section there have been significant changes made with respect to council tax.
- 4.1.4 The determination of the Council's Budget and therefore its assets, finance and workforce is underpinned by the Council's strategic planning and management framework. This framework aligns financial, workforce and asset planning with the need to achieve our vision, outcomes and priorities. These outcomes and priorities are set out in the Community Planning Partnership's emerging Strategic Outcomes and Local Delivery Plan (SOLD), the Council's Corporate Plan and then driven to delivery through service plans. The hierarchy of this framework is set out in the diagram below.



- 4.1.5 A further important development is the wide ranging responsibilities flowing from the Community Empowerment (Scotland) Act 2015. A seminar on this was provided for Members in August and a further update was presented to Executive on 10 January 2017. A three tiered approach to planning is envisaged as captured in the following diagram:-



The report also provided updates on the development of Participatory Budgeting and Asset Transfer.

- 4.1.6 The important dimension of engagement with the public and staff on the Budget is considered at sections 4.6 and 4.10 respectively in this report.

4.2 **Local Government Financial Settlement**

- 4.2.1 Council at its meeting on 19 December considered a report on the 2017/18 Scottish Government Budget and Local Government Settlement. The key points in Derek Mackay's Settlement letter of 15 December, sent to the COSLA President (and copied to Council Leaders), are set out in paras 4.2.2 – 4.2.7 below.
- 4.2.2 The Settlement offer, "must be viewed as a package" and Councils "will not be able to select elements of the package". Any Council not agreeing to the full package was required to write to Mr Mackay by 13 January (later extended) and with a consequential less favourable settlement resulting. Falkirk Council's agreed response is noted at para 3.4. A welcome development is that the Settlement letter does not contain an explicit penalty regime in the manner of previous letters.
- 4.2.3 The letter also, "opens the way for a new partnership between the Scottish Government and COSLA". It remains to be seen what this means in practice with separate bills on public service reform and local government being proposed.
- 4.2.4 Overall, the treatment of the Integration Joint Board (IJB) funding is more straight forward than last year and this is also to be welcomed. The budget position with the IJB is considered at section 4.9.
- 4.2.5 A significant change in position has been advised with the additional council tax yield arising from the statutory changes to the higher bandings now being retained by local government. For Falkirk Council, this represents £2.2m. An enhanced sum of £120m will now be centrally funded and distributed directly to schools, via Councils, as a ring-fenced grant and will be allocated on the basis of free school meal entitlement rates across the P1-S3 pupil cohort. Falkirk's share is £3.5m. "It is a condition of this agreement that this funding is additional to each Council's individual spending on schools rather than substitutional ...".
- 4.2.6 Councils are required to continue to maintain the overall pupil:teacher ratio at 2016/17 levels and secure places for all probationers who require one under the teacher induction scheme. In terms of balancing its Budget, this constrains the Council's actions on teacher numbers.
- 4.2.7 After nine years, the Council Tax freeze has been lifted and councils now have the flexibility to raise the rate by up to 3%. A rise at the maximum level would yield an estimated £1.7m for Falkirk Council. Further reform of local taxation is flagged. See section 4.3 & 4.12 of this report.
- 4.2.8 As noted at para 3.8 a very late and material revision was made to the revenue grant settlement which revised the grant reduction from £10.2m to £6.4m. Whilst this mitigation is welcomed it does present challenges in terms of configuring a balanced Budget at short notice and ensuring value for money spending proposals. This is considered further at section 4.3.
- 4.2.9 Circa 85% of the Council's net expenditure is financed from Scottish Government grant and in consequence this is a critical element in balancing the budget.

- 4.2.10 The following table shows the grant movement across four years at both Scotland and Falkirk Council level.

	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
	<u>£'m</u>	<u>£'m</u>	<u>£'m</u>	<u>£m</u>
Scotland	9,804.911	9,993.191	9,693.431	9,464.885
Falkirk Council	275.393	282.124	272.539	266.173
Year on Year Movement	1.05%	2.44%	(3.40%)	(2.34%)

- 4.2.11 The settlement includes additional funding of £3.8m announced by the Scottish Government on 2 February, **however the overall grant has decreased by £6.4m (2.34%)**. There was also no provision in the grant settlement for the cost of the new apprenticeship levy, estimated at c£0.9m.
- 4.2.12 In addition, the settlement includes two specific grants of £2.8m for Criminal Justice and £3.5m for the Pupil Equity Fund. The specific grant for Criminal Justice reflects the implementation of the new Community Justice Model and the transfer of funding to each local authority.
- 4.2.13 The method of distribution for Criminal Justice funding was agreed between the Scottish Government and COSLA, which also limited any funding reduction to a maximum of 5% per annum over a 5 year period from 2017/18. Falkirk Council's share of this grant has reduced by £97,000 in comparison with the previous financial year. It should also be noted that further Scottish Government funding for Offender Services, which lies outwith the local government settlement, has also reduced by £33,000. Taking both elements of funding together, this equates to a reduction of £130,000 (3.9%) which is within the 5% threshold. As noted at para 4.7.15, Children's Services still expect to deliver the required outcomes within the resources allocated.
- 4.2.14 The Pupil Equity Funding is to be allocated directly to schools enabling headteachers to use it for additional staffing or resources targeted at those pupils who are eligible for free school meals with the aim of reducing the poverty related attainment gap.
- 4.2.15 In terms of Business Rates, the poundage will be 46.6p which matches the rate in England and represents a 3.7% reduction. The Large Business Supplement is set at 2.6p and with the threshold increased to £51,000. The Small Business Bonus Scheme threshold for 100% relief will rise to £15,000. It should be noted that councils simply collect Business Rates. The Scottish Government set the poundage and the independent Assessor determines the rateable value. The Scottish Government has committed to responding promptly to the Barclay review of business rates when it concludes in the summer.
- 4.2.16 The Settlement Circular also covers Capital Grant which is dealt with in the relevant report later in this Budget book.

4.3 2017/18 Budget Gap

- 4.3.1 The projected budget gap for 2017/18 has been consistently projected to be c£20m. The proposals for bridging that gap are set out in the table below:

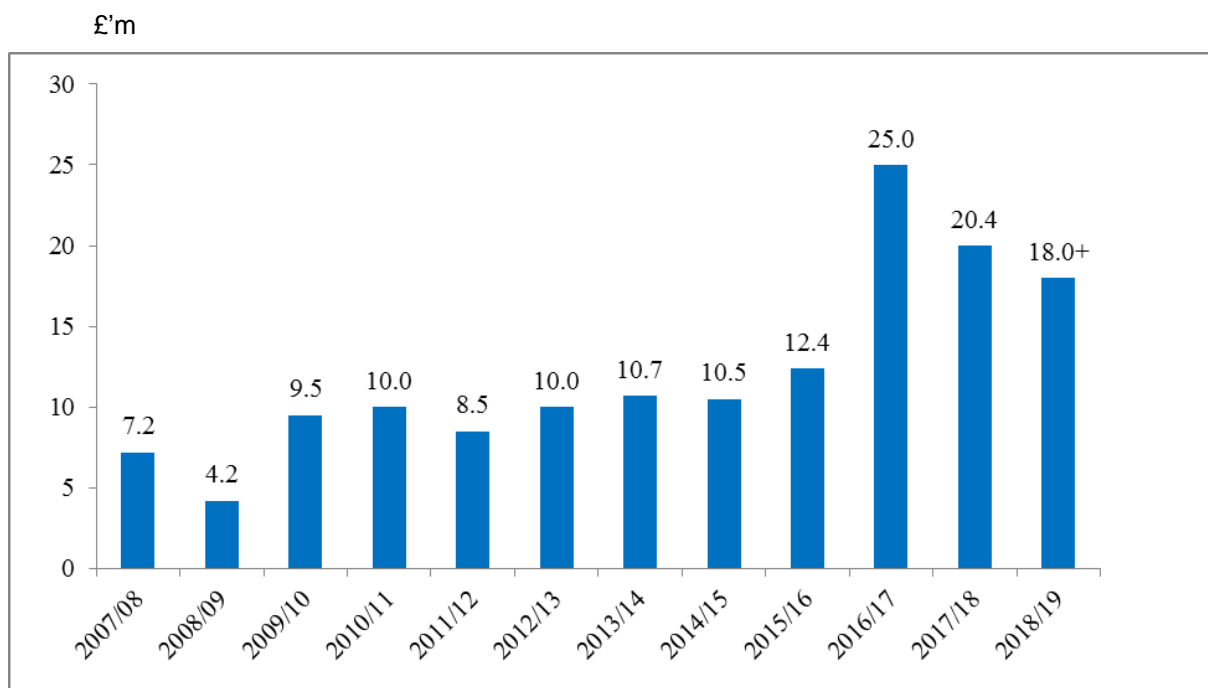
	<u>2017/18</u> <u>£'m</u>
Original Budget Gap	<u>20.4</u>
Less Additional Revenue:	
Additional Revenue Support Grant	3.8
Council Tax Banding	<u>2.2</u>
	14.4
Bridged By:	
Council Tax Growth	0.3
Budget Rebasing	2.8
Application of Reserves	3.3
Service Savings	3.9
Falkirk Community Trust	1.3
Integration Joint Board (IJB) Savings	2.0
IJB Additional Integration Funding	1.0
External Funding	0.4
Valuation Board	<u>(0.2)</u>
Total	<u>14.8</u>
Balance Available for Council Decisions	0.4
Council Tax Increase Available @ 3%	<u>1.7</u>
Total Potential Available for Council Decisions	<u>2.1</u>

- 4.3.2 The revised financial picture outlined in the previous section is reflected in the above table and means that the original list of savings options identified (see appendix 3) totalling £10.5m are not all needed to balance the 2017/18 Budget. (note: appendix reflects additional savings options subsequently identified) In the event, only £3.9m have been used but this is in part achieved by the maximum deployment of the General Fund reserve consistent with the Reserves Strategy.
- 4.3.3 The configuration of options shown in the above table and with the inclusion of the late grant adjustment, shows that there is a positive balance of £0.4m. Were Members minded to avail themselves of the new flexibility and increase council tax up to the maximum of 3% this would yield a further £1.7m. In this regard, Council will want to consider the fact that they have been locked into one of the lowest council tax levels in Scotland for the past decade. Moreover, it seems clear that many councils are taking the opportunity to increase the tax by 3% and that the differential would be compounded were this Council not to agree an increase.
- 4.3.4 Should Council agree the options in the above table and thus have a favourable sum of £0.4m or £2.1m, then officers would strongly advise Council to have regard to the following considerations in deciding how they utilise the sum:-

- a) As noted at para 4.5.4 the Council's General Reserve is projected to be close to its floor. Given the financial outlook projected in section 4.4, prudence would suggest that at least some element of these funds would be returned to reserves.
- b) In determining investment proposals, these should of course deliver value for money and also be informed by the priorities in the Strategic Outcome Local Delivery Plan (SOLD); namely
- Improving mental health and wellbeing
 - Maximising job creation and employability
 - Minimising the impact of substance misuse
 - Addressing the impact of poverty on children
- c) Moreover, given the projected financial position, investment proposals should be of a non-recurring nature.
- d) As has been highlighted already in this report, the grant change is both material and advised very late in the Budget process. In consequence, there is a strong case for Council to defer consideration of such investment proposals to a subsequent meeting, to ensure they are fully costed and evaluated.

4.4 Medium Term Financial Plan

- 4.4.1 On 7 December Council agreed a holistic framework for its transformation agenda entitled "Council of the Future". Using this framework, Council will set a clear vision and set of priorities for Falkirk. Service redesign will then be focussed on those priorities. This work will be evident in the Council's Corporate Plan and will also draw on the Strategic Outcome and Local Delivery Plan (SOLD). The framework recognised that there are a number of key enablers to achieving the vision for Falkirk, including technology, workforce development and sustainable long term financial planning. Financial planning must be at the heart of the overall strategic planning process.
- 4.4.2 A number of reports have been presented to Council on medium term financial planning, in particular the reports on 22 June 2016 and 19 December 2016 (Addendums 1 & 5). These reports set out the Council's approach to financial planning and the challenging financial environment within which the Council operates. The profile of budget gaps that the Council has had to manage in recent years is set out below:



- 4.4.3 The report to Council on 19 December outlined the key elements that must be reviewed as part of a medium and long term financial planning process. This included funding forecasts and cost drivers such as employee costs, inflation and demographics. The tables below show current assumptions for four key variables, for the four years beyond 2017/18:

	2018/19	2019/20	2020/21	2021/22
RSG Reduction	3.5%	2.75%	2.0%	1.5%
Pay Award	1.5%	1.5%	1.5%	1.5%
Inflation	2.0%	2.5%	3.0%	3.5%
Demographics	£1.5m	£1.5m	£1.5m	£1.5m

- 4.4.4 Based on those assumptions, the estimated budget gaps have been calculated as follows:

	Estimated Gap £'m
2018/19	18*
2019/20	18
2020/21	16
2021/22	15

* n.b. whatever level of reserves Members apply to bridging the Budget gap in 2017/18 will need to be added to this figure.

- 4.4.5 The December report noted that the figures in the tables above will continue to be refined as more information emerges. This will form part of the planned work already reported to Members, including the development of scenario planning. The late, significant adjustment to the level of Revenue Support Grant funding in 2017/18 is likely to have an impact on the projected budget gaps. The assumptions on the level of Revenue Support Grant will therefore have to be revised and updated. An updated report on medium term planning assumptions will be presented to Council in the new financial year.

- 4.4.6 Council will appreciate that the actual grant settlement figures will be dependent on decisions taken by Government. However, the gap table above highlights the scale of the potential challenges ahead and emphasises the need for robust financial planning which ties in with the Council of the Future agenda and the priorities identified in the SOLD. It can be difficult to make robust, strategic decisions with appropriate lead in times when significant variables, such as the Revenue Support Grant, are not confirmed until shortly before the beginning of a financial year. The Council's financial planning process will have to accept and work within these limitations until settlements beyond one year are forthcoming.
- 4.4.7 The financial outlook for the Council and local government in general continues to be challenging. The scale of the cumulative budget reductions to date means that the need for sustainable changes to how services are delivered will be crucial. The Council of the Future agenda will drive this forward.

4.5 Reserves

- 4.5.1 Previous reports to Council have advised that councils can hold reserves for three primary purposes:-

1. A working balance to help cushion the effect of uneven cash flows and unnecessary temporary borrowing;
2. A contingency to cushion the impact of unexpected events or emergencies; and
3. A means of building up funds to meet known or predicted requirements by earmarking a portion of the General Fund.

- 4.5.2 Audit Scotland's "Local Government in Scotland – Financial Overview 2015/16" included the following statement:

"While usable reserves can be used to support services, Councillors must consider how and when these are used as they can only be used once. Use of reserves must comply with the Council's annually reviewed reserves policy. This should be clearly linked to financial plans and consideration must be given to the impact on the future financial position. Using reserves to support services in the short term is not sustainable unless they are used to support service transformation and generate future savings. A significant proportion of usable reserves held by councils have already been allocated for specific purposes and so will not be available for other uses".

- 4.5.3 The "Revenue Budget 2017/18" report considered by Council on 19 December provided an overview of the Council's reserves. This showed that whilst the Council's accounts showed total reserves of c£43m there were significant restrictions on their use. Thus £8.6m could only be used for HRA purposes and £6.5m for capital. Of the general fund reserves, these were for particular purposes e.g. Insurance Fund and Devolved Schools Management. Moreover, these reserves had either incurred or committed expenditure in the current financial year. This in effect only left the General Fund Reserve as potentially available to help bridge the Budget Gap. The projected balance at 31 March 2017 on this reserve, as reported to Executive on 10 January 2017 is £9m. This needs to be related to the Council's agreed Reserve Strategy range of £6.6m - £10m.

- 4.5.4 Attention is drawn to para 4.5.6 in the above report to Executive on 10 January, whereby £2.8m of planned spend could be capitalised rather than funded from reserves and thus free up additional resources that could supplement the projected General Fund Reserve balance of £9m. This would then offer the following proposition:-

	<u>General Fund Reserve</u>
	<u>£m</u>
Projected balance 31/03/17	9
+ Capitalisation adjustment (per above)	<u>2.8</u>
	11.8
- Spend Commitments (e.g. Equal Pay)	<u>1.9</u>
	9.9
Reserves Strategy Floor	<u>6.6</u>
Available to Apply to Budget Gap	<u>£3.3m</u>

The General Services Capital Programme assumes this adjustment has been made, as does the Budget Gap statement at para 4.3.1

- 4.5.5 Several important points flow from this course of action:-

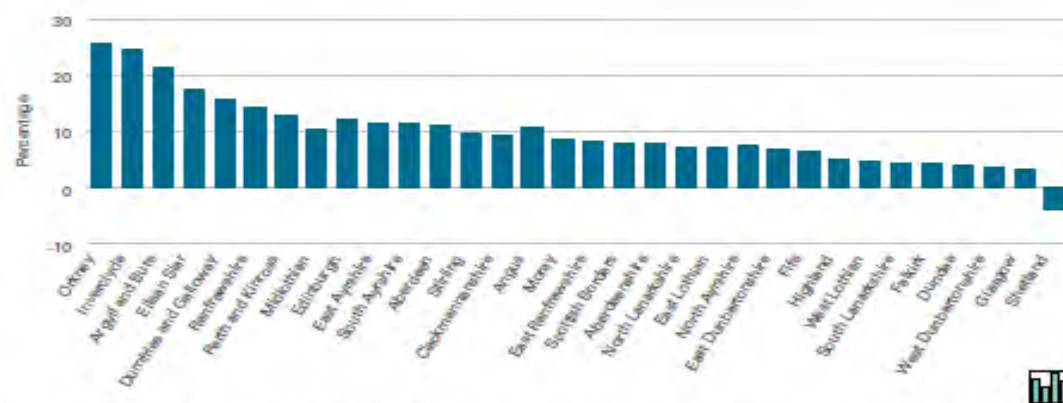
- a) The application of reserves in this manner does not deal with the underlying gap between sustainable resources and expenditure. In these terms they can be justified as a legitimate expedient to buy time to allow more sustainable courses of action to be implemented. There is thus an umbilical link with the Council of the Future agenda mentioned in section 4.4.
- b) It will be evident from the above table that this would take the reserve to a projected position where it was sitting at the Reserve Strategy Floor of £6.6m. Having said that, the course of action already in play relating to voluntary severance and geared to the medium term financial position of the Council, is likely to result in some degree of cost savings emerging during 2017/18 which will improve this position.
- c) Linking to point a) any application of reserves is immediately added to the Budget Gap in the following year and this is reflected in para 4.4.4

- 4.5.6 The Accounts Commission report, "Local Government in Scotland – Financial Overview 2015/16" was published on 29 November 2016 and considered by Executive on 10 January. The chart reproduced below provides context and shows that Falkirk has the fifth lowest percentage of reserves to income.

