

Appendices to Revenue Budget Report

**FALKIRK COUNCIL
SUMMARY OF REVENUE BUDGET 2024/25**

TO FOLLOW

Target Operating Model (TOM) Principles

SERVICE DELIVERY	MODERN WORKFORCE	DIGITAL & DATA	COMMUNITY ASSETS
Principle 1: We are a smaller, more focused, and efficient organisation. To achieve our savings targets our number of FTE staff will reduce significantly. The slimmed-down Council will be focussed on the priorities set out in our Council Plan, with an emphasis on targeting resources to statutory services and areas of greatest need.	Principle 4: We only deliver services directly where that offers best value. Where possible and for all services, we consider alternative delivery models such as commissioning and shared services.	Principle 7: Digital self-service is the default means of accessing council services. We aim for seamless end-to-end self-service with more transactions capable of being successfully completed in a single visit. We offer digital advice and support to those who need it.	Principle 10: We significantly reduce our number of buildings, only retaining those that are core to our business. Our asset portfolio will be cost efficient, consist of better-quality buildings, and minimise climate change implications.
Principle 2: There is greater emphasis on partnership working. Communities are empowered to be less dependent on services that we have traditionally provided. We signpost to partners, encourage community self-sufficiency, and work with partners to provide joined-up services that are customer focused	Principle 5: Our workforce is flexible, adaptable, and focussed on front-line delivery. Our workforce will be empowered to respond to customer needs using the right tools and technology. Repetitive and low value tasks will be automated and reduced.	Principle 8: Digital transformation makes our services accessible, responsive, and efficient. We will take full advantage of digital technology to improve and transform our services.	Principle 11: We make best use of all community assets, maximising sharing with partners. We focus on our localities and develop our service offerings based on place-based strengths and needs. We maximise opportunities for sharing assets with partners. Communities own and operate their own local assets.
Principle 3: We focus on prevention and early intervention. Using Scottish Service Design principles, we aim to reduce costs while improving outcomes for individuals and families by reducing demand for services.	Principle 6: Our staff have the right skills to focus on our priorities. Staff will be given the opportunity to reskill and retrain. We make use of flexible working arrangements, accessing diverse pools of skills and capabilities.	Principle 9: We use data to better plan, manage and design services. We will improve our use of data, analytics, and insights to better respond to customer needs and focus resources on our priorities.	

Cabinet Secretary for Education and Skills
Jenny Gilruth MSP



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Cllr Buchanan, COSLA Children and Young People
Spokesperson

cc. Cllr Morrison, COSLA President
Cllr Hagmann, COSLA Resources Spokesperson
Jane O'Donnell, COSLA CEO
LA CEOs
LA Directors of Education
LA Directors of Finance

12 February 2024

Dear Cllr Buchanan,

This government's vision for education in Scotland remains to deliver excellence and equity for all. That principle must be central to all of our thinking. As I have said before, a key element of that is to ensure there is no reduction in the fundamentals of education delivery, including the number of teachers and the amount of time children spend learning in schools.

Teacher Numbers

You will be aware of previous correspondence that set out the conditions attached to the additional £145.5m funding that is allocated to local authorities in 2023-24 to protect teacher numbers, with the key measure being maintaining teacher numbers at 2022 census levels. That correspondence was clear that, in the event of the conditions not being met, the Scottish Government reserved the right to recover or withhold relevant monies allocated to individual authorities for these purposes.

Following December's publication of the Summary Statistics for Schools in Scotland 2023, which showed a reduction in teacher numbers nationally, we have been in contact with the local authorities that saw a reduction in teacher numbers to establish the circumstances behind those reductions and to assess whether any funding should be withheld.

As indicated in Sam Anson's letter of 12 December to councils, we were clear that we intended to be fair and balanced in making these decisions and, in assessing whether our conditions have been met, we would consider any mitigating circumstances that individual councils may wish to put forward.

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I remain extremely disappointed by the reduction in teachers this year. It will be more difficult to reach our shared goal to close the poverty related attainment gap nor improve outcomes with fewer teachers in our schools. December's PISA results are a salient reminder to us all that we can not be complacent. I also believe we need that capacity to help us achieve aspirations regarding behaviour, attendance and a reduction in class contact time.

Notwithstanding, I do not believe that it will be in the best interests of school pupils for us to withhold funding at this stage in the financial year. As I have stated, decisions must be guided by our ambitions for excellence and equity, and I do not wish to create a risk of services having to be withdrawn at short notice due to action taken on staffing by a local authority.

