

REPORT TO: EAST LOTHIAN COUNCIL

MEETING DATE: 20 February 2024

BY: Executive Director for Council Resources

SUBJECT: Finance Update – Period 9

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1 PURPOSE

- 1.1 To provide an update on the in year financial position at the end of December 2023 for the general services and HRA revenue and capital budgets.

2 RECOMMENDATIONS

2.1 The Council is recommended to:

- Note the outcome of the Period 9 review of financial performance against approved budgets and the significant underlying financial pressures faced by the council.
- Note the impact on the council reserves if the projected revenue overspend materialises, and risks to financial sustainability outlined within the report.
- Agree to transfer a further £0.1 million to the IJB to support the full costs of the 2023/24 pay award as detailed within paragraph 4.6.
- Note the performance against prudential indicators set out in Appendix 5.

3 BACKGROUND

- 3.1 This report sets out the in year financial position and projected outturn for the general services revenue, capital and housing revenue account budgets at the end of period 9 (December 2023). The financial environment has remained extremely challenging and the range of current and emerging risks represent the most severe threat to financial sustainability which the council has ever faced.

- 3.2 The Period 6 report to council noted a 2023/24 pressure of £20.2 million, and after the application of planned reserves the unplanned overspend was forecast to be £8.2 million.
- 3.3 In light of the significance of the forecast in-year overspend, and the extent of the risks which this presents to financial sustainability, Council has approved a series of mitigation measures seeking to manage the in-year financial pressures. This report provides an update on the position reported at period 6. The provisional (unaudited) outturn for the full year will be reported to Council in June.

General Services Revenue Summary – Period 9

- 3.4 At Period 9, before applying planned use of reserves there is a forecast overspend for the year of £19.3 million, which represents an improvement of £0.9 million since the Period 6 report. Key movements within the forecast outturn position are as follows:
- Education and Children’s Services – the forecast outturn position has improved compared to the position reported at period 6 by £1.2 million. The most significant reasons for this movement include reduced spending within early learning and childcare (£0.59 million), partly linked to lower take up of childcare places for 2-year-olds, and a reduction in the forecast spend on secondary staffing budgets (£0.443m) due to reduced recruitment alongside a reduction in the forecast expenditure pressure from RAAC.
 - Projected income has increased by £0.675 million due to General Revenue Grant redeterminations for pay which has remained subject to on-going discussions around how the funding envelope will operate locally, higher than anticipated income relating to teacher inductions, and a forecast increase in council tax income which is currently £0.3m above budgeted levels.
 - Revenues – the forecast outturn position has deteriorated by £0.25 million since the period 6 report due to budget pressures on the Scottish Welfare Fund and Discretionary Housing Payments income forecast.
 - Health and Social Care – the forecast overspend has increased by £0.574 million to £3.789m between period 6 and period 9 due to additional pressures on commissioned care, primarily support services for mental health and residential care for older people as well as increased staffing costs linked to the finalisation of the 2023/24 pay award. The increased costs were partially offset by reductions in direct payments for physical disabilities.
- 3.5 As highlighted in previous reports, the planned use of reserves for 2023/24 is £12 million, as set out below:
- Transformational Fund and other Ring-Fenced Funds - £1.6 million.

- Health & Social Care (IJB delegated Services), £695,000 – this figure has been agreed with the IJB Chief Financial Officer.
- Capital Funding for Pay Award relating to 2022/23 - £2.3 million (this becomes recurring revenue funding from 2024/25).
- General Fund reserve – £7.378 million.

3.6 The unplanned overspend, after applying planned use of reserves is currently forecast to be £7.3 million at the end of the year. While this represents an improvement of £0.9 million since the period 6 report, this level of overspend is unsustainable over the medium term, in the context of the council's low reserves position. If this level of overspend materialises it will present a significant risk to the council's financial sustainability and capacity to deliver on the commitments made through the Council Plan. A reduction in reserves of this level would also diminish our capacity to respond to unforeseen events in the future. It is therefore necessary and appropriate that the mitigation measures agreed by Council with a view to reducing the in-year overspend and preserving the minimum balance on the general fund remain in place. However, it is vital that longer term solutions to closing the funding gap are identified to achieve a sustainable position in the future.

3.7 An analysis of the financial position as at Period 9 across service groups is set out in **Appendix 1**. The main reasons for the pressure are:

- IJB Delegated Services - Projected Overspend, £3.8 million – as noted above, there are a growing range of pressures within the IJB, including commissioned care services, specifically external care homes and support services. The IJB is progressing a number of workstreams to mitigate the extent of this overspend, including, ongoing review of care packages and recruitment to support an enhanced internal care at home service which is aimed at ensuring that clients are able to stay safely in their own homes. The service is also actively attempting to identify and deliver further savings.

The IJB has delegated authority over most of the Health and Social Care budget along with a small number of other budgets within Community Housing, the Housing Revenue Account and Housing Capital. The management of these resources remains in line with the scheme of integration and wider overall IJB resources.

At this stage, it is assumed that this overspend will be contained within IJB reserves, however it should be noted that this may result in the IJB going into 2024/25 with significant budget pressures and extremely limited reserve balances. This presents a significant risk to the council as a funding partner given that any budget overspends which cannot be contained within IJB resources will need to be met by partners, in line with the scheme of integration.

- Children's Services Overspend, £2.1 million – mainly relating to external residential packages and the establishment of a complex

internal care package. There are also further pressures arising from a number of Unaccompanied Asylum-Seeking Children arriving in East Lothian aligned to the national settlement schemes. In addition, there is an estimated pressure of £0.2m arising from a shortfall in funding to support the new minimum rates for foster and kinship care allowances.

- Savings assessed as unachievable in 2023/24, £700,000 – **Appendix 2** provides more information on progress in delivering savings. Some of the savings will not be realised during the current financial year, but are expected to be delivered in full in future years.
- Council Contribution to Pay Funding Negotiations, £180,000 (estimated share of £10 million) – the 2023/24 pay offer for non-teaching staff which has now been agreed included an element of £10m to be funded by Scottish Councils, with East Lothian's estimated share of this at £180,000. The costs of the 2023/24 pay award are reflected within the projected outturn, however we are awaiting clarity on other elements of the funding package to support this pay award.

3.8 At this stage it is likely that many of these pressures will be recurring beyond 2023/24 and therefore contribute to the significant funding gap outlined within the budget development reports elsewhere on this agenda.

3.9 Council has previously agreed to transfer a proportionate share of the additional funding to meet the costs of the 2023/24 pay award to the IJB. In finalising the pay negotiations, a further package of funding totalling £94m was agreed and it is therefore recommended that an appropriate share of this should also be transferred to the IJB in order to support with meeting the costs of the pay award. This would increase the transfer of funding linked to the 2023/24 pay award from £0.4 million to £0.5 million and it is recommended that this element of the funding would be transferred on a recurring basis. If agreed, this would result in a reduction in the forecast IJB overspend of £0.1m but no net change to the overall position.

Update on mitigation measures

3.10 Given the severity of the financial position facing the Council, a number of mitigating actions that have been in place since November 2022. Further additional mitigation measures were approved by Council in August 2023 in response to the significant forecast budget overspend, along with the escalating significance of risks to financial resilience over the short to medium term.

- An update on the mitigation measures and impact on service delivery is set out below, and this position continues to be monitored closely.
- The enhanced controls around recruitment and vacancies remain in place. As highlighted previously, management of staffing in this way has resulted in the temporary reduction in opening hours and / or

closure of a number of facilities and service delivery impact resulting in further service business continuity plans being invoked.

- Work is ongoing with partners including the IJB to ensure appropriate recovery action to reduce the forecast overspend and address the ongoing financial challenges.
- Officers have continued to progress a review of operational assets, and a number of properties have now been mothballed, or declared surplus in line with the wider asset review. Any disposal of assets will be used to support the approved budget targets, and it is anticipated the target of £2 million will be achieved for 2023/24.
- In line with previous reports, a number of capital projects remain on hold and updates to the capital programme are reflected within the proposed capital budgets for 2024/25 onwards in a separate report on this agenda.
- As previously reported, work to review the schedule of rates for the property maintenance trading account in line with national guidance has now been completed and the impact of this work is reflected in the revised forecast above.

3.11 Officers will continue to implement and monitor progress against these actions, and members will continue to be updated during the course of this year. It is however recognised that in implementing these mitigation actions, they are placing council services in a very difficult position, requiring often short-notice changes to service provision, impacting both on our staff and communities we service. As highlighted in previous Council reports, these mitigations actions are not sustainable in isolation of necessary decisions aimed at reducing the recurring cost base on this Council. Nevertheless, they continue to remain a critical and necessary intervention given the severity of the Council's current financial position.

3.12 Further potential risks to the outturn position for this financial year arise from increasing demand for council services, driven by a range of external factors including population growth, the cost-of-living crisis along with UK and Scottish Government policy. This is already highlighted across a number of service areas, including homelessness / temporary accommodation, which may be exacerbated by the eviction ban ending, increasing demand for social care services and an increase in unaccompanied asylum-seeking children. These increased demands are creating unbudgeted cost pressures within the current financial year, but are likely to result in longer term recurring impacts to the financial strategy and increase the funding gap.

General Services Capital Summary – Period 9

3.13 Appendix 4 sets out the 2023/24 re-profiled budgeted expenditure to the end of December 2023, with a recorded spend of £31 million relative to the revised gross expenditure budget of £108 million. Borrowing obligation

is currently £24 million against a revised budgeted requirement of £71 million.

- 3.14 Latest projections indicate expenditure of around £53 million by the end of the financial year. This forecast reflects the decision by Council on 29 August 2023 to pause or delay uncommitted capital expenditure where possible to do so.
- 3.15 The following are the main points to note including the most significant changes from the previous report:
- Innovation Hub – work is progressing and forecasts have been matched to updated cash flow projections from the project and cost manager.
 - Whitecraig Primary School – tender has been awarded and works will begin this financial year.
 - Blindwells and Craighall Primary Schools – Hub South East have been appointed to deliver the two new schools with construction due to begin in February 2024.
- 3.16 Members are aware that there continues to remain a wide range of growing external pressures all of which are placing very significant pressure on wider affordability limits including:
- Recent levels of inflation along with disruption in the construction materials supply chain continues to impact on the Council and the wider economy. An increase in demand alongside limitations on supply has led to price increases, some material shortages and longer lead times.
 - The impact on tender prices for the Capital Programme continues to be assessed and built into forecasts as they are identified.

Treasury Management Update – Period 9

- 3.17 The latest version of the CIPFA Prudential Code, published in December 2021, requires from financial year 2023/24 onwards that quarterly monitoring of prudential indicators should be reported through to Council. To meet this obligation, quarters 2 and 4 will continue to be reported through our existing treasury management reports which are the Treasury Management Mid-Year Report and the Annual Treasury Management Review. Quarters 1 and 3, which were not previously reported, will now be included in this report and as such Appendix 5 provides an updated position on key treasury indicators as at the 31 December 2023.
- 3.18 £50 million of long term borrowing was taken out through the PWLB in the third quarter of the financial year, with the following short term investments placed during the same time period:

Investment with	Principal	Interest Rate	Investment Date	Term	Date Repayable/ Repaid
DMADF	£10m	5.170%	03/10/2023	28 Days	31/10/2023
DMADF	£3m	5.170%	03/10/2023	1 Day	04/10/2023
DMADF	£4m	5.170%	04/10/2023	1 Day	05/10/2023
DMADF	£6m	5.170%	05/10/2023	1 Day	06/10/2023
DMADF	£8m	5.170%	06/10/2023	3 Days	09/10/2023
DMADF	£6m	5.170%	09/10/2023	4 Days	13/10/2023
DMADF	£10m	5.170%	17/10/2023	3 Days	20/10/2023
DMADF	£5m	5.180%	26/10/2023	32 Day	27/11/2023
DMADF	£4m	5.180%	26/10/2023	18 Days	13/11/2023
DMADF	£9m	5.170%	02/11/2023	1 Day	03/11/2023
DMADF	£5m	5.170%	03/11/2023	10 Days	13/11/2023
DMADF	£4m	5.170%	03/11/2023	3 Days	06/11/2023
DMADF	£10m	5.190%	13/12/2023	5 days	18/12/2023
DMADF	£10m	5.190%	13/12/2023	8 days	21/12/2023
DMADF	£ 5m	5.195%	13/12/2023	43 days	25/01/2024
Cheltenham Council	£ 5m	5.450%	15/12/2023	31 days	15/01/2024
Lloyds Markets	£ 5m	5.380%	13/12/2023	28 days	10/01/2024

Table 1: Short term investments, Q3 2023/24

- 3.19 Whilst there are some movements in indicators aligned to capital programmes and anticipated spend, there are no concerns to highlight at this point in the year.

Housing Revenue Account Summary – Period 9

- 3.20 The HRA revenue account is expected to breakeven at this stage. Voids remain high and work is ongoing to remedy this. In addition, high interest rates continue to place pressure on budgets due to the increased costs of debt financing. Taking these factors into account, at this stage the HRA strategy remains viable. **Appendix 6** sets out the revenue spend for the year.
- 3.21 Capital spend at Period 9 was around £30.9 million with £43 million of spend forecast for the year, which remains above approved budget. This position reflects the acceleration of a number of new build council house sites, the timing of which the Council is not always in control of as developers determine the pace of house building. The additional capital expenditure forecast in the current year has been reprofiled from the later years of the programme and is offset by Scottish Government grants and earlier than anticipated rental income for the properties. Further detail is set out in **Appendix 7**.
- 3.22 There remain challenges in delivering the programme due to a shortage of labour, uncertainty in the housing market due to the current economic situation and challenges in awarding and mobilisation of contracts.

2022/23 Audit

- 3.23 Members are reminded that whilst the focus remains on managing the very severe financial position and future financial outlook, the audit for 2022/23 has still not been concluded and therefore the financial results and indeed reserves being held by the Council remain subject to change. These delays have been reported to Audit & Governance and are principally due to internal resource pressures within Audit Scotland making it impossible for them to conclude the audit in an earlier timeframe.
- 3.24 Audit work is now substantially complete and the audited accounts were approved by Audit and Governance Committee on 19 December subject to the resolution of a late issue identified within the asset valuations for operational property. Officers are working pragmatically with Audit Scotland to conclude this as early as possible and members will be kept informed of any changes to the accounts arising from this. The changes which may arise from this relate to the accounting treatment of asset valuations and would not impact on the budget outturn position or spending power of the council. However, the delays to finalising this process present a number of issues to forward planning along with significant resourcing challenges for the finance team.

Financial Sustainability

- 3.25 The council continues to face critical risks to financial sustainability, which represent the most significant threat ever faced by the council. As a consequence, there continues to remain a very real risk that this Council will not be able to deliver its on-going obligations in the short term if current projections continue.
- 3.26 The forecast in year position sets the context within which budgets for 2024/25 onwards have been developed.
- 3.27 Officers are continuing to do all that they can to ensure resources are allocated and prioritised in line with Council commitments and priorities, seeking all permissible flexibilities, maximising resources, and ensuring best value at all times.
- 3.28 Concerns regarding the financial position continue to be escalated to all levels of Government, at both officer and political level, and without significant additional funding and indeed flexibility in terms of funding streams and wider national policies it is becoming very difficult and perhaps inevitable that this Council will not be able to sustain existing service provision in the short to medium term given the scale of the risks and challenges now being faced.

Conclusion

- 3.29 The financial implications facing this Council are now at the most severe level we have ever experienced. In year, there is an overspend of £19.3 million in General Services revenue before applying reserves, along with

a number of recurring pressures. In addition, there remain significant concerns around the on-going affordability of the capital programme given the wider cost of construction and associated cost of borrowing.

- 3.30 It is critical that budget mitigation measures remain in place to manage and minimise the current financial risk, but this is not a sustainable solution. The Council must do all that it can to support its on-going sustainability and align service delivery commitments within available resource envelopes. As such, it remains critical that urgent permanent policy decisions which refocus service priorities and consequential service reductions in resource and asset outlays are taken by elected members in setting the future budgets.