Exhibit 15

2015/16 General Fund reserves as a percentage of councils' income, adjusted for planned reserve use in 2016/17

The level of reserves held as a percentage of income varies widely among councils.



Note: Shetland Islands Council classifies its reserves differently. This is not an indication of financial difficulties or an unbalanced budget.
Source: Councils' audited accounts 2015/16 and auditor returns

4.6 Public Engagement on the Budget

4.6.1 The budget options were published on the Council's website on 18 October following the Council meeting. The link to them was promoted using social media and in Falkirk Council News.

4.6.2 The main information page has now been viewed over 10,700 times, 9,500 views by the public and over 1,200 internally. More than 500 comments were submitted by the public. Children's Services options had 9,500 views, Development's 3,000 and Corporate & Housing's 2,500. Over 55% of the public traffic came from Facebook, 9% from Twitter and 32% accessed the page without using social media.

4.6.3 Via Twitter there were 40,000 impressions (the number of users Tweets were delivered to) and 2,500 engagements (replies, mentions, retweets, likes).

4.6.4 The majority of the comments received related to Children's Services options and most of the feedback received focused on a small number of budget options. Where people submitted comments on several options, the feedback was split down and collated by individual proposal. A total of 497 comments were received.

4.6.5 The options which have generated feedback are detailed below:

CLD	42%
ASN/SfLA Provision	18%
Breakfast Clubs/Baby Provision/School Meals/Lets	12%
Education – School mergers/Management time	8%
General Statements – Children and Families	5%
Transport to Schools	4%
Library Provision	3%
Music Tuition	3%
Social Work	2%
Repairs Budget, NPDO Janitors, NPDO Refinancing	2%
Public Toilets	1%
Total	100%

- 4.6.6 There was also a petition submitted regarding the CLD options which was signed by 202 members of the public and various individual letters / emails received regarding the proposed cuts to the Service.
- 4.6.7 The feedback received from members of the public and service users mostly voice concern about reducing/withdrawing services and highlight the impact that this will have on both children and adult learning and overall education standards across the Falkirk Council area.
- 4.6.8 There were c60 comments about the savings options proposed for Development Services. The option which attracted the most comments (a third of the total number) was the proposal to charge £25 p.a. for the brown garden waste bin service, followed by the options to charge at Council-owned car parks at Larbert and Polmont stations and the option of banning vans from using the household waste recycling centres. In general, the people who commented were opposed to these options, though a small number agreed with the proposal to charge at station car parks. A very small number of people also said they were opposed to the proposed reductions to subsidised bus services, countryside rangers, school crossing patrols and employment and training services.
- 4.6.9 A very small number of respondents commented on Corporate & Housing Services budget savings – only 2% of the total comments received so no clear messages emerged.
- 4.6.10 Engagement has also been carried out with Community Councils and Parent Councils via a series of face-to-face meetings.
- 4.6.11 The Falkirk Community Trust & Integration Joint Board have their own arrangements for engagement.
- 4.6.12 The Budget proposals set out in this report and appendices have had regard to this engagement and reflect the more benign financial position.

4.7 **Service Budgets**

- 4.7.1 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 2017/18 is presented at Appendix 1 of the Budget book. Within each Service section there is a Summary of Movements statement which details changes from 2016/17. A full list of savings proposed for 2017/18 is set out at Appendix 2.
- 4.7.2 Appendix 3 is a full list of all savings options identified by officers during the budget process. Whilst many of these savings options have not been included in the 2017/18 budget, they were considered by the Member Budget Working Group and it is important to note that it is probable that they will be required to help balance the budget in future years.

- 4.7.3 The Equality Act 2010 places a 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). In doing so, all local authorities must be able 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.
- 4.7.4 When considering savings options the Council must understand who will be impacted by each saving, what, if any, mitigation can be put in place to minimise the impact of a saving and what the cumulative impact of savings could be on particular groups within our community. It is recognised that changing services and in particular making savings can impact significantly on groups with protected characteristics and this needs to be considered prior to taking decisions on where to make savings. To ensure all these key factors are considered, all services are required to carry out an Equality and Poverty Impact Assessment (EPIA) for each proposal.
- 4.7.5 Every year the process by which the Council undertakes its EPIAs is refined and reviewed. In 2016/17 updated guidance and training was delivered to all officers responsible for either completion or review of the EPIA forms and process. This included an emphasis on consultation requirements. In addition, a quality review is undertaken on all EPIAs. The Budget Working Group was notified of all EPIA ratings relevant to the savings under consideration.
- 4.7.6 Appendix 3 includes the EPIA rating for each saving option included in the 2017/18 budget. Each of the savings options has either no impact or low impact on groups with protected characteristics. Low impact is defined as having no disproportionate impact on any of the equality protected characteristics.
- 4.7.7 The Integration Joint Board (IJB) has developed savings options which will be subject to the EPIA process. It will be for the IJB to take into account the EPIA ratings when considering savings options. However, responsibility for charging remains with the Council. The proposed payment to the IJB includes an increase to charges for both non-residential and residential care. The proposed increase is in line with inflation, is minimal and therefore has a low impact.
- 4.7.8 An EPIA has been completed for the proposal to increase house rents for council house tenants relating to a separate report in this booklet.
- 4.7.9 In determining an impact/risk rating, it must be remembered that the EPIA process assesses impact on specific groups. This means that while there may be a general impact on the community at large if there is not a specific or disproportionate impact on specific groups then the impact/risk may be assessed as medium or low.
- 4.7.10 Savings for funding to external organisations are shown separately at Appendix 4. Individual EPIAs have been undertaken for each of these savings.

4.7.11 There is a requirement to publish all EPIAs once they are finalised. It is anticipated that the low rated assessments will be published first with subsequent assessments following thereafter. All EPIAs can be found <http://www.falkirk.gov.uk/services/council-democracy/policies-strategies/equality.aspx>

4.7.12 It is important to note that whilst EPIAs must be used to inform decisions, they should not prevent Members from taking difficult decisions. They help to ensure that Members have fully considered the impact before a decision is taken.

4.7.13 **Service Summary**

4.7.14 Proposed savings are set out in Appendix 2 and Fees and Charges are detailed in Appendix 1.

4.7.15 **Children's Services**

The Children's Services Budget consists of Education, Children & Families, Criminal Justice and Catering and Cleaning functions. The Children's Services budget is set to increase by £1.850m (1.03%) to £181.444m. This includes a provision for pay awards, increased pension costs, living wage, price inflation, demographic growth and costs for the new Carrongrange High School.

The budget also reflects reductions of £1.131m. These include reducing the School Meals budget by £0.150m to align it with current demand, a CLD supplies and services budget reduction of £0.016m, a reduction in the number of weekend lets at the Secondary Schools of £0.015m and a saving in the Public Conveniences budget of £0.025m in line with the current running costs of the remaining Public Toilets.

It is also proposed to make a saving within the NPDO contract of £0.925m via a refinancing of the junior debt and a favourable adjustment to the Insurance Contract arrangements with Gateway.

The new Community Justice Model will be implemented from April 2017. This will see funding for Criminal Justice transferred to each local authority instead of Community Justice Authorities. The distribution methodology for the funding has been agreed between the Scottish Government and COSLA and Children's Services will be able to deliver the required outcomes within the resources allocated.

4.7.16 **Social Work Adult Services**

The Social Work Adult Services budget that remains within the Council is set to reduce by £0.080m (1.4%) to £5.661m. This budget is in large part made up of property and fleet transport cost for Social Work Adult Services. It includes one area of direct social work provision – the mental health officer services. The budget reduction mainly reflects corporate savings from renegotiation of telephony and IT contracts.

4.7.17 **Development Services**

The Development Services budget including provision for pay awards, increments, increased pension costs, price inflation and savings is set to reduce by £1.448m (4.9%) to £27.897m.

Reduced revenue spend of £1.8m will be achieved by capitalising work on roads, street lighting and bridges.

The implementation of the second part of the move towards a 4 weekly collection of residual waste, initiated in 2016/17, will save £0.250m and relates to landfill costs.

Within the Service's Fees & Charges, it is proposed to increase some Crematorium and Burial Charges by 5%.

4.7.18 **Corporate & Housing Services**

The Corporate & Housing Services budget, which comprises General Fund Housing & Support, Miscellaneous Services and Central Support Services, is set to increase by £0.811m (3.04%) to £27.455m.

Provision has been made for pay awards, reduction of the Hostels Grant and the potential costs of the Apprenticeship Levy of £0.874m.

Discretionary Housing Payment of £0.946m has been removed as this was not part of the settlement and will be adjusted once we have details from the Scottish Government.

There are also proposed external funding savings of £0.388m which have been shown in Miscellaneous Services but will be allocated to Services. There are shown at Appendix 4.

The Pension Section costs that were previously charged to Central Support and subsequently recharged to the Pension Fund are now charged direct to the Pension Fund.

Provision is made for Cosla's annual membership fee, with the intention that a further years notice of withdrawal is given, to allow further time for the Council to assess the costs/benefits of continuing membership.

The budget also reflects proposed savings of £0.730m (2.7%) including:-

- Savings of £0.300m from the re-negotiation of contracts for telephony and IT communications.
- Savings of £0.210m from a change in technology provision.
- Reduction of £0.020m within Human Resources from no longer producing paper payslips.

4.7.19 **Trading Account**

After providing for pay and general inflation the Building Maintenance Trading account is budgeted to make a surplus of £0.539m

4.8 Falkirk Community Trust

4.8.1 Overview

4.8.2 The Funding Agreement between the Council and Falkirk Community Trust ("the Trust") requires that the Trust submit, on an annual basis, a draft Business Plan for the following financial year for approval by the Council.

4.8.3 There is provision in the Funding Agreement between the Council and the Trust for the parties to have an initial dialogue in relation to the options in the draft Business Plans prior to final approval. The Council may request further information from the Trust and propose amendments in relation to the Trust's funding commitment and service specification. The Trust will consider these requests and options and may, as a result of this process, adjust the Business Plans.

4.8.4 The Trust timeously submitted its draft Business Plans and Budget options and these were considered by Council at its meeting on 19 December 2016. These options reflected a revised 3 year strategy involving more intense community engagement which sits along side the Council's wider Community Empowerment agenda. Recognising that this strategy would take time to implement there would be a consequential skewing of the Trust's savings options towards 2018/19 and subsequent years.

4.8.5 In the event Members did ask the Trust to identify further savings to a value of £0.200m in 2017/18 which did not involve facilities closure. The Trust Board has considered this Council feedback and agreed additional savings to this value from employee related costs, reprofiling repairs and maintenance and carbon capture charges.

4.8.6 In addition, the Trust's options reflect the decision of Council at its meeting on 19 December to request that the Trust remain as the Council's tenant of Woodlands Games Hall until a lease with Woodlands Community Sports Limited ("WCS") has been concluded. Council agreed that the lease option for WCS remain available until 31 March 2018. It was originally anticipated that the Trust would remove from occupation and not incur any additional costs for Woodlands Games Hall on or around the beginning of the 2017/18 financial year. However, the extension to 31 March 2018 means that the Trust will incur running costs for an additional period. Accordingly, the Trust is not in a position to make the £22,000 saving originally proposed in their draft Business Plan considered by members on 19 December.

- 4.8.7 The proposed revenue payment to the Community Trust for 2017/18 would therefore be as follows:

	<u>£'000</u>	<u>£'000</u>
Base Payment		12,353
Less: Original Savings Options:-		
Income Generation	428	
Community Engagement/Transfer	47	
Efficiencies	117	
Service Reductions	378	
Application of Reserves	100	1,070
		<hr/> 11,283
Less: Additional Savings (para 4.8.5)		200
Add: Woodlands (para 4.8.6)		<hr/> 22
Provisional Community Trust Service Payment 2017/18		<hr/> 11,105*

* Subject to final Council considerations per Section 4.3

- 4.8.8 The Policy Development Panel established by the Executive to review the Trust reported on its improvement plan on 27 September 2016. Since then, the Board of the Trust has considered the recommendations of the Executive and has met with the Policy Development Panel and officers of the Council to agree the joint working arrangements to take forward the recommendations.
- 4.8.9 A revised Business Plan and attendant documents have been submitted by the Trust and these are presented in annexes 1 to 9. These include the Helix Business Plan Strategy and Capital Programme options.

4.9 **Integration Joint Board**

- 4.9.1 On 1 April 2016 the Integration Joint Board (IJB) assumed responsibility for the delivery of Adult Health and Social Care Services for all functions in the scope of the legislation. The 2016/17 budget set for Adult Social Care Services was determined by Falkirk Council, reflecting the embryonic nature of the new organisation, and accepted by the Integration Joint Board following a process of due diligence.
- 4.9.2 In order to set an appropriate budget for 2017/18, the IJB prepared a business case which was presented to a Special meeting of Falkirk Council on 19 December 2016 (ref Annex A). The business case reflected the options for delivery of Adult Health and Social Care services as set out in their approved Strategic Plan for 2016-19.
- 4.9.3 The business case was prepared before the announcement of the Scottish Budget by the Scottish Government and as such, key variables such as the Local Government Settlement and Integration Funding were unknown. Whilst this information had been presented by Scottish Government on 15 December 2016, Council agreed to note the business case until more details were available.

4.9.4 The Scottish Budget settlement included the following provisions in respect of IJBs:

1. The £250m of Integration Funding provided in 2016/17 will be base-lined and enhanced by £107m in 2017/18, bringing total support to £357m. The main purpose of this funding is to continue to support the delivery of the living wage but also to address sleepovers, sustainability and removal of social care charges for those in receipt of war pensions.
2. Local Authorities were permitted to adjust their allocation to the IJBs in 2017/18 by up to their share of £80m below the level of budget agreed with their IJB for 2016/17.
3. NHS investment in IJBs for delegated health functions will be maintained at least at 2016/17 recurrent cash levels.

4.9.5 The aim of these measures was to ensure that the overall level of funding for social care was maintained at £8bn.

4.9.6 On 18 January the Scottish Government wrote to Local Authorities and Integration Authorities to confirm specific funding allocations.

	£'m
2016/17 Integration Funding (share of £250m)	7.080
2017/18 Integration Funding (share of £107m)	3.040
Total 2017/18 Integration Funding	10.120
Falkirk Council share of £80m restriction	2.270

4.9.7 The assumptions made in the IJB business plan have been revisited and updated. A summary of the revised position is shown below, along with the provisional payment to the IJB.

	£'m
Projected Adult Care net expenditure 2017/18	72.071
Less Savings Required	(2.000)
Net Budget	70.071
Funded by:	
Falkirk Council General Fund	58.410
Falkirk Council Housing (ring-fenced HRA tenants)	1.414
Falkirk Council Capital (private sector housing grants)	0.327
Integration Funding	9.920
Provisional Funding for IJB	70.071*

* Subject to final Council considerations per Section 4.3

4.9.8 The funding package from Falkirk Council requires savings of £2m by the IJB. The package of savings proposed by the IJB is included at Annex A.

- 4.9.9 The proposed saving requirement of £2m is below the options totalling £2.455m submitted by the IJB. As part of this more benign funding, the Council anticipates that the IJB will include Garden Aid in its wider public consultation and thus that service will continue during 2017/18.
- 4.9.10 The net funding by Falkirk Council in 2016/17 was £61.3m. The equivalent figure for 2017/18 is £60.2m, a reduction of £1.1m. This is well within the restriction of £2.270m set by the Scottish Government and more generous than the funding offered to other IJB's.
- 4.9.11 This proposal will be presented to the IJB for their consideration and review.

4.10 **Workforce**

- 4.10.1 As explained earlier in this report and given the revised budget figures, options to bridge the Budget gap have now been re-assessed. Members will be fully aware that workforce reductions can lead, in the majority of cases, to a reduction in service delivery. As a result, work has been done within the context of the revised Budget gap to re-assess those options which have an impact on workforce numbers. This is with the aim of protecting service delivery as far as possible.
- 4.10.2 This means that whilst the initial projections presented to Members in October 2016 could have resulted in a reduction of 228.2 FTE, the work done since that time will now see no jobs being reduced directly as a result of the actions which are required for the 2017/18 Budget.
- 4.10.3 Whilst this is very positive news for the Council's workforce, the Council must continue to plan for the projected savings which may be required in future years. As a result, officers will continue to use the following options to achieve any possible savings which could be used for future years:
- Deleting vacant posts where this is possible;
 - Ending temporary contracts where they are no longer required;
 - Offering voluntary severance where there are financial benefits to the Council.
- 4.10.4 This work will be done within the context of Services' workforce plans. This current position, if agreed by Members, also means that there will be no need this year to issue a formal statutory notice of potential compulsory redundancy to the Trade Unions.
- 4.10.5 Following consideration of the original options in October, all employees were given the opportunity to attend a briefing and/or discuss these options with their manager. Trade Unions were also briefed on the options. Correspondence will be issued to employees following the meeting of Council to advise employees of the decisions taken by Members on the Budget. A briefing has also been arranged for Trade Unions on 23 February 2017.

