

The background of the slide features the coat of arms of the Government of Nunavut. It is a shield divided into four quadrants. The top-left quadrant shows a yellow sun with rays. The top-right quadrant shows a white caribou head with large antlers. The bottom-left quadrant shows a white sailing ship on blue wavy lines representing water. The bottom-right quadrant shows a white eagle with spread wings perched on a branch. Above the shield is a crown with four white maple leaves. Below the shield is a white banner with the text "ANE FOR A'".

Agenda Item 12

Projected Financial Position 2021/22

Falkirk Council

Title: Projected Financial Position 2021/22
Meeting: Executive
Date: 19 October 2021
Submitted By: Director of Corporate & Housing Services

1. Purpose of Report

- 1.1 This report presents an update on the financial position of the Council for 2021/22. While the report reflects the current information available, the ongoing impact of COVID 19 continues to create a degree of certainty and circumstances may change during the course of the financial year.

2. Recommendations

2.1 Executive is invited to:

- (1) note the Council's projected year-end financial position for 2021/22;
- (2) note the position with respect to Reserves;
- (3) note the progress on the achievement of approved savings;
- (4) instruct Service Directors to continue to take appropriate actions to maintain their costs within the approved budget

3. Background

- 3.1 Following the Council's approved 2021/22 General Fund Revenue Budget in March 2021, Housing Revenue Account in January 2021 and the update report to Executive in August 2021, this report provides details of progress with meeting the budgeted financial targets.

4. Considerations

4.1 General Fund

- 4.1.1 Appendix 1 sets out both General Fund net expenditure by Service and how it is financed. Movements between budget and projected outturn are expressed in monetary and percentage terms.
- 4.1.2 Net expenditure at the 31 March 2022 is forecast to be £382m which is £2.807m (0.7%) below the resources available. There is a significant improvement of £10.125m from the last projection. The main reason is the

application of fiscal flexibilities in the current financial year, which displaces the application of COVID funding carried forward from the previous year. Further explanation is provided at paras 4.1.23-4.1.25.

- 4.1.3 Following on from Members instruction for Service Directors to take appropriate actions to maintain their costs within the approved budget, the projected service overspend has fallen by £2.2m and officers are continuing to look at measures to improve the financial position. The Chief Executive has reiterated to Service Directors that any overspends must be brought back into line with budget whilst delivering on agreed outcomes and priorities, consistent with the decisions of Council on 11 March and Executive on 24 August. Moreover, all Services should proactively explore their potential to reduce expenditure within 2021/22, and this would beneficially flow through to our reserves.
- 4.1.4 One of the most significant financial uncertainties, aside from COVID, remains the settlement of the pay award for 2021/22. If the recent NHS pay award of 4% was applied to all staff, including teachers, it will cost the Council c£11m, £5.5m more than budgeted. This has not been factored into the current projections.
- 4.1.5 A related is the recent UK Government announcement to increase national insurance contributions of 1.25% to be spent on health and social care. If this is not compensated by revenue consequentials, it will result in an increase of c£3m to the Council's budget gap in 2022/23.
- 4.1.6 The reasons for significant overall deviations from budget are described below for each Service. The projections have been based on discussions and information received from the Services.

Children's Services (under budget by £0.094m; 0.04%)

- 4.1.7 Overall Children's Services is marginally under budget, with a favourable movement of £0.562m from the August projection.

Education (under budget by £0.094m)

- 4.1.8 Currently the Service is projected to incur £1.9m of additional costs relating to COVID-19. This includes additional teaching and support staff, increased operational costs such as school transport and cleaning and anticipated loss of income. The projection also reflects anticipated unachieved savings of £1.2m, mostly carried over from the previous year. This has been offset by additional COVID resources built into the budget of £1.9m and grant funding received from the Scottish Government.
- 4.1.9 The associated teaching and support costs to meet the pupil numbers and class requirements for the new school term will be confirmed once the payroll has been processed for September, which is the first full month after the summer holidays. Once this position is clarified and aligned with the resources available, it is still expected that this projection will improve.