4 POLICY IMPLICATIONS

- 4.1 There are no direct policy implications associated with this report, although, ongoing monitoring and reporting of the Council's financial performance is a key part of the approved Financial Strategy. However, in light of the acute financial challenges which the council is now facing, without significant additional funding it is unlikely that it will be possible for the council to deliver on all of the policy commitments within the Council Plan.

5 INTEGRATED IMPACT ASSESSMENT

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

6 RESOURCE IMPLICATIONS

- 6.1 Financial – as described above and in the supporting appendices.
 6.2 Personnel - none
 6.3 Other – none

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Appendix 1
East Lothian Council
Budget Monitoring 2023/24 - Period Nine

Service	Head of Service	Business Unit	2023/24 Budget £'000	Year to Date			2023/24 Budget Variance to Date %	Financial Risk Assessment
				2023/24 Actual to Date £'000	2023/24 Budget to Date £'000	2023/24 Budget Variance to Date £'000		
				Education & Children's	Children's	Performance & Service Delivery		
Education & Children's	Children's	Management	4,332	4,082	2,764	1,318	47.68%	
Education & Children's	Children's	Assessment HUB and Early Interventions	2,831	2,096	2,172	-76	-3.50%	
Education & Children's	Children's	Long Term Social Work Supervisory Groups	2,624	2,070	2,051	19	0.93%	
Education & Children's	Children's	TAC, Disability & Resources	7,691	6,035	5,849	186	3.18%	
Education & Children's	Children's	Disability Short Breaks	689	679	614	65	10.59%	
EDUCATION & CHILDREN'S	CHILDREN'S TOTAL		19,534	15,982	14,422	1,560	10.82%	
Education & Children's	Education	Inclusion & Wellbeing	12,583	10,138	10,020	118	1.18%	
Education & Children's	Education	Pre-School Education	16,678	13,869	14,796	-927	-6.27%	
Education & Children's	Education	Primary Schools	53,520	35,802	36,271	-469	-1.29%	
Education & Children's	Education	Secondary Schools	56,351	38,943	38,911	32	0.08%	
Education & Children's	Education	Schools' Support	4,184	3,237	3,264	-27	-0.83%	
Education & Children's	Education	East Lothian Works	1,712	1,282	1,310	-28	-2.14%	
EDUCATION & CHILDREN'S	EDUCATION TOTAL		145,028	103,271	104,572	-1,301	-1.24%	
EDUCATION & CHILDREN'S TOTAL			164,562	119,253	118,994	259	0.22%	
Council Resources	Finance	Financial Services	3,992	3,211	3,548	-337	-9.50%	
Council Resources	Finance	Revenues & Financial Support	4,787	3,493	3,530	-37	-1.05%	
Council Resources	Finance	Procurement	791	684	723	-39	-5.39%	
COUNCIL RESOURCES	FINANCE TOTAL		9,570	7,388	7,801	-413	-5.29%	
Council Resources	Corporate	IT Services	3,376	2,803	2,576	227	8.81%	
Council Resources	Corporate	People & Council Support	3,680	3,365	3,343	22	0.66%	
Council Resources	Corporate	Governance	2,371	1,348	1,370	-22	-1.61%	
Council Resources	Corporate	Communications	455	346	347	-1	-0.29%	
COUNCIL RESOURCES	CORPORATE TOTAL		9,882	7,862	7,636	226	2.96%	

COUNCIL RESOURCES TOTAL			19,452	15,250	15,437	-187	-1.21%	
Health & Social Care Partnership	Head of Operations	Adult Social Work	28,044	19,340	18,247	1,093	5.99%	
Health & Social Care Partnership	Head of Operations	Acute & Ongoing Care	11,619	7,672	7,819	-147	-1.88%	
Health & Social Care Partnership	Head of Operations	Rehabilitation	2,211	1,788	1,752	36	2.05%	
Health & Social Care Partnership	Head of Operations	Learning Disability & MH Community Services	17,809	12,435	11,701	734	6.27%	
Health & Social Care Partnership	Head of Operations	Head of Operations	3,302	4,231	2,890	1,341	46.40%	
Health & Social Care Partnership	Head of Operations	Business & Performance IJB	4,968	3,436	3,652	-216	-5.91%	
HEALTH & SOCIAL CARE PARTNERSHIP	IJB TOTAL		67,953	48,902	46,061	2,841	6.17%	
Health & Social Care Partnership	Head of Operations	Non-IJB	540	694	445	249	55.96%	
HEALTH & SOCIAL CARE PARTNERSHIP	Non-IJB TOTAL		540	694	445	249	55.96%	
HEALTH & SOCIAL CARE PARTNERSHIP TOTAL			68,493	49,596	46,506	3,090	6.64%	
Place	Development	Planning & Environmental Services	1,170	452	640	-188	-29.38%	
Place	Development	Economic Development	878	1,231	1,227	4	0.33%	
PLACE	DEVELOPMENT TOTAL		2,048	1,683	1,867	-184	-9.86%	
Place	Housing	Housing, Strategy & Development	243	358	438	-80	-18.26%	
Place	Housing	Property Maintenance Trading Account	-987	3,187	3,052	135	4.42%	
Place	Housing	Community Housing Group	3,197	643	762	-119	-15.62%	
PLACE	HOUSING TOTAL		2,453	4,188	4,252	-64	-1.51%	
Place	Infrastructure	Asset Maintenance & Engineering Services	3,755	3,823	3,853	-30	-0.78%	
Place	Infrastructure	Strategic Asset & Capital Plan Management	-1,753	483	536	-53	-9.89%	
Place	Infrastructure	Facility Trading Activity	-328	1,047	1,091	-44	-4.03%	
Place	Infrastructure	Facility Support Services	4,486	3,307	3,224	83	2.57%	
Place	Infrastructure	Landscape & Countryside Management	6,177	5,604	5,552	52	0.94%	
Place	Infrastructure	Active Business Unit	4,053	2,833	2,784	49	1.76%	
Place	Infrastructure	Roads Network	5,110	3,864	3,748	116	3.09%	
Place	Infrastructure	Roads Trading Activity	-666	-99	-253	154	-60.87%	
Place	Infrastructure	Transportation	1,992	1,668	1,794	-126	-7.02%	
Place	Infrastructure	Waste Services	10,371	6,683	6,811	-128	-1.88%	
PLACE	INFRASTRUCTURE TOTAL		33,197	29,213	29,140	73	0.25%	
Place	Communities & Partnerships	Corporate Policy & Improvement	758	599	614	-15	-2.44%	
Place	Communities & Partnerships	Connected Communities	6,843	4,732	4,865	-133	-2.73%	
Place	Communities & Partnerships	Protective Services	2,139	1,357	1,497	-140	-9.35%	
Place	Communities & Partnerships	Customer Services Group	4,799	3,240	3,481	-241	-6.92%	

PLACE	COMMUNITIES & PARTNERSHIPS TOTAL	14,539	9,928	10,457	-529	-5.06%	
PLACE TOTAL		52,237	45,012	45,716	-704	-1.54%	
SERVICE TOTAL		304,744	229,111	226,653	2,458	1.08%	
Funding & Non Service Expenditure Total		-304,744	-207,832	-210,608	2,776	1.32%	
TOTAL		0	21,279	16,045	5,234	-32.62%	

Appendix 2
East Lothian Council
2023/24 Budget Efficiencies - Period Nine

Service	2023/24			
	Achieved	Amber	achievable	
	£'000	£'000	£'000	
Education	189	810	0	
Finance	107	0	0	
Corporate Services	64	0	31	
H&SCP	250	0	0	
Development	30	250	0	
Housing	78	0	0	
Communities	148	97	0	
Infrastructure	0	433	590	
Corporate Management	0	625	700	
Total	866	2,215	1,321	4,402
	19.67%	50.32%	30.01%	

Savings Currently Unachievable - Red

Service	Proposal	Value	Comments
Corporate Services	1% IT Efficiency Target	31	Based on forecast costs for licenses and costs being reassessed from capital to revenue
Infrastructure	Increased Rental Charges (Day Centres)	175	Unlikely to be achieved in 2023/24

Infrastructure	Introduction of Commercial Van Bookings at Recycling	200	Unlikely to be achieved due to delays in implementation of booking system
Infrastructure	Increase Coastal Car Park Charges	50	Given usage to date it looks unlikely this will be met
Infrastructure	Brewery Park Campus - Decant Block a & C and Mothb	15	Savings from utilities at block outside JMH. Some teams still using the blocks

Infrastructure	Mothballing Buildings	150	Achievable if buildings mothballed before winter costs for utilities incurred, unlikely to achieve full savings
Corporate	Review of Council Assets	400	Full Randall House Saving won't be cashed until 2024/25 as the building will incur costs to October 2023.
Corporate	Reduce Public Holidays by 2 days	300	No agreement expected with Trade Unions in 2023/24
Total		1,321	

Appendix 3

East Lothian Council

Budget Monitoring 2023/24 - Additional Funding from the Scottish Government

	£million
2022/23 GRG (per Budget Amendment)	215.992
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Additional Funding - GRG	
Teachers Pay Funding (Additional Funding confirmed through redetermination)	0.637
Teacher Induction Scheme (Additional Funding confirmed through redetermination)	0.128
Ukraine Refugee Resettlement Teams	0.050
Climate Intelligence Service	-0.007
Educational Psychologists	0.009
Change to SDS Funding in Redeterminations	-0.050
Local Government Pay - Confirmed share £2.976m	0.025
Total Additional Funding	0.792
Revised GRG	216.784

Appendix 4
 East Lothian Council
 Budget Monitoring 2023/24 - General Services Capital Period Nine

	RAG	Annual (In-Year)							
		Approved Budget 2023/24	Updated Budget 2023/24	Actual 2023/24	Updated Budget-Actual Variance 2023/24	Projected Outturn 2023/24	Updated Budget - Projection Variance 2023/24	Previously reported Outturn to Council (P6)	Outturn Variance
Expenditure		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Community Projects									
Community Intervention	G	375	375	65	(310)	93	(282)	118	(25)
Community Intervention Fund - Pump Tracks	G	475	500	-	(500)	25	(475)	25	-
Community Public Art		-	-	9	9	10	10	-	10
Bleachingfield Centre Remodelling Works	G	90	90	1	(89)	1	(89)	90	(89)
Dunbar Conservation Area Regeneration Scheme (CARS)	G	327	405	-	(405)	405	-	405	-
East Saltoun Community Hall	G	400	400	-	(400)	-	(400)	-	-
North Berwick Skatepark	G	-	-	149	149	165	165	165	-
Support for Business	G	-	229	323	94	323	94	323	-
CCTV	G	128	247	8	(239)	100	(147)	123	(23)
Town Centre Regeneration	G	500	1,345	539	(806)	1,205	(140)	1,205	-
Total Community Projects		2,295	3,591	1,093	(2,497)	2,327	(1,264)	2,454	(128)
									(0)
Town Centre Regeneration Grant		(500)	(1,520)			(1,095)	425	(1,345)	250
Other Funding Sources		(616)	(694)			(664)	30	(777)	113
Total Income: Community Projects		(1,116)	(2,214)			(1,759)	455	(2,122)	363
Community Projects - General Capital Grant/Borrowing Requirement		1,179	1,377			568	(809)	332	236
ICT									
IT Programme & Digital Opportunities	G	2,200	2,200	1,347	(853)	2,200	-	2,200	-
Total ICT		2,200	2,200	1,347	(853)	2,200	-	2,200	-
									-
Other Funding Sources		-	-			-	-	-	-
Total Income: ICT		-	-			-	-	-	-
ICT - General Capital Grant/Borrowing Requirement		2,200	2,200			2,200	0	2,200	0
Fleet									
Amenties - Machinery & Equipment - replacement	G	200	246	235	(11)	277	31	246	31
Vehicles	G	4,509	4,299	2,624	(1,675)	3,143	(1,156)	3,143	-
Total Fleet		4,709	4,545	2,859	(1,685)	3,420	(1,125)	3,388	31
									0
Other Funding Sources		-	-			-	-	-	-
Total Income: Fleet		-	-			-	-	-	-
Fleet - General Capital Grant/Borrowing Requirement		4,709	4,545			3,420	(1,125)	3,388	31

Open Space									
Synthetic Pitch Replacement Programme	G	571	571	255	(316)	355	(216)	355	-
Cemeteries (Burial Grounds)	G	818	1,077	127	(950)	714	(363)	714	-
River Tyne / Haddington Flood Protection scheme	G	400	425	7	(418)	10	(415)	20	(10)
Coastal / Flood Protection schemes - Musselburgh	G	2,883	2,978	839	(2,139)	1,637	(1,341)	2,730	(1,093)
Coastal Car Park Toilets	G	-	64	15	(49)	35	(29)	35	-
Core Path Plan	G	50	50	-	(50)	-	(50)	50	(50)
Mains Farm Town Park & Pavilion	G	-	4	4	(0)	4	(0)	4	-
Nature Restoration	G	24	125	193	68	331	205	331	-
Replacement Play Equipment	G	218	317	124	(193)	192	(125)	317	(125)
Polson Park	G	20	20	-	(20)	-	(20)	-	-
Sports and Recreation LDP	G	2,613	3,068	717	(2,352)	900	(2,169)	893	7
Waste - New Bins	G	160	160	141	(19)	185	25	160	25
Waste - Machinery & Equipment - replacement	G	40	40	15	(25)	15	(25)	40	(25)
Total Open Space		7,797	8,899	2,438	(6,461)	4,378	(4,521)	5,649	(1,271)

Developer Contribution		(1,445)	(1,746)			(715)	1,031	(708)	(7)
Capital Receipts		-	-			(274)	(274)	-	(274)
Other Funding Sources		(1,172)	(1,450)			(538)	912	(1,061)	523
Total Income: Open Space		(2,617)	(3,196)			(1,526)	1,669	(1,769)	242
Open Space - General Capital Grant/Borrowing Requirement		5,180	5,703			2,851	(2,852)	3,880	(1,029)

Roads, Lighting and related assets									
Cycling Walking Safer Streets	G	478	582	564	(17)	1,046	464	1,046	-
East Linton Rail Stop / Infrastructure	G	1,500	27	0	(26)	0	(26)	0	0
Parking Improvements	G	252	274	114	(160)	280	6	358	(78)
Roads	G	6,735	6,865	3,801	(3,065)	6,205	(660)	6,365	(160)
Roads - externally funded projects	G	4,251	4,251	1,851	(2,400)	3,500	(751)	4,455	(955)
Total Roads, Lighting and related assets		13,216	11,999	6,331	(5,668)	11,031	(968)	12,224	(1,193)

(0)

Developer Contribution		(47)	(47)			(47)	-	(47)	-
Other Funding Sources		(4,682)	(4,786)			(4,499)	287	(5,453)	955
Total Income: Roads, Lighting and related assets		(4,729)	(4,833)			(4,546)	287	(5,500)	955
Roads etc. - General Capital Grant/Borrowing Requirement		8,487	7,166			6,485	(681)	6,723	(238)

Property - Education									
Aberlady Primary - extension	G	2,817	2,868	9	(2,860)	50	(2,818)	350	(300)
Blindwells Primary - new school	G	13,611	13,650	174	(13,476)	774	(12,876)	1,000	(226)
Craighall Primary - New School	G	13,411	13,451	181	(13,270)	778	(12,673)	1,000	(222)
East Linton Primary - new school	A	600	674	-	(674)	-	(674)	-	-
Free School Meals Expansion to P6-7	A	1,544	1,544	-	(1,544)	-	(1,544)	-	-
Gullane Primary - extension including Early Learning and 1140	G	-	-	(390)	(390)	-	-	-	-
Law Primary - extension including Early Learning and 1140	A	360	581	638	58	1,216	636	876	341
Letham Primary - New School	G	-	112	18	(93)	30	(82)	30	-
North Berwick High School - Extension	A	-	1,331	837	(493)	1,309	(21)	1,799	(489)