4.10.6 **Employee Terms & Conditions**

- 4.10.7 Members will be aware from previous reports that discussions with Trade Unions were being held on changes to employee terms and conditions. These discussions followed on from Council's decision in February 2016 which asked officers to continue negotiations with Trade Unions to achieve savings from terms and conditions.
- 4.10.8 Further to the update provided to the Executive in October, very detailed and complex discussions have continued and a substantially amended package of changes was presented to Trade Unions. The Council moved significantly on the content of the package being discussed, with the aim of trying to reach a package which the Trade Unions would support and undertake a ballot. There were a number of changes to the package which, while they were not ones which the Council would suggest, e.g., short term working, were ones which the Trade Unions believed to be necessary if they were to ballot.
- 4.10.9 For Members' information, equality and poverty impact assessments associated with any proposed changes have been undertaken and shared with Trade Unions. These are available to Members should they wish to view them.
- 4.10.10 As indicated to Members in December, Tripartite meetings involving both the Leader of the Council and the Leader of the Opposition were also held with the aim of reaching an agreement. The last Tripartite held on 21 December 2016 was positive and Unions were asked to advise the Council of their intended approach thereafter, including timescales for a ballot and what their likely recommendation would be.
- 4.10.11 Feedback has now been received from all Trade Unions and their position is as follows:
- The EIS and Unison have refused to ballot;
 - GMB, UCATT and Unite have agreed to ballot but with a recommendation to reject the package. They do not, however, consider it appropriate now to ballot given the position of Unison and the EIS.
- 4.10.12 As a result of this feedback, Trade Unions will not be undertaking a ballot. Whilst, given the most recent developments regarding the Council's budgetary position for 2017/18, there is unlikely to be a need for the £1.5m of savings to be found for this year, Members may still wish to consider how the Council progresses discussions on terms and conditions. There are three main options on how the Council may wish to proceed with such changes.
- (a) **Continue with negotiations and consider an alternative package within a reasonable timescale to achieve implementation of savings for 2018/19. The package devised should present a modernised and sustainable set of conditions.** This option is likely to require consideration of a package previously presented to the Trade Unions which achieves c£1.5m of savings. This is unlikely to be agreed by Trade Unions. A copy of the Council's preferred package of changes to terms and conditions is attached as Appendix 5.

- (b) **Continue negotiations on an alternative package which addresses any equality or other such issues.** This option would require negotiations on a substantially reduced package of changes which does not achieve c£1.5m of savings, but is one which the Council considers to be essential to maintaining a fair package of conditions. For example, removal of the 35/37 hour protection, removal of contractual overtime, changes to payments for working public holidays, and any other areas where future equality issues may potentially arise based on equality impact assessments.

If either option (a) or (b) were to be agreed by Members, initial discussions will take place with all Trade Unions. The aim would be to reach an agreement on the changes within a reasonable timeframe and Members may wish to consider what this timeframe should be to enable implementation of changes in 2018/19. If this cannot be achieved, employees would be approached direct to seek their voluntary acceptance of the changes. It is likely that some employees will not be willing to accept such changes and imposition including a statutory notice of the change may be required. There is also a risk of Trade Unions considering strike action if this option is progressed.

- (c) **Agree that there will be no changes to terms and conditions pursued for savings within 2017/18 and/or 2018/19 other than the removal of the 35/37 hour protection arrangements.** This option addresses any employee and industrial relations issues which may arise from options (a) and (b). It does however, require the Council to accept that its current conditions are sustainable and will remain unchanged, and are the ones which the Council will implement, with no reduction in cost, at a time when savings are being made in other areas. It also retains conditions which some Trade Unions have previously highlighted as options for change. Given however, the potential equality issues in retaining the 35/37 hour protection, it is suggested that even if Members agree to no further changes to terms and conditions for this and the following financial year, this protection arrangement be brought to an end. Details of this protection arrangement were provided to Members in a briefing note issued on 16 December 2016. It is worth highlighting that Trade Unions have already been approached to assess whether they will sign a collective agreement on this change only, and have so far refused to do so. To implement this, employees will therefore be approached direct to assess whether they will voluntarily agree to this change. If they do not agree, imposition including a statutory notice of the change will be required. In approaching employees, they will be given the option to work 37 hours for the same pay, or to continue working 35 hours for reduced pay. Ad hoc feedback suggests that most employees currently receiving this protection are likely to work additional hours for the same pay and it is therefore likely that there will be very limited savings from this change being implemented, if any.

4.10.13 Members are asked to consider each of these options to determine the way forward for the Council. This decision will be shared with Trade Unions and appropriate actions will be taken to implement the decision.

4.10.14 Senior Management Arrangements

4.10.15 In recent months, a number of chief officers have either left or indicated their intention to leave the Council. Those officers are:

Susan Mathers	Depute Chief Finance Officer	Now left the Council
Jennifer Litts	Head of Housing	Now left the Council
Rose Mary Glackin	Chief Governance Officer	Leaving on 31.03.17
John Angell	Head of Planning & Transportation	Leaving on 19.05.17
Kathy McCarroll	Head of Social Work	Leaving on 06.08.17

4.10.16 Members may recall the changes made at chief officer level across the last 6 years, which have resulted in reductions in the number of chief officer posts from 29 down to the current 19 posts, resulting in savings of c£750k. In considering the replacement arrangements for the above officers, a sustainable senior management structure to support the operational management level and to drive forward change at a reasonable pace must be considered. Simultaneously however, consideration must also be given to the significant challenges being faced by the Council. As a result, detailed consideration has been given to the replacement arrangements for the resulting vacancies which both recognise the current and future financial position, and also aim to minimise any disruption to Services and employees.

4.10.17 It is proposed that the posts of Head of Social Work (which also undertakes the Chief Social Work Officer role for the Council and the IJB) and Chief Governance Officer are both filled. These posts undertake statutory officer roles in the Council and are not considered to be posts which the Council could delete. It is suggested that an Appointments Committee be called as soon as possible to enable an appointment to be made to the Head of Social Work post with a changed job title to that of Head of Social Work Children's Services. This adds clarity to the role and better distinguishes it from the Council's Head of Social Work Adult Services. It should be noted that deputising arrangements are already in place for this post within the SJC structure.

4.10.18 With regards to the Chief Governance Officer, there are currently two chief officer posts within the Governance division; this post and a chief officer level depute. To ensure consistency across the Council structure, and to take account of the need for the Council to continue to achieve savings, it is proposed that this be reduced to one chief officer post. If this is agreed, it is proposed that the Chief Governance Officer post be retained given the importance of this role to the Council, and given that the role has responsibility for the statutory function of Monitoring Officer for the Council. The Depute Chief Governance Officer post will, at chief officer level, if this is agreed, be deleted.

- 4.10.19 As the Depute Chief Governance Officer would be displaced from their post by this change, it could result in a redundancy situation unless suitable alternative employment was offered. As a result of such circumstances, it is proposed that the current post holder be slotted into the Chief Governance Officer role as alternative employment to his current post which is being deleted. This proposal is being made in recognition of the excellent skills and knowledge the current post holder has, as has been well demonstrated over the years he has undertaken the Depute role, which is well known. Appropriate arrangements will also be made within the SJC management structure below chief officer level to support the Chief Governance Officer and deputise for him, as required.
- 4.10.20 With regards to the Head of Planning & Transportation, this sits within Development Services which currently has 4 Heads of Service; 3 permanent and 1 temporary. Members may recall the agreement reached by Council in June 2015 that Development Services would retain these 4 posts to give the Service time to assume responsibility for a range of additional functions, and to make management arrangements which enable a reduction to 3 Heads of Service. This is now an appropriate point to action this reduction and the Director of Development Services is reviewing her management arrangements to enable this to happen when the Head of Planning & Transportation leaves the Council. Appropriate slotting and matching arrangements will be put in place for each Head of Service. Whilst one Head of Service is currently temporary, they have been undertaking a Head of Service role for some time. The reduction in Heads of Service from 4 to 3 will create a level of disruption to the Service and it is considered appropriate in this particular situation to slot the temporary Head of Service into the appropriate role. The individual has a high level of experience in the areas of work he may be responsible for. This approach will enable a level of stability within the Service in relation to the structure, at a time when other significant changes are taking place.
- 4.10.21 The other outstanding action from the report agreed by Members in 2015 is the review of the Finance division. When Members agreed the revised structure, they also agreed that a review of working arrangements in Finance should be undertaken to enable the vacant Depute Chief Finance Officer post at chief officer level to be deleted. Temporary arrangements were put in place in the interim to enable the review to take place. This review is now complete and the options below chief officer level enable the two chief officer Depute Chief Finance officer posts to be deleted (both are now vacant) and removed from the structure. This achieves further savings for the Council and brings the Finance chief officer structure into line with all other divisions across the Council. There will of course be appropriate SJC management arrangements put in place to support the Chief Finance Officer and deputise for him, as required.
- 4.10.22 With regards to the Head of Housing, temporary arrangements are currently in place for this post to be covered by the Head of Procurement & Housing Property, with support from other officers. These temporary arrangements will enable the Council to assess whether, in the medium term, these posts can be merged into a single post with the aim of bringing further savings to the Council whilst ensuring sustainable service delivery at this level. A review of these arrangements will be undertaken and a report will be brought back to Members with the outcomes of the review and a recommendation in respect of the Head of Service posts.

- 4.10.23 Members may also recall that the current Head of Social Work Adult Services post was advertised and the appointment made for a 2 year period. This commenced in January 2016 with the 2 year period concluding in January 2018. This post is still viewed as essential to the continued success of the delivery of Social Work Adult Services, but must be considered within the context of the review of management arrangements for the wider Health and Social Care Partnership. Work will therefore be undertaken along with the Health & Social Care Integration Chief Officer to review this post within this wider context.
- 4.10.24 As Members will note, under the above arrangements, there are a range of significant additional responsibilities and accountabilities being given to some officers who are on SJC grades. Given these levels of expectation and subject to the above being agreed, it is considered that the grades of these posts must be re-assessed in order to appropriately pay such officers, reflecting their responsibilities and accountabilities.
- 4.10.25 With this in mind, consideration has been given to how such posts are job evaluated. The Council's grading structure however, currently restricts these posts to the highest SJC grade of Grade N, currently £52,049 to £56,853. This is particularly the case for officers being asked to deputise for a statutory officer at chief officer level. With this in mind, it is proposed that a Grade O be created, with a salary range of £57,740 to £63,122. This grade range is still below that paid to Heads of Service. It recognises the additional responsibilities and accountabilities depute statutory officers paid on SJC grades will be required to undertake, whilst still being a more affordable option than the current arrangement of having, in some cases, chief officers undertake such work. The actual cost of creating this new grade is minimal with the difference between the top of Grade N and the bottom of the new Grade O being £887. Savings will also be achieved from the deletion of chief officer posts, as outlined above, which will offset any such costs. Any posts considered for Grade O will be deputies to statutory officer posts (i.e., deputies to the Chief Social Work Officer, Monitoring Officer and Chief Finance Officer), or posts considered to be of an equivalent level based on job evaluation. This change will also be considered as part of a review of the grading structure to ensure it remains fit for purpose and to assess options for the consolidation of the living wage into the pay structure.
- 4.10.26 These new options result in a further reduction in chief officer posts from 19 to 16. This will generate a further £140,000 in savings, excluding on-costs, once all changes have been implemented.

4.11 **External Funding**

- 4.11.1 As part of the budget process, Council are asked to consider funding allocated to external organisations. Council will be aware that this funding is monitored through the Scrutiny Committee and Following the Public Pound arrangements.

- 4.11.2 In 2016/17 the Council approved a budget of £4.4m to provide funding to external organisations. Of the £4.4m funding provided, c£0.6m was for Adult Services. Responsibility for funding decisions regarding these services has passed to the Integration Joint Board and was therefore not considered as part of the Council's external funding review. This left £3.8m to be considered.
- 4.11.3 Each year services are asked to identify potential savings in their funding to external organisations. Council agreed that for 2017/18 a strategic review would be undertaken to identify savings. A group of officers with representation from all services was therefore convened to review spend against all external organisations and develop options for savings. Monitoring officers were asked to engage with all organisations to advise them that savings would be sought and to undertake an initial Equality and Poverty Impact Assessment (EPIA). The purpose of the EPIA is not to assess the impact of savings on the organisation but on the people that the organisation delivers savings to.
- 4.11.4 Over the last five years most externally funded organisations have had some savings attributed to them. The approach for 2017/18 was to establish four priority categories for externally funded organisations as follows:
1. Critical and essential services – the sole provider of statutory services, i.e. they provide statutory services on behalf of the Council.
 2. Critical services that if withdrawn would cost the Council more to provide the equivalent.
 3. Essential services that contribute to early intervention and prevention.
 4. Valued service but not essential.
- 4.11.5 The proposed funding for external organisations is at Appendix 4. It is recognised that these decisions are difficult and that all services are valued by the recipients. However, the Council is unable to continue funding external organisations at prior year levels. A commitment remains to provide significant funding of £3.5m to external organisations in 2017/18.

4.12 **Council Tax**

- 4.12.1 Council will be aware that between 2007/08 and 2016/17 Council Tax was frozen with additional funding being provided by Scottish Government each year. This is not the case for 2017/18 and there are 3 factors impacting on the 2017/18 council tax yield that have not applied before, or in recent years:
- Implementation of the 100% levy on long-term empty homes, approved by Executive in September 2016
 - Change to the 'multipliers' for Band E-H properties introduced by the Scottish Government resulting in higher charges for most households in these bands
 - Option to increase council tax by up to 3%.
- 4.12.2 The levy on long-term empty homes will realise an estimated net yield of c.£200k and is included in the list of savings at Appendix 2.

- 4.12.3 The impact of the change to the multipliers for Band E-H properties ranges from an increase of £98.08 per annum for a Band E property up to £481.50 per annum for a Band H. All households affected by this have been notified and those households on low income (less than £321 per week for single adults and less than £479 per week for couples/families) have been invited to apply for protection from this increase. The change to the multipliers for Band E-H will see a net increase in council tax yield of £2.2m.
- 4.12.4 Taking the factors referenced in 4.12.2 and 4.12.3 into account, along with forecast growth in tax base the projected yield for 2017/18 is £57.919m.
- 4.12.5 At a meeting of Council on 19 December Members provisionally agreed to raise council tax by 3% which would increase the projected yield to £59.657m. However, following amendments to the Revenue Support Grant as noted earlier in the report, Council now requires to reconsider this decision. A table showing the impact of all potential increases, at 0.5% increments, is shown below for information:

Increase (%age)	2016/17 forecast Out-turn (£,000s)	2017/18 forecast growth in taxbase (£,000s)	Net income from Band E-H changes (£,000s)	Empty Levy (£,000s)	Income generated by increase (£,000s)	2017/18 estimated yield (£,000s)
0.0%	55,163	356	2,200	200	0	57,919
0.5%	55,163	356	2,200	200	290	58,209
1.0%	55,163	356	2,200	200	579	58,498
1.5%	55,163	356	2,200	200	869	58,788
2.0%	55,163	356	2,200	200	1,158	59,077
2.5%	55,163	356	2,200	200	1,448	59,367
3.0%	55,163	356	2,200	200	1,738	59,657

- 4.12.6 Households already in receipt of Council Tax Reduction will be protected from the increased Band E-H charges and any further increase that Council approves.
- 4.12.7 It should be noted that this Council currently has one of the lowest council tax rates in Scotland. The gap relative to other Councils will increase if it is decided not to increase the council tax.

- 4.12.8 The charge for each band, based on the two options set out above is shown in the following table:

Band	No. of chargeable dwellings	%age of dwellings in each band	Ratio to Band D	Annual Council Tax No Increase	Annual Council Tax 3% Increase
A	21,288	29.4%	240/360	£713.33	£734.67
B	18,904	26.2%	280/360	£832.22	£857.11
C	6,630	9.2%	320/360	£951.11	£979.56
D	8,705	12.1%	360/360	£1,070.00	£1,102.00
E	8,610	11.9%	473/360	£1,405.86	£1,447.91
F	5,305	7.4%	585/360	£1,738.75	£1,790.75
G	2,650	3.7%	705/360	£2,095.42	£2,158.08
H	64	0.1%	882/360	£2,621.50	£2,699.90
Total	72,156	100.0%			

5. Consultation

- 5.1 As set out in section 4.6 of this report.

6. Implications

Financial

- 6.1 Preparation of a balanced Budget and compliance with it thereafter is a cornerstone of the Council's corporate governance obligations.

Resources

- 6.2 There are significant resources required to prepare the Budget and the ultimate Budget decisions will of themselves impact on resources.

Legal

- 6.3 No legal implications arise from the report recommendations, other than to note that it is a legal requirement to set a balanced Budget before the statutory deadline date in March (albeit it is not invalid merely because it is set on or after that date).

Risk

- 6.4 There are no particular risk implications arising from this report.

Equalities

- 6.5 Preparation of Equality & Poverty Impact Assessments (EPIAs) are an integral part of the Budget process.

Sustainability/Environmental Impact

- 6.6 No immediate sustainability or environmental impact arises from any of the savings options referred to in this report”.