Children & Families (on budget)

- 4.1.10 Despite additional COVID pressures of c£1.3m, overall expenditure on childcare provision is projecting on budget. This remains an extremely volatile area with the need for placements to protect children unpredictable. Service delivery is also still impacted by COVID which has resulted in delayed placement movement for young people and limited ability to provide family support led to some children requiring to be looked after away from home. This projection still allows a provision of c£0.6m to help offset any pressures that may arise during the financial year.
- 4.1.11 Shifting the balance of care remains fundamental to the aims of the Closer to Home Strategy. Reducing the numbers of children looked after away from home and increased access to internal foster care rather than residential care are critical factors.

Place Services (under budget by £0.045m, 0.1%)

- 4.1.12 The Service is currently projected to be marginally under budget. The main pressure remains roads maintenance, which is projected to be c£1.6m more than budgeted. The overspend is largely due to higher material costs and the under achievement of anticipated savings. Waste collection and treatment is still projected to overspend by £1.2m due to changes in operating arrangements and an increase in household waste, both arising from COVID. Additional COVID resources of c£2m and other operational savings have helped to reduce the impact of these two budget pressures.
- 4.1.13 The Service are currently progressing a number of measures to determine the extent that the projected roads expenditure can be aligned with budget, including reviewing all purchase orders for materials over £1,000, evaluating whether works can be undertaken in-house rather than sub-contracting and the balance of in-house and sub-contracted works and ensuring appropriate charging of revenue and capital costs. Across the Service all staffing vacancies will be reviewed by the Senior Management Team.

Corporate & Housing Services (under budget by £0.144m; 0.4%)

- 4.1.14 Overall the Service is currently projecting below budget, an improvement of c£0.4 from the August position. The reclassification of IT spend on licences from capital to revenue, noted in the last Executive report, has resulted in additional costs of over £1m, however this is being offset by property savings and operational savings arising from staffing vacancies. The service will continue to review the financial position for the current year on an ongoing basis
- 4.1.15 COVID pressures includes the cost of protective equipment for the three Council Services and reduced income. This has been offset by the additional resources built in for COVID.

Integration Joint Board (On budget)

- 4.1.16 For 2021/22, a sum of £72.675m (£70.934m from the General Fund) was passed to the IJB. Total expenditure is expected to remain within budget and

a breakeven position is currently forecast for the year. However this position masks significant financial and operational service pressures within Home Care due to increased demand and complexity together with ongoing short staffing issues. As a result, the number of people currently waiting for packages of care is unprecedented and several external Providers are operating under business continuity measures or are handing back packages of care (which in turn impacts on the internal service). These pressures are largely being offset by fortuitous underspends in other service areas reflecting lower residential care costs, vacancies within the assessment and care planning team and non-recurring savings within respite and day care services.

Falkirk Community Trust (Under budget by £0.984m)

4.1.17 The COVID 19 pandemic has significantly impacted on the business of the Trust, including its income generating activities. This resulted in a service payment of £13.755m to the Trust following a detailed financial assessment of the ongoing impact of COVID on customer income in the current financial year.

4.1.18 Although customer income is projected to be lower than budget, particularly within Trading, there are promising signs of recovery as restrictions have eased. The last report to the Trust Board noted a projected surplus of £0.984m, which reduces the Council's expenditure to £12.771m. The position will continue to be monitored as the financial year progresses.

Capital Charges (Under budget by £9.100m 7.3%)

4.1.19 Applying fiscal flexibilities (capital receipts and the loans fund repayment holiday) in 2021/22 will result in one-off reduction in loan charges of £8.1m. Further detail is provided at paras 4.1.23-4.1.25.

4.1.20 Lower borrowing costs of £1m is due to a number of factors, including an ongoing review of treasury management activities resulting in the early repayment of debt, reduced borrowing costs flowing from slippage in the capital programme and lower interest charges.

General Revenue Grant (on budget)

4.1.21 Since the budget was approved in budget there has been additional funding of c£10.8m been confirmed, which is an increase of c£3m from the position reported to the Executive in August. This funding is largely ringfenced and matched by expenditure, the exception is the Council's share of £40m noted at para 4.1.22. The funding received is summarised in the table below.