Ormiston Primary - extension	G	-	34	13	(21)	100	66	34	66
Pinkie St Peter's Primary - sports hall extension	G	774	846	515	(332)	551	(296)	846	(296)
Pinkie St Peter's Primary - extension including Early Learning and 1140	G	939	1,115	1,260	145	1,395	280	1,115	280
Preston Lodge High School - extension (phase 1)	G	1,153	1,200	-	(1,200)	-	(1,200)	-	-
Prestonpans Primary - upgrades	G	243	245	-	(245)	-	(245)	-	-
Ross High School - extension	A	172	219	494	275	644	425	580	64
School Estate - Curriculum Upgrades	G	1,083	1,083	-	(1,083)	38	(1,045)	50	(12)
St Gabriel's Primary - extension including Early Learning and 1140	G	-	122	42	(80)	42	(80)	10	32
Wallyford Primary - New School	G	59	108	-	(108)	-	(108)	-	-
Wallyford Learning Campus	G	8,130	9,371	5,137	(4,234)	8,898	(473)	9,371	(473)
West Barns Primary - extension including Early Learning and 1140	G	234	633	999	366	999	366	633	366
Whitecraig Primary - new school including Early Learning and 1140	G	8,436	8,436	73	(8,362)	759	(7,676)	1,500	(741)
Windygoul Primary - Early learning and 1140 extension	G	1,930	1,991	17	(1,975)	17	(1,975)	20	(3)
Total Property - Education		55,497	59,613	10,018	(49,596)	17,600	(42,013)	19,213	(1,613)
									(0)
Developer Contribution		(9,475)	(11,484)			(5,185)	6,299	(5,929)	744
Developer Contribution (Post completion)		(427)	(427)			(251)	176	(427)	176
1140 Grant Income		(2,708)	(2,907)			(1,341)	1,566	(1,361)	20
Other Funding Sources							-		-
Total Income: Property - Education		(12,609)	(14,818)			(6,776)	8,041	(7,716)	940
Property Education - General Capital Grant/Borrowing Requirement		42,888	44,795			10,824	(33,972)	11,497	(673)
Property - Other									
Accelerating Growth		3,281	6,614	3,444	(3,170)	4,509	(2,105)	5,468	(960)
- Cockenzie	G	126	612	561	(51)	593	(19)	593	-
- Levelling Up Project Cockenzie	G	-	-	166	166	300	300	626	(326)
- Blindwells	G	40	153	11	(143)	65	(88)	65	-
- Innovation Hub	G	2,115	2,748	150	(2,598)	450	(2,298)	1,084	(634)
- A1/QMU Junction	G	1,000	3,101	2,556	(545)	3,101	-	3,101	-
Brunton Hall - Improved Community Access	G	-	23	-	(23)	27	4	23	4
Court Accommodation - incl. SPOC	G	1,506	1,506	14	(1,492)	150	(1,356)	519	(369)
New ways of working Programme	G	1,335	1,637	946	(691)	1,637	-	1,637	-
Prestongrange Museum	G	1,496	1,840	195	(1,645)	340	(1,501)	340	(0)
Property Renewals	G	2,000	2,000	1,759	(241)	2,000	-	2,000	-
Replacement Childrens House	G	867	867	-	(867)	-	(867)	-	-
Sports Centres	G	240	240	189	(51)	240	-	240	-
Whitecraig Community Centre	G	-	49	-	(49)	49	-	49	-
Total Property - Other		10,724	14,775	6,548	(8,228)	8,951	(5,824)	10,276	(1,325)
Developer Contribution							-		-
Developer Contribution (Post completion)		(1,909)	(1,909)			(5,605)	(3,696)	(1,909)	(3,696)
Capital receipts		(31)	(31)			(862)	(831)	(624)	(237)
Other Funding Sources		(2,047)	(2,283)			(887)	1,396	(1,490)	603
Total Income: Property - Other		(3,987)	(4,223)			(7,354)	(3,131)	(4,024)	(3,330)
Property Other - General Capital Grant/Borrowing Requirement		6,737	10,553			1,597	(8,956)	6,252	(4,655)
Total Property Spend - Education and Other		66,221	74,389	16,565	(57,824)	26,551	(47,837)	29,489	(2,938)

Total Income: Property - Education and Other		(16,597)	(19,041)	-	-	(14,130)	4,910	(11,740)	(2,390)
Property-Education and Other - General Capital Grant/Borrowing Requirement		49,624	55,348	16,565	(57,824)	12,421	(42,927)	17,749	(5,328)
Capital Plan Fees	G	2,479	2,479	-	(2,479)	2,479	-	2,479	-
PPP Projects	G	-	-	-	-	497	497	497	-
Total Gross Expenditure		98,916	108,101	30,634	(77,468)	52,883	(55,218)	58,381	(5,498)
Other Funding Sources		-	-			(497)	(497)	(497)	-
Total Income:PPP Projects		-	-			(497)	(497)	(497)	-
Income									
Developer Contribution	G	(10,967)	(13,277)			(5,947)	7,331	(6,684)	737
Developer Contribution (Post completion)	G	(2,336)	(2,336)			(5,856)	(3,520)	(2,336)	(3,520)
1140 Grant Income	G	(2,708)	(2,907)			(1,341)	1,566	(1,361)	20
Town Centre Regeneration Grant	G	(500)	(1,520)			(1,095)	425	(1,095)	(0)
Capital receipts	G	(2,031)	(2,031)			(3,135)	(1,105)	(2,624)	(511)
Other Funding Sources	G	(8,517)	(9,212)			(7,085)	2,127	(9,246)	2,161
Scottish Government General Capital Grant		(5,626)	(5,626)			(4,524)	1,102	(4,524)	-
Total Income		(32,685)	(36,909)			(28,983)	7,926	(27,869)	(1,113)
Borrowing Requirement		66,232	71,192			23,900	(47,292)	30,511	(6,611)

Appendix 5

East Lothian Council

Budget Monitoring 2023/24 - Treasury Period Nine

1 PRUDENTIAL INDICATORS		2022-23	2023-24	2023-24
		Actual £'000	Budget £'000	Q3 Projection £'000
1.1	Capital Expenditure			
	General Services	87,955	98,916	52,883
	HRA	40,349	33,964	44,238
	TOTAL	128,304	132,880	97,121
1.2	Capital Financing Requirement (CFR) – General Services			
	brought forward 1 April	257,927	309,114	295,377
	carried forward 31 March	295,377	372,650	320,620
	In year borrowing requirement	37,450	63,536	25,243
1.3	Capital Financing Requirement (CFR) - HRA			
	brought forward 1 April	219,522	245,305	240,066
	carried forward 31 March	240,066	265,974	267,835
	In year borrowing requirement	20,544	20,669	27,769
1.4	Total CFR excluding PPP and leases			
	General Services	295,377	372,650	320,620
	HRA	240,066	265,974	267,835
	TOTAL	535,443	638,624	588,455
1.5	Annual Change in CFR			
	General Services	37,450	63,536	25,243
	HRA	20,544	20,669	27,769
	TOTAL	57,994	84,205	53,012

1.6 Ratio of financing costs to net revenue stream			
General Services	2.72%	4.37%	4.37%
HRA	30.10%	36.24%	34.32%
1.7 Impact of Capital Investment Decisions			
General Services – Debt per Band D equivalent	£4,943	£6,086	£5,236
HRA – Debt per dwelling	£26,254	£28,652	£28,852

2 TREASURY MANAGEMENT INDICATORS	2022-23	2023-24	2023-24
	Actual £'000	Budget £'000	Q3 Projection £'000
2.1 Authorised Limit for External Debt -			
Borrowing at 31 March	601,000	680,000	623,000
Other long term liabilities (PPP and Leases)	33,000	31,000	31,000
Total	634,000	711,000	654,000
2.2 Operational Boundary for External Debt -			
Borrowing at 31 March	535,442	638,623	588,454
Other long term liabilities (PPP and Leases)	32,214	30,686	30,687
Total	567,656	669,309	619,141
2.3 Actual External Debt			
Borrowing at 31 March	441,503	573,341	495,576
Other long term liabilities (PPP and Leases)	32,214	30,687	30,687
Total	473,717	604,028	526,263

3 LOANS FUND	2022-23	2023-24	2023-24
	Actual	Budget	Q3 Projection

	£'000	£'000	£'000
3.1 General Services			
Opening balance	257,927	309,114	295,376
Add advances	37,776	65,957	29,481
Less repayments	(326)	(2,420)	(4,237)
Closing balance	295,376	372,650	320,620
3.2 HRA			
Opening balance	219,522	245,305	240,065
Add advances	25,366	26,068	33,151
Less repayments	(4,822)	(5,399)	(5,382)
Closing balance	240,065	265,973	267,834
3.3 Total			
Opening balance	477,448	554,418	535,442
Add advances	63,142	92,024	62,632
Less repayments	(5,148)	(7,819)	(9,619)
Closing balance	535,442	638,624	588,455

Appendix 6
 East Lothian Council
 Budget Monitoring HRA 2023/24 - Period Nine

	2023/24 Budget	2023/24 Actual to Date	2023/24 Budget to Date	2023/24 Budget Variance to Date
	£'000	£'000	£'000	£'000
Total Income	-37,482	-27,966	-28,112	144
Total Expenditure	36,233	15,511	16,523	-1,012
(Surplus) / (Deficit)	-1,249	-12,455	-11,589	-868

	2023/24 Budget
	£'000
Management of Balances	
Opening (Surplus) / (Deficit)	-1,486
CFCR	1,200
(Surplus) / (Deficit)	-1,249
Closing (Surplus) / (Deficit)	-1,535

Appendix 7

East Lothian Council

Budget Monitoring HRA Capital 2023/24 - Period Nine

	2023/24 Budget	2023/24 Actual to Date	2023/24 Budget to Date	2023/24 Budget Variance to Date
	£'000	£'000	£'000	£'000
Modernisa	10,709	6,438	8,032	-1,594
Energy Effi	2,500	714	1,875	-1,161
New Counc	19,037	23,523	14,278	9,245
Fees	1,438	0	0	0
Mortgage t	280	230	0	230
TOTAL	33,964	30,905	24,185	6,720

Funded By:

	2023/24 Budget	2023/24 Actual to Date	2023/24 Budget to Date	2023/24 Budget Variance to Date
	£'000	£'000	£'000	£'000
Grants	-6,500	-9,209	-4,875	-4,334
Grants MTI	-196	-166	0	-166
CFCR	-1,200	-1,200	-1,200	0
Borrowing	-26,068	-20,331	-18,110	-2,221
TOTAL	-33,964	-30,906	-24,185	-6,721

REPORT TO: East Lothian Council
MEETING DATE: 20 February 2024
BY: Executive Director for Council Resources
SUBJECT: Budget Development & 2024-25 Council Tax & Rent Levels

2

1 PURPOSE

- 1.1 To provide Council with an overview of the national funding settlement for local government, and the implications of this for East Lothian.
- 1.2 To set the Housing Revenue Account budgets for 2024/25 – 2028/29 and rent levels for 2024/25.
- 1.3 To set the General Services revenue budget and council tax levels for 2024/25 and agree strategic level budgets for 2025/26 – 2028/29.
- 1.4 To set the General Services Capital budget for 2024/5 – 2028/29.
- 1.5 To set the council’s policy on applying a council tax premium on second homes.
- 1.6 To set out the next steps towards delivering the council’s financial strategy 2024/25 – 2028/29.

2 RECOMMENDATIONS

The Council is recommended to:

- 2.1 Note the extremely challenging context within which budget proposals for 2024/25 onwards have been developed, and the factors which have contributed to the gap between forecast income levels and expenditure demands.
- 2.2 Note the content of the 2024/25 local government finance order and the funding implications for East Lothian Council.
- 2.3 Note the key assumptions and risks within the budget projections set out at paragraph 3.40.

- 2.4 Agree that a 100% council tax premium will be applicable for second homes from 1 April 2024.
- 2.5 In line with agenda items 2a and 2b on the agenda:
- a) Approve the Housing Revenue Account revenue and capital budgets for 2024/25 to 2028/29 and rent levels for 2024/25, as set out in Item 2a;
 - b) Approve the General Services capital budget 2024/25 to 2028/29, as set out in Item 2b(i);
 - c) Approve the General Services revenue budget and council tax levels for 2024/25, as set out in Item 2b(ii);
 - d) Approve the high level General Services revenue budget projections for 2025/26 to 2028/29, as set out in Item 2b(iii);
- 2.6 Agree the indicative timetable for developing budget projections and closing the budget gap for 2025/26 onwards, as set out at paragraph 3.55.

3 BACKGROUND

- 3.1 The Council is continuing to operate within the most extreme and challenging financial environment that it has ever faced with very difficult financial pressures in both this financial year, and a significant funding gap set out for 2024/25 and beyond.
- 3.2 The scale of the challenges in East Lothian has been highlighted continually in recent years and has resulted in significant debate both locally and nationally around the scale of the challenge. Particular focus has been given to the cumulative financial impact arising from our growing population, aligned to national strategic housing land supply allocations.
- 3.3 In December 2023, Council approved the Financial and Capital Strategies for the period 2024/25 to 2028/29 which sets out how the Council should seek to manage its resources during this period to achieve financial sustainability in the context of these significant challenges and risks.
- 3.4 The following sections highlight the key features, and associated risks within the proposed budget for 2024/25 onwards.

Local Government Finance Settlement 2024/25

National Context

- 3.5 Scottish Government published the draft local government finance settlement for 2024/25 on 19 December 2023. This is a one-year settlement and key features of this were set out within the report to Cabinet on 30 January 2024. The parliamentary process for finalising the Local Government Finance Order is expected to conclude on 28 February 2024, and any changes to the draft position will be reported to a future council meeting, along with the implications for East Lothian Council.
- 3.6 The Cabinet report set out the national context, and reflected that COSLA nationally indicates that the settlement represents:
- An overall cash cut to revenue funding of £62.7m
 - An overall cash cut to capital funding £54.9m
 - Whilst £144m has been made available to support ‘a fully funded Council Tax freeze’ this falls significantly short in meeting this commitment.
- 3.7 The Institute for Fiscal Studies (IFS) has now published its analysis on the Scottish Government’s budget which notes that:
- Whilst the headline Budget figures suggest councils’ day-to-day funding will increase by 7.9% in cash terms (6.2% in real terms) in 2024–25, the reality is that this gives a seriously misleading picture.
 - Their analysis states that after taking account of the baselining of funding to support the 2022/23 and 2023/24 pay awards, and funding required to fund new policy commitments along with the requirement to freeze council tax in 2024/25, it is estimated that that the funding available to councils will increase by just 3.5% in cash terms (1.8% in real terms) next year.

Furthermore, Scottish Government’s medium term financial plans do not indicate that additional funding to close the budget gap will be made available over the coming years. It is therefore crucial that decisions taken through the budget setting process are focussed on supporting financial sustainability over the medium term.

- 3.8 The national budget discussions for local government are being led by COSLA and are set within the context of a new partnership agreement (Verity House Agreement) which was signed by both the First Minister and COSLA Leaders in June 2023. The agreement sets out a clear commitment to addressing shared priorities and a clear process for budget engagement. Since the draft local government finance settlement, discussions have continued, but in recent days some fundamental changes to the national settlement conditions have been announced, and these present significant enhanced risks councils in delivering sustainable

services going forward. More details setting out these key changes and national discussions are set out below:

- The Cabinet Secretary for Education and Skills has written to COSLA on 12 February 2024 setting out her intention to remove a national share of £145.5 million from the general revenue funding with Council's only being able to receive this funding via specific grant should they meet specified criteria to protect Teacher numbers. For East Lothian this represents a significant financial risk to £2.95m of funding.
- In addition, the letter makes reference to the potential to legislate to maintain learning hours and numbers of days of education each year. Should this progress, this creates both financial and wider risks to the Council to be able to deliver financially sustainable services and transform service delivery to support outcomes and deliver best value.
- An additional £600m of UK Government funding has been made available to local authorities in England and Wales to support funding challenges in recent weeks. The DFM through discussions with COSLA has confirmed that this will give rise to Barnett Consequentials of approximately £45m through the national fiscal arrangement between UK and Scotland, however no clear assumption has yet been made to Scottish Councils that this will be passed over. The DFM has indicated any decision will be taken once she has clarity of any net changes arising through the UK Spring Budget on 6 March.
- The DFM has requested that each Council notify her as to their intention to freeze Council Tax no later than Friday 16 February 2024 to inform the Scottish Government approach to stage 2 of the Budget Process which is scheduled to take place on 20 February 2024. COSLA has continued to make this clear to the DFM that any decision whether to accept or reject the Grant would be subject to individual Council consideration and most Councils, including East Lothian, would not be in a position to confirm this prior to Council budget considerations.
- The DFM has recently confirmed within correspondence that she will pass on to Local Government any additional Barnett Consequentials aligned to the increase in Teachers Pensions Contributions. For East Lothian the financial implication equates to £1.589m. Should the funding fall short of this level this will pose further risk to the Council.