7. Conclusions

- 7.1 The financial planning landscape changed materially with the Scottish Government’s announcement that Councils could in fact retain the extra council tax revenue attributable to the banding charge, and more significantly and recently, with the extra grant agreed by the Scottish Parliament. This has inevitably reshaped the Budget profile for 2017/18, allowing scope for investment in services seen as a priority, relative to what had been anticipated and indeed planned for.
- 7.2 It is worth highlighting the success and effectiveness of the cross party Member Budget Working Group during its many meetings over the course of this Budget round and its ability in a challenging and fast changing environment to reach commendable consensus.
- 7.3 Council now has the opportunity to increase the Council Tax (by up to 3%) for the first time in almost a decade. It is recognised that there are a range of considerations that Council will want to have regard to in evaluating this new flexibility. One such factor is that this Council currently has one of the lowest council tax rates in Scotland. This gap relative to other councils will compound if they elect to increase their rate whilst this Council does not.
- 7.4 To the extent Council wishes to harness the extra spending potential outlined at section 4.3, officers have provided strong advice on factors Members should have regard to.
- 7.5 The Workforce section of the report reflected the revised financial landscape noting that no jobs would now be directly reduced as part of these Budget options. Council is presented with options for progressing employee Terms & Conditions and for revised senior management arrangements.
- 7.6 The medium term financial picture remains very challenging and it cannot be anticipated that the relatively benign basis of the 2017/18 Budget will be repeated in the subsequent years. Work will continue with developing our medium and long-term planning, to help inform Member decision-making.
- 7.7 This challenging financial scenario, allied with the expectation of continuing public sector reform and change, demands that the Council of the Future agenda is driven forward both by Members and Officers and with vigour and urgency.

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Date: 14 February 2017

Appendices

As per Contents page to Budget Booklet

List of Background Papers:

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- Budget Working Paper files.

Appendices to Revenue Budget Report

FALKIRK COUNCILSUMMARY OF REVENUE BUDGET 2017/18

		<u>Option 1</u> <u>No Council Tax</u> <u>Increase</u>	<u>Option 2</u> <u>3% Council Tax</u> <u>Increase</u>
	<u>2016/17</u> <u>Budget</u> <u>at Outturn</u> <u>Prices</u> <u>£'000</u>	<u>2017/18</u> <u>Budget</u> <u>at Outturn</u> <u>Prices</u> <u>£'000</u>	<u>2017/18</u> <u>Budget</u> <u>at Outturn</u> <u>Prices</u> <u>£'000</u>
<u>SERVICE</u>			
Children's Services	179,594	181,444	181,444
Social Work Adult Services	5,741	5,661	5,661
Development Services	29,345	27,897	27,897
Corporate & Housing Services	26,644	27,455	27,455
Provision for Budget Pressures	1,500	500	500
Provision for Budget Growth	-	469	2,207
Trading Accounts	(512)	(539)	(539)
Sub-Total	<u>242,312</u>	<u>242,887</u>	<u>244,625</u>
Falkirk Community Trust	11,934	11,105	11,105
Integration Joint Board	59,512	58,410	58,410
Joint Valuation Board	1,022	1,215	1,215
Capital Charges	<u>15,710</u>	<u>14,775</u>	<u>14,775</u>
Total Net Expenditure	<u>330,490</u>	<u>328,392</u>	<u>330,130</u>
Aggregate External Finance	273,337	266,173	266,173
Use of Reserves			
General Fund	1,450	3,300	3,300
Earmarked Reserves	750	-	-
Council Tax (see below)	<u>54,953</u>	<u>58,919</u>	<u>60,657</u>
Total Income	<u>330,490</u>	<u>328,392</u>	<u>330,130</u>
Estimated yield of £1 Council Tax	£51,358	£54,135	£54,135
Council Tax (Band D)	£1,070	£1,070	£1,102
Product	54,953	57,919	59,657
Council Tax Rebasing	<u>54,953</u>	<u>58,919</u>	<u>60,657</u>

2017/18 Children's Services Budget

Service - Objective Analysis

	2016/17 Budget Outturn Prices £	2017/18 Budget September 2016 Prices £	2017/18 Budget Outturn Prices £
Primary Education	57,889,400	57,581,490	58,505,570
Secondary Education	76,077,360	75,701,480	76,900,370
Special Education	12,337,090	12,210,180	12,438,040
Early Years	8,481,120	8,250,450	8,365,000
Psychological	781,680	743,580	754,630
Community Learning & Dev	2,926,930	2,878,380	2,921,970
Community Halls	456,470	457,900	463,980
Children & Families	20,764,220	20,809,150	21,243,160
Catering & Cleaning	(120,290)	(155,390)	(148,400)
NET EXPENDITURE	179,593,980	178,477,220	181,444,320

2017/18 Children's Services Budget

Service - Subjective Analysis

	2016/17 Budget Outturn Prices £	2017/18 Budget September 2016 Prices £	2017/18 Budget Outturn Prices £
<u>EMPLOYEE EXPENSES</u>			
SJC Employees	42,810,900	43,046,190	43,694,070
Teachers	78,583,640	79,133,640	80,309,700
Pension/Termination Costs	200,900	200,900	200,900
Indirect Employee Expenses	1,172,220	1,149,700	1,149,700
Total Employee Expenses	122,767,660	123,530,430	125,354,370
<u>PROPERTY EXPENSES</u>			
Repairs and Maintenance	1,484,110	1,484,110	1,506,340
Maintenance of Grounds	6,540	6,540	6,540
Grnds Maint Internal Recharges	107,560	107,560	109,170
Energy Costs	3,252,670	3,147,260	3,174,670
Rents	245,030	245,030	247,450
Rates / Council Tax	5,397,450	5,397,450	5,559,050
Water Services	500,550	500,550	505,670
Fixtures and Fittings	91,320	91,320	91,320
Expenses of Operational Bldgs	5,500	5,500	5,500
Cleaning & Domestic Supplies	3,072,460	3,072,460	3,134,750
Property Insurance	229,730	214,010	214,010
Total Property Expenses	14,392,920	14,271,790	14,554,470
<u>TRANSPORT EXPENSES</u>			
Direct Transport Costs	92,500	92,500	92,500
Transport Recharges	129,000	129,000	131,930
Transport Insurance	520	520	530
Transportation Costs	3,630,530	3,630,530	3,684,990
Total Transport Expenses	3,852,550	3,852,550	3,909,950
<u>SUPPLIES & SERVICES</u>			
Equip, Furniture and Materials	820,300	779,300	779,300
Training Materials	36,340	36,340	36,340
Services	807,080	834,390	846,550
Catering	7,454,270	7,304,270	7,468,550
Clothing, Uniforms & Laundry	43,910	43,910	43,910
Printing, Staty & Gen Off Exps	133,090	133,090	133,840
Client Amenities	16,590	16,590	16,590
Communications & Computing	530,910	469,390	472,350
Contribution to Funds	10,000	10,000	10,000
Schools Per Capita	1,396,220	1,396,220	1,396,220
Miscellaneous Supplies	872,210	872,210	872,210
Total Supplies & Services	12,120,920	11,895,710	12,075,860

2017/18 Children's Services Budget

Service - Subjective Analysis

	2016/17 Budget Outturn Prices £	2017/18 Budget September 2016 Prices £	2017/18 Budget Outturn Prices £
<u>THIRD PARTY PAYMENTS</u>			
Health Authorities	462,040	462,040	462,040
Internal Recharges	(487,610)	(487,610)	(487,610)
Other Local Authorities	747,400	747,400	769,820
Other Agencies	14,490,640	14,490,640	14,810,310
Payments to Voluntary Orgs	626,500	626,500	639,030
Grants to Voluntary Orgs	3,000	3,000	3,000
DSS Transfer Projects	32,250	32,250	32,250
Falkirk Schools Project	13,709,680	13,623,680	13,768,600
Community Schools Project	11,600,240	10,675,240	10,907,250
Total Third Party Payments	41,184,140	40,173,140	40,904,690
<u>TRANSFER PAYMENTS</u>			
Payments to Pupils/Students	872,630	872,630	885,720
Payments Individuals	3,215,890	3,215,890	3,290,000
Total Transfer Payments	4,088,520	4,088,520	4,175,720
<u>SUPPORT SERVICES</u>			
Departmental Recharges	5,685,170	4,611,960	4,692,900
Total Support Services	5,685,170	4,611,960	4,692,900
TOTAL EXPENDITURE	204,091,880	202,424,100	205,667,960
<u>INCOME</u>			
Specific Government Grants	(14,000)	(14,000)	(14,000)
Other Government Grants	(4,914,000)	(5,476,260)	(5,523,960)
Other Grants, Reimburse & Conts	(390,000)	(390,000)	(390,000)
Customer and Client Receipts	(3,342,390)	(3,342,390)	(3,342,390)
Rents Received	(92,310)	(92,310)	(92,310)
Internal Recharges	(5,534,360)	(4,460,590)	(4,541,470)
Charges to Other Bodies	(1,245,530)	(1,245,530)	(1,252,980)
Catering Internal Trad Rechgs	(5,117,470)	(5,126,790)	(5,212,740)
Building Clean Int Trad Rechgs	(3,800,790)	(3,751,960)	(3,806,740)
Miscellaneous Income	(47,050)	(47,050)	(47,050)
Total Income	(24,497,900)	(23,946,880)	(24,223,640)
NET EXPENDITURE	179,593,980	178,477,220	181,444,320

CHILDREN'S SERVICES BUDGET 2017/18
Summary of Movements

£'000

2016/17 Budget 179,594

Add: Budget Changes

1.	<u>Employee Expenses</u>	
	Increased Pension Contribution	149
	Living Wage	86
	Demographics Growth/Carrongrange	550
	Other Changes	(23)
		<u>762</u>
2.	<u>Property Expenses</u>	
	CRC Energy Efficiency Scheme	(105)
	Other Changes	(16)
		<u>(121)</u>
3.	<u>Supplies & Services</u>	
	Savings (No 1) - Public Conveniences	(25)
	Savings (No 2) - Catering	(150)
	Savings (No 3) - CL&D Supplies & Services	(16)
	Savings (No CHS 3) - Contract Management & Negotiation of Telecoms & Infrastructure	(61)
	Other Changes	27
		<u>(225)</u>
4.	<u>Third Party Payments</u>	
	Falkirk Schools Project	(71)
	Savings (No 4) - Community Lets	(15)
	Savings (No 5) - NPDO Review of Contractual Arrangements	(750)
	Savings (No 6) - NPDO Review of Contractual Arrangements Insurance	(175)
		<u>(1,011)</u>
5.	<u>Support Services</u>	
	Departmental Recharges	(1,074)
	Procurement Team Recharge	1
		<u>(1,073)</u>
6.	<u>Income</u>	
	Departmental Recharges	1,074
	Government Funding	(550)
	Other Changes	27
		<u>551</u>

2017/18 Base Budget at September Prices 178,477

Add: Inflation 2,967

2017/18 Budget at Outturn Prices 181,444

CHILDREN'S SERVICES

REVIEW OF FEES AND CHARGES 2017/18

	<u>Current</u> <u>2016/17</u>	<u>Proposed</u> <u>2017/18</u>
<u>SCHOOL MEALS</u>		
It is proposed that school meals and breakfast club charges will be maintained at current levels.		
.		
<u>Breakfast Clubs</u>		
Breakfast (full rate)	1.45	1.45
Breakfast (reduced rate)	0.75	0.75
<u>Nursery Schools</u>		
2 Course Meal	1.85	1.85
<u>Primary Schools</u>		
Meal Tray Options	2.05	2.05
<u>Secondary Schools</u>		
Meal Deal Options	2.05	2.05
2 Course Meal	2.55	2.55
Adult Meals (inclusive of VAT)	4.20	4.20

CHILDCARE PLACES

It is proposed that charges will be maintained at current levels:

Children(Under 2 Years of Age)	£4.80 per hour	£4.80 per hour
Children (Aged 2 Years & upwards)	£3.75 per hour	£3.75 per hour

MUSIC TUITION – ANNUAL FEES (39 Weeks)

Standard Charge	£156.00	£156.00
Concession Charge	£ 60.45	£ 60.45
SQA Music Exam Tuition (S4-S6)	£ Free	£ Free

SCHOOL & COMMUNITY LETS

It is proposed that charges will be maintained at current levels.

OTHER FEES & CHARGES

It is proposed that charges will be maintained at current levels.

2017/18 Social Work Adult Services Budget

Sub Service - Objective Analysis

	2016/17 Budget Outturn Prices <hr/> £	2017/18 Budget September 2016 Prices <hr/> £	2017/18 Budget Outturn Prices <hr/> £
Operational Support	877,380	717,180	732,640
Administration Services	538,250	538,250	545,240
SW Property & Fleet	1,303,030	1,275,490	1,292,540
SW Adult Out of Scope	3,022,010	3,073,760	3,090,900
NET EXPENDITURE	<hr/> 5,740,670 <hr/>	<hr/> 5,604,680 <hr/>	<hr/> 5,661,320 <hr/>

2017/18 Social Work Adult Services Budget

Sub Service - Subjective Analysis

	2016/17 Budget Outturn Prices £	2017/18 Budget September 2016 Prices £	2017/18 Budget Outturn Prices £
<u>EMPLOYEE EXPENSES</u>			
SJC Employees	1,191,760	1,195,110	1,213,050
Indirect Employee Expenses	139,760	135,210	135,210
Total Employee Expenses	1,331,520	1,330,320	1,348,260
<u>PROPERTY EXPENSES</u>			
Repairs and Maintenance	461,290	461,290	466,720
Grnds Maint Internal Recharges	3,710	3,710	3,760
Energy Costs	384,780	370,240	373,290
Rents	103,150	103,150	103,430
Rates / Council Tax	117,370	117,370	120,710
Water Services	74,120	74,120	74,980
Fixtures and Fittings	25,900	25,900	25,900
Expenses of Operational Bldgs	790	790	790
Cleaning & Domestic Supplies	214,070	214,070	218,000
Property Insurance	27,110	26,360	26,360
Total Property Expenses	1,412,290	1,397,000	1,413,940
<u>TRANSPORT EXPENSES</u>			
Direct Transport Costs	1,500	1,500	1,540
Transport Recharges	297,080	284,080	291,140
Total Transport Expenses	298,580	285,580	292,680
<u>SUPPLIES & SERVICES</u>			
Equip, Furniture and Materials	21,930	21,930	21,930
Training Materials	101,710	101,710	101,710
Services	224,480	210,690	213,690
Printing, Staty & Gen Off Exps	28,020	28,020	28,150
Communications & Computing	185,250	113,460	116,500
Contribution to Funds	45,000	45,000	45,000
Miscellaneous Supplies	117,110	92,630	92,630
Total Supplies & Services	723,500	613,440	619,610
<u>THIRD PARTY PAYMENTS</u>			
Internal Recharges	272,340	272,340	272,340
Other Agencies	1,471,420	1,471,420	1,471,420
Total Third Party Payments	1,743,760	1,743,760	1,743,760
<u>SUPPORT SERVICES</u>			
Departmental Recharges	562,980	566,540	575,030
Total Support Services	562,980	566,540	575,030
TOTAL EXPENDITURE	6,072,630	5,936,640	5,993,280

2017/18 Social Work Adult Services Budget

Sub Service - Subjective Analysis

	2016/17 Budget Outturn Prices <u>£</u>	2017/18 Budget September 2016 Prices <u>£</u>	2017/18 Budget Outturn Prices <u>£</u>
<u>INCOME</u>			
Internal Recharges	(278,960)	(278,960)	(278,960)
Charges to Other Bodies	(40,000)	(40,000)	(40,000)
Miscellaneous Income	(13,000)	(13,000)	(13,000)
Total Income	<u>(331,960)</u>	<u>(331,960)</u>	<u>(331,960)</u>
 NET EXPENDITURE	 <u>5,740,670</u>	 <u>5,604,680</u>	 <u>5,661,320</u>

SOCIAL WORK ADULT SERVICES BUDGET 2017/18
Summary of Movements

£' 000

2016/17 Budget 5,741

Add: Budget Changes

1	<u>Employee Expenses</u>		
	Other Movements		(1)

2	<u>Property Expenses</u>		
	CRC Energy Efficiency Scheme		(15)
	Other Movements		(1)
			(16)

3	<u>Transport Expenses</u>		
	Fuel		(13)
			(13)

4	<u>Supplies & Services</u>		
	Savings (No. CHS3) - Contract Management & Negotiation of Telecoms & Infrastructure		(96)
	Other Movements		(14)
			(110)

5	<u>Transfer Payments</u>		
	Other Movements		4
			4

2017/18 Base Budget at September Prices 5,605

Add: Inflation 56

2017/18 Budget at Outturn Prices 5,661

2017/18 Development Services Budget

Service - Objective Analysis

	2016/17 Budget Outturn Prices <u>£</u>	2017/18 Budget September 2016 Prices <u>£</u>	2017/18 Budget Outturn Prices <u>£</u>
Planning & Transportation	5,363,750	5,373,820	5,525,090
Roads & Design	8,483,030	6,605,360	6,753,650
Economic Dev & Environment	4,006,630	3,978,890	4,092,580
Operational Services	11,491,950	11,266,890	11,525,540
NET EXPENDITURE	<u>29,345,360</u>	<u>27,224,960</u>	<u>27,896,860</u>