Description	£'000	Comment
Additional Teachers and support staff	1,544	Funding to increase teacher numbers by 1,000 (Falkirk 31 teachers) and classroom assistants by 500 (Falkirk 16 assistants) as part of the Scottish Government's commitment to provide and 3,500 additional teachers and classroom assistants over the Parliamentary term.
School Curricular Charges	152	The funding has been provided to remove charges levied on children and young people in primary and secondary schools for participation in core curriculum subjects.
Instrumental Music Tuition	...104	Funding provided to abolish fees for instrumental music tuition
Self Isolation Assistance Service	127	Funding for an outbound call service for people who are self-isolating. The service helps to direct individuals to access additional support and advice.
School Child Payment Bridging Payments	821	Scottish Child Payments, worth £520 for each child in receipt of free school meals in both 2021 and 2022. For 2021, Covid hardship and family pandemic payments will count towards this payment and this funding will make up the difference.
Tenant Grant Fund	229	Funding to support those impacted by Covid and help sustain tenancies and prevent homelessness
Sub- Total	2,977	
Additional Funding per August Executive	7,784	
Overall Total	10,761	

4.1.22 As previously noted in the report to the August Executive, Falkirk received a share of additional revenue support grant of £40m, totalling £1.157m. This has been applied to cover the emerging budget pressures within Place Services.

Fiscal Flexibilities (Over budget by £7m, 100%)

4.1.23 Fiscal flexibilities are a temporary but significant relaxation of conventional accounting and public finance rules to help alleviate the impact of COVID-19 on council's finances. It was noted in financial report to the Executive in August that additional grants received in 2020/21 and carried forward would be used instead of applying fiscal flexibilities. However, officers would explore the ability to harness fiscal flexibilities (capital receipts and the loans fund repayment holiday) during 2021/22 but for future years.

4.1.24 The review has been undertaken and the proposed approach is to use the two fiscal flexibilities available in 2021/22 as originally planned and budgeted,

albeit in practice not needed in 2021/22. The consequences would be that the additional grant funding carried forward from 2020/21, and initially applied to cover fiscal flexibilities, will be displaced and used instead to offset ongoing COVID costs and protect service provision going forward in future years. Members should note that applying the grants in this manner will be a one-off injection of reserve funding. This means that the budget gaps will increase in the year after the grant is used if the corresponding costs are not reduced.

4.1.25 The current estimate for both capital receipts and the loans fund repayment holiday will be one-off a reduction in loan charges of £8.1m in the current financial year. A further consequence of using these fiscal flexibilities is that additional loan charges, estimated at £75k per annum, will arise if borrowing is used to replace the capital receipts, along with additional interest costs of £1.4m over a 20 year period to cover the loans fund holiday, an average of £73k per annum.

4.1.26 Members should also note that there are two other fiscal flexibilities. Further guidance and information on the revised accounting treatment of PPP/NPDO deals has recently been received. However, given that it is tied into a review of capital accounting it will be some time before the position is clarified. The other stream is the ability for councils to borrow for fund COVID pressures, which was available to English councils but only recently confirmed in August for Scottish councils. This flexibility though can only be used if a council was unable to balance their budget in 2021/22, which is not applicable to Falkirk, or probably any other council in Scotland.

4.2 Trading Account

4.2.1 The BMD's work programme continues to be disrupted by the COVID crisis with operating restrictions limiting the work undertaken. Current projections indicate a deficit of £0.5m, which has been absorbed within the Housing Revenue Account (see para. 4.6.1). However, with no surplus generated, this will result in a cost to the General Fund of c£0.5m

4.3 2021/22 Approved Savings

4.3.1 Services reported to the Council in August on the deliverability of savings for 2021/22. Although a couple of savings have moved to red, based on information received from each Service, there is no substantial change to the position that was previously reported. The status of savings is detailed at Appendix 2 and summarised in the table below.

Workstream	Red Savings £'000	Amber Savings £'000	Green Savings £'000	Total Savings £'000
Communities	-	420	1,458	1,878
Enterprise	-	-	372	372
Innovation	-	-	764	764
Business as Usual	175	30	1,818	2,023
Total	175	450	4,412	5,037

- 4.3.2 Contract savings (CHS4) will not be delivered due to increasing supply costs due to a combination of factors, primarily linked to COVID. Increasing costs of raw materials and labour costs, are all impacting on tender prices, reducing the scope for savings. The impact of COVID is also impacting on income (CS26) and the delivery of Additional Support for Learning saving (CS21) of £250k, creating increasing demands on service provision.
- 4.3.3 Work is ongoing to establish land ownership details to deliver additional income of £120k (DV60) from grounds maintenance operations, while income (DV61) from electric vehicle charges has been impacted by COVID with limited use and travel during lockdown. Negotiations are underway over changes to working patterns (DV66) which would potentially achieve savings of £50k.
- 4.3.4 In the August report to the Executive it was noted that £1.1m of savings in 2020/21 have not been achieved. There is no significant change to the position previously reported. The current status of these savings is noted at Appendix 3.