Local Context

- 3.9 The significance and scale of the funding challenge facing this Council in the current year, 2024/25 and beyond has been the subject to a great deal of local and national debate and currently reflects a very real challenge to the financial sustainability and viability of this Council. The Council has already delivered significant efficiencies over the past 10 years in excess of £50m and going forward faces a further funding gap for 2024/25 of

£17.3m, rising to just under £56m over the next 5 years. The cumulative scale represents a significant challenge both in terms of delivering a balanced budget for 2024/25 and on-going ability to deliver core statutory services.

- 3.10 Despite a reduction in national funding, the Council has seen an increase of £2.157m in core revenue funding arising from an updating of indicators aligned to the most recent population census. In addition, the Council has received additional funding linked to new policy commitments including the expansion of free school meals for P6 and P7, funding to be passed to the IJB and funding linked to freezing the council tax charges should the council agree to do so. The draft settlement also reflected the baselining of the specific grant for early learning and childcare along with pay funding linked to the 2022/23 and 2023/24 pay awards. No funding has been made available specifically to support any national pay awards for Council staff for 2024/25. Much of the detail was set out in the report to Cabinet on 30 January and the draft budget has been updated to reflect current projections, with a more detailed breakdown of the funding uplift received through the settlement provided below:

£22.315m	Total increase in general revenue grant
Of which:	
£6.551m	is baselining of funding to support the 2022/23 and 2023/24 pay awards
£10.927m	is baselining of early years specific grant
£0.272m	is to support new policy commitments
£0.371m	is to be passported to the IJB
£1.589m	is to support the increase in employer contributions rates for teachers pension (not yet confirmed but anticipated to be allocated in line with DFM commitment)
£3.400m	is funding for the council tax freeze in 2024/25
-£2.952m	is the removal of funding for retaining teachers from the GRG as this will be paid as a specific grant from 2024/25.
£2.157m	Net increase to core funding

- 3.11 Council is asked to note that at the time of drafting this report, the following funding streams remain undistributed;

- £230m to support £12ph in adult social care (the council's share of this is estimated at £4.6m and will be passed to the IJB);

- £145.5m funding to protect teacher numbers, to be distributed by a specific resource grant from 2024/25 (the council's share of this is estimated at £2.95m).
- £16m to support £12ph in early years (the council's share of this is estimated at £0.35m).
- £40m capital funding to support the rollout of free school meals to P6 & 7.

3.12 In addition, as highlighted in paragraph 3.10 above, we have yet to receive confirmation as to the actual funding to be provided to support the increase in Teachers Pensions Contributions arising from Barnett Consequentials.

3.13 In order to ensure that there is stability within the national distribution of funding to local authorities, the formula includes a minimum grant "floor" calculation to ensure that individual Councils do not see excessive year on year variances. The floor is self-financing and funded through the redistribution of funding from some councils to others. Based on the draft settlement for 2024/25, the floor has been set at -0.5%, and East Lothian Council will be required to contribute £2.734m to the floor.

3.14 Current budget projections for the General Services Revenue budget assume a 3% pay award in 2024/25 and annual increases of 2% thereafter. The projections also factor in growth on contracts linked to inflation as well as revenue consequences of capital and debt charges.

3.15 Over the medium term, income projections assume a flat cash settlement from Scottish Government, with a projected increase in 2026/27 in accordance with the Spending Review announcement published in June 2022.

3.16 Taking these factors into account, the funding gap for 2024/25 before applying budget efficiencies, increases to the council tax charge or use of reserves is £17.289m. This rises to £55.859m by 2027/28. This is detailed within Item 2b and summarised within table 1 below:

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total
Base Budget	303,996	308,576	316,239	318,079	319,875	
Growth	22,005	20,121	11,028	11,112	8,248	72,514
Income changes	-4,716	-2,279	-5,101	-2,292	-2,267	-16,655
Funding Gap	17,289	17,842	5,927	8,820	5,981	55,859

Table 1: Summary budget pressures & funding gap

3.17 As noted elsewhere in this report, the gap between expenditure demands and available funding is now at a scale which will require a fundamental shift in how the Council delivers and prioritises its core services. The current draft budgets and forward projections contain a number of assumptions, all of which remain subject to change. In addition, efficiencies are proposed as part the draft budgets presented, however there is still a significant amount of work to be done in this area in order to

ensure financial sustainability over the medium term. More detail setting out the risks associated with this is set out in paragraph 3.40.

- 3.18 The draft budget proposals set out in the associated appendices have been developed by the administration and discussions through the cross party budget working group have continued throughout the year. In developing the proposals and closing the budget gap, members have also been provided with results from the budget consultation with details available in Members Library. In line with the recommendations set out in section 2 of this report, Council is asked to consider and agree budget proposals, with more details on each of these set out in the sections below.

Housing Revenue Account

- 3.19 The Housing Revenue Account (HRA) budgets 2024/25 – 2028/29 and proposed rent levels for 2024/25 are set out within Item 2a. Council is asked to approve the budget and proposed 2024/25 rent levels.
- 3.20 The proposed rents represent a 7% increase to current rent levels. This follows a 5% increase in 2023/24 and a rent freeze in both 2022/23 and 2021/22. The proposed rent levels would increase the current average weekly rent from £76.69 to £82.06. Tenants were consulted on the proposed rent increase, and a report detailing the consultation response has been lodged in the Members Library.
- 3.21 Setting the rents at the proposed level will enable the planned programme of modernisation and investment in new council houses to proceed as previously planned, and for key ratios including 40% debt to income ratio and minimum reserves of £1m to be met, which remain particularly important in the current context managing the wide range of concurrent risks and pressures.
- 3.22 The Scottish Government budget reflects significant reductions to the national funding available to support the delivery of affordable housing, including a full reduction in the level of grant available to the council to support this in 2024/25. Consequently, any increase below 7% would require a reduction in the level of planned investment in new affordable housing, and increases of 5% would also require reductions in the modernisation and energy efficiency improvements in order to ensure that the key ratios are met.

General Services Capital Budgets

- 3.23 Scottish Government has announced capital funding of £638m for local authorities in 2024/25, which COSLA has indicated represents a cash reduction of £54.9m to local authorities. Additional funding totalling £40m to support the expansion of free school meals to P6 and P7 has also been announced, but not yet distributed.
- 3.24 At a local level, the Council is expecting confirmation that it will receive core general capital grant funding of £7.897m for General Services. In

addition, £17m funding to support the Musselburgh Flood Prevention Scheme is anticipated in 2024/25.

3.25 The proposed capital programme for 2024/25 to 2028/29 is detailed within Item 2b(i) and represents planned investment to support the delivery of the council's strategic objectives and statutory obligations over the next five years. Council is asked to approve these proposals.

3.26 Key changes to the previous capital plan include:

- reprofiling planned spend on the education estate, with reference to housing completions and updated school roll projections;
- adjustments to planned expenditure on Haddington Flood Prevention Scheme and East Linton Primary school, aligned to Scottish Government decisions around the funding and criteria available to support these schemes;
- updates to planned expenditure reflecting the recent council decision around Musselburgh Flood Prevention Scheme.
- addition of planned expenditure to repair the roof and support the reopening of the Loch Centre Swimming pool in Tranent;
- addition of planned expenditure to support repairs to harbours damaged in the recent storms;
- addition of a street litter bin replacement programme; and
- addition of externally funded budget lines including Community Public Art (funded through external contributions), Coastal Change Adaptation (grant funded) and Pencaitland Primary School (funded through developer contributions).

3.27 The impact of these changes is a net borrowing requirement of £116.35m over the next five years. Given the current financial projections facing this Council, the capital programme remains subject to significant and on-going affordability challenges.

3.28 Whilst the capital plans currently remain within affordable financial limits, the scale of current and future capital infrastructure requirements facing this Council are significant, and how these are met within prudent, affordable and sustainable financial limits will remain of critical focus in the years ahead. As set out within the approved financial and capital strategies, the affordability of future capital investment decisions must consider the impact of future borrowing and debt repayment charges, and it is likely this will require a reduction and realignment of capital investment decisions going forward. Furthermore, wider pressures on the capital programme including inflation and supply chain issues continue to present significant risks to the deliverability and affordability of the programme.

3.29 The capital programme will continue to be closely monitored throughout the year, with updates and further recommendations being reported through to Council as appropriate.

General Services Revenue Budgets

3.30 Item 2(b)(ii) to this report sets out the proposed budget and council tax levels for 2024/25 which has been developed by the administration working in conjunction with the cross party budget working group. Council is asked to agree the 2024/25 budget and council tax levels.

3.31 As previously reported to Cabinet and aligned to the 2024/25 national settlement conditions, £144m of funding has been provided to freeze Council Tax. This specific policy has remained subject to significant national discussions, and the proportionate share of the grant funding is only being made available to Councils who accept the freeze. For East Lothian this is equivalent to approximately 5% increase in Council Tax and equates to £3.4m. In setting any level of Council Tax, Councils should take cognisance of the resources being made available and spending obligations. Given the significance of the funding gap for East Lothian, an increase in Council Tax would have remained an appropriate option available to members as part of balancing the budget, but this would have been at the expense of the national funding being made available.

3.32 Should members accept the recommendation to freeze Council Tax this will see a freeze to existing Council Tax levels as set out in the table below, and will represent a Band D Council Tax bill being frozen at £1,435.62. Members are reminded that the Council operates a joint billing of Council Tax, water and sewerage. Scottish Water have indicated their intent to increase their charges by 8.8% which means that household bills will increase during 2024/25, and this will be an important feature within the annual billing information. The table below summarises the proposed council tax charges for 2024/25, based on a council tax freeze, on an annual and weekly basis:

	Annual	Weekly
Band	2024/25 Council Tax Charge (excluding Water & Sewerage)	
A	£957.08	£18.36
B	£1,116.59	£21.42
C	£1,276.10	£24.47
D	£1,435.62	£27.53
E	£1,886.24	£36.18
F	£2,332.88	£44.74
G	£2,811.42	£53.92
H	£3,517.26	£67.46

Table 2: Proposed council tax levels 2024/25

- 3.33 Item 2b(iii) shows the strategic budget projections for the next five years, which highlights the anticipated funding gap of £56.859m by 2028/29. These projections are based on a range of assumptions all of which remain subject to change. This assumes a freeze to council tax levels in 2024/25, an indicative 10% council tax increase in 2025/26 and 5% indicative annual increases thereafter. Even with these levels of assumed Council tax, further budget efficiency plans and indicative council tax rises proposed as part of this budget will only partially close the gap, leaving a residual budget gap of £13.074m to close over the next five years. Council is asked to agree the high level budget projections included in Item 2b(iii). Considering these options in the context of the critical enablers set out within the approved Financial Strategy, alongside an impending review of the Council Plan to reshape and refocus political priorities will be of critical importance in meeting the future budget gap.
- 3.34 Councils have a range of legislative and statutory duties to undertake, and achieving financially sustainable core statutory services alongside national and local policies is now going to be very challenging with the resources which are now being made available. This Council has now reached a critical tipping point in terms of financial sustainability, and alongside the decisions being taken in the budget, will continue to require some very difficult decisions going forward. Whilst it is imperative that the Council continues to pursue national discussions to seek support and holistic and creative solutions, locally we must continue to do all that we can and focus must now be aligned to reshape what services the Council can deliver and align available resources to support clear priorities. Inevitably this will mean change, and this will also mean that other areas which are not priority may need to be reviewed, and potentially stopped.
- 3.35 For 2024/25, it is proposed that the budget gap will be closed through a combination of existing savings agreed by Council on 28 February 2023 and new savings proposals which are aligned to the Financial Strategy and these proposals have been subject to consideration by the Cross Party Budget Working Group. Efficiencies totalling £8.175m have been identified for 2024/25. The impact of debt charges on the revenue account has also been reduced through application of the capital fund in order to smooth and offset some of the revenue impact in 2024/25.
- 3.36 The residual gap of £1m is being closed on a one-off basis during 2024/25 through planned temporary use of reserves, to be replenished in 2025/26. This has been deemed permissible and competent given the proposed increase in Council Tax in year 2 and transfer back into reserves. Should this level of Council Tax increase either not be needed or not materialise during 2025/26, Council will need to be clear that alternative savings proposals will be required to deliver to replenish the reserves balance. Given the wide range of concurrent financial risks facing the Council this must be a clear consideration of any proposal.

Reserves

- 3.37 The Financial Strategy agreed by Council in December increases the target minimum level of reserves to be held as contingency for unforeseen events, from £7.2m to £7.6m, reflecting the critical nature of the concurrent risks which now threaten the council's capacity to demonstrate financial sustainability. At this stage it is anticipated that the proposed budgets for 2024/25 will allow for the target minimum balance to be maintained, however, the Council continues to face a significant number of variables and a high degree of risk with regard to its financial position.
- 3.38 The budget proposals for 2024/25 reflect planned use of £1m reserves to balance the budget, however the proposals for 2025/26 seek to ensure that this is repaid from the revenue budget in the following year. This reflects the financial strategy and budget development principles adopted by Council which include a commitment to minimise use of reserves in order to balance the budget. Officers will continue to work towards this objective, supported by investment in the enablers for transformation outlined within the financial strategy.

Key assumptions and risks

- 3.39 The council faces a growing range of concurrent risks relating to its financial position. The nature of the risks has been reflected on the corporate risk register, with managing the financial environment reported as the highest rated risk that have ever been reported to Council and the risk to financial sustainability remains of critical concern.
- 3.40 There are a number of substantial risks built into the assumptions and the key risks are set out below:

4 Delivery of planned savings & income levels

Given the scale of the financial challenge being faced, the budget and financial strategy rely on the delivery of a significant amount of savings in order to achieve a balance position.

The draft budget proposals for 2024/25 include the delivery of over £8m of efficiencies. Many of these savings proposals will require development, review and consultation by officers, and this will give rise to timing delays relating to full implementation.

Officers are currently working to deliver previously identified savings, but proposals totalling £0.475m have been removed from the proposed budget as they are no longer considered to be deliverable. A further £2m of planned savings currently remain a high risk of timing and implementation delays, and officers will work hard to accelerate and implement proposals as early as practically possible.

Officer capacity to deliver savings also presents a risk, in the context of reduced staffing due to recruitment market challenges and enhanced recruitment control, delivery of some of the planned savings will require significant input from officers and ensuring that resources are adequate will be key to this.

If savings cannot be delivered as planned then alternative action will be required to mitigate the impact, and may include the suspension of some council services, reductions in staffing levels or changes to Council policy. Ultimately if these risks materialise and suitable alternative options cannot be identified, this could create in year budget overspends which would need to be funded from reserves. Progress and risks associated with the delivery of planned savings will remain a critical focus of 2024/25 Financial Reviews.

In addition, the budget projections for both general services and the HRA rely on a range of key assumptions around income levels which also reflect a significant degree of risk. Officers continue to monitor and implement key income streams very closely and work hard to ensure that the Council can maximise income collection and recover income which is due wherever possible. We seek to mitigate this through provisions (amounts set aside to reflect that a proportion of income may not be recoverable) but even marginal variations in key revenue streams like council tax and rents will be hugely significant in value. Furthermore, in accordance with the council's financial strategy, the council is developing new income streams which can be difficult to forecast as there is no historical data on which to base the projections. Collectively these areas will remain subject to close monitoring and review.