2017/18 Development Services Budget

Service - Subjective Analysis

	2016/17 Budget Outturn Prices £	2017/18 Budget September 2016 Prices £	2017/18 Budget Outturn Prices £
<u>EMPLOYEE EXPENSES</u>			
SJC Employees	27,721,710	27,849,310	28,266,970
Indirect Employee Expenses	1,015,130	998,770	998,770
Total Employee Expenses	28,736,840	28,848,080	29,265,740
<u>PROPERTY EXPENSES</u>			
Repairs and Maintenance	633,910	633,910	643,380
Maintenance of Grounds	75,460	75,460	76,590
Grnds Maint Internal Recharges	83,800	83,800	85,030
Energy Costs	1,965,610	1,915,000	1,927,920
Rents	810,000	810,000	810,000
Rates / Council Tax	852,250	852,250	877,800
Water Services	78,010	78,010	78,790
Fixtures and Fittings	12,410	12,410	12,410
Expenses of Operational Bldgs	11,010	11,010	11,010
Cleaning & Domestic Supplies	201,280	201,280	205,330
Property Insurance	259,350	270,710	270,710
Other Property Expenses	100,800	100,800	100,800
Total Property Expenses	5,083,890	5,044,640	5,099,770
<u>TRANSPORT EXPENSES</u>			
Direct Transport Costs	4,573,280	4,453,280	4,573,140
Transport Recharges	3,402,590	3,330,590	3,412,650
Transport Insurance	373,130	380,570	381,320
Transportation Costs	9,960	9,960	9,960
Total Transport Expenses	8,358,960	8,174,400	8,377,070
<u>SUPPLIES & SERVICES</u>			
Equip, Furniture and Materials	2,751,440	2,761,440	2,815,370
Services	958,270	985,080	986,040
Catering	5,570	5,570	5,570
Clothing, Uniforms & Laundry	79,910	79,910	79,910
Printing, Staty & Gen Off Exps	287,830	287,830	290,360
Communications & Computing	430,330	370,640	373,180
Contribution to Funds	20,000	20,000	20,000
Miscellaneous Supplies	1,755,100	1,755,100	1,783,490
Total Supplies & Services	6,288,450	6,265,570	6,353,920
<u>THIRD PARTY PAYMENTS</u>			
Internal Recharges	28,870	28,870	28,870
Other Local Authorities	141,220	141,220	141,220
Private Contractors	6,034,090	5,802,400	5,959,190
Other Agencies	4,143,540	4,143,540	4,187,250
Internal Trading Organisations	1,107,730	1,107,730	1,140,970
Payments to STA Sub-Cons	675,760	675,760	675,760
Total Third Party Payments	12,131,210	11,899,520	12,133,260

2017/18 Development Services Budget

Service - Subjective Analysis

	2016/17 Budget Outturn Prices £	2017/18 Budget September 2016 Prices £	2017/18 Budget Outturn Prices £
<u>SUPPORT SERVICES</u>			
Departmental Recharges	2,721,170	2,734,920	2,752,890
Total Support Services	2,721,170	2,734,920	2,752,890
<u>CAPITAL COSTS</u>			
Operating Leasing Charges	482,540	482,540	482,540
Total Capital Costs	482,540	482,540	482,540
TOTAL EXPENDITURE	63,803,060	63,449,670	64,465,190
<u>INCOME</u>			
Other Government Grants	(1,300,210)	(1,300,210)	(1,300,210)
Insur Recoveries & Commission	(79,910)	(79,910)	(79,910)
Other Grants,Reimburse & Conts	(1,908,050)	(1,908,050)	(1,908,050)
Customer and Client Receipts	(5,317,410)	(5,282,410)	(5,282,410)
Rents Received	(3,873,670)	(3,873,670)	(3,873,670)
Internal Recharges	(13,197,060)	(13,199,070)	(13,339,230)
Charges to Other Bodies	(477,000)	(477,000)	(477,000)
Charges to Staff	(4,000)	(4,000)	(4,000)
Grnds Maint Int Trading Rechgs	(1,429,180)	(1,429,180)	(1,450,630)
Roads Internal Trad Rechgs	(6,209,630)	(8,009,630)	(8,191,640)
Miscellaneous Income	(661,580)	(661,580)	(661,580)
Total Income	(34,457,700)	(36,224,710)	(36,568,330)
NET EXPENDITURE	29,345,360	27,224,960	27,896,860

DEVELOPMENT SERVICES BUDGET 2017/18
Summary of Movements

£' 000

2016/17 Budget 29,345

Add: Budget Changes

1	<u>Employee Expenses</u>	
	Increased Pension Contribution	97
	Living Wage	15
	Other	(1)
		<u>111</u>
2	<u>Property Expenses</u>	
	CRC Energy Efficiency Scheme	(50)
	Other	11
		<u>(39)</u>
3	<u>Transport Expenses</u>	
	Fuel Recharge	(72)
	Fuel Costs	(120)
	Other	8
		<u>(184)</u>
4	<u>Supplies & Services</u>	
	Savings (No.CHS3) - Contract Management & Negotiation of Telecoms & Infrastructure	(60)
	Other	37
		<u>(23)</u>
5	<u>Third Party Payments</u>	
	Savings (No. 1) - 4 Weekly Cycle Green Bin Collection	(250)
	Other	19
		<u>(231)</u>
6	<u>Support Services</u>	
	Other	14
		<u>14</u>
7	<u>Income</u>	
	Savings (No. 2) - Capitalisation of Roads, Street Lighting and Bridges	(1,800)
	Recharge to capital	(63)
	Fuel Recharge Income	120
	Other	(25)
		<u>(1,768)</u>

2017/18 Base Budget at September Prices 27,225

Add: Inflation 672

2017/18 Budget at Outturn Prices 27,897

DEVELOPMENT SERVICES

FEES AND CHARGES

2017/2018

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DEVELOPMENT SERVICES FEES AND CHARGES 2017/2018		
ALL DIVISIONS OF DEVELOPMENT SERVICES		
Copying Charges		<u>Charge</u>
Paper Copies:	Copy Size	
Black & White	A4 & A3	10p
Colour	A4 & A3	30p
	A2	£4.39
	A1	£5.87
	A0	£8.72
Property Enquiry Fees		
Full Property Enquiry Planning, Building Standards, Environmental Health and Roads		£84 plus VAT
Road Only Property Enquiry / Adoption status		£20.00 plus VAT per road
Road adoption status plan		£20.00 plus VAT per road
Street Naming and Numbering		
		Per Property
Naming a New Street		£110
Allocation of New Name or Numbering of New Properties -		
1 Property		£44
2 – 5 Properties		£39
6 – 10 Properties		£33
11 – 25 Properties		£28
26 – 50 Properties		£22
51>		£17
Any renumbering after issuing notification		£110 per property renumbered

Building Warrant Applications:	See Falkirk Council website
Letter of Comfort - where no Building Warrant was issued for the works (including two inspections) plus an additional fee based on the estimated value of work	£190 plus fee
Letter of Comfort - where the Building Warrant for the works has expired (including two inspections)	£215
Letter of Comfort - Additional Inspections (if required)	£68
Letters of Comfort are considered where works have been carried out and completed prior to 1 May 2005. The fee includes the initial inspection and one subsequent visit, if required. Further inspections are charged at the above fee.	
Exempt Works Report from Building Standards	£90
Exempt Works Additional Site Visit - cost per visit	£68
Exempt Works Reports are available where works have been carried out and are works not requiring a warrant, but where the occupier wants to be satisfied that the works comply with the Regulations.	
Search Fee {Works related to Building (Scotland) Act}	£97 per hour
Copy Document Fee	£31 per document
Licensing Certificates – required by Licensing (Scotland) Act 2005 Section 50	£105
2017/2018 Charge	
Planning Applications (all types):	See Falkirk Council Website
Search Fee	£97 per hour
Copy of Certificate	£31 per Certificate
Advertising Fees	As appropriate
Licensing Certificates – required by Licensing (Scotland) Act 2005 Section 50	£105
Report on non-traditional housing types	£185.65

DEVELOPMENT SERVICES FEES AND CHARGES 2017/2018	
	2017/2018 Charge
Sale of Planning documents	Plus Postage and Packing
Falkirk Local Development Plan – Adopted Plan	£28.15
Core Paths Plan	£11.60
Ranger Events – Charges ranging from £3 to £7 per person	
	2017/2018 Charge
Supply of Transport Information (including traffic and other transport survey data)	Reproduction costs (see Page 2) *plus Postage and Packing
Supply of Local Transport Strategy Download from website	Free
Monitoring of Travel Plans	£30.60 per hour
Fee for carrying out Automatic Tube Count	£111 per day
Fee for carrying out Manual Classified Count	£7.50 per hour/per person
UNAUTHORISED SIGNS AND GOODS	
Lightweight Signs and Posters affixed to street furniture e.g. Housing Developer Flags, Estate Agents, Advertisements, posters etc	£12 per item – when collected as part of a group in the same area or route £57 – when single item requires collected
DISABLED PERSON'S PARKING BADGE	
New and Renewal Blue Badge Applications *Applicants qualifying for a Blue Badge by being in receipt of Armed Forces and Reserve Forces (Compensation) Scheme within tariff levels 1- 8 (inclusive) or by being in receipt of War Pensioner's Mobility Supplement are not required to pay the £20 charge	*£20
Issue of duplicate Blue Badge	£10

DEVELOPMENT SERVICES FEES AND CHARGES 2017/2018	
	2017/2018 Charge
Export Health Certificate	£35
Licensing Certificates – required by Licensing (Scotland) Act 2005, Section 50.	£105
Verification Certificate for Import of Organic Foods	£45
ANIMAL WELFARE LICENCES	
Animal Boarding Establishments Licence	£90 plus Vet's fee if required
Home Boarding Establishments Licence	£60 plus Vet's fee if required
Dog Breeding Establishments Licence	£90 plus Vet's fee if required
Performing Animals Registration	£90 plus Vet's fee if required
Pet Shop Licence	£90 plus Vet's fee if required
Zoo Licence	£180 plus Vet's fee if required
Dangerous Wild Animals Licence	£90 plus Vet's fee
Riding Establishments Licence	£90 plus Vet's fee
ENVIRONMENTAL HEALTH REPORTS	
Charge	
Visa Application – Housing Inspection and Report	£100
Contaminated Land Report (various types)	As per Fees Regulations under Environmental Information (Scotland) Regulations 2004
PEST CONTROL	
Prevention of Damage by Pests Act 1949	2017/2018 Charge per hour
Commercial	Initial Visit £61.00 Subsequent visits £30.50 (plus minimum £12.00 materials)
Charge per treatment	
Residential	Wasps £49.00 Insects £56.00 Vermin £55.00
Prices shown are inclusive of VAT	

DEVELOPMENT SERVICES FEES AND CHARGES 2017/2018				
		2017/2018 Charge		
A. Testing and Calibration of Weighing and Measuring Equipment (non UKAS calibration of weights) (VAT applies to these fees unless the work is done under the Measuring Instruments (EEC Requirements) Regulations 1988)				
Single Inspector of Weights & Measures		£60.00 per hour		
If appropriate, additional support staff will be charged at		£36.12 per hour		
Emergency, out-of-hours work and work carried out on public holidays		Hourly fee(s) multiplied by relevant overtime rate		
If additional costs are incurred (for example if it is necessary to hire in specialist equipment).		Additional charges will apply		
B. Hire of Equipment per day or part thereof		Hire Fees attract VAT		
Hire of Weights per tonne, per day or part thereof		£29 / tonne / day		
Hire of Bulk Liquid Reference meter equipment per day (excluding Stirling and Clackmannanshire Councils)		£135 per day or part thereof		
C. Explosives, Fireworks and Petroleum		These fees are prescribed and exempt from VAT		
Section D charges are set by the Health and Safety Executive or prescribed by Regulation.		1 year	2 year	3 years
Initial Registration of Premises for the keeping of explosives:		£109	£141	£173
Renewal of Registration of Premises for the keeping of explosives:		£54	£86	£120
Initial licence to store explosives		£185	£243	£304
Renewal of licence to store explosives:		£86	£147	£206
Fireworks (Safety) Regulations 2005 Licence to supply fireworks all year round		£500		
Licence to keep petroleum spirit of a quantity	not exceeding 2,500 litres	exceeding 2,500 but not exceeding 50,000 litres	over 50,000 litres	
	£44	£60	£125	

DEVELOPMENT SERVICES FEES AND CHARGES 2017/2018			
		2017/2018	
UNAUTHORISED SIGNS AND GOODS			
In accordance with The Roads (Scotland) Act 1984 Sections 59 and 100 the following charges are made for uplift of unauthorised goods and signs (VAT is not applicable)			
Type		Charge	
Lightweight Signs and Posters affixed to street furniture using ties, e.g. Housing Developer Flags, Estate Agents, Advertisements, posters etc		£12 per item – when collected as part of a group in the same area or route £57 – when single item requires collected	
Standard Signs affixed to street furniture using clamps or brackets, e.g. Housing Developer Signs at unauthorised locations		£29 per item – when collected as part of a group in the same area or route £57 – when single item requires collected	
Unauthorised display of goods		£57	
Unauthorised tables and chairs		£57	
Advertising boards (freestanding A-boards)		£57 each	
Estate Agents Signs (flag type)		£57 each	
ROADS PERMITS – issued under the Roads (Scotland) Act 1984			
Provision	Type of Permit	2017/2018 Fees	
Section 85	Skip occupying a public road	£30 per month	
Section 56	Footway Crossing (dropped kerbs)	£30	
	All other alteration or excavation in a public road	£150	
Section 61	All installations of private apparatus in public roads	£150	
Section 58	Road occupations per location	£80 per month	
Section 59	Tables and Chairs or Goods for Display on the public footpath	First application	Renewal of current permit
		£100 per year	£60 per year
The fees apply to permits for all activities carried out from 1 April 2010 onwards			
Supplementary charges for Roads Permits Late Application Fee Retrospective Charging *This may be substituted by a larger fine		All supplementary charges are set at £25 each	
ROAD MARKINGS			
Access Protection Marking		£55	
Access Protection Marking (remark existing)		£35	
VAT is not applicable on the above charges			

DEVELOPMENT SERVICES FEES AND CHARGES 2017/2018	
TRAFFIC REGULATION ORDERS / NEW ROADS AND STREET WORKS ACT 1991 (VAT is not applicable)	
Temporary Traffic Regulation Order application (Section 14 Road Traffic Regulation Act 1984)	£725
Temporary Traffic Regulation Order application (Section 16A Road Traffic Regulation Act 1984)	£725 (fee currently suspended pending review)
Temporary Traffic Lights application (where specific approval required)	£70
Temporary Traffic Lights extension to the above application	£35
Operational change to permanent traffic light (off/on)	£200
Operational change to pedestrian lights (off/on)	£200
Out of Hours uplift charge (50%)	£100

DEVELOPMENT SERVICES FEES AND CHARGES 2017/2018

PARKING CHARGES

Permitted Waiting (Short Stay)	Up to 1 Hour	Up to 2 Hours (Available only in limited locations)
Location	Charge	Charge
On Street	£2.30	£3.30
Permitted Waiting (Short Stay)	Up to 2 Hours	Up to 4 Hours
Location	Charge	Charge
Garrison Place (East) & (West)	£1.80	£2.00
Kemper Avenue	£1.30	£1.40
Meeks Road	£1.30	£1.40
Melville Street	£2.30	£4.10
Weir Street	£2.30	£4.10
West Bridge Street	£1.80	£2.00
Williamson Street	£2.30	£4.10

Permitted Waiting (Long Stay)	All Day	Week	4 Weeks	Annual Permit
Location	Charge	Charge	Charge	Charge
Garrison Place (West)	£2.80	£11.20	£39.00	£507
Garrison Place (East)	£2.80	£11.20	£39.00	N/A
Kemper Avenue	£1.80	£7.20	£25.00	£325
Meeks Road	£1.80	£7.20	£25.00	£325
West Bridge Street	£2.80	£11.20	£39.00	£507

- A 4 week or annual permit may be purchased by cash, cheque or credit/debit card at Abbotsford House, David's Loan, Falkirk.
- Purchasers of multiple annual permits will be eligible for a discount at the following rate:
 2-10 permits = 10% discount
 11 permits or more = 20% discount

Excess or Penalty Charge (Off-street)	<u>Full Charge</u>	Discounted sum up to 21 Days from the Date of Serving of the Charge Notice (When Applicable)
	£50.00	£35.00
The discount is not available for abuse of the disabled space or badge or for refusing or rejecting an Excess or Penalty Charge Notice		
Residents Parking Permit	One Year Charge	£60.00
Business Parking Permit	One Year Charge	£325.00

DEVELOPMENT SERVICES FEES AND CHARGES 2017/2018	
Commercial Waste Collection Charges per Annum for once per week Collection	
Container Size	Annual Charge from 1 April 2017
240 Litre container	£250.18
360 Litre container	£334.90
660 Litre container	£657.38
1100 Litre container	£872.62
Sacks per roll of 50	£82.83

Commercial Waste Collection Charges per Annum for Recycling Service for a once per week collection	
Container Size	Annual Charge from 1 April 2017
240 Litre container	£194.93
360 Litre container	£237.40
660 Litre container	£507.88
1100 Litre container	£628.87
1280 Litre container	£678.50
140 Litre container (Food)	£171.62
Labels per pack 25 Cardboard	£66.56
Commercial Glass to Recycling Points	£75.00
<p>Sizes are quoted as examples of containers. Customers will receive detailed information relating to their specific container size and frequency of collection.</p> <p>Prices shown are exclusive of VAT</p>	

Charities Waste Collection Charges per Annum
<p>Charities will be allowed the equivalent of a 240l residual and recycling bin once per week free of charge. Thereafter charities will be charged at the above rates.</p>

DEVELOPMENT SERVICES FEES AND CHARGES 2017/2018	
Household Waste Charge for new Developments for Containers including delivery to Household	
Container Size	Charge per bin from 1 April 2017
240 Litre container	£23.40
360 Litre container	£41.75
Food Caddy	£2.50
Black Box	£2.50
Prices shown are exclusive of VAT	

Small Trader Tipping Ticket Kinneil Kerse & Roughmote Household Waste Recycling Centres	
Mixed Waste	Charge per ticket from 1 April 2017
Rate per Small Trader Tipping Ticket	£110.00
Recyclable Waste	
Rate per Small Trader Tipping Ticket	£75.00
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 2017/18 from £84.40 per tonne to £86.10 per tonne	