4.4 General Fund Reserves

- 4.4.1 After the application of the fiscal flexibilities and a reduction in projected service expenditure, Appendix 1 shows a projected balance of £10.622m as at March 2022. This is an increase of c£1.4m from the August position and c£2.8m better than originally planned. There are a number of factors that may come into play as the financial year unfolds, aside from COVID itself, in particular there is the ongoing uncertainty over the pay award for the current year and funding for the national insurance increase the following year.
- 4.4.2 Aside from the General Fund, there are a number of other reserves and earmarked funds. The balances carried forward are noted at Appendix 4 and information on some of the more significant balances is noted below.

4.4.3 Repairs and Renewals Fund

Strategic Property Review (£0.729m)

The Council is undertaking a comprehensive review of its property assets including its leased portfolio. This is anticipated to result in withdrawal from a number of existing properties with provision for investment in assets retained and dilapidations costs for buildings being vacated. There are anticipated costs of £0.335m, which will leave a balance of £0.394k.

Mobile & Flexible Working (£0.183m)

Funding was provided to help cover the additional revenue costs required to undertake the mobile and flexible working project. It is anticipated that £30k will be utilised to fund two modern apprentices.

Payroll (£0.200m)

A sum of £0.1m was earmarked to upgrade the payroll system and another £0.1m for the Business Intelligence project. It is anticipated the balances will be fully utilised in the current financial year.

ICT Posts (£0.250m)

A sum of £0.250m was earmarked to continue work on the Council's Digital Strategy. It is anticipated that £0.107m will be used in 2021/22.

Building Maintenance (£0.186m)

A Repairs & Renewals reserve of £0.350m was created from the 2019/20 BMD trading surplus. Of this balance £0.164m was spent on the improvements to the Inchyra Road Depot, Grangemouth as part of the BMD redesign phase 2 Council of the Future project. The remaining balance will be utilised in 2021/22.

4.4.4 Earmarked Reserves

Insurance Fund (£5.594m)

The Fund is actuarially valued every three years and this work is currently underway with a final report expected in the coming months. The 2021/22 budget included a contribution from the Insurance Fund of £0.9m. The projected fund balance has therefore reduced by this amount. The projected balance will be updated following the actuarial review and further monitoring of actual costs in 2021/22. Whilst uncertainties, particularly concerning the value and timing of any potential Abuse claims, remain, it is anticipated that the continuing level of Service contributions and Fund balance should be sufficient to meet any resultant costs over the next three years.

Devolved Schools Management (£2.328m)

The balance at the 31 March 2021 was £2.328m. c£2.1m was the year end carry forward balances held at individual schools for use by headteachers and has been credited back to the schools. A further £0.145m has been earmarked for access to school counsellors leaving a balance of £88k.

Economic Development Fund (£0.988m)

The fund has £0.662m for property maintenance and dilapidations works to the Council's industrial and commercial estate, £0.024m for business support/landscape Initiatives and a further £0.302m to provide for deferred rentals on commercial properties.

Central Energy Efficiency Fund (£0.555m)

This is a self-replenishing fund that allows energy efficiency works to be completed. Under the terms of the funding, energy savings generated are required to pay-back into the fund in order to maintain an ongoing balance for delivery of future projects. The service has a programme of energy efficiency works of £0.537m and an estimated pay-back of £0.182m. This will leave a balance of £0.200m.

Change Fund (£0.573m)

Members agreed, as part of the 2021/22 budget process, to earmark a further £1m to ensure that the programme of change projects agreed by Council

under Council of the Future could be successfully delivered. To date £1.265m of the total fund has been committed to projects with c£0.319m actual spend.