5 Reserve levels

The Council's general and uncommitted reserves levels remain at a very low level commensurate to the level of risk. Given the level of savings identified and wide range of concurrent risks facing the Council, there remains a key risk that the Council will not be able to fully mitigate any events, including overspends or timing differences aligned to the delivery of planned savings.

The Council is currently projecting a significant overspend in 2023/24 which will reduce the availability of reserves if the projections materialise.

If the minimum unallocated balance on the general fund falls below the level set out in the financial strategy, then action will need to be taken to replenish balances accordingly. In the first instance, we would seek to use other earmarked balances for this purpose. If this is not possible then a recovery plan would need to be

implemented, with a view to replenishing reserves from the revenue account over the subsequent twelve months.

6 Pay

Scottish Government's draft budget does not reflect a public sector pay policy or indeed funding to support a pay award for the local government staff. There remains a risk that that pay negotiations may result in a greater increases than the 3% allowed for within the current budget projections. Every 1% increase in pay will result in a further pressure on the council's budget of approximately £1.8m.

7 Funding for teachers pension increase

As highlighted in paragraph 3.8 above, the DFM confirmed in her letter to councils on 2 February 2024, her intention to pass on any funding provided for teachers pension contributions to local authorities, should UK government confirm this. In the event that there is no net benefit to Scotland announced in relation to this change, then this will leave an unfunded budget pressure of £1.589m next year which will need to be funded through alternative measures to reduce expenditure. This will not be confirmed until after the Chancellor's Spring Budget announcement on 6 March.

8 HRA Affordable Housing Subsidy

The Scottish Government's budget provides year 1 (2024/25) allocations of affordable housing subsidy allocations only, and for East Lothian this has resulted in an unprecedented situation where the Council is not anticipating to receive any national funding to support the delivery of new affordable housing during 2024/25. Future year's budget projections include an assumed level of grant subsidy that will be received in the years subsequent to 2024/25. If this funding does not materialise this presents an enhanced risk to the delivery of the planned number of affordable homes. Furthermore, this may present a further risk in terms of managing additional borrowing costs and may ultimately result in a delay to planned projects until clarity of future grant subsidy is provided. Given there remains a critical need for the supply of affordable housing this will be difficult to balance to manage the delivery of the programme and financial risk.

9 IJB Budget Shortfall

The IJB faces significant financial challenges, including an in year overspend for 2023/24 and a further budget gap in excess of £12m is planned over the next 5 years. If the IJB is unable to identify options to reach a breakeven budget position, then any overspends which cannot be contained within reserves will fall to partners to meet. A large proportion of the current IJB pressures are driven by demands within Council delegated adult social care services

including commissioned services, and therefore working in partnership with IJB to ensure that clear and deliverable plans aligned to meet this funding gap remains critical.

10 Council tax base

Council tax projections reflect assumed housing growth over the next 5 years. The projections are based on a series of assumptions and informed by data on housebuilding completions and intelligence from the planning service. There are a number of variables which could impact on the actual movement in the number of band D equivalent properties added to the rating list during the year, which are outside of the council's control. Should this arise, this may result in a lower than anticipated Council Tax income.

11 Inflation

Inflation remains above the UK Government target of 2%. Inflation impacts on many of the council's input costs and unexpected rises will create an unbudgeted pressure on the revenue account which may mean that the council will be unable to achieve its objectives without further unplanned use of reserves.

12 Interest rates

Interest rate assumptions are based on projections provided by the council's treasury management advisors and detailed within the Treasury Management Strategy. Any increase to projected interest rates in future years will have a significant impact on the revenue cost of borrowing, and also on the deliverability of the capital programme.

13 National funding

The high-level budget projections for 2025/26 to 2028/29 set out within Item 2b(iii) reflect a flat cash settlement other than in 2026/27, aligned to the Resource Spending Review announcement. Variations to this position will have a direct and significant impact on the council's financial outlook.

14 Demand management

External factors including the cost of living crisis are continuing to place upward pressure on current demand for council services. This represent a risk where funding allocations for demand led services are insufficient to meet the expenditure demands, or where the level of demand is significantly in excess of the assumptions incorporated into the budget. This remains of particular significance in areas of overspending identified within the Period 9 Financial Review, including Children's Services and the IJB.

15 Timing of section 75 contributions

There remains a potential risk to recovery of section 75 contributions, driven by the speed of housebuilding and solvency of developers and well as the obligations being met through the delivery of the council's capital programme. If the contributions do not materialise in line with the projections, this could result in temporary pressures which may increase the council's borrowing requirement over the short term. This increases the overall cost of the council's capital programme as the council incurs the cost of borrowing to deliver its obligations for a longer period of time.

16 Teacher numbers & learning hours

As highlighted in paragraph 3.8 above, on 12 February, the Cabinet Secretary for Education and Skills wrote to COSLA expressing her disappointment at the reduction in teacher numbers in the current year and announcing that the £145.5m funding provided to support this policy objective will be provided as a specific resource grant going forward, meaning that this funding could be clawed back from councils if the grant conditions are not met. This presents a risk to this income stream estimated at £2.95m funding if teacher numbers are not maintained.

The Cabinet Secretary has also indicated her ongoing commitment to specify the minimum number of learning hours and has proposed a draft voluntary commitment to maintaining learning hours at their current level. If the specified minimum hours was introduced in the future without additional funding, this will create a financial burden on the council to meet this policy commitment which is currently estimated at £0.75m.

- **Capital Accounting Review**
The Deputy First Minister has indicated that it is not her intention to take forward the Capital Accounting Review at present and will instead await the outcomes of the Fiscal Framework discussions. However, on the basis of initial modelling of the potential changes that were consulted on in December, changes which may be implemented in the future have the potential to result in significant budget pressures for both general services and HRA budgets.
- **Growing Population**
The East Lothian population continues to grow, and the impact on Council services has been subject to significant local and national discussions and has resulted in a number of significant 'asks' to the Scottish Government including additional revenue funding and the establishment of a 'Growth Fund'. Despite continued official and political discussions, to date, there has been limited progress in meeting these asks. The recurring impact on these services will further increase as the population grows, and will become further challenging should the Council meet the additional Scottish

Government national housebuilding allocation targets. Without a holistic and joined up intervention, this will present a significant risk and threat to the financial sustainability of this Council, the services we can provide to our local community, and will impact on delivery of many of the outcomes which are supported nationally and locally.

- 16.1 These risks are significant and if they materialise and the council is not able to take adequate mitigation action, this will result in a significant threat to the financial sustainability and could ultimately result in the Council effectively facing insolvency.
- 16.2 The financial resilience of this Council is and continues to be a very challenging balance to manage, and it is critical that all key stakeholders are aware of the severity and range of concurrent risks. The Council must do all that it can to manage these risks and ensure financial sustainability, and it remains critical to ensure all key stakeholders are aware of the challenge and risks, all reasonable attempts have been made to mitigate these risks including the identification and deliverability of clear savings, and the Council must be clear and concise around its priorities.
- 16.3 Subject to Council approval of the budget, Officers will continue to closely monitor these risks in line with the council's risk management framework, and through quarterly financial update reports to Council.

Second Homes 100% Council Tax Premium

- 16.4 The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Amendment Regulations 2023 have given local authorities the power to add an Additional Council Tax Premium of up to 100% to properties which are considered for Council Tax purposes to be Second Homes.
- 16.5 Council Tax legislation states that a property is considered a Second Home if it is furnished for occupation and it is occupied for at least 25 days per annum.
- 16.6 The Council has not awarded Council Tax discount on Second Homes since 1 April 2017.
- 16.7 As at 13 February there were 505 properties classed as Second Homes on the Council Tax database in East Lothian. This is equivalent of 0.96% of the properties held on the local authority's Council Tax database.
- 16.8 It is proposed that following the introduction of the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Amendment Regulations 2023, the council levy a 100% Additional Council Tax Premium on Second Homes.
- 16.9 If agreed, it is proposed that this policy becomes effective from 1 April 2024.

16.10 Those properties classed as Second Homes occupied by persons occupying tied accommodation and those properties classed as purpose built Second Homes are each excluded by the provisions of the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Amendment Regulations 2023 from the levy of a 100% Additional Council Tax Premium.

16.11 The Water and Waste Water charges listed separately on Council Tax bills will not be increased by the levy of an 100% Additional Council Tax Premium.

Next Steps

16.12 As noted above, the proposed budgets are based on the draft local government finance settlement and any changes to the projected grant levels will be reported to council. The stage one debate took place on 8 February and the remaining stages are as follows:

- **Stage 2** – 20 February 2024
- **Stage 3** – 27 February 2024
- **Local Government Finance Order** – 28 February 2024

16.13 In the event that further funding was to materialise through the final settlement, then it is strongly recommended that this should be applied as follows:

- Reduce the planned use of reserves in 2024/25
- Mitigate the risks set out at paragraph 3.40 of this report.

16.14 The UK Government will publish its Spring Budget on 6 March, which will provide clarity around the availability of additional funding to Scottish Government through the Barnett Formula. In her letter to Council Leaders on 2 February, the Deputy First Minister indicated that she currently has no certainty whether there will be additional funding to be allocated. If further funding were to materialise following the Chancellor's Spring Budget announcements, then it is strongly recommended that this should be applied as set out in accordance with the principles set out above.

16.15 Subject to the approval of the recommendations within this report, work must continue to focus on addressing how future financial plans will be balanced. The recommended next steps to supporting the development of the Council's future budget plans are outlined below:

Date	Meeting	Action
June 2024	Council	To consider the financial landscape and context for budget setting for 2025/26 onwards/

August 2024	Council	Q1 financial update report, to include an overview of progress towards delivering agreed savings for 2024/25.
October 2024	Council	Draft financial outlook report to Council, setting out high level budget forecasts and measures to balance the budget for 2025/26 onwards.
December 2024	Council	Q2 financial update report, to include an overview of progress towards delivering agreed savings for 2025/26.
December 2024	Council	Consider the financial and capital strategies for 2025/26 onwards.

Table 3: Budget development next steps

16.16 In line with the commitments previously made by Council, it is assumed that the Cross-Party Budget Working Group will continue to meet on a regular basis throughout the year, to oversee the implementation of budget proposals in 2024/25 and to support the development of proposals to balance the budget from 2025/26 and beyond. Although not a forum for decision making, this approach is intended to support the budget development process by ensuring that members are sighted on the detail and impact of changes linked to budget decisions, to ensure that progress towards delivery of budget savings is on target and to act as an informal sounding board for ideas. CIPFA advises that effective cross-party working is an important factor in navigating challenges to financial sustainability.

16.17 There are a number of evolving policy areas that will continue to be pursued over the coming year, which may impact on future budgets. These include:

- Introduction of a transient visitor levy
- Introduction of empty property premiums (above 100%) for council tax and second homes, subject to legislation
- Reform of the council tax system
- Consideration of a workplace parking levy
- Advancement of the transformation strategy

Conclusion

16.18 The proposed budgets for 2024/25 onwards have been developed against a backdrop of hugely challenging circumstances including external factors driving up costs and demand for council services, and the growing population of East Lothian facing further pressure on our budgets. These additional obligations have not been met through a commensurate increase in funding from Scottish Government, resulting in a significant

funding gap for 2024/25 onwards. This has been compounded by the council tax freeze announcement and has resulted in some difficult decisions needing to be made regarding funding for council services, in order to set a balanced budget.

- 16.19 There are significant risks inherent in the budget projects for 2024/25 onwards which are outlined in this report, and the low reserves position leaves the council vulnerable to these risks.
- 16.20 In this context, it is crucial that efforts continue to lobby Scottish Government and relevant stakeholders to highlight the need for additional funding to support the population growth delivered in East Lothian, as well as to support the range of combined pressures facing local government as a whole. Emphasis needs to be on sustainability and the fact that it will not be possible to continue supporting current expenditure and service levels without significant increases to our budget.
- 16.21 Alongside this, the way in which the national budget discussions have been undertaken has been profoundly challenging, and this has been the most complex and difficult financial settlement this Council has ever experienced. The lateness in the budget settlement, the direction of funding to meet new policy commitments and the late notification of critical issues including introducing specific conditions around funding very late in the budget process is placing this Council in an almost impossible situation to set a balanced budget.
- 16.22 Looking ahead, in the context of the significant projected funding, there is now a need to reprioritise and focus Council Plan objectives to ensure that the council's limited resources are allocated in a way which allows for key priorities to be met is now required. The updated plan will be subject to future Council consideration.

17 POLICY IMPLICATIONS

The council's budget and financial strategies should be a representation of the Council Plan and strategic priorities in financial terms. The proposals within this report are intended to support the effective delivery of policy objectives as far as possible. However, in light of the acute financial challenges which the council is now facing, without significant additional funding it is unlikely that it will be possible for the council to deliver on all of the policy commitments within the Council Plan.

18 INTEGRATED IMPACT ASSESSMENT

- 18.1 Integrated impact assessments are required for budget some of the proposals where these involve a significant change to delivery of services by East Lothian Council.

19 RESOURCE IMPLICATIONS

- 19.1 Financial – as described above and in the supporting appendices.
- 19.2 Personnel - none
- 19.3 Other – none

20 BACKGROUND PAPERS

- 20.1 Council – 27 June 2023 – Item 4 - Budget Development 2024/25 Onwards
- 20.2 Council – 29 August 2023 – Item 3 – Finance Update
- 20.3 Council – 31 October 2023 – Item 2 – Finance Update
- 20.4 Council – 12 December – Item 3 – Financial and Capital Strategies 2024-29
- 20.5 Cabinet – 30 January 2024 – Item 2 – Budget Development 2024/25 onwards
- 20.6 Members Library Service – 31 January 2024 – Item 11/24 – Budget Consultation 2024/25
- 20.7 Members Library Service – 31 January 2024 – Item 14/24 – Proposals to Increase Council House Rents – Consultation Exercise

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DATE	14 February 2024



East Lothian
Council

2a

RENT PROPOSALS
2024/25 – 2028/29

EAST LOTHIAN COUNCIL

DRAFT ADMINISTRATION HRA BUDGET PROPOSALS 2024/25 TO 2028/29

2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget
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Rent Increase	7.00%	5.00%	5.00%	5.00%	5.00%
New Homes	76	112	106	84	129
Cumulative New Homes	487	599	705	789	918

BUDGET	£000	£000	£000	£000	£000
Income					
House Rents	(39,196)	(41,665)	(44,364)	(47,129)	(50,147)
Garage Rents	(752)	(789)	(829)	(870)	(914)
Services/Service Charges	(704)	(719)	(733)	(748)	(763)
Other Income	(184)	(190)	(200)	(210)	(220)
Interest	(18)	(18)	(18)	(18)	(18)
Total Income	(40,854)	(43,381)	(46,144)	(48,975)	(52,062)
Expenditure					
Employee Costs	3,232	3,329	3,398	3,468	3,540
Repair Costs	12,457	12,883	13,194	13,516	13,989
Void Rents	780	829	883	938	998
Garage Void Rents	142	142	142	142	142
Bad Debt Provision	392	417	444	471	501
Operating Payments	1,367	1,395	1,426	1,458	1,491
Transfer Payments	404	416	424	433	441
Internal Recharges	4,559	4,651	4,745	4,841	4,939
Debt Charges	14,817	16,448	18,187	19,217	20,826
Total Expenditure	38,150	40,510	42,843	44,484	46,867
Management of Balances					
Opening (Surplus) / Deficit	(1,535)	(2,039)	(1,810)	(1,611)	(1,102)
Capital from current revenue	2,200	3,100	3,500	5,000	5,000
(Surplus)/ Deficit for Year	(2,704)	(2,871)	(3,301)	(4,491)	(5,195)
Reserve Transfer to GF					
Closing (Surplus) / Deficit	(2,039)	(1,810)	(1,611)	(1,102)	(1,297)