Household Special Uplifts	
Waste type	Charge per uplift from 1 April 2017
Household	£15.00
This charge per uplift will be levied on households for all special uplifts	

DEVELOPMENT SERVICES FEES AND CHARGES 2017/2018	
Contaminated bin collections / additional collections	
Container size	Charge per bin from 1 April 2017
240 Litre container	£15.00
360 Litre container	£15.00
660 Litre container	£50.00
1100 Litre container	£50.00
These charges are inclusive of VAT	

Additional Brown Bin Collection Per Annum	
Container size	Charge per bin from 1 April 2017
240 Litre container	£50.00
This charge is inclusive of VAT	

MOT's & Hackney Tests	
Hackney	Charge from 1 April 2017
Hackney Test	£65.50
Hackney Re-test inc MOT	£32.75
MOT retest not in Hackney Test	£27.40
Hackney Re-test not inc MOT	£5.50
Subsequent Re-tests	£65.50
Non-arrival/same day cancellation	£65.50
Cancelled with up to 24 hrs notice	£43.00
Cancelled with up to 48 hrs notice	£32.75
Meter resets and calibration	£14.00
Public – Charges are set by VOSA	
Class IV cars	£54.85
Class IV private passenger vehicles & Ambulances 9-12 Passengers	£57.30
Class VII – Goods vehicles Over 3000 kg up to 3500 kg	£58.60
Duplicate MOT certificates	£10.00
All charges are outwith the scope of VAT	

DEVELOPMENT SERVICES FEES AND CHARGES 2017/2018	
Falkirk Crematorium	
	2017/2018 Charge
	Effective from 1 October 2017
Cremation – Adult (resident) with music	£728.00
Saturday Cremation – Adult (resident) with music	£875.00
Cremation – Adult (non –resident) with music	£1,084.00
All charges are exempt from VAT	

	Without Music	With Music
Crematorium (Residents) (VAT not applicable)		
Adult (19 years +)	£638.00	£728.00
Saturday Cremations (9.00am – 11.30am)	£768.00	£875.00
Child (0 to 18 years)	No Charge	No Charge
Stillborn Child	No Charge	No Charge
Crematorium (Non-Residents) (VAT not applicable)		
Adult (19 years +)	£920.00	£1084.00
Child (0 to 18 years)	No Charge	No Charge
Stillborn Child	No Charge	No Charge
Optional Services (VAT not applicable)		
Disposal of Ashes from another Crematorium	£109.00	-
Clergyman where appointed by Crematorium Authority	By Arrangement	
Temporary Disposal of Ashes (VAT not applicable)		
First Month	No Charge	
Thereafter per month or part of month (max. period 3 months)	£42.00	
Urn or Scatter Tube	By Arrangement	
Wooden Casket	By Arrangement	
Certified Extract Register of Cremation	£22.00	
Search of Register	By Arrangement	
Inscription of Book of Remembrance (VAT @ 20%)		
2 lines	£97.00	
5 lines	£145.00	
8 lines	£199.00	
Crests	£52.00	
Memorial Cards (VAT @ 20%)		
2 line entry	£26.00	
5 line entry	£38.00	
8 line entry	£64.00	
Crests	£52.00	

DEVELOPMENT SERVICES FEES AND CHARGES 2017/2018	
Burial Grounds	
	2017/2018 Charge
	Effective from 1 April 2017
Interment fees – Adult (resident)	£489.00
Saturday Interment fees – Adult (resident)	£588.00
Interment fees – Adult (non-resident)	£719.00
Saturday Interment fees – Adult (non-resident)	£862.00
Saturday Interment fees – (resident) cremated remains	£161.00
Saturday Interment fees – (non-resident) cremated remains	£235.00
Lair Purchase (resident)	£539.00
Lair Purchase (non-resident)	£789.00
Genealogy/Lair Search per hour	£33.00
All charges are outwith the scope of VAT	

DEVELOPMENT SERVICES FEES AND CHARGES 2017/2018	
Lairs Residents (VAT not applicable)	
Lair	£539.00
Half Lair	£302.00
Lairs Non Residents (VAT not applicable)	
Lair	£789.00
Half Lair	£444.00
Interment Fees Residents for graves not more than 6' (2 normal adult interments) (VAT not applicable)	
Adult (19 years +)	£489.00
Saturday Interment (9.00am – 11.00am) Full Coffin	£588.00
Child (0 to 18 years)	No Charge
Stillborn Child	No Charge
Burial of Cremated Remains	£132.00
Saturday Interment (9.00am – 11.00am) Cremated Remains	£161.00
Fees for Extra Depth for each additional Interment beyond 6' (per foot)	£85.00
Interment Fees Non Residents for graves not more than 6' (2 normal adult interments) (Vat not applicable)	
Adult (19 years +)	£719.00
Saturday Interment (9.00am - 11.00am) Full Coffin	£862.00
Child (0 to 18 years)	No Charge
Stillborn Child	No Charge
Burial of Cremated Remains	£197.00
Saturday Interment (9.00am - 11.00am) Cremated Remains	£235.00
Fees for Extra Depth for each additional Interment beyond 6' (per foot)	£125.00
Other Charges (VAT not applicable)	
Transfer Certificate	£23.00
Duplicate Certificate	£23.00
Genealogy/ Lair Search Fee (at Director's Discretion) per hour	£33.00
Exhumation Fee	At Cost
Erecting Headstone (VAT @ 20%)	
Under 3 feet	£163.00
Under 3 feet (in preformed foundation)	£289.00
Max 5 feet (at directors discretion)	£208.00
Max 5 feet (in preformed foundation) (at directors discretion)	£373.00

2017/18 Corporate & Housing Services Budget

Service - Objective Analysis

	2016/17 Budget Outturn Prices <hr/> £	2017/18 Budget September 2016 Prices <hr/> £	2017/18 Budget Outturn Prices <hr/> £
General Fund Housing & Support	3,016,390	3,156,870	3,204,860
Miscellaneous Services	4,136,270	4,242,910	4,219,150
Central Support Services	19,491,320	19,689,280	20,030,760
NET EXPENDITURE	<hr/> 26,643,980 <hr/>	<hr/> 27,089,060 <hr/>	<hr/> 27,454,770 <hr/>

2017/18 Corporate & Housing Services Budget

Service - Subjective Analysis

	2016/17 Budget Outturn Prices £	2017/18 Budget September 2016 Prices £	2017/18 Budget Outturn Prices £
<u>EMPLOYEE EXPENSES</u>			
SJC Employees	26,626,410	26,326,310	26,721,180
Pension/Termination Costs	2,800,190	2,800,190	2,800,190
Indirect Employee Expenses	323,130	1,191,770	1,191,770
Total Employee Expenses	29,749,730	30,318,270	30,713,140
<u>PROPERTY EXPENSES</u>			
Repairs and Maintenance	195,210	195,210	198,280
Maintenance of Grounds	(226,000)	49,000	49,740
Grnds Maint Internal Recharges	383,700	383,700	389,450
Housing Repairs-Ext Contractor	550	550	570
Energy Costs	346,700	317,260	326,550
Rents	399,170	392,670	392,670
Rates / Council Tax	495,070	491,630	506,520
Water Services	77,760	77,760	78,560
Fixtures and Fittings	680	680	680
Cleaning & Domestic Supplies	215,540	215,540	219,880
Property Insurance	26,190	23,860	23,860
Other Property Expenses	33,470	33,470	33,470
Total Property Expenses	1,948,040	2,181,330	2,220,230
<u>TRANSPORT EXPENSES</u>			
Direct Transport Costs	6,640	6,640	6,640
Transport Recharges	36,840	36,840	37,710
Total Transport Expenses	43,480	43,480	44,350
<u>SUPPLIES & SERVICES</u>			
Equip, Furniture and Materials	400,660	399,160	399,160
Services	1,545,310	1,540,880	1,542,110
Catering	101,850	101,850	101,850
Clothing, Uniforms & Laundry	3,570	3,570	3,570
Printing, Staty & Gen Off Exps	216,440	198,340	199,670
Communications & Computing	1,039,070	882,670	886,750
Members Expenses	669,040	869,040	878,690
Contribution to Funds	407,120	407,120	407,120
Voids & Irrecoverables	12,680	12,680	13,140
Miscellaneous Supplies	1,086,460	1,366,780	1,366,780
Total Supplies & Services	5,482,200	5,782,090	5,798,840

2017/18 Corporate & Housing Services Budget

Service - Subjective Analysis

	2016/17 Budget Outturn Prices £	2017/18 Budget September 2016 Prices £	2017/18 Budget Outturn Prices £
<u>THIRD PARTY PAYMENTS</u>			
Joint Board	163,930	163,930	168,030
Internal Recharges	551,750	439,260	439,260
Private Contractors	50,000	50,000	50,000
Other Agencies	1,928,900	1,928,900	1,928,900
Repair/Improvement Grants	383,220	383,220	383,220
Scottish Welfare Fund	927,820	927,820	927,820
Payments to Voluntary Orgs	(22,460)	(413,460)	(413,460)
Grants to Voluntary Orgs	102,870	102,870	102,870
Total Third Party Payments	4,086,030	3,582,540	3,586,640
<u>TRANSFER PAYMENTS</u>			
Housing Benefits	47,499,170	46,553,170	48,230,330
Rent Allowances	(55,000)	(55,000)	(55,000)
Payments Individuals	4,150	4,150	4,210
Total Transfer Payments	47,448,320	46,502,320	48,179,540
<u>SUPPORT SERVICES</u>			
Central Support Recharges	97,020	0	0
Departmental Recharges	422,420	422,620	423,180
Total Support Services	519,440	422,620	423,180
<u>CAPITAL COSTS</u>			
Loans Fund	11,370	11,370	11,370
Total Capital Costs	11,370	11,370	11,370
TOTAL EXPENDITURE	89,288,610	88,844,020	90,977,290
<u>INCOME</u>			
Other Government Grants	(46,593,570)	(46,593,570)	(48,230,100)
Insur Recoveries & Commission	(42,200)	(42,200)	(42,200)
Customer and Client Receipts	(1,001,840)	(1,001,840)	(1,001,840)
Rents Received	(157,490)	(157,490)	(157,490)
Internal Recharges	(11,348,040)	(10,762,370)	(10,833,350)
Charges to Other Bodies	(544,440)	(544,440)	(544,440)
Charges to Staff	(2,180)	(2,180)	(2,180)
Income from Loans Advanced	(10,980)	(10,980)	(10,980)
Interest Received	(469,000)	(167,000)	(167,000)
Miscellaneous Income	(2,474,890)	(2,472,890)	(2,532,940)
Total Income	(62,644,630)	(61,754,960)	(63,522,520)
NET EXPENDITURE	26,643,980	27,089,060	27,454,770

CORPORATE & HOUSING SERVICES BUDGET 2017/18
Summary of Movements

£'000

2016/17 Budget 26,644

Add: Budget Changes

1	<u>Employee Expenses</u>	
	Apprenticeship Levy	874
	Transfer to Pensions Fund	(428)
	Increased Pension Contribution	105
	Living Wage	23
	Other Changes	(5)
		<u>569</u>
2	<u>Property Expenses</u>	
	Savings (No 4) - Changes in Technology Provision	(10)
	Garden Aid	275
	CRC Energy Efficiency Scheme	(30)
	Other Changes	(2)
		<u>233</u>
3	<u>Supplies & Services</u>	
	Savings (No 2) - Stop Issuing Paper Payslips	(20)
	Savings (No 4) - Changes in Technology Provision	(200)
	Savings (No 3) - Contract Management & Negotiation of Telecoms & Infrastructure	(73)
	HRA Guidance	250
	Local Governments Elections	200
	Community Council Elections	35
	Transfer to Pensions Fund	(94)
	Enterprise Subscription Allowance	193
	Others	9
		<u>300</u>
4	<u>Third Party Payments</u>	
	Hostels Grant Reduced Funding	(112)
	External Funding Savings	(388)
	Other Changes	(3)
		<u>(503)</u>
5	<u>Transfer Payments</u>	
	Discretionary Housing Payment - Funding to be confirmed	(946)
		<u>(946)</u>
6	<u>Support Services</u>	
	Transfer to Pensions Fund	(97)
		<u>(97)</u>

7	<u>Income</u>	
	IORB	302
	Transfer to Pensions Fund	613
	Others	<u>(26)</u>
		<u>889</u>
2017/18 Base Budget at September Prices		27,089
Add: Inflation		366
2017/18 Budget at Outturn Prices		<u>27,455</u>

CORPORATE & HOUSING SERVICES
REVIEW OF FEES AND CHARGES 2017/18

	<u>Current</u> <u>Charge</u>	<u>Proposed</u> <u>Charge</u>
<u>TAXI LICENCES</u>	£	£
Taxi Driver Application Fee	200	200
Taxi Driver Renewal Fee – 1 year	105	105
Taxi Driver Renewal Fee – 3 years	252	252
Taxi Operator Application Fee	240	240
Taxi Operator Renewal Fee – 1 year	130	130
Taxi Operator Renewal Fee – 3 years	312	312

TAXI FITTINGS

Required

New Set of Plates and Stickers when licence is issued	36	36
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Replacement or Additional Items

Window Stickers	1.60	1.60
Front Plate	6.50	6.50
Front Plate Fixing Kit	5.00	5.00
Back Plate	6.50	6.50
Back Plate Fixing Kit	7.00	7.00
Black Rivets	1.30	1.30
Plastic Clips and Key	1.60	1.60
No-Smoking Signs	2.10 each	2.10 each
ID Badge (new, renewal and replacement)	5.00	5.00
Magnetic Name Plate	5.00	5.00
Magnetic Door Panel Plate	7.50	7.50

REGISTRATION SERVICES

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

	<u>Current</u> <u>Charge</u>	<u>Proposed</u> <u>Charge</u>
	£	£
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 guests	50	50
Non-Refundable Deposits	100	100
Replacement ID or barrier access card	5	5

SMALL REPAIR HANDYPERSON SCHEME

<u>Description</u>	<u>Current Fee</u> <u>Per Hour</u>	<u>Proposed Fee</u> <u>Per Hour</u>
Handyperson Services – H&S jobs up to 1 hour (all tenures)	£26 plus materials	£26 plus materials
Small Repairs Services – Joiner, Electrical & Plumbing jobs up to 2 hours (owners)	£26 plus materials	£26 plus materials
Note: Minimum charge 1 hour	£26.00	£26.00

2017/18 Trading Accounts Budget

Service - Objective Analysis

	2016/17 Budget Outturn Prices <u>£</u>	2017/18 Budget September 2016 Prices <u>£</u>	2017/18 Budget Outturn Prices <u>£</u>
<u>STATUTORY TRADING ACCOUNTS</u>			
Operating Surpluses:-			
Building Maintenance	(512,400)	(557,500)	(538,760)
TOTAL OPERATING SURPLUSES	<u>(512,400)</u>	<u>(557,500)</u>	<u>(538,760)</u>

2017/18 Trading Accounts Budget

Service - Subjective Analysis

	2016/17 Budget Outturn Prices £	2017/18 Budget September 2016 Prices £	2017/18 Budget Outturn Prices £
<u>EMPLOYEE EXPENSES</u>			
SJC Employees	12,376,580	12,453,190	12,640,000
Indirect Employee Expenses	331,520	319,550	319,550
Total Employee Expenses	12,708,100	12,772,740	12,959,550
<u>PROPERTY EXPENSES</u>			
Repairs and Maintenance	43,380	43,380	44,030
Energy Costs	118,510	118,510	121,480
Rents	96,410	58,410	58,410
Rates / Council Tax	101,850	101,850	104,910
Water Services	17,440	17,440	17,610
Fixtures and Fittings	3,000	3,000	3,000
Cleaning & Domestic Supplies	41,670	41,670	42,490
Property Insurance	5,050	4,580	4,580
Total Property Expenses	427,310	388,840	396,510
<u>TRANSPORT EXPENSES</u>			
Direct Transport Costs	374,490	374,490	374,720
Transport Recharges	852,920	819,920	839,340
Transport Insurance	39,610	39,610	40,600
Total Transport Expenses	1,267,020	1,234,020	1,254,660
<u>SUPPLIES & SERVICES</u>			
Equip, Furniture and Materials	5,989,810	5,989,810	6,130,950
Services	32,910	72,340	72,340
Clothing, Uniforms & Laundry	33,900	33,900	33,900
Printing, Staty & Gen Off Exps	25,170	25,170	25,340
Communications & Computing	62,250	50,780	51,270
Miscellaneous Supplies	130,750	130,750	130,750
Total Supplies & Services	6,274,790	6,302,750	6,444,550
<u>THIRD PARTY PAYMENTS</u>			
Payments to STA Sub-Cons	5,421,400	5,351,670	5,436,750
Total Third Party Payments	5,421,400	5,351,670	5,436,750
<u>SUPPORT SERVICES</u>			
Central Support Recharges	747,070	748,960	753,670
Departmental Recharges	474,250	475,860	478,790
Total Support Services	1,221,320	1,224,820	1,232,460
<u>CAPITAL COSTS</u>			
Capital Charges to Services	281,970	281,970	281,970
Charges to Revenue	10,000	10,000	10,000
Total Capital Costs	291,970	291,970	291,970
TOTAL EXPENDITURE	27,611,910	27,566,810	28,016,450

2017/18 Trading Accounts Budget

Service - Subjective Analysis

	2016/17 Budget Outturn Prices <hr/> £	2017/18 Budget September 2016 Prices <hr/> £	2017/18 Budget Outturn Prices <hr/> £
<u>INCOME</u>			
Internal Recharges	(385,000)	(385,000)	(385,000)
Interest Received	10,000	10,000	10,000
Build Maint Int Trading Rechgs	(27,653,310)	(27,653,310)	(28,084,210)
Miscellaneous Income	(96,000)	(96,000)	(96,000)
Total Income	<hr/> (28,124,310)	<hr/> (28,124,310)	<hr/> (28,555,210)
 TOTAL OPERATING SURPLUS	 <hr/> (512,400)	 <hr/> (557,500)	 <hr/> (538,760)

APPENDIX 2

Summary of 2017/18 Proposed Savings Options

Childrens' Services

<u>No</u>	<u>Orig No</u>	<u>Description</u>	<u>2017/18 Savings £'000</u>	<u>FTE</u>	<u>EPIA IMPACT</u>
1	CS9	Public Toilets/APC's	25		Medium
2	CS15	P1-P3 School Meals Catering Service	150		None
3	CS25	CLD Supplies & Services	16		None
4	CS32	Community Lets	15		Low
5	CS43	NPDO Refinancing	750		None
6	CS44	NPDO School Insurance	175		None
			1,131	0.0	

Development Services

<u>No</u>	<u>Orig No</u>	<u>Description</u>	<u>2017/18 Savings £'000</u>	<u>FTE</u>	<u>EPIA IMPACT</u>
1	DV7	Four Weekly Cycle Collection	250		Low
2	DV18	Capitalising Work on Roads, Street Lighting & Bridges	1,800		None
			2,050	0.0	

Corporate & Housing Services

<u>No</u>	<u>Orig No</u>	<u>Description</u>	<u>2017/18 Savings £'000</u>	<u>FTE</u>	<u>EPIA IMPACT</u>
1	CHS006	Raising Property Levy for Council Tax	200		Low
2	CHS012	Stop Issuing Paper Payslips	20		Low
3	CHS016	Contract Management and Negotiation of Telecoms and Infrastructure	300		None
4	CHS021	Changes in Technology Provision	210		None
			730	0.0	

Overall Total

3,911	0
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Budget Options Considered by Executive in October 2016
And subsequently by Member Budget Working Group
EPIA Summary
2017/18

Note

- Initial means an initial assessment has been completed that indicates a full EPIA was not required.
- The initial impact is the impact prior to the identification of mitigating actions that reduce the impact. It is important therefore that mitigations are delivered.
- Some proposals were not taken to a full assessment as they had been rejected early in the budget process. No mitigations were therefore identified for those proposals.
- Workforce means an equalities impact assessment will be done for the workforce once staff identified to achieve savings. This assessment is focussed on the equality profile of the workforce.