I do believe that it is essential that all funding that is allocated supports the outcomes it is provided for, however, and moving forward into 2024-25 I expect teacher numbers to be protected by councils. Under the current provisions, we have witnessed two successive years of falls in relation to teacher numbers. In this context, it is clear to me that the status quo is not sustainable.

Next year's allocation of additional funding for teacher numbers of £145.5m will, therefore, be distributed via Specific Resource Grants, and those grants will be conditional on councils agreeing at the outset to maintain teacher numbers. Taking this approach reflects our longstanding commitment to protecting teacher numbers, which is in the best interests of our children and young people.

My officials will be in touch with individual councils to agree grant conditions, including the number of teachers I expect to be maintained. For those councils where numbers did fall, that may include a return towards 2022 levels where we have not fully accepted the mitigations presented.

Learning Hours

The school week is the backbone of our education provision and benefits all our children and young people. Any measures that materially reduced the number of hours children spend learning in school would be expected to reduce pupil attainment and wellbeing and undermine efforts to close the poverty related attainment gap. The Scottish Government therefore consulted on regulations to specify the minimum number of learning hours in 2023. That consultation has now closed and we expect to publish the analysis of those responses shortly.

I remain committed to protecting the levels of learning hours currently made available in Scottish schools and in the longer term to achieve equity in the number of learning hours pupils across Scotland receive. It is extremely concerning that some local authorities have proposed cuts to the level of learning hours as part of their 24-25 budget consultations. I am clear that this would not be acceptable.

To reflect the change in context of the Verity House agreement, since the initial consideration of regulations in this space a draft voluntary agreement was proposed in January that committed to maintaining learning hours at their current level across all Local Authorities in 24-25 and recognised the Scottish Government's longer term ambition toward equity.

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It was regrettable that the draft agreement could not be accepted by COSLA Leaders at that point. I remain keen to come to an agreement with local government on the provision of learning hours in local authority schools and would ask that the previous agreement is reconsidered urgently.

However, in the continued absence of an agreement to protect time in school and children's learning and development I will need to take steps towards utilising the powers in the Education (Scotland) Act 1980 to prescribe in the regulations the number of hours made available. I am hopeful that the decision not to withhold teacher number funding helps to unblock this issue, thereby allowing us to proceed without regulation. However, I should make clear my intention to proceed with regulations, should no voluntary agreement be reached.

Finally, Education Reform should be an opportunity for Government and COSLA to engage meaningfully on driving the improvements we need to see in Scotland's schools to support our young people. I sincerely hope that sentiment is shared by COSLA and I look forward to further engagement on this issue in the weeks and months to come.

JENNY GILRUTH MSP

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Deputy First Minister and Cabinet Secretary for
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Cllr Steven Heddle, COSLA Vice-President
Cllr Katie Hagmann, COSLA Resources
Spokesperson

Copy to: All Council Leaders and Chief
Executives

By Email

2 February 2024

Dear Councillors

Thank you for the constructive and honest dialogue we have been engaged in both ahead of, and in response to, the Scottish Budget on 19 December. While our conversations are continuing, and we have identified a range of matters for further discussion in the coming weeks, I felt it would be beneficial to put on the record my commitments in response to some of your requests so far.

I am particularly mindful that councils are progressing at pace towards their budget setting and Council Tax decisions, and therefore require as much certainty as is possible to inform those processes. As we have discussed, I fully allocated all available budget and made some calculated but challenging decisions on the level of risk I could carry at the time of my Budget statement. While I will consider fully any additional funding which may become available through the supplementary estimates or Spring Budget processes, I currently have no certainty whether there will be additional funding to be allocated.

In relation to the announcement by the UK Government of additional funding for local government in England, whilst it has been confirmed the Barnett Formula will apply in the normal way to this funding, we will only receive final confirmation of the quantum of funding as part of the UK Spring Budget on March 6 or through Main Estimates later in the spring. When we have this confirmation and the full detail of the UK Government Budget I will be in a position to provide further clarity. As you will be aware such consequential cuts will only provide a net benefit to the Scottish government if they are not funded by cuts to other UK departmental budgets. Of course, the final decision on the allocation of any further funding will also need to be agreed by Cabinet.

Notwithstanding the above, I have confirmed that should the UK Government confirm that there will be funding provided for teacher pension contributions I am committed to passing these through to local government in Scotland.