Debt to Income Ratio	36.27%	37.92%	39.41%	39.24%	40.00%
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Capital Expenditure						5 Year Total
Modernisation/Extensions	10,600	10,466	10,466	11,311	11,311	£000 54,154
Energy Efficiency	2,500	2,500	2,500	2,500	2,500	12,500
New Affordable Council Housing	16,732	29,428	17,563	23,090	30,615	117,428
Fees	1,467	1,496	1,500	1,500	1,500	7,463
Mortgage to Rent	280	280	280	280	280	1,400
Total	31,579	44,170	32,309	38,681	46,206	192,945

EAST LoTHIAN COUNCIL
DRAFT ADMINISTRATION HRA BUDGET PROPOSALS 2024/25 TO 2028/29

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
HRA Income					
House Rents					
Rent income adjustments relating to rent increases and new council house additions <i>Changes as result of 7% rent increase 24-25 and 5% each subsequent year plus impact of new council housing additions</i>	(3,287)	(2,469)	(2,699)	(2,765)	(3,018)
Garage Rents					
Rent income increased in line with House rents <i>Changes as result of 7% rent increase 24-25 and 5% each subsequent year</i>	(50)	(37)	(40)	(41)	(44)
Service Charges					
Income adjustments relating to service charge adjustments <i>Changes as result of 7% increase 24-25 and 5% each subsequent year</i>	(46)	(15)	(14)	(15)	(15)
Other Income					
Homeless Rents, Renewable Energy Income, Refugee Support-Home Office Funding <i>Year 1 reduction reflective of actual income.</i>	11	(6)	(10)	(10)	(10)
Interest					
Interest on accumulated balances <i>No Change</i>	-	-	-	-	-
TOTAL INCOME CHANGE	(3,372)	(2,527)	(2,763)	(2,831)	(3,087)
HRA Expenditure					
Staffing					
General Inflation Increase <i>Increase in line with 4% increase for 24-25, 3% for 25/26 and 2% each subsequent year.</i>	125	97	69	70	72
Repairs					
General Inflation Increase <i>Increase in line with assessed inflation rate</i>	517	426	311	322	473
Void Rents					
Rent adjustments relating rent increases and new council house additions <i>Void costs based on historical rates pre Covid at 1.99% of House Rents</i>	72	49	54	55	60
Garage Void Rents					
no change required.	-	-	-	-	-
Bad Debts					
Rent adjustments relating rent increases and new council house additions <i>Bad debt budgeted at 1% of House rents due to lower actual bad debts in previous years.</i>	33	25	27	27	30
Operating Expenses					
<i>Year 1 reflective of spend and general inflation increases</i>	(107)	28	31	32	33
Transfer Payments					
<i>Year 1 reflective of spend and general inflation increases</i>	(86)	12	8	9	8
Internal Recharges					
General Inflation Increase <i>Reflective of actual charges and General Inflation Increases.</i>	131	92	94	96	98
Debt Charges					
Debt Charges <i>Increase reflects additional capital work and the impact of rises in interest rates.</i>	1,232	1,631	1,739	1,030	1,609
TOTAL EXPENDITURE CHANGE	1,917	2,360	2,333	1,641	2,383
TOTAL CHANGE	(1,455)	(167)	(430)	(1,190)	(704)

2b(i)

**ADMINISTRATION BUDGET
PROPOSALS ON
GENERAL SERVICES CAPITAL**

Appendix 2

East Lothian Council
Capital Budget 2024/25 to 2028/29
Administration

Expenditure	P9 (Q3)	Year					5 Year	External	GCG funding/
	Outturn	Year 1	Year 2	Year 3	Year 4	Year 5	Total	Funding	Borrowing
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29			Requirement
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Community Projects									
Community Intervention	68	300	300	300	300	300	1,500	-	1,500
Community Intervention Fund - Pump Tracks	25	475	-	-	-	-	475	(250)	225
Community Public Art	10	160	-	-	-	-	160	(160)	-
Bleachingfield Centre Remodelling Works	1	100	3	-	-	-	103	(103)	-
Dunbar Conservation Area Regeneration Scheme (CARS)	405	355	112	20	-	-	487	(354)	133
East Saltoun Community Hall	-	-	-	-	-	-	-	-	-
North Berwick Skatepark	165	-	-	-	-	-	-	-	-
Support for Business	323	-	-	-	-	-	-	-	-
Fisherrow - spend to save project	25	225	-	-	-	-	225	-	225
CCTV	100	123	-	-	-	-	123	-	123
Town Centre Regeneration	1,205	514	325	425	-	-	1,264	(1,264)	-
Total Community Projects	2,327	2,253	739	745	300	300	4,338	(2,131)	2,206
ICT									
IT Programme & Digital Opportunities	2,200	2,200	2,200	2,200	2,300	2,325	11,225	-	11,225
Total ICT	2,200	2,200	2,200	2,200	2,300	2,325	11,225	-	11,225
Fleet									
Amenties - Machinery & Equipment - replacement	277	200	200	200	200	200	1,000	-	1,000
Vehicles	3,143	4,611	5,774	2,081	1,943	3,708	18,117	-	18,117
Total Fleet	3,420	4,811	5,974	2,281	2,143	3,908	19,117	-	19,117
Open Space									
Synthetic Pitch Replacement Programme	355	157	269	525	260	1,075	2,286	(264)	2,022
Cemeteries (Burial Grounds)	714	637	400	500	400	500	2,437	-	2,437
Cemeteries (Burial Grounds) LDP	-	-	-	-	-	-	-	-	-
River Tyne / Haddington Flood Protection scheme	10	-	-	-	-	-	-	-	-
Coastal / Flood Protection schemes - Musselburgh	1,637	2,050	6,350	29,250	38,000	34,000	109,650	(105,441)	4,209
Coastal Change Management	-	85	-	-	-	-	85	(85)	-
Coastal Car Park Toilets	35	256	6	-	-	-	263	(263)	-
Core Path Plan	-	50	50	50	50	50	250	-	250
Harbour Walls	-	600	-	-	-	-	600	(300)	300
Mains Farm Town Park & Pavilion	4	-	-	-	-	-	-	-	-
Nature Restoration	331	-	-	-	-	-	-	-	-
Polson Park	-	160	-	-	-	-	160	-	160
Replacement Play Equipment	192	327	545	-	-	-	872	(872)	-
Sports and Recreation LDP	900	3,026	1,603	153	2,695	227	7,704	(6,803)	901
- 3G Pitch at Wallyford Learning Campus	(88)	-	-	-	-	-	-	-	-
- 2 full-size grass pitches at Wallyford PS	263	-	-	-	-	-	-	-	-
- Aberlady Sports & Play Capacity	85	-	-	-	-	-	-	-	-
- Aubigny Sports Centre Expansion	20	1,055	16	-	-	-	1,072	(1,072)	-
- Blindwells Allotments	-	-	-	-	-	-	-	-	-
- Blindwells Community Sports	-	-	-	-	2,280	-	2,280	(2,280)	-
- Blindwells Equipped Play	-	-	-	-	415	-	415	(415)	-
- Craighall Sports Pitches	385	277	-	-	-	-	277	(277)	-
- Craighall Allotments	-	-	-	22	-	-	22	(22)	-
- Craighall Pavilion	-	500	611	-	-	-	1,111	(1,111)	-
- Dirlerton Play Equipment	-	-	-	23	-	-	23	(23)	-
- East Linton Memorial Park	-	63	-	-	-	-	63	(63)	-
- Elphinstone Pavilion	-	31	-	-	-	-	31	(31)	-
- Elphinstone Equipped Play	-	-	-	-	-	-	-	-	-
- Fa'side Path	-	169	-	-	-	-	169	(169)	-
- Gullane Pitches	5	112	53	-	-	-	166	(166)	-
- Gullane Play Equipment	10	126	25	-	-	-	151	(151)	-
- Gullane Recreation Park	-	-	-	-	-	-	-	-	-
- Hallhill Sports Pitch & Changing	104	120	239	-	-	-	358	(358)	-
- Heritage Impletation Plan	11	-	-	-	-	-	-	-	-
- Lamberton Court, (Lempockwells) Play Area	-	-	-	-	-	-	-	-	-
- Letham 7 a-side Pitch	-	-	-	108	-	-	108	(108)	-
- Letham Path Network	83	-	-	-	-	-	-	-	-
- Longniddry-Haddington Path Improvements	12	-	-	-	-	-	-	-	-
- Macmerry Sports Facilities	-	-	105	-	-	-	105	(105)	-
- Wallyford 4 Team Pavilion	10	400	501	-	-	-	901	-	901
- Whitecraig Pavilion & Pitch	-	-	-	-	-	227	227	(227)	-
- Windygoul Sports Pitch	-	165	53	-	-	-	219	(219)	-
- Windygoul Allotments	-	8	-	-	-	-	8	(8)	-
Street litter bin replacement	-	40	40	40	40	40	200	-	200
Waste - New Bins and replacement machinery and equipment	200	200	200	200	200	200	1,000	-	1,000
Total Open Space	4,378	7,588	9,464	30,718	41,645	36,092	125,507	(114,027)	11,480

East Lothian Council
Capital Budget 2024/25 to 2028/29
Administration

	P9 (Q3) Outturn 2023/24 £000	Year 1 2024/25 £000	Year 2 2025/26 £000	Year 3 2026/27 £000	Year 4 2027/28 £000	Year 5 2028/29 £000	5 Year Total £000	External Funding £000	GCG funding/ Borrowing Requirement £000
Expenditure									
Roads, Lighting and related assets									
Cycling Walking Safer Streets	1,046	478	478	478	478	478	2,390	(2,390)	-
East Linton Rail Stop / Infrastructure	0	-	-	-	-	-	-	-	-
Parking Improvements	280	330	1,135	1,084	5,070	-	7,619	(1,000)	6,619
Roads	6,205	5,500	5,500	5,500	5,500	5,500	27,500	-	27,500
Roads - externally funded projects	3,500	8,462	3,428	6,587	204	21	18,702	(18,702)	-
Total Roads, Lighting and related assets	11,031	14,770	10,541	13,649	11,252	5,999	56,211	(22,092)	34,119
Property - Education									
Aberlady Primary - extension	50	2,289	1,780	52	-	-	4,121	(914)	3,207
Blindwells Primary - new school	774	19,453	3,355	329	-	-	23,137	(6,710)	16,428
Blindwells Primary - new school (phase 2)	-	-	-	-	-	-	-	-	-
Craighall Primary - New School	778	19,217	3,605	329	-	-	23,152	(6,576)	16,576
Craighall Primary - New School (phase 2)	-	-	-	-	-	-	-	-	-
Dunbar Grammar - extension	-	-	-	-	-	-	-	-	-
East Linton Primary - new school	-	-	-	-	-	1,000	1,000	-	1,000
Elphinstone Primary - extension	-	-	-	-	-	-	-	-	-
Free School Meals Expansion to P6-7	-	-	-	-	-	-	-	-	-
Haddington School (Infants & St. Mary)	-	-	-	-	-	-	-	-	-
Knox Academy Extension	-	50	-	-	100	2,408	2,558	(2,558)	-
Law Primary - extension including Early Learning and 1140	1,216	67	-	-	-	-	67	-	67
Letham Primary - New School	30	-	-	-	-	-	-	-	-
Letham Primary - Extension	-	-	-	306	3,208	926	4,440	(1,818)	2,622
Longniddry Primary - extension	-	-	-	100	290	4,245	4,635	(4,050)	585
Macmerry Primary - extension	-	-	-	-	242	1,588	1,829	(1,122)	708
North Berwick High School - Extension	1,309	450	-	-	-	-	450	-	450
North Berwick High School - Extension (phase 2)	-	-	-	-	-	-	-	-	-
Ormiston Primary - extension	100	-	-	-	-	-	-	-	-
Pencaitland PS	-	-	-	-	759	-	759	(759)	-
Pinkie St Peter's Primary - sports hall extension	551	505	7	-	-	-	512	-	512
Pinkie St Peter's Primary - extension including Early Learning and 1140	1,395	279	3	-	-	-	282	-	282
Preston Lodge High School - extension (phase 1)	-	-	-	-	1,315	2,694	4,009	(4,009)	-
Prestonpans Primary - upgrades	-	243	7	-	-	-	250	-	250
Ross High School - extension	644	-	-	-	-	-	-	-	-
School Estate - Curriculum Upgrades	38	1,045	-	-	-	-	1,045	-	1,045
St Gabriel's Primary - extension including Early Learning and 1140	42	-	-	-	-	-	-	-	-
Wallyford Primary - New School	-	108	-	-	-	-	108	(14)	94
Wallyford Primary - New School - Phase 2	-	-	-	-	-	500	500	(500)	-
Wallyford Learning Campus	8,898	1,001	6	-	-	114	1,120	-	1,120
West Barns Primary - extension including Early Learning and 1140	999	46	-	-	-	-	46	-	46
Whitecraig Primary - new school including Early Learning and 1140	759	16,058	2,297	278	-	-	18,633	(1,915)	16,718
Windygoul Primary - Early learning and 1140 extension	17	150	-	-	-	-	150	(150)	-
Windygoul Primary - extension	-	-	-	-	100	519	619	(619)	-
Total Property - Education	17,600	60,962	11,060	1,395	6,013	13,994	93,423	(31,713)	61,710
Property - Other									
Accelerating Growth	4,509	14,853	5,114	85	-	-	20,053	(15,833)	4,219
- A1/QMU Junction	3,101	-	-	-	-	-	-	-	-
- Blindwells	65	-	-	-	-	-	-	-	-
- Cockenzie	593	-	4,000	-	-	-	4,000	(4,000)	-
- Innovation Hub	450	3,876	259	85	-	-	4,219	-	4,219
- Levelling Up Project Cockenzie	300	10,978	856	-	-	-	11,833	(11,833)	-
Brunton Hall - Improved Community Access (paused)	27	-	-	-	-	-	-	-	-
Court Accommodation	150	820	-	-	-	-	820	-	820
Loch Centre Tranent - Major Refurbishment Works	-	721	2,786	1,501	-	-	5,008	-	5,008
New ways of working Programme	1,637	988	9	-	-	-	997	-	997
Prestongrange Museum	340	1,599	25	-	-	-	1,624	(498)	1,126
Property Renewals	2,000	2,000	2,000	2,000	2,000	2,000	10,000	-	10,000
Replacement Childrens House	-	867	867	26	-	-	1,760	-	1,760
Provision of Social & Healthcare facilities across East Lothian to support population growth, aligned to wider strategic planning	-	-	-	-	-	-	-	-	-
Sports Centres	240	240	240	240	240	240	1,200	-	1,200
Whitecraig Community Centre	49	-	-	-	-	-	-	-	-
Total Property - Other	8,951	22,088	11,042	3,853	2,240	2,240	41,462	(16,332)	25,130
PPP Projects	497	-	-	-	-	-	-	-	-
Capital Plan Fees	2,479	2,524	2,590	2,640	2,692	2,746	13,192	-	13,192
Total Gross Expenditure	52,883	117,196	53,610	57,480	68,585	67,605	364,475		178,180
Income									
Developer contributions	(6,247)	(14,655)	(4,861)	(1,663)	(6,655)	(11,345)	(39,178)		
1140 grant income	(1,341)	(167)	-	-	-	-	(167)		
Town centre regeneration grant income	(1,095)	(650)	(325)	(425)	-	-	(1,400)		
Flood scheme general capital grant	-	(16,980)	-	(8,020)	(24,400)	(21,200)	(70,600)		
Other	(6,785)	(21,824)	(6,216)	(18,443)	(13,350)	(9,839)	(69,673)		
Capital receipts	(3,135)	(4,191)	(9,086)	(5,000)	(10,154)	-	(28,430)		
Scottish Government general capital grant	(4,524)	(7,897)	(7,920)	(7,620)	(7,620)	(7,620)	(38,675)		
Total Income	(23,126)	(66,364)	(28,408)	(41,171)	(62,178)	(50,003)	(248,125)	(186,295)	(61,829)
Net Borrowing Requirement	23,485	50,831	25,202	16,309	6,407	17,601	116,350		116,350
POST COMPLETION DEVELOPER CONTRIBUTIONS - FOR CAPITAL FUND	(6,271)	(4,116)	(1,522)	(3,892)	(4,482)	(4,623)	(18,634)		0