CORPORATE AND HOUSING SERVICES

Budget Ref	Description	Saving £'000's	Initial EPIA rating without mitigation	EPIA rating with mitigation
CHS001	Staff savings-Policy, Technology & Improvement	91	Workforce	-
CHS002	Staff savings- Human Resources and Business Transformation	934	Workforce	-
CHS003	Staff savings – General Fund Housing	325	Workforce	-
CHS004	Staff savings - Finance	384	Workforce	-
CHS005	Staff savings – Governance	170	Workforce	-
CHS006	Phase in empty property levy for Council Tax	200	low	low
CHS007	CCTV - move to monitored only	75	low	low
CHS008	General Fund Housing – budget rebasing - Scottish Welfare Fund	84	Initial	-
CHS009	Consolidate OSS into a single office	151	Low	low (+Workforce)
CHS010	HR/Payroll system – removal of paper forms	34	Low	low (+workforce)
CHS011	Stop retrospective disclosure and PVG checks	27	Low	low (+workforce)
CHS012	HR/ Payroll System – stop issuing paper payslips	20	Low	low

Budget Ref	Description	Saving £'000's	Initial EPIA rating without mitigation	EPIA rating with mitigation
CHS013	Reduction in recruitment advertising support	8	Low	low (+workforce)
CHS014	Reduce Corporate Training Budget	10	Initial	-
CHS015	Reduce Call Handling in Contact Centre	143	Low	low (+workforce)
CHS016	Saving from contract management	300	Initial	-
CHS017	Reduce Fairer Falkirk Funding	76	Initial	-
CHS018	Registration property costs	15	Initial	-
CHS019	Reduced provision for staff training	8	Initial	-
CHS020	Remove provision for by- elections	15	Initial	-
Chs021	Technology provision - Replacement PC's and offsite ICT storage	210	Initial	-
	Total	3,280		

DEVELOPMENT SERVICES

Budget Ref	Description	Saving £'000's	Initial EPIA rating without mitigation	EPIA rating with mitigation
DV1	Review of pest control services	20	low	low (+workforce)
DV3	Reduce countryside ranger service	17	low	low (+workforce)
DV4	Reduce the opening hours at the household waste recycling centres	200	low	low (+workforce)
DV5	Increase charges for special uplifts	30	low	low
DV6	Ban vans from using the HWRC	200	low	low
DV7	Move to a 4 weekly residual waste collection	250	low	low
DV8	Reduce the school crossing patrols to national standards over 1 year	50	low	low (+workforce)
DV9	Reduction in support for economic development, growth and investment	30	low	low
DV10	Reduction of support for economic development, town centre management	17	low	low
DV12	Reduction in bus subsidies	352	Medium	-

Budget Ref	Description	Saving £'000's	Initial EPIA rating without mitigation	EPIA rating with mitigation
DV13	Reduction in employment and training services	205	Medium	-
DV14	Reduce shopmobility services from 6days/week to 4	10	Medium	low
DV15	Parking charges at Falkirk High Station	0	low	low
DV16	Reduce the number of new/replacement bus shelters	30	Initial	-
DV17	Parking charges at Falkirk Wheel car park	0	low	low
DV18	Capitalise roads, street lighting and bridges	1,800	Initial	-
DV19	Charge for a brown bin collection	433	low	low
DV20	Reduce activity of Community Safety Team	80	low	low
DV21	Waste charter compliant collection service	212	low	low
DV22	Parking charges at Larbert and Polmont stations	0	low	low
	Total	3,936		

CHILDRENS SERVICES

Budget Ref	Description	Saving £'000's	Initial EPIA rating without mitigation	EPIA rating with mitigation
CS1	PPP Contract	500	Initial	
CS2	Secondary Curricular Choices	45	workforce	Low
CS3	Secondary School management		workforce	Low
CS4	Home to school transport (p1 – P3 only)	62	Medium	Low
CS5	Home to school transport (secondary)	94	Medium	Low
CS6	Repairs and Maintenance budget (All properties)	175	Initial	-
CS8	Price Increases(school meals and childcare charges)	55	low	low
CS9	Public toilets/APCs	180	Medium	Medium
CS10	CL&D adult provision division	190	low (+workforce)	low (+workforce)
CS11	CLD Service: Youth Work	150	low (+workforce)	low (+workforce)
CS12	CLD Service	600	medium (+workforce)	medium (+workforce)
CS13	CLD Service: Park Street	16	low	low
CS15	P1-P3 school meals (catering service)	150	Initial	-
CS16	Children and families social work staff – reduce team	150	medium	LOW (+workforce)
CS17	School meals (special schools sector)	25	low	low
CS19	HQ staffing reductions - ASN outreach	180	low (+workforce)	low (+workforce)

Budget Ref	Description	Saving £'000's	Initial EPIA rating without mitigation	EPIA rating with mitigation
CS20	Schools per capita devolved budgets	35	Initial	-
CS21	HQ staff reductions – Curriculum support team	57	workforce	-
CS22	HQ staff reductions – probationer support team	30	workforce	-
CS25	CLD and halls supplies and services	16	Initial	-
CS27	Secondary schools - review of janitorial provision	28	workforce	-
CS28	SFLA's (Primary School) – alignment of core working week to primary teaching week	200	workforce	-
CS29	School rationalisation options	60	low	low
CS30	Review School management structures and management time	60	workforce	-
CS31	Review existing provision of school milk and meals	50	low	low
CS32	Community Lets	30	low	low
CS33	Music instructors	75	low (+workforce)	low (+workforce)
CS34	Primary school amalgamations/closure	0	low (+Workforce)	low (+workforce)
CS37-40	Childcare provision	85	low (+workforce)	low (+workforce)
CS41	Primary school library service	50	workforce	Low
CS42	Secondary school librarians	30	workforce	-
CS43	NPDO refinancing	750	Initial	-
CS44	NPDO Insurance	175	Initial	-
	Total	£4,303		
	Council Total	£11,519		

EXTERNAL FUNDING PROPOSALS

APPENDIX 4

Organisation	Service	16/17 Budget	Total proposed Saving 17/18	Proposed Budget 17/18
PRIORITY ONE - provides critical & essential services & are sole providers of statutory provision				
Cluaran - (Barnardos - Teachers)	Childrens Services	200,439		200,439
Speech and Language Therapy (NHS)	Childrens Services	465,040		465,040
Children's Rights: Quarriers	Childrens Services	86,200		86,200
Children's Rights: Who Cares Scotland	Childrens Services	27,970		27,970
PRIORITY ONE TOTAL		779,649	0	779,649
Funding for Barnados				
New Beginnings (Barnardos)	Childrens Services	182,724		
Cluaran (Barnardos)	Childrens Services	448,450		
Axis (Barnardos)	Childrens Services	105,405		
Bo'ness Family Centre (Barnardos)	Childrens Services	267,414		
Total Funding for Barnados		1,003,993	175,699	828,294
PRIORITY TWO - critical services that if withdrawn would cost the Council more to deliver.				
Signpost Time 4 Us Project *	Childrens Services	28,500	1,425	27,075
SACRO	Childrens Services	77,232	3,862	73,370
Signpost Time 4 Us Project *	C&HS	13,875	2,081	11,794
PRIORITY TWO TOTAL		119,607	7,368	112,239
PRIORITY THREE - essential services that contribute to early intervention & prevention.				
LGBT Youth Scotland	C&HS	30,000		30,000
Aberlour Trust - CLASP(Camelon & Larbert)	Childrens Services	267,888	40,183	227,705
Aberlour Trust - Langlees Family Centre	Childrens Services	186,837	28,026	158,811
One Parent Families Scotland - Braes Family Centre	Childrens Services	115,654	23,131	92,523
Home Start Denny *	Childrens Services	29,488	1,474	28,014
SACRO	C&HS	34,117	6,823	27,294
Action Group	FFF	85,621	17,124	68,497
Forth Valley Family Support	C&HS	14,450	2,890	11,560
Salvation Army	C&HS	9,133	1,827	7,306
G'mouth & Bo'ness CAB	FFF	38,153		38,153
G'mouth & Bo'ness CAB	C&HS	60,208		60,208
Denny & Dunipace CAB	FFF	38,299		38,299
Denny & Dunipace CAB	C&HS	54,512		54,512
Armed Forces Project - Denny CAB	C&HS	18,000		18,000
Falkirk CAB	FFF	77,048		77,048
Falkirk CAB	C&HS	91,444		91,444
MacMillam Money Matters	FFF	38,000	7,600	30,400
CVS Falkirk & District (Core) - See Adult services	C&HS	102,372	5,119	97,253
Community Councils	C&HS	10,380	1,557	8,823
Committed to Ending Abuse (Falkirk & District Women's Aid)	C&HS	132,413	26,483	105,930
Committed to Ending Abuse (Falkirk & District Women's Aid)	C&HS	87,340	17,468	69,872
Visit Scotland	Development Services	5,503	275	5,228
Falkirk Town Centre Management	Development Services	103,309	25,000	78,309
PRIORITY THREE TOTAL		1,630,169	204,980	1,425,189
PRIORITY FOUR - valued services but not essential				
Kersiebank Community Project	Childrens Services	9,120		9,120
Dennyloanhead Community Hall Ltd	Childrens Services	11,336		11,336
The Powerstation	Childrens Services	9,787		9,787
Westquarter & Redding	Childrens Services	9,150		9,150
Dobbie Hall Trust	Childrens Services	14,356		14,356
Worker Education Association	Childrens Services	29,708		29,708
Central Scotland Regional Equality Council	C&HS (PTI)	8,670		8,670
Central Scotland Fire and Rescue	C&HS	4,798		4,798
Falkirk Bid District - Taxi marshalling	C&HS	20,000		20,000
Gala Days	C&HS	12,000		12,000
Bo'ness Fair	C&HS	21,615		21,615
Young Scot	Childrens Services	7,097		7,097
CHAS (split equally between Education and Children and Families)	Childrens Services	19,142		19,142
Denny Community Support Group	Childrens Services	27,788		27,788
Community Grants Programme (Small grants)	C&HS	94,226		94,226
Falkirk Environment Trust	Development Services	23,587		23,587
PRIORITY FOUR TOTAL		322,380	0	322,380
		3,855,798	388,047	3,467,751

* Officers will review these organisations over the next six months with a view to reporting back to Members in the Autumn on future funding.

TERMS & CONDITIONS:

The following are options that would help achieve the c£1.5m savings from terms & conditions:

Condition	Current arrangements/Description	Total number of employees claimed	Current cost	PROPOSAL	POTENTIAL SAVINGS
Excess Travel allowance	Reimbursement of additional cost arising from a compulsory change in their place of work, establishment.	38	c£8k	Removal of Excess Travel. Employees would be responsible for any additional cost/outlay.	c£8k
Long Service Awards	Award for 25 and 40 years service.	Varies each year (133 for 2015)	c£51k	No long service award would be available	c£51k
Protection of Working hours	Protection of up to 2 hours for SJC employees previously contracted to 35 hour week.	1,361	c£1,428m	Removal of protection. Employees would be given option of reducing pay based on 35 hours or increase to 37 hours for no additional payment. Saving is based on c2.5% of workforce reducing hours. Further savings will be achieved in the longer term, as future recruitment/posts can be reviewed to take account of increased working hours available within teams.	c£35k
Relocation Expense	Reimbursement of expenses is available for costs incurred during the process of relocation. Up to £6,000 for relocation costs.	1	£6k	Removal of relocation expenses. New starts would be responsible for any relocation required.	£6k
Subsistence	Reimbursement of approved	145	c£11k	Removal of subsistence.	c£11k

Allowance	expenses incurred during work.			Employees would be responsible for all lunch/breakfast expenses.	
Annual leave holiday pay	Currently paid at 8.3% on all hours worked	4298	c£375k	Automatic reduction in cost if other allowances reduced.	Savings will be dependant on which conditions change
Telephone Allowance	Reimbursement of cost of telephone line at home.	2	c£290	All employees would require to use mobile phones.	c£290
Unsocial Hours allowance	An employee (not qualifying for the night shift rate) required to work hours between 8:00pm and 7:00am the following day shall be paid a supplement of one-fifth of the hourly rate (based on a 37 hour calculator) for all hours worked during that period.	960	c£280k	Removal of unsocial hours allowance. Employees would be paid basic rate for all hours worked.	c£280k
Annual Leave – reduction per day	Only relates to non teaching employees. Cost relates solely to posts that require replacement cover only.	c5000	c£120k	Remove one day from all employees' leave allocation Term Time Employees – currently 1798. Removing one days leave allocation would be a saving of c£63k. (<i>calc = hourly rate x weekly hours worked 5</i>)	c£120k
Overtime	Time worked in addition to the normal working hours for each week (37 hours), shall count as overtime. In the case of part time employees, only hours worked in excess of 37 hours for each job will be reckoned and paid as overtime.	1713	c£2,602m Contractual O/T: c£126k for 47 employees	Reduce the level of overtime worked in all Services All contractual overtime arrangements to be reviewed and removed where appropriate First 5 hours of overtime, each week, to be worked at plain	Gap in achieving the £1.5m to be managed by changes to overtime arrangements.

			<p>Non-contractual O/T: c£2,475m for 1666 employees</p> <p>+ 8.3% for annual leave as outlined above</p>	<p>time</p> <p>Reduce overtime from T1/2 to T1/3 for all hours worked. (note – some of these hours are contractual hours). (c£370k)</p> <p>Public holiday working: Overtime worked on public holidays paid at T1/2 with no day in lieu.</p> <p>Changes to working patterns to 5 over 7 to facilitate reduction in overtime.</p>	
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Falkirk Community Trust



Date: 7th February 2017
Tel. No: 01324 590902

Bryan Smail
Chief Finance Officer
Falkirk Council
Municipal Buildings
Falkirk FK1 5RS

Dear Bryan

Business Plan 2017/18

I attach for Council consideration the updated pack comprising our Business Plan and associated documents. The financial projections take account of the further reduction of £200,000 requested by the Council at their meeting on 19th December 2016.

The savings will be accommodated by adjustments to provision for employee related costs, carbon capture charges and further delays to repairs and maintenance.

Included in the pack is the Annual Action Plan that outlines the key projects, programmes and business activity that will be taken forward during the year. The Board approved this Plan at their meeting on 12th January and noted that it is ambitious and challenging especially in the context of the wider Business Plan approach that will also be progressed during the year.

Following discussion with Council Officers we note that the budget of £22k public subsidy for Woodlands Games Hall has been reinstated in our budget and no longer shown as a saving. The discussions with the Foundation will be taken forward on this basis. This means that the savings within the budget outline, including the use of Trust reserves, total £1.248m.

The other documents are unchanged from those submitted in November 2016. Should you require further information please do let me know.

Yours sincerely,



Maureen Campbell
Chief Executive

Briefing Note

Falkirk Community Trust

Subject: Falkirk Community Trust : Business Plan 2017/18 and Three Year Strategy
To: Falkirk Council
From: Maureen Campbell, Chief Executive
Date: 7 February 2017

1. Introduction

- 1.1 The Funding Agreement with the Council requires the Trust to submit its annual Business Plan 2017/18, to the Council by the 15th of November 2016, as a prerequisite for funding approval for the financial year 2017/18.
- 1.2 Given the current economic climate and its impact on Council funds, the Board has considered a longer term approach to this annual process that anticipates what actions need to be planned for and taken now to ensure the medium term financial viability of the organisation. The approach outlined in the papers attached has significant implications for the future delivery of culture and sport in the area.
- 1.3 This briefing paper outlines the Business Plan Approach for 2017/18 in the context of a 3 year strategy that will review methods of income generation, community engagement and asset transfer, efficiency savings and service reductions. While the level of savings identified fall short of the one year target requested by the Council, the reasons for this are outlined and it is intended that through a longer term 3 year approach, more significant change could be implemented in the following years.