Revenue Grants (£9.035m)

The Revenue Grants reserve consists of the carry forward of grant funding not yet utilised. The largest of these are within Children's Services for the Pupil Equity Fund, which is allocated directly to schools, and the early years expansion programme to increase the provision of nursery hours from 600 to 1,140. This funding will be credited back to Services to appropriately match expenditure and will not affect the Council's overall position in 2021/22.

COVID-19 Reserves - (£14.670m)

Members will recall that a significant amount of funding relating to COVID was received very late in the financial year, leaving little opportunity for it to be used in 2020/21. As noted above £8.7m will now be carried forward to offset COVID budget pressures in future years. A further £4m of the funding is for education recovery, against which Children's Services have so far identified £1.6m of additional COVID costs. A balance of £2.4m remains to meet any further costs that arise within the Education Division during the current academic year. The ability to save some of this funding in 2021/22 is being explored with the Service.

Spend to Save (£1.141m)

This balance is earmarked to help cover the costs of voluntary severance reflected in the five year business plan. The actual cost to date of compensatory lump sums paid as a result of employees leaving through voluntary severance is c£0.313m. There is a further c£0.686m of applications pending within the system.

4.5 Workforce Changes

4.5.1 The Budget report presented in February noted the actions required to balance the budget would see reductions in the workforce but noted that the Council must continue to plan for savings required in future years. As a result, officers will continue to use the following options to achieve savings:-

- non-filling of vacancies where possible;
- a review of all temporary employees and agency workers, ending contracts where possible;
- any other options to achieve savings through voluntary means; and
- voluntary severance.

4.5.2 To date, progress with employees seeking redeployment and leaving through voluntary severance is as follows:-

	2017/18	2018/19	2019/20	2020/21	2021/22
Seeking Redeployment	9	13	21	12	14
Voluntary Severance	28	17	16	27	21

Overall, from August 2017 to August 2021, headcount and FTE have moved as follows:

	August	August	August	August	August
	2017	2018	2019	2020	2021
Headcount	7,002	7,035	7,155	7,354	7,576
FTE	5,905	5,928	6,025	6,185	6,361

It is important to note that whilst the overall workforce numbers have increased, these include new posts created through ring-fenced additional funding to support the expansion of early years, and new posts paid for through the Pupil Equity Fund (PEF).

4.6 Housing Revenue Account (HRA)

4.6.1 Overall, there is no significant change to the previously reported position the HRA spending of £68.173m (Appendix 5) is in line with anticipated resources. This absorbs the anticipated BMD deficit of £0.5m (see para. 4.2.1). This follows agreement between COSLA and Audit Scotland that even if works are not carried out, the relevant costs (primarily employee costs and overheads) can still be charged to the HRA. The figure for the HRA incorporates a payment of £1.414m to the IJB for in scope services e.g. garden aid and adaptation expenditure.

4.6.2 The anticipated reserve balance carried forward as at 31 March 2022 is £7.825m.

5. Consultation

5.1 There is no requirement to carry out a consultation based on the report proposals.

6. Implications

Financial

6.1 The financial implications are detailed within the report. The General Fund expenditure is £2.807m (0.7%) below the resources available as a result of applying fiscal flexibilities in the current financial year and reduced service expenditure. Based on current projections this allows £8.7m of COVID grant reserves address pressures in future years. The Housing Revenue Account is on budget.

Resources

- 6.2 There are no resource implications arising from the report recommendations.

Legal

- 6.3 There are no legal implications arising from the report recommendations.

Risk

- 6.4 The report has flagged significant risks to the financial stability of the Council, principally from the impact and ongoing uncertainty from COVID and also from the consequences of a pay award that could be significantly greater than budgeted.

Equalities

- 6.5 EPIAs, as appropriate, were carried out as part of the Budget process which led to these Budget figures.

Sustainability/Environmental Impact

- 6.6 A sustainability assessment was not required.

7. Conclusions

- 7.1 Aside from issues arising from COVID 19, the most immediate concern is settlement of the pay award which could put a significant additional strain on the Council's finances. The General Fund expenditure is £2.807m (0.7%) below the resources available. The projected General Fund balance for 2021/22 is £10.673m.
- 7.2 Spending within the Housing Revenue Account is in line with budget, leading to projected year-end reserves of £7.825m which will be deployed in a planned manner over time.