2b(i)

**CONSERVATIVE GROUP
AMENDMENT TO GENERAL
SERVICES CAPITAL
PROPOSALS**

East Lothian Council
Capital Budget 2024/25 to 2028/29
Conservative amendment

	P9 (Q3) Outturn 2023/24 £000	Year 1 2024/25 £000	Year 2 2025/26 £000	Year 3 2026/27 £000	Year 4 2027/28 £000	Year 5 2028/29 £000	5 Year Total £000	External Funding £000	GCG funding/ Borrowing Requirement £000
Expenditure									
Community Projects									
Community Intervention	68	-	-	-	-	-	-	-	-
Community Intervention Fund - Pump Tracks	25	475	-	-	-	-	475	(250)	225
Community Public Art	10	160	-	-	-	-	160	(160)	-
Bleachingfield Centre Remodelling Works	1	100	3	-	-	-	103	(103)	-
Dunbar Conservation Area Regeneration Scheme (CARS)	405	355	112	20	-	-	487	(354)	133
East Saltoun Community Hall	-	-	-	-	-	-	-	-	-
North Berwick Skatepark	165	-	-	-	-	-	-	-	-
Support for Business	323	-	-	-	-	-	-	-	-
Fisherrow - spend to save project	25	225	-	-	-	-	225	-	225
CCTV	100	123	-	-	-	-	123	-	123
Town Centre Regeneration	1,205	514	325	425	-	-	1,264	(1,264)	-
Total Community Projects	2,327	1,953	439	445	-	-	2,838	(2,131)	706
ICT									
IT Programme & Digital Opportunities	2,200	2,200	2,200	2,200	2,300	2,325	11,225	-	11,225
Total ICT	2,200	2,200	2,200	2,200	2,300	2,325	11,225	-	11,225
Fleet									
Amenties - Machinery & Equipment - replacement	277	200	200	200	200	200	1,000	-	1,000
Vehicles	3,143	4,611	5,774	2,081	1,943	3,708	18,117	-	18,117
Total Fleet	3,420	4,811	5,974	2,281	2,143	3,908	19,117	-	19,117
Open Space									
Synthetic Pitch Replacement Programme	355	157	269	525	260	1,075	2,286	(264)	2,022
Cemeteries (Burial Grounds)	714	637	400	500	400	500	2,437	-	2,437
Cemeteries (Burial Grounds) LDP	-	-	-	-	-	-	-	-	-
River Tyne / Haddington Flood Protection scheme	10	-	-	-	-	-	-	-	-
Coastal / Flood Protection schemes - Musselburgh	1,637	-	-	-	-	-	-	-	-
Coastal Change Management	-	85	-	-	-	-	85	(85)	-
Coastal Car Park Toilets	35	256	6	-	-	-	263	(263)	-
Core Path Plan	-	50	50	50	50	50	250	-	250
Harbour Walls	-	600	-	-	-	-	600	(300)	300
Mains Farm Town Park & Pavilion	4	-	-	-	-	-	-	-	-
Nature Restoration	331	-	-	-	-	-	-	-	-
Polson Park	-	160	-	-	-	-	160	-	160
Replacement Play Equipment	192	327	545	-	-	-	872	(872)	-
Sports and Recreation LDP	900	3,026	1,603	153	2,695	227	7,704	(6,803)	901
- 3G Pitch at Wallyford Learning Campus	(88)	-	-	-	-	-	-	-	-
- 2 full-size grass pitches at Wallyford PS	263	-	-	-	-	-	-	-	-
- Aberlady Sports & Play Capacity	85	-	-	-	-	-	-	-	-
- Aubigny Sports Centre Expansion	20	1,055	16	-	-	-	1,072	(1,072)	-
- Blindwells Allotments	-	-	-	-	-	-	-	-	-
- Blindwells Community Sports	-	-	-	-	2,280	-	2,280	(2,280)	-
- Blindwells Equipped Play	-	-	-	-	415	-	415	(415)	-
- Craighall Sports Pitches	385	277	-	-	-	-	277	(277)	-
- Craighall Allotments	-	-	-	22	-	-	22	(22)	-
- Craighall Pavilion	-	500	611	-	-	-	1,111	(1,111)	-
- Dirleton Play Equipment	-	-	-	23	-	-	23	(23)	-
- East Linton Memorial Park	-	63	-	-	-	-	63	(63)	-
- Elphinstone Pavilion	-	31	-	-	-	-	31	(31)	-
- Elphinstone Equipped Play	-	-	-	-	-	-	-	-	-
- Fa'side Path	-	169	-	-	-	-	169	(169)	-
- Gullane Pitches	5	112	53	-	-	-	166	(166)	-
- Gullane Play Equipment	10	126	25	-	-	-	151	(151)	-
- Gullane Recreation Park	-	-	-	-	-	-	-	-	-
- Hallhill Sports Pitch & Changing	104	120	239	-	-	-	358	(358)	-
- Heritage Impletation Plan	11	-	-	-	-	-	-	-	-
- Lambertton Court, (Lempockwells) Play Area	-	-	-	-	-	-	-	-	-
- Letham 7 a-side Pitch	-	-	-	108	-	-	108	(108)	-
- Letham Path Network	83	-	-	-	-	-	-	-	-
- Longniddry-Haddington Path Improvements	12	-	-	-	-	-	-	-	-
- Macmerry Sports Facilities	-	-	105	-	-	-	105	(105)	-
- Wallyford 4 Team Pavilion	10	400	501	-	-	-	901	-	901
- Whitecraig Pavilion & Pitch	-	-	-	-	-	227	227	(227)	-
- Windygoul Sports Pitch	-	165	53	-	-	-	219	(219)	-
- Windygoul Allotments	-	8	-	-	-	-	8	(8)	-
Street litter bin replacement	-	40	40	40	40	40	200	-	200
Waste - New Bins and replacement machinery and equipment	200	200	200	200	200	200	1,000	-	1,000
Total Open Space	4,378	5,538	3,114	1,468	3,645	2,092	15,857	(8,586)	7,271
Roads, Lighting and related assets									
Cycling Walking Safer Streets	1,046	478	478	478	478	478	2,390	(2,390)	-
East Linton Rail Stop / Infrastructure	0	-	-	-	-	-	-	-	-
Parking Improvements	280	-	-	-	-	-	-	-	-
Roads	6,205	6,600	6,600	6,600	6,600	6,600	33,000	-	33,000
Roads - externally funded projects	3,500	8,462	3,428	6,587	204	21	18,702	(18,702)	-
Total Roads, Lighting and related assets	11,031	15,540	10,506	13,665	7,282	7,099	54,092	(21,092)	33,000

East Lothian Council
Capital Budget 2024/25 to 2028/29
Conservative amendment

	P9 (Q3) Outturn 2023/24 £000	Year 1 2024/25 £000	Year 2 2025/26 £000	Year 3 2026/27 £000	Year 4 2027/28 £000	Year 5 2028/29 £000	5 Year Total £000	External Funding £000	GCG funding/ Borrowing Requirement £000
Expenditure									
Property - Education									
Aberlady Primary - extension	50	2,289	1,780	52	-	-	4,121	(914)	3,207
Blindwells Primary - new school	774	19,453	3,355	329	-	-	23,137	(6,710)	16,428
Blindwells Primary - new school (phase 2)	-	-	-	-	-	-	-	-	-
Craighall Primary - New School	778	19,217	3,605	329	-	-	23,152	(6,576)	16,576
Craighall Primary - New School (phase 2)	-	-	-	-	-	-	-	-	-
Dunbar Grammar - extension	-	-	-	-	-	-	-	-	-
East Linton Primary - new school	-	-	-	-	-	1,000	1,000	-	1,000
Elphinstone Primary - extension	-	-	-	-	-	-	-	-	-
Free School Meals Expansion to P6-7	-	-	-	-	-	-	-	-	-
Haddington School (Infants & St. Mary)	-	-	-	-	-	-	-	-	-
Knox Academy Extension	-	50	-	-	100	2,408	2,558	(2,558)	-
Law Primary - extension including Early Learning and 1140	1,216	67	-	-	-	-	67	-	67
Letham Primary - New School	30	-	-	-	-	-	-	-	-
Letham Primary - Extension	-	-	-	306	3,208	926	4,440	(1,818)	2,622
Longniddry Primary - extension	-	-	-	100	290	4,245	4,635	(4,050)	585
Macmerry Primary - extension	-	-	-	-	242	1,588	1,829	(1,122)	708
North Berwick High School - Extension	1,309	450	-	-	-	-	450	-	450
North Berwick High School - Extension (phase 2)	-	-	-	-	-	-	-	-	-
Ormiston Primary - extension	100	-	-	-	-	-	-	-	-
Pencaitland PS	-	-	-	-	759	-	759	(759)	-
Pinkie St Peter's Primary - sports hall extension	551	505	7	-	-	-	512	-	512
Pinkie St Peter's Primary - extension including Early Learning and 1140	1,395	279	3	-	-	-	282	-	282
Preston Lodge High School - extension (phase 1)	-	-	-	-	1,315	2,694	4,009	(4,009)	-
Prestonpans Primary - upgrades	-	243	7	-	-	-	250	-	250
Ross High School - extension	644	-	-	-	-	-	-	-	-
School Estate - Curriculum Upgrades	38	1,045	-	-	-	-	1,045	-	1,045
St Gabriel's Primary - extension including Early Learning and 1140	42	-	-	-	-	-	-	-	-
Wallyford Primary - New School	-	108	-	-	-	-	108	(14)	94
Wallyford Primary - New School - Phase 2	-	-	-	-	-	500	500	(500)	-
Wallyford Learning Campus	8,898	1,001	6	-	-	114	1,120	-	1,120
West Barns Primary - extension including Early Learning and 1140	999	46	-	-	-	-	46	-	46
Whitecraig Primary - new school including Early Learning and 1140	759	16,058	2,297	278	-	-	18,633	(1,915)	16,718
Windygoul Primary - Early learning and 1140 extension	17	150	-	-	-	-	150	(150)	-
Windygoul Primary - extension	-	-	-	-	100	519	619	(619)	-
Total Property - Education	17,600	60,962	11,060	1,395	6,013	13,994	93,423	(31,713)	61,710
Property - Other									
Accelerating Growth	4,509	14,853	5,114	85	-	-	20,053	(15,833)	4,219
- A1/QMU Junction	3,101	-	-	-	-	-	-	-	-
- Blindwells	65	-	-	-	-	-	-	-	-
- Cockenzie	593	-	4,000	-	-	-	4,000	(4,000)	-
- Innovation Hub	450	3,876	259	85	-	-	4,219	-	4,219
- Levelling Up Project Cockenzie	300	10,978	856	-	-	-	11,833	(11,833)	-
Brunton Hall - Improved Community Access (paused)	27	-	-	-	-	-	-	-	-
Court Accommodation	150	820	-	-	-	-	820	-	820
Loch Centre Tranent - Major Refurbishment Works	-	721	2,786	1,501	-	-	5,008	-	5,008
New ways of working Programme	1,637	988	9	-	-	-	997	-	997
Prestongrange Museum	340	1,599	25	-	-	-	1,624	(498)	1,126
Property Renewals	2,000	2,000	2,000	2,000	2,000	2,000	10,000	-	10,000
Replacement Childrens House	-	867	867	26	-	-	1,760	-	1,760
Provision of Social & Healthcare facilities across East Lothian to support population growth, aligned to wider strategic planning	-	-	-	-	-	-	-	-	-
Sports Centres	240	240	240	240	240	240	1,200	-	1,200
Whitecraig Community Centre	49	-	-	-	-	-	-	-	-
Total Property - Other	8,951	22,088	11,042	3,853	2,240	2,240	41,462	(16,332)	25,130
PPP Projects	497	-	-	-	-	-	-	-	-
Capital Plan Fees	2,479	2,524	2,590	2,640	2,692	2,746	13,192	-	13,192
Total Gross Expenditure	52,883	115,616	46,925	27,946	26,315	34,405	251,206		171,352
Income									
Developer contributions	(6,247)	(14,655)	(4,861)	(1,663)	(6,655)	(11,345)	(39,178)		
1140 grant income	(1,341)	(167)	-	-	-	-	(167)		
Town centre regeneration grant income	(1,095)	(650)	(325)	(425)	-	-	(1,400)		
Flood scheme general capital grant	-	-	-	-	-	-	-		
Other	(6,785)	(21,267)	(4,666)	(6,909)	(604)	(478)	(33,925)		
Capital receipts	(3,135)	(4,098)	(9,086)	(5,000)	(10,154)	-	(28,337)		
Scottish Government general capital grant	(4,524)	(7,897)	(7,920)	(7,620)	(7,620)	(7,620)	(38,675)		
Total Income	(23,126)	(48,734)	(26,858)	(21,617)	(25,032)	(19,442)	(141,684)	(79,854)	(61,829)
Net Borrowing Requirement	23,485	66,882	20,067	6,329	1,283	14,962	109,522		109,522
POST COMPLETION DEVELOPER CONTRIBUTIONS - FOR CAPITAL FUND	(6,271)	(4,116)	(1,522)	(3,892)	(4,482)	(4,623)	(18,634)		0

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ADMINISTRATION BUDGET PROPOSALS ON GENERAL SERVICES REVENUE

High Level Revenue Budget Summary - General Services 2024/25 - 2028/29

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
Base Budget	303,996	310,377	318,701	322,563	324,875	
Growth						
Pay	5,567	4,113	4,217	4,814	5,509	24,220
Inflation & indexation	6,710	2,951	3,145	3,071	3,110	18,987
Growth including RCC	4,793	5,215	3,666	3,196	-913	15,957
Debt charges	4,935	7,842	0	31	542	13,350
TOTAL	22,005	20,121	11,028	11,112	8,248	72,514
Funding / income changes						
RSG - funding for existing policy commitments	-6,180	0	-1,800	0	0	-7,980
RSG - funding for new policy commitments	-643					-643
RSG - teachers pension increase (assumed uplift)	-1,589					-1,589
RSG - additional funding	-2,157					-2,157
SFT funding	-645	-1,010	155	0	0	-1,500
GF Balance	9,686	1,006	-1,006	0	0	9,686
HSCP Pressures	-3,188	-2,425	-2,300	-2,292	-2,267	-12,472
TOTAL	-4,716	-2,429	-4,951	-2,292	-2,267	-16,655
FUNDING GAP	17,289	17,692	6,077	8,820	5,981	55,859
Council tax increase y1-5 0% / 10% / 5% / 5% / 5%	0	-7,730	-4,744	-4,932	-5,163	-22,569
Council Tax freeze grant	-3,400					-3,400
Housing growth	-1,204					-1,204
Departmental budget reductions	-2,000	0	0	0	0	-2,000
Use of capital reserve	-1,935	-7,842	5,688	4,089	0	0
TOTAL	-8,539	-15,572	944	-843	-5,163	-29,173
GAP BEFORE SERVICE REDUCTIONS	8,750	2,120	7,021	7,977	818	26,686
Existing savings plans (breakdown below)	-3,691	-2,081	-2,094	-1,785	0	-9,651
Undeliverable savings	425	36				461
BUDGET GAP REMAINING	5,484	75	4,927	6,192	818	17,496
PROPOSED ADDITIONAL SERVICE REDUCTIONS (breakdown below)	-4,484	-1,075	0	200	0	-5,359
ADDITIONAL USE OF RESERVES	-1,000	1,000		0	0	0
REVISED BUDGET GAP	0	0	4,927	6,392	818	12,137