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In regards to the other matters we have discussed to date, I am pleased to hear that Council Leaders agree that should additional capital funding become available, increasing funding for the Affordable Housing Supply Programme would be a shared priority. I note that some councils expressed a view that they would benefit from some flexibility in regards to this, and I would welcome further information and detail on that so that we might collectively deliver greatest value for money in terms of our investment in housing.

We have discussed our shared commitment to putting pace and momentum into our joint work to develop and agree a new Fiscal Framework, and I would suggest that under the auspices of this our officials also swiftly develop a programme of pre-budget engagement ahead of 2025-26 to ensure that we are taking forward the priorities for discussion we have identified. These should include longer term discussion of the funding floor, other distributional issues which have been raised with me such as SINA, and continue to build a meaningful discussion about choices and priorities. Through the Fiscal Framework a conclusion should be reached on the issues associated with the Capital Accounting Review, which, as I set out in the settlement letter, I do not intend to take forward at present but will instead await the outcome of the Fiscal Framework discussions before determining any next steps.

Alongside the Fiscal Framework, progress on an Outcomes, Monitoring and Accountability Framework under the Verity House Agreement is critical to our partnership and making progress on further removal of ringfencing. I have asked my officials to ensure that this is a priority in the coming months in order that we can have informed discussion through our established engagement mechanisms and make progress, I would welcome a similar commitment from COSLA.

I have taken note of other matters we have discussed which are led in particular by the Cabinet Secretary for Education and Skills and the Cabinet Secretary for NHS Recovery, Health and Social Care. Alongside the Minister for Local Government Empowerment and Planning, I will continue to engage with my Cabinet colleagues and seek to help facilitate these discussions and progress on these matters where helpful.

Finally, I have noted the position agreed at COSLA Leaders in respect of the Council Tax Freeze. As we have discussed, the Scottish Government have allocated £144 million to deliver that freeze, and we acknowledge it will be for each council to decide whether or not it will accept the funding and freeze their Council Tax, providing much needed support to households in their communities. Alongside the Scottish Budget in December 2024, the Scottish Government set out [distributional analysis of our policy and tax decisions](#) including on the Council Tax freeze. That analysis, part two in particular, shows that relative to household income, the benefits of the Council Tax freeze are greatest for the lowest income decile. The cost crisis and high inflation has affected all households, and many have felt the impact of that not only those on the very lowest income, therefore the Scottish Government believes this freeze will provide much needed stability and support.

I recognise that given the position in COSLA a joint discussion and agreement on distribution is challenging, however I am mindful that councils need to understand the funding that is available to them individually to inform their decision to freeze the Council Tax. Therefore, I am confirming that it would be the Scottish Government's intention to allocate the funding based on each council receiving the better for them locally as between two distributions we have examined: either a share equivalent to what they would expect to obtain from a 5% rise

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locally, net of the Council Tax Reduction Scheme reflecting the revenue a Council would actually collect; or, a distribution by council based on their share of gross national revenue. The Annex enclosed sets out which would apply to each Council. I am however prepared to consider an alternative distribution if there is a different agreed proposition within COSLA. Any council not agreeing to freeze their Council Tax will not receive their share of this funding.

I will require confirmation from each council by no later than 16 February from each council of their intention to freeze their Council tax to inform our approach to stage 2 of the Scottish budget process on 20 February. I recognise that your final processes towards this are subject to the decision-making process within the council.

Looking to the future, we share a commitment to seeing options for reform of Council Tax progressed with pace through the Joint Working Group on Sources of Local Government Funding, including Council Tax.

I welcomed confirmation that COSLA would be lobbying the UK Government ahead of the Spring Budget on 6 March for additional funding for local government, any additional funding from the UK Government which benefits public services in Scotland would be welcomed. I recognise that changes to the 2024-25 position as late as 6 March will be unprecedented for the Scottish Government, generate uncertainty for our funding in 2024-25, and will by extension create challenges for councils in Scotland who will largely be setting their budgets before then.

We have agreed to continue our discussions over the coming weeks, in addition to putting in place that early engagement process well in advance of the 2025-26 Budget. I trust that in the meantime confirmation of the above areas is helpful as councils look towards their budget setting process.