2. Background

- 2.1 The Trust successfully achieved the required savings in each year of operation since our inception and have improved the overall performance as follows:
 - Increased customer income by 64% to £5.9m per annum
 - Trading business turned around from a loss of £250k to a surplus of £160k
 - Attracted a total of over £2.5m from external fundraising and grants
 - Increased the number of visits to our services by 66% or £1.5m
 - Customer Survey in 2016 shows that 86% of our customers are satisfied or highly satisfied and 99% would recommend us to others
- 2.2 Actions are currently in place to deliver the agreed 2016/17 savings this year of £1.352m. However the Council has advised of their intention to further reduce their annual funding allocation to the Trust by £1.8m in 2017/18. Such a funding reduction, given the significant scale of the previous reductions, will have a serious impact on the delivery of services. If savings on this scale were to be repeated over the following years there would be a requirement to dramatically reduce the number of facilities the Trust operates along with a consequent reduction in jobs.
- 2.3 The current delivery of culture and sport services in Falkirk faces an unprecedented level of funding reductions that put at risk the Trust's ability to contribute to jointly agreed objectives. In addition the reductions may impact on the long term health and well-being of the community and the achievement of the Strategic Community Plan Strategic Outcomes Local Delivery Plan (SOLD) and *Inspiring Active Lives*.

- 2.4 The Board considered the financial position and likely funding constraints at their meeting on the 27th of August and at a subsequent briefing meeting on the 22nd September. Decisions were taken at their meeting on 10th November which considered a route map for the future and the Board further considered the Action plan for 2017/18 at a special meeting on 12th January.
- 2.5 The Council has established a working group, including Trust representation, to undertake a strategic review of assets that includes both facilities leased to the Trust and those managed directly by the Council. Given the complex nature of such a review, it has taken some time to gather the baseline information, carry out analysis and make recommendations. The Trust understands that an update on the work to date will be presented to the Council in December 2016. This is beyond our timescale of the Business Plan. It is envisaged that there will be a need for consultation around the proposals and that the ability to generate savings is more likely to materialise in 2018. The proposals set out in the Business Plan Approach, described below take cognisance of this work.
- 2.6 The pack of papers attached are each summarised in the sections that follow. They set the scene in terms of where the Trust would like to be and the short term action that is considered necessary to begin the process of transformation while achieving a level of savings that assists the Council with its budget gap and allows time for the asset review referred to above to be completed.

3. Business Plan Approach 2017- 2020

- 3.1 Attached in Appendix 1 is the Draft Business Plan Approach 2017-2020. This paper describes at a high level the approach the Trust is proposing that will enable a transformational shift in the way that culture and sport is developed, managed and delivered in the Falkirk area. It requires full support and buy-in from existing stakeholders, supporters, groups and clubs. It is proposed to drive this forward through focussing facilities within three core groupings:

Community engagement / involvement

- Facilities that could be managed in partnership with community groups with a view to considering transferring them in part or whole over time.

Community infrastructure / need

- Facilities that are a core part of the community infrastructure that don't yet have an identifiable community support mechanism but make a significant contribution to meeting need.

Income Generation

- Facilities that have the potential to grow income to reduce subsidy while contributing to "Inspiring Active Lives" and the area's strategic objectives.

- 3.2 In seeking to engage the wider community through the community engagement and involvement strand the Trust will seek to demonstrate an appropriate sense of urgency to the groups that we would want to be working with. We will achieve this by strong communication of the messages, clear and honest engagement and reference to the frameworks set in Inspiring Active Lives and its associated delivery plans.
- 3.3 In parallel with the community engagement strand it is recognised that the Trust's resources and that of the community will need time to grow and develop. We have therefore identified a second strand that will maintain the existing infrastructure to allow time for new community interest and support to be created and for learning to be embedded more widely across the Trust.

- 3.4 To support the transition to wider community involvement we have identified a step change in our approach to income generation in our key business areas. We have shown that our skills and expertise in this area are progressing well and the achievements set out in 2.1 demonstrate this point effectively.
- 3.5 The implementation of this approach will take much time and effort from all involved. Gaining support from the Council as principal stakeholder will greatly influence the Trust's ability to succeed and so we seek their endorsement and buy in accordingly.

4. Savings Proposals 2017/18

- 4.1 Appendix 2 sets out proposals to achieve £1,148k of savings in 2017/18. These savings are largely attributable to continuing our drive for increased custom through generating more income and appealing to new customers. We have identified some savings as a result of transferring the management of a facility to others and have reluctantly proposed that two sections offering school and community facing activity be withdrawn. In reaching the latter recommendations the Management Team considered the impact of the service on our corporate objectives, the availability of similar services from other providers and the requirement to demonstrate to the Council a willingness to take difficult decisions that reflect the overall financial pressures. It is likely that the requirement to stop providing services directly will continue and the partnership approach being set out in Appendix 1 is intended to mitigate the impact for the community.
- 4.2 Taking all of the above into account the proposals contained within Appendix 2 outline a total of £1,148k of savings comprising the following:
 - Income generation and growth plans £428k
 - Community Engagement/transfer £25k
 - Securing efficiency savings £317k
 - Service reductions £378k
- 4.3 The proposals do not meet the budgetary target of £1.8m. Similarly, at this stage it is anticipated that redundancy costs of approximately £270k may be required.
- 4.4 However as described earlier, the 3 year strategy outlines a longer term approach that aims to return additional and higher levels of savings in each of the next two years, amounting to a greater annual reduction in the Trust's budget.

5. Fees and Charges

- 5.1 A review of charges is undertaken each year which has as its focus the generation of additional income, however it is important that customers perceive the services being delivered as representing good 'value for money'.
- 5.2 The general economic climate and increased levels of competition in the area are having an impact on Trust services and the temptation to respond by reducing our charges has previously been resisted in favour of improved promotion of our services to the local community the introduction of monthly discounted charges to families, regular customers and easier methods of payment by way of direct debit options.
- 5.3 The focus of the review of charges for 2017/18 has therefore been on the following items and Appendix 3 outlines further details of the specific key areas of review, which is designed to attract additional income of approximately £100k:
 - Appropriate inflationary increases being applied to charges, but only where it is felt appropriate to do so, to reduce the potential risk of a reduction in participation levels.

- Health and Fitness charges, in relation to our need to remain competitive within the marketplace.
- Expansion of the Trust's current Gift Voucher scheme beyond Arts activities to include all Trust services and products.
- Further review of the Town Hall charges as they remain lower than competitor charges.
- Review of the Polmonthill Snowsports Centre prices to ensure a fairer distribution of prices between skiing and snowboarding.
- The introduction of new prices for the planned Mariner Soft Play facility.
- Above inflationary increases being applied to charges for the Outdoor Activities programme, given the increased demand and quality of service being provided.

6. Equality and Poverty Impact Assessment

- 6.1 To comply with duties placed on Local Authorities under the Equality Act the Council has an equality impact assessment process which they have widened to include a poverty impact assessment. The Trust previously undertook this assessment as part of our budget savings plans and have done so again.
- 6.2 Each of the savings proposed in section 4 have been assessed to determine their impact level. This is an iterative process and for some budget saving proposals the full impact may not be currently understood until it is informed for example by employee consultation. In such cases the impact rating will be reviewed as the process is worked through.
- 6.3 Currently the impact assessment is summarised as follows:
 - Those with no impact represent £527k of the Trust's overall saving.
 - Those with a low impact represent £413k of the Trust's overall saving; a low impact rating requires minimal mitigating actions
 - Those with a medium impact represent £208k of the Trust's overall saving; a medium impact rating identified mitigating actions which will further inform the proposal and potentially reduce the level of impact.
- 6.4 The Impact Assessment Summary is attached as Appendix 4.

7. Helix Business Plan Strategy 2017-2020

- 7.1 The Council asks that we share our Business Plan for the Helix. The Plan has been reviewed and updated to reflect our learning from a full year of all facilities being open taking account of the feedback from customers, stakeholders and staff.
- 7.2 The vision and objectives with the delivery themes of People, Place and Enterprise that were created in the inception phase remain valid as we continue to move through the operational phases and into a period of consolidating in some areas, while allocating time to explore new opportunities that will attract new markets, develop training opportunities and possibly new revenue streams. The search for new income streams is a shared priority with the project partners.
- 7.3 2016/17 will be the first full year of operation and we see 2017/18 as a further period of development when we can really work on engaging more local people to visit more often and fully establishing the Helix and the Kelpies as a national and international tourism destination

8. Capital Proposals

- 8.1 The Council's capital programme allocation for funding the Trusts capital projects in 2017/18 is £520k. The Council has once again advised that only bids of "inescapable high priority" would be considered. Following review at the August meeting of the Trust's Audit and Performance Sub Group the following proposals are recommended:

Grangemouth Sports Complex	Improve Sauna area	£70k
Mariner	Improve Level 1 toilets	£10k
Bo'ness Town Hall	Refurbish electrical works	£11k
Grangemouth Town Hall	Replacement of fire alarm & refurbish electrical works	£41k
Falkirk Town Hall	Replacement seating	£142k
Bo'ness Recreation Centre	Pool filters refurbishment	£25k
Grangemouth Sports Complex	Pool filters & plant refurbishment	£46k
Mariner Centre	Roof refurbishment	£50k
Grangemouth Golf Course	Sprinkler system refurbishment	£20k
Callendar House	Improvements to external windows, doors & guttering	£40k
Grangemouth Stadium	Upgrade corridors for DDA compliance	£50k
Falkirk Town Hall	Replacement lighting deck	£15k
		<u>£520k</u>

- 8.2 Details of the rationale for the above proposals are outlined further in Appendix 6.

9. Financial Implications

- 9.1 The projected budget for 2017/18 is shown below. This reflects the proposed budget savings of £1,148k and a contribution from reserves of £370k. The allocation from reserves is made up of a contribution to the savings of £100k giving a total of £1.25m savings for 2017/18 and an allocation of £270k for redundancy costs. We are assuming that the approach being put forward will be acceptable to the Council and that significant savings will be generated in subsequent years.

	Budget 2016/17 £'000	Proposed Budget 2017/18 £'000
Employee Expenses	11,944	11,677
Property Expenses	2,331	2,300
Transport Expenses	209	176
Supplies & Services	3,674	3,613
Third Party Payments	314	353
Support Services	806	806
Capital Costs	<u>14</u>	<u>14</u>
Total Expenditure	19,292	18,939
Service Payment	11,934	11,105
Other Income	7,358	7,734
Contribution from reserves	-	100
Total Income	<u>19,292</u>	<u>18,939</u>
Net Expenditure	<u>0</u>	<u>0</u>

- 9.2 In the event that the Council continues to seek additional savings then the budget projections would need to be revisited to identify the desired amount. As has been stated elsewhere the scope for non-facility related savings is very limited. There is scope for facility related saving pending the outcome of the Council asset review. It is vital that we retain the ability to generate the income levels being proposed in the savings plan and to embrace the new approach being set out in section 3.

10 Human Resource Implications

- 10.1 Given the nature of Trust services, any reduction in service will significantly impact on its staffing levels. Staffing costs account for the majority of the Trust's total expenditure and it is inevitable that to achieve the savings required, staffing levels will have to be reduced.
- 10.2 However, any reduction in staffing levels will result in potential redundancy costs, which at this time are unable to be calculated precisely as such costs are dependent upon each individual member of staff's length of service, age and whether they are in the Falkirk Pension Fund or not. It will also be the Trust's intention to attempt to redeploy any staff member who may be at risk of redundancy. However the number of potential staff at risk is such that it will not be possible to redeploy the majority of those affected.
- 10.3 The Trust will therefore need to meet the costs of any redundancy payments. The Trust has no existing fund set aside to enable this to occur, so to meet such costs will result in the depletion of the Company reserves.
- 10.4 The senior staff structure will be affected by the decisions taken and there is expected to be a further financial saving from this element which at this time is unable to be quantified until certainty is provided on the proposed 3 year strategy. A number of vacancies are being held to support the implementation of the review.
- 10.5 Further work will be undertaken to ascertain the potential costs for the Human Resources implications of the 2017/18 savings proposals.
- 10.6 The Trust has a desire to begin a consultation process with employees and their associated Trade Unions on whether the current alignment to the Council's staff terms and conditions should be continued or if the time has come to consider an employee package that is more relevant to the Trust's business and that better meet the Trust's employees' expectations.
- 10.7 More specifically, discussions have been held with the Falkirk Pension Fund Advisor on the potential to retain the existing arrangements for current staff, but close the scheme to new employees, with a different scheme being put in place for new recruits. However, due to the time such a move would take to recover the additional short term costs incurred, this option is now considered not to be beneficial at this time.

11 Community Implications

- 11.1 The proposed new approach outlined in section 3 requires a different form and structure of community engagement. We are looking to establish mechanisms for joint collaboration. We are hoping that there will be people in the community who share our passion and commitment to culture and sport and will be willing to join us in developing this work. We are also aware that there will be many different "asks" on the wider community. We recognise that many people are already heavily involved in a range of volunteering roles and so we will endeavour to respect their existing demands and to draw in new support to augment the huge contribution already evident.

- 11.2 We plan to communicate effectively with the wider community about what support we are looking for, how they can get involved and to commit to ensure that they are not overburdened in the process.

12. Risk Implications

- 12.1 Where relevant, the appendices to the report identify a number of specific risks. A consideration of risk and review of the Risk Register is a component of preparing the Business Plan and will continue over the coming months.
- 12.2 In light of the Council's funding position risks associated with both revenue and capital funding for the Trust have previously been revised upwards to the highest level red risks reflecting the increased certainty of continued funding reduction.

13. Board Decisions

- 13.1 The Board considered the Business Plan at their meeting on 10th November and took the following decisions:
- a) Approved the draft Business Plan Approach 2017-2020;
 - b) Approved the various initiatives to tackle the reduction in funding in 2017/18 as outlined in Appendix 2;
 - c) Endorsed the approach to the fees and charges for 2017/18 as considered by the Audit and Performance Sub-Group as outlined in section 5;
 - d) Approved the Helix Business Plan for 2017/18 set out in Appendix 5;
 - e) Endorsed the capital proposals for 2017/18 as recommended by the Audit and Performance Sub Group as outlined in section 8;
 - f) Agreed to submit to the Council the appendices to this report to seek their agreement to our approach to the Business Plan for 2017/18 by 15th November 2016;
 - g) Agreed to hold a special meeting of the Board in January 2017 to consider the Council feedback and appropriate next steps.
- 13.2 Following discussion at a special meeting in January the Board authorised me to make the final submission to the Council.

14. Conclusions

- 14.1 The proposals outlined in this paper have been developed in recognition that the Council financial pressures are likely to be sustained over a considerable period of time and that coupled with the savings already delivered incremental reduction is no longer possible.
- 14.2 The new approach outlined in Appendix 1 has been developed to enable the Trust to work with the community to clarify what matters most in the fulfilment of culture and sport aspirations within the context that we envisage for the foreseeable future. We anticipate a need for new levels of community engagement and involvement in determining priorities and new ways of developing, managing and delivering all aspects of culture and sport. We have a small number of assets that contribute to the national and international profile of Falkirk as a destination and we have many more facilities and services that are integral to the daily quality of life and well-being in the area. This plan is designed to protect both as far as is practical.

- 14.3 We will require the Council and other stakeholders to support this journey of transformation. However in the meantime we have identified nearly £1.25m of savings that can be achieved in 2017/18. Careful consideration has been given to how best to achieve the savings and it is with great reluctance that the proposals to withdraw services have been brought forward. The proposals around income generation are as ambitious as before and have been made in recognition of the results to date and our awareness of what is still possible. The achievement of the income is entirely dependent on our ability, and that of the Council as landlord, to keep facilities open and operating in a manner that is appealing to customers.
- 14.4 We have a number of new developments planned for 2017 with a refreshed tea room in Callendar House, new library in Denny, soft play centre at the Mariner and improvements at Grangemouth Sports Complex and Grangemouth Stadium. These will enable us to retain our existing customers and to appeal to new ones. Our recent customer survey showed that our customer satisfaction is very high at 86% and 99% of them would recommend us to others. We now need to actively engage them in that task.
- 14.5 Our staff remains our key resource and we will support them through this period of change and uncertainty. There are a number of developments in hand that will assist in that regard. For those that face uncertainty we will keep them informed at every step and use the learning from our experiences of job loss last year to minimise the anxiety or stress where possible.
- 14.6 Finally the board have embraced the challenge of addressing the stringent financial pressures presented and have identified an appropriate response. Having initiated the approach we now need to step forward and lead the wider community engagement and drive to retain and grow the services that we and the community value so highly.
- 14.7 We will continue to work closely with the Council in relation to each of our respective processes to ensure a co-ordinated approach to the management and communication of the Trust's and the Council's plans for 2017/18 and beyond.



Maureen Campbell
Chief Executive

Appendices

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| Appendix 1 | Draft Three Year Approach 2017- 2020 |
| Appendix 2 | Savings Proposals 2017/18 |
| Appendix 3 | Fees and Charges 2017/18 |
| Appendix 4 | Equality and Poverty Impact Assessment |
| Appendix 5 | Draft Helix Business Plan Strategy 2017- 2020 |
| Appendix 6 | Capital Proposals 2017/18 |