Director of Corporate & Housing

Authors –

Bryan Smail, Chief Finance Officer - 01324 506300
Danny Cairney, Senior Corporate Finance Officer – 01324 506388,
bryan.smail@falkirk.gov.uk
danny.cairney@falkirk.gov.uk

Date: 20 September 2021

APPENDICES

Appendix 1 – General Fund Projected Outturn Statement 2021/22

Appendix 2 - Savings Monitoring Statement 2021/22

Appendix 3 – Prior Year Unachieved Savings

Appendix 4 – Repairs & Renewals Fund and Other Earmarked Reserves

Appendix 5 – Housing Revenue Account Projected Outturn Statement 2021/22

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 Papers

FALKIRK COUNCIL
GENERAL FUND
PROJECTED REVENUE OUTTURN STATEMENT 2021/22

	Budget	Projected	(Fav)/ Adv		Previous
	£'000	Outturn	Variance		(Fav)/ Adv
		£'000	£'000	%	£'000
Childrens Services	226,377	226,283	(94)	(0.0)	468
Social Work - Adult Services	3,655	3,655	-	-	-
Place Services	30,020	31,183	1,163	3.9	1,203
Corporate & Housing Services	33,657	33,513	(144)	(0.4)	295
Trading Accounts	(511)	-	511	(100.0)	511
Sub - Total	293,198	294,634	1,436	0.5	2,477
Falkirk Community Trust	13,755	12,771	(984)	(7.2)	-
Valuation Board	1,424	1,424	-	-	-
Integration Joint Board	70,809	70,809	-	-	-
Capital Financing Costs	13,747	4,647	(9,100)	(66.2)	(1,000)
NET EXPENDITURE	392,933	384,285	(8,648)	(2.2)	1,477
Financed By :					
Revenue Support Grant	(247,194)	(248,351)	(1,157)	0.5	(1,157)
Non-Domestic Rates	(60,775)	(60,775)	-	-	-
Council Tax	(69,490)	(69,490)	-	-	-
Earmarked Funds	(6,469)	(6,469)	-	-	-
Fiscal Flexibilities	(6,998)	-	6,998	(100.0)	6,998
NET INCOME	(390,926)	(385,085)	5,841	(1.5)	5,841
(SURPLUS)/DEFICIT	2,007	(800)	(2,807)	(0.7)	7,318
General Fund Surplus as at 1 April 2021		(9,822)			
Transfers to/(from) Earmarked Funds		-			
General Fund Balance as at 31 March 2022		(10,622)			
Reserves Strategy Policy - Range	7,500 - 11,000				

Summary of 2021/2022 Savings

All Services Savings



Falkirk Council

No	Ref	Workstream	Description	Savings £'000	FTE Impact	Savings Status		
						Red Savings £'000	Amber Savings £'000	Green Savings £'000
1	CHS4		Procurement savings from supplier contracts	100	0.00	100		
2	CHS5		Increased income from contract rebates	76	0.00			76
3	CHS12		PT&T - staffing restructure	90	1.00			90
4	CHS27		Loan charges savings from ongoing treasury management and debt restructuring	250	0.00			250
5	CHS41	Innovation	Absence Service Review	134	0.00			134
6	CHS42		Improved Financial Processes	100	1.50			100
7	CHS44		Finance - General efficiencies	50	0.00			50
8	CHS50		Review of Printworks	45	1.00			45
9	CHS57	Innovation	Records Management Review/Legal Case Management	23	1.00			23
10	CHS58	Innovation	Customer & Business Support (CBS) - Management Team structure redesign	450	13.00			450
11	CHS71		Review Organisational Development (OD) support and delivery model.	30	0.80			30
12	CHS73	Innovation	Council tax automation.	100	4.00			100
13	CHS91		Staff saving in Revenues and Benefits	54	1.00			54
14	CHS96		Staff Savings - Governance	18	0.50			18
15	CHS99	Communities	Property savings from the closure of the One Stop shops at Bo'ness and Camelon	145	0.00			145
16	CS12	Innovation	Re-provisioning of the School Estate - Mothballing. Full Year Effect of 2019/20 Budget decision.	9	0.00			9
17	CS13		Early Learning & Childcare - - Sectoral efficiencies realised through ELC expansion.. - Full Year Effect of Realignment of previous budget	775	0.00			775
18	CS21	Communities	Support and Learning Review of Additional Support Needs Services.	250	2.00		250	
19	CS26		Fees & Charges	75	0.00	75		