SHONA ROBISON

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ANNEX

COUNCIL WILL RECEIVE AN ALLOCATION ACCORDING TO THE SHADED CELL

	Total estimated 2023/24 revenue net of CTR £m	% increase	Distribution based on assumed additional CT Revenue net of CTR £m	Distribution based on assumed share of gross CT revenue £m
Aberdeen City	139.6	5.0%	7.0	6.7
Aberdeenshire	159.3	5.0%	8.0	7.5
Angus	56.8	5.0%	2.8	2.8
Argyll & Bute	57.2	5.0%	2.9	2.8
City of Edinburgh	322.2	5.0%	16.1	15.5
Clackmannanshire	25.5	5.0%	1.3	1.3
Dumfries & Galloway	74.6	5.0%	3.7	3.7
Dundee City	63.2	5.0%	3.2	3.4
East Ayrshire	58.9	5.0%	2.9	3
East Dunbartonshire	71.4	5.0%	3.6	3.4
East Lothian	68.1	5.0%	3.4	3.3
East Renfrewshire	63.0	5.0%	3.1	3
Falkirk	76.9	5.0%	3.8	3.8
Fife	186.7	5.0%	9.3	9.2
Glasgow City	271.2	5.0%	13.6	15.4
Highland	137.3	5.0%	6.9	6.7
Inverclyde	35.2	5.0%	1.8	1.9
Midlothian	57.4	5.0%	2.9	2.8
Moray	49.7	5.0%	2.5	2.4
Na h-Eileanan Siar	12.0	5.0%	0.6	0.6
North Ayrshire	64.6	5.0%	3.2	3.5
North Lanarkshire	142.6	5.0%	7.1	7.4
Orkney Islands	11.3	5.0%	0.6	0.5
Perth & Kinross	94.8	5.0%	4.7	4.5
Renfrewshire	96.7	5.0%	4.8	4.9
Scottish Borders	64.4	5.0%	3.2	3.1
Shetland Islands	10.4	5.0%	0.5	0.5
South Ayrshire	65.9	5.0%	3.3	3.3
South Lanarkshire	154.8	5.0%	7.7	7.9
Stirling	58.5	5.0%	2.9	2.8
West Dunbartonshire	41.0	5.0%	2.0	2.2
West Lothian	89.7	5.0%	4.5	4.4

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SERVICE CONCESSION OPPORTUNITIES

FALKIRK COUNCIL



One-off spends to be enabled through £35m of Service Concessions once the Council has reached a financially sustainable position:

Project Title	Description	Proposed Allocation (£35m)
Town Hall Contribution	Additional Council funding towards the delivery of the new regional arts/ town hall/civic centre. This would bridge a funding gap previously identified, subject to detailed design development, market testing and establishment of affordability cap as part of the financial close process.	£12m
School Modernisation Programme	This funding would enable the establishment of a proactive planned improvement programme focused on sustaining and where possible the improvement of condition of the learning estate. Works would be prioritised based on component condition and may involve the minor renovation of properties.	£8m
New Regional Leisure Centre	Delivery of a regional sport and leisure and wellbeing facility. This contribution would be in addition to the capital-from-revenue funding (CFCR) proposals that are being developed as part of the business case for delivery of the project.	£7m
Connected Falkirk iPad Learning Programme	This funding would replace the existing devices and associated hardware purchased in 2020 for Connected Falkirk, as they will be beyond their useful life and support in 2025/26. Should this funding not be found, the programme will cease, and this will lead to the removal of 17,000 devices that currently support learning and teaching, both in school and at home.	£4m
Local Sport, Leisure & Wellbeing Facilities	This funding would support the provision of local sport, leisure and wellbeing facilities focused on the learning estate and reflects the potential additional resources required over those that have been identified as part of the SPR/ Bo'ness Recreation Centre committee decisions that allocated £3m enabling funds.	£3m
ICT Wi-Fi Infrastructure Investment	This funding would enable the phased replacement of the existing Connected Falkirk Wi-Fi infrastructure - which enables Wi-Fi connectivity for corporate properties and also Wi-Fi connectivity in schools for laptops (both Corporate and Education), and tablet devices for learning and teaching. The existing Wi-Fi network in schools will be 5 years old in 25/26.	£1m

* The Council remains committed to investment in an Intermediate Care facility in the Falkirk area for patients who no longer need to be in an acute hospital setting, but due to the complex nature of their needs, are not yet able to return to their own home.

This project would be jointly funded with the NHS and discussions are ongoing about developing a concept and moving to towards a feasibility stage.

It needs to be recognised though that the Scottish Government recently announced a moratorium on all significant NHS building projects until 2026 at the earliest, and so no funding allocation by the Council is proposed at this time until greater clarity on future investment is available.