Summary of 2021/2022 Savings

All Services Savings



Falkirk Council

No	Ref	Workstream	Description	Savings £'000	FTE Impact	Savings Status		
						Red Savings £'000	Amber Savings £'000	Green Savings £'000
20	CS28	Communities	Closer to Home - Social Work Children's Services. Shifting the balance of care & external provision to support children & families.	700	0.00			700
21	CS29	Communities	Secondary Devolved School Management Resources and Digital Learning Review	400	8.00			400
22	CS30	Communities	Primary Devolved School Management and Learning Review	200	4.00			200
23	CS43		CL&D Service - Full Year Effect of Decision made in 21-22.	30	1.00			30
24	CS44		Schools' Devolved School Management Per Capita Allocation	100	0.00			100
25	DV26	Innovation	Corporate Landlord - Commercial & Operational Property Savings	12	0.00			12
26	DV36	Enterprise	Smart working smart travel project	100	0.00			100
27	DV37	Enterprise	Savings from installing LED street lighting	240	0.00			240
28	DV43		Review of cemeteries and crematorium fees & income generation	40	0.00			40
29	DV46		Reform of the Planning and Building Standards services	60	1.00			60
30	DV58		Charge for replacement wheeled waste recycling bins or containers	100	0.00			100
31	DV60	Communities	Transformation of Roads, Grounds & Street Cleansing: Income generation from Grounds Maintenance operations	120	3.50		120	
32	DV61		ZBB Review of Transport: Electric Vehicle (EV) chargepoint income	30	0.00		30	
33	DV66	Communities	Transformation of Roads, Grounds & Street Cleansing: Changes to working patterns	50	1.00		50	
34	DV67	Communities	Reduction in overtime - grounds maintenance	13	0.25			13
35	DV77	Enterprise	Commercial property and asset management fee generation	7	0.00			7
36	DV78	Enterprise	Commercial property and asset management - repairs to commercial properties	20	0.00			20
37	DV79	Innovation	Commercial property & asset management team staff savings	36	1.00			36
38	DV81	Enterprise	Review of commercial property & asset management - Supplies & Services	5	0.00			5

Summary of 2021/2022 Savings

All Services Savings



Falkirk Council

Summary by Service

	2021/22					
	Saving £'000	FTE Impact	Red Savings £'000	Amber Savings £'000	Green Savings £'000	Total RAG Savings £'000
Children's Services	2,539	15.00	75	250	2,214	2,539
Corporate & Housing Services	1,665	23.80	100	0	1,565	1,665
Development Services	833	6.75	0	200	633	833
	<u>5,037</u>	<u>45.55</u>	<u>175</u>	<u>450</u>	<u>4,412</u>	<u>5,037</u>

Summary by Workstream

	2021/22					
	Saving £'000	FTE Impact	Red Savings £'000	Amber Savings £'000	Green Savings £'000	Total RAG Savings £'000
Communities	1,878	18.75	0	420	1,458	1,878
Enterprise	372	0.00	0	0	372	372
Innovation	764	19.00	0	0	764	764
Business as Usual	2,023	7.80	175	30	1,818	2,023
	<u>5,037</u>	<u>45.55</u>	<u>175</u>	<u>450</u>	<u>4,412</u>	<u>5,037</u>

No	Year	Ref	CotF	Description	Deliverability			
					20/21	21/22	21/22	21/22
1	20/21	CS21	✓	Support and Learning Review of Additional Support Needs Services	250		250	
2	20/21	CS26	✓	Fees and Charges	75	47		28
3	19/20	CS28	✓	Closer to Home - Social Work Childrens Services. Shifting the balance of care and external provision	1,179			
4	20/21			Demographics and Inflation rebasing**	1,962	346		
					3,466	393	250	28

*The savings for Closer to Home were realigned across the MTFP, with £700k expected to be delivered in 21/22

** Anticipated savings from pupil demographics were unachievable and added back into the base budget, leaving inflation savings of £346k to be achieved.

Place Services

5	20/21	DV45	✓	Savings through improved efficiency of service - Roads and Grounds Maintenance	155	155		
6	20/21	DV61	✓	Electric Vehicle (EV) chargepoint income	10	10		
7	20/21	DV63	✓	Cemeteries and Crematorium staff Savings	31	31		
8	20/21	DV66	✓	Reduction in Overtime Working - Roads Maintenance	100	100		
9	20/21	DV67	✓	Reduction in Overtime Working - Grounds Maintenance	25	25		
					321	321		

Corporate & Housing Services

10	20/21	CHS4	✓	Procurement savings from supplier contracts***	260	60		
11	20/21	CHS5	✓	Increased income from contract rebates and prompt payment of invoices	22			22
12	20/21	CHS47	✓	Increased fee income - licensing and registration	18			18
13	20/21	CHS48	✓	Increased legal fee income	12			12
14	20/21	CHS55	✓	Licensing digital channel shift	28			28
15	20/21	CHS69	✓	Reduction in customer and business support staffing levels	50			50
16	20/21	CHS86	✓	Telecoms - Review Provision of Telephony	53	53		
					443	113	0	130

***£200k of procurement savings were deemed to be unachievable and added back into the base budget

Overall Totals

4,230	827	250	158
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ANALYSIS OF REPAIRS & RENEWALS FUND

Service		Balance 01/04/2021 £'000	Transfers In £'000	Spend £'000	Transfers Out £'000	Balance 31/03/2022 £'000
Place	Strategic Property Review	729	-	(335)	-	394
	Crematorium	49	-	-	-	49
	Birkhill Mine Demolition	37	-	-	-	37
	Pavilion Improvement	5	-	-	-	5
FCT	ICT	61	-	-	-	61
Corp & Housing	Printworks	39	-	-	-	39
	Mobile & Flexible Working	183	-	(30)	-	153
	Payroll	100	-	(200)	-	(100)
	Payroll - Business Intelligence Project	100	-	(200)	-	(100)
	ICT Posts	250	-	(107)	-	143
Building Maintenance		186	-	(186)	-	-
TOTAL		1,739	-	(1,058)	-	681

ANALYSIS OF INSURANCE FUND

Description	Balance 01/04/2021 £'000	Transfers In £'000	Spend £'000	Transfers Out £'000	Balance 31/03/2022 £'000
Insurance	5,594	-	(900)	-	4,694

ANALYSIS OF GENERAL FUND EARMARKED RESERVES

Description	Balance 01/04/2021 £'000	Transfers In £'000	Spend £'000	Transfers Out £'000	Balance 31/03/2022 £'000
Devolved Schools Management	2,328	-	(2,240)	-	88
Economic Development	988	-	-	-	988
Central Energy Efficiency	555	182	(537)	-	200
Change Fund	573	1,000	(1,265)	-	308
Revenue Grants	9,035	-	(9,035)	-	-
Covid Reserves	14,670	-	(1,056)	-	13,614
Spend to Save	1,141	-	(313)	-	828
TOTAL	29,290	1,182	(14,446)	-	16,026

OVERALL TOTAL	36,623	1,182	(16,404)	-	21,401
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OVERALL NET MOVEMENT

(15,222)

FALKIRK COUNCIL
HOUSING REVENUE ACCOUNT
PROJECTED REVENUE OUTTURN STATEMENT 2021/22

	<u>Budget</u> £'000	<u>Projected</u> <u>Outturn</u> £'000	<u>(Fav)/ Adv</u> <u>Variance</u> £'000	%	<u>Previous</u> <u>Variance</u> £'000
Employee Expenses	8,671	8,114	(557)	(6.4)	(568)
Property Expenses	25,559	25,409	(150)	(0.6)	(150)
Transport Expenses	31	31	-	-	-
Supplies and Services	4,356	4,356	-	-	-
Third Party Payments	2,120	2,629	509	24.0	509
Support Services	5,097	5,097	-	-	-
Capital Charges	21,123	21,123	-	-	-
Sub-Total	66,957	66,759	(198)	(0.3)	(209)
Integration Joint Board	1,414	1,414	-	-	-
Gross Expenditure	68,371	68,173	(198)	(0.3)	(209)
Income	(68,371)	(68,173)	198	(0.3)	198
Surplus/(Deficit)	-	-	-		(11)
Surplus brought forward at 1 April 2021		(7,825)			
Projected Surplus at 31 March 2022		(7,825)			