Breakdown of Planned Savings

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
EXISTING SAVINGS (previously agreed by Council)						
Improving Senior Phase Options	-160	0	0	0	0	-160
<i>Integration of H&SC (undeliverable)</i>	-250	0	0	0	0	-250
Finance staffing reductions	0	0	0	-285	0	-285
Shared Services Arrangement - Internal Audit	0	-45	-14	0	0	-59
Registrars System Development	-38	0	0	0	0	-38
<i>Lothian Wide Registration Service (undeliverable)</i>	0	-36	0	0	0	-36
Bring Pest Control Service Back In House	-15	0	0	0	0	-15
Savings from new housing system	-48	0	0	0	0	-48
Project Manager cost saving City Deal	0	0	-80	0	0	-80
Print & Mailroom Review	-10	0	0	0	0	-10
Trade Waste Review	-100	0	0	0	0	-100
Three Weekly Residual Bin Collection	-502	0	0	0	0	-502
Income generation	-500	-1,000	-1,000	-500	0	-3,000
PPP Contract Savings	-250	0	0	0	0	-250
Charge for Garden Waste Collection	-600	0	0	0	0	-600
Asset Review	-1,018	-1,000	-1,000	-1,000	0	-4,018
Savings from Counter Fraud	-200	0	0	0	0	-200
TOTAL	-3,691	-2,081	-2,094	-1,785	0	-9,651
PROPOSED ADDITIONAL SERVICE REDUCTIONS						
Changes to empty property relief (NDR)	-430					-430
100% council tax premium for 2nd homes	-900					-900
Early delivery of staff savings within finance service	-200			200		0
Reduction in budget for IMI	-85	-235				
Use of U22 passes for home to school transport	-220					-220
Reduction in financial support for BTT	-200					-200
Reduction in financial support for Enjoy	-100					-100
Removal of Police Scotland funding	-125					-125
Reduction in Area Partnership budget	-35					-35
Reduction in community grant budgets	-100					-100
Redesign of libraries service	-180	-120				-300
Reduction in museums budget	-100					-100
Self check in for face to face appointments	-28					-28
Reduction in taxicard / handicab budget	-24					-24
Review management & maintenance of sports facilities	-310					-310
Review of SLAs and janitor services	-180					-180
Further asset review savings		-600				-600
Income generation	-65	-120				-185
Waste services efficiency	-75					-75
Reduction in roads revenue budget	-330					-330
Review of adaptations	-275					-275
Restructure of Place Directorate	-435					-435
Building warrant fee increase, subject national uplift	-87					-87
TOTAL	-4,484	-1,075	0	200	0	-5,039
TOTAL BUDGET SAVINGS & EFFICIENCIES	-8,175	-3,156	-2,094	-1,585	0	-15,010

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**SNP GROUP AMENDMENT TO
GENERAL SERVICES REVENUE
PROPOSALS**

High Level Revenue Budget Summary - General Services
2024/25 - 2028/29
SNP Amendment

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
Base Budget	303,996	310,377	316,506	320,473	322,695	
Growth						
Pay	5,567	4,113	4,217	4,814	5,509	24,220
Inflation & indexation	6,710	2,951	3,145	3,071	3,110	18,987
Growth including RCC	4,793	5,215	3,666	3,196	-913	15,957
Debt charges	4,935	7,842	0	31	542	13,350
TOTAL	22,005	20,121	11,028	11,112	8,248	72,514
Funding / income changes						
RSG - funding for existing policy commitments	-6,180	0	-1,800	0	0	-7,980
RSG - funding for new policy commitments	-643	0	0	0	0	-643
RSG - teachers pension increase (assumed uplift)	-1,589	0	0	0	0	-1,589
RSG - additional funding	-2,157	0	0	0	0	-2,157
SFT funding	-645	-1,010	155	0	0	-1,500
GF Balance	9,686	1,198	-1,198	0	0	9,686
HSCP Pressures	-3,188	-2,425	-2,300	-2,292	-2,267	-12,472
TOTAL	-4,716	-2,237	-5,143	-2,292	-2,267	-16,655
FUNDING GAP	17,289	17,884	5,885	8,820	5,981	55,859
Council tax increase y1-5 0% / 8% / 5% / 5% / 5%	0	-6,327	-4,657	-4,842	-5,068	-20,894
Council Tax freeze grant	-3,400	0	0	0	0	-3,400
Housing growth	-1,204	0	0	0	0	-1,204
Departmental budget reductions	-2,000	0	0	0	0	-2,000
Use of capital reserve	-1,935	-7,842	5,688	4,089	0	0
TOTAL	-8,539	-14,169	1,031	-753	-5,068	-27,498
GAP BEFORE SERVICE REDUCTIONS	8,750	3,715	6,916	8,067	913	28,361
Existing savings plans (breakdown below)	-3,691	-2,081	-2,094	-1,785	0	-9,651
Undeliverable savings	425	36	0	0	0	461
BUDGET GAP REMAINING	5,484	1,670	4,822	6,282	913	19,171
PROPOSED ADDITIONAL SERVICE REDUCTIONS	-4,484	-2,670	-405	-50	0	-7,609
(breakdown below)						
ADDITIONAL USE OF RESERVES	-1,000	1,000		0	0	0
REVISED BUDGET GAP	0	0	4,417	6,232	913	11,562

Breakdown of Planned Savings

Removed
Updated or changed
New proposal

2024/25	2025/26	2026/27	2027/28	2028/29	Total
£000	£000	£000	£000	£000	£000

EXISTING SAVINGS (previously agreed by Council)						
Improving Senior Phase Options	-160	0	0	0	0	-160
<i>Integration of H&SC (undeliverable)</i>	-250	0	0	0	0	-250
Finance staffing reductions	0	0	0	-285	0	-285
Shared Services Arrangement - Internal Audit	0	-45	-14	0	0	-59
Registrars System Development	-38	0	0	0	0	-38
<i>Lothian Wide Registration Service (undeliverable)</i>	0	-36	0	0	0	-36
Bring Pest Control Service Back In House	-15	0	0	0	0	-15
Savings from new housing system	-48	0	0	0	0	-48
Project Manager cost saving City Deal	0	0	-80	0	0	-80
Print & Mailroom Review	-10	0	0	0	0	-10
Trade Waste Review	-100	0	0	0	0	-100
Three Weekly Residual Bin Collection	-502	0	0	0	0	-502
Income generation	-500	-1,000	-1,000	-500	0	-3,000
PPP Contract Savings	-250	0	0	0	0	-250
Charge for Garden Waste Collection	-600	0	0	0	0	-600
Asset Review	-1,018	-1,000	-1,000	-1,000	0	-4,018
Savings from Counter Fraud	-200	0	0	0	0	-200
TOTAL	-3,691	-2,081	-2,094	-1,785	0	-9,651

PROPOSED ADDITIONAL SERVICE REDUCTIONS						
Changes to empty property relief (NDR)	-430					-430
100% council tax premium for 2nd homes	-900					-900
Early delivery of staff savings within finance service	-200			200		0
Reduction in budget for IMI	-50	-250				-300
Use of U22 passes for home to school transport						0
Move to Statutory Provision for Home to School Transport		-1,000				-1,000
Economic Development Service Review	-60					-60
Reduction in financial support for BTT	-200	-200	-55			-455
Reduction in financial support for Enjoy	-250	-250	-250	-250		-1,000
Removal of Police Scotland funding	-125					-125
Reduction in Area Partnership budget	-50					-50
Reduction in community grant budgets	-200	-200	-100			-500
Redesign of libraries service	-100	-200				-300
Reduction in museums budget	-50	-150				-200
Reduce gardening, nursery and amenity services	-100	-150				-250
Self check in for face to face appointments	-28					-28
Reduction in taxicard / handicab budget	-24					-24
Review management & maintenance of sports facilities	-310					-310
Review of SLAs and janitor services	-180					-180
Further asset review savings						0
Income generation	-250	-120				-370
Waste services efficiency	-125					-125
Reduction in roads revenue budget	-330					-330
Review of adaptations	0	-150				-150
Restructure of Place Directorate	-435					-435
Building warrant fee increase, subject national uplift	-87					-87
TOTAL	-4,484	-2,670	-405	-50	0	-7,609

TOTAL BUDGET SAVINGS & EFFICIENCIES	-8,175	-4,751	-2,499	-1,835	0	-17,260
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2b(ii)

CONSERVATIVE GROUP AMENDMENT TO GENERAL SERVICES REVENUE PROPOSALS

High Level Revenue Budget Summary - General Services
2024/25 - 2028/29
Conservative Amendment

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
Base Budget	303,996	309,917	317,601	321,463	323,725	
Growth						
Pay	5,567	4,113	4,217	4,814	5,509	24,220
Inflation & indexation	6,710	2,951	3,145	3,071	3,110	18,987
Growth including RCC	4,793	5,215	3,666	3,196	-913	15,957
Debt charges	4,935	7,842	0	31	542	13,350
TOTAL	22,005	20,121	11,028	11,112	8,248	72,514
Funding / income changes						
RSG - funding for existing policy commitments	-6,180	0	-1,800	0	0	-7,980
RSG - funding for new policy commitments	-643	0	0	0	0	-643
RSG - teachers pension increase (assumed uplift)	-1,589	0	0	0	0	-1,589
RSG - additional funding	-2,157	0	0	0	0	-2,157
SFT funding	-645	-1,010	155	0	0	-1,500
GF Balance	9,686	1,006	-1,006	0	0	9,686
HSCP Pressures	-3,188	-2,425	-2,300	-2,292	-2,267	-12,472
TOTAL	-4,716	-2,429	-4,951	-2,292	-2,267	-16,655
FUNDING GAP	17,289	17,692	6,077	8,820	5,981	55,859
Council tax increase y1 0%, y2 10%, y3-5 5%	0	-7,730	-4,744	-4,932	-5,163	-22,569
Council Tax freeze grant	-3,400	0	0	0	0	-3,400
Housing growth	-1,204	0	0	0	0	-1,204
Departmental budget reductions	-2,000	0	0	0	0	-2,000
Use of capital reserve	-1,935	-7,842	5,688	4,089	0	0
TOTAL	-8,539	-15,572	944	-843	-5,163	-29,173
GAP BEFORE SERVICE REDUCTIONS	8,750	2,120	7,021	7,977	818	26,686
Existing savings plans (breakdown below)	-3,691	-2,081	-2,094	-1,785	0	-9,651
Existing Savings plan (not supported by Cons Group)	500	1,000	1,000	500	0	3,000
Additional Cons Group Investment (breakdown below)	300	0	0	0	0	300
Undeliverable savings (including £175,000 from 2023/24)	425	36	0	0	0	461
BUDGET GAP REMAINING	6,284	1,075	5,927	6,692	818	20,796
PROPOSED ADDITIONAL SERVICE REDUCTIONS	-5,344	-2,015	-1,000	200	0	-8,159
(breakdown below)						
ADDITIONAL USE OF RESERVES	-940	940		0	0	0
REVISED BUDGET GAP	0	0	4,927	6,892	818	12,637

Removed
Updated or changed
New proposal (saving)
New proposal (investment)

Breakdown of Planned Savings

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	Total £000
EXISTING SAVINGS (previously agreed by Council)						
Improving Senior Phase Options	-160	0	0	0	0	-160
Integration of H&SC (undeliverable)	-250	0	0	0	0	-250
Finance staffing reductions	0	0	0	-285	0	-285
Shared Services Arrangement - Internal Audit	0	-45	-14	0	0	-59
Registrars System Development	-38	0	0	0	0	-38
Lothian Wide Registration Service (undeliverable)	0	-36	0	0	0	-36
Bring Pest Control Service Back In House	-15	0	0	0	0	-15
Savings from new housing system	-48	0	0	0	0	-48
Project Manager cost saving City Deal	0	0	-80	0	0	-80
Print & Mailroom Review	-10	0	0	0	0	-10
Trade Waste Review	-100	0	0	0	0	-100
Three Weekly Residual Bin Collection	-502	0	0	0	0	-502
Income generation (not supported by Conservative)	-500	-1,000	-1,000	-500	0	-3,000
PPP Contract Savings	-250	0	0	0	0	-250
Charge for Garden Waste Collection	-600	0	0	0	0	-600
Asset Review	-1,018	-1,000	-1,000	-1,000	0	-4,018
Savings from Counter Fraud	-200	0	0	0	0	-200
TOTAL	-3,691	-2,081	-2,094	-1,785	0	-9,651
PROPOSED ADDITIONAL INVESTMENT						
Additional Support for Community Councils	50	0	0	0	0	50
Additional Support for Numeracy and Literacy Skills in Early and First Level Learning & Teaching	250	0	0	0	0	250
TOTAL	300	0	0	0	0	300
PROPOSED ADDITIONAL SERVICE REDUCTIONS						
Changes to empty property relief (NDR)	-580					-580
100% council tax premium for 2nd homes	-900					-900
Early delivery of staff savings within finance service	-200			200		0
Reduction in budget for IMI						0
Use of U22 passes for home to school transport & review of home to school	-220	-595				-815
Reduction in financial support for BTT	-200					-200
Reduction in financial support for Enjoy	-250					-250
Removal of Police Scotland funding						0
Reduction in Area Partnership budget	-830					-830
Reduction in community grants	-300					-300
Redesign of libraries service						0
Reduction in museums budget	-100	-200				-300
Self check in for face to face appointments	-28					-28
Reduction in taxicard / handicab budget	-24					-24
Review management & maintenance of sports facilities	-310					-310
Review of SLAs and janitor services	-180					-180
Further asset review savings		-600				-600
Inflationary increase in fees & charges	-65	-120				-185
Waste services efficiency						0
Reduction in roads revenue budget						0
Review of adaptations budget	-275					-275
Restructure of Place Directorate	-435					-435
Building warrant fee increase, subject to national uplift	-87					-87
Reduction in planning service	-200	-200				-400
Review of Terms and Conditions including Fairer Pay Bands			-1,000			-1,000
Reduction in management structure	-100	-300				-400
Remove Visit Scotland role	-60					-60
TOTAL	-5,344	-2,015	-1,000	200	0	-8,159
TOTAL BUDGET INVESTMENT, SAVINGS & EFFICIENCIES	-8,735	-4,096	-3,094	-1,585	0	-17,510

2b(iii)

**ADMINISTRATION GENERAL FUND
PROJECTIONS 2024/25 – 2028/29**

Area	2024/25 Budget			2025/26 Budget			2026/27 Budget			2027/28 Budget			2028/29 Budget		
	2023/24 Base Budget £'000	Changes £'000	Total Budget £'000	2024/25 Base Budget £'000	Changes £'000	Total Budget £'000	2025/26 Base Budget £'000	Changes £'000	Total Budget £'000	2026/27 Base Budget £'000	Changes £'000	Total Budget £'000	2027/28 Base Budget £'000	Changes £'000	Total Budget £'000
CORPORATE INCOME															
General Revenue Grant	(215,697)	(22,315)	(238,012)	(238,012)	-	(238,012)	(238,012)	(1,800)	(239,812)	(239,812)	-	(239,812)	(239,812)	-	(239,812)
Specific Grants	(13,818)	7,975	(5,843)	(5,843)	-	(5,843)	(5,843)	-	(5,843)	(5,843)	-	(5,843)	(5,843)	-	(5,843)
Council Tax	(75,337)	(2,230)	(77,567)	(77,567)	(8,414)	(85,981)	(85,981)	(5,233)	(91,214)	(91,214)	(5,441)	(96,655)	(96,655)	(5,695)	(102,350)
Social Care Fund	(6,240)	-	(6,240)	(6,240)	-	(6,240)	(6,240)	-	(6,240)	(6,240)	-	(6,240)	(6,240)	-	(6,240)
Planned Use / Refund of Reserves	(7,378)	4,443	(2,935)	(2,935)	(5,836)	(8,771)	(8,771)	4,682	(4,089)	(4,089)	4,089	-	-	-	-
Funding for Pay	(2,308)	2,308	-	-	-	-	-	-	-	-	-	-	-	-	-
EXPENDITURE LIMIT	(320,778)	(9,819)	(330,597)	(330,597)	(14,250)	(344,847)	(344,847)	(2,351)	(347,198)	(347,198)	(1,352)	(348,550)	(348,550)	(5,695)	(354,245)
LESS CORPORATE COMMITMENTS															
Valuation Board Requisition	684	58	742	742	-	742	742	-	742	742	-	742	742	-	742
Council Tax Reduction Scheme	6,593	116	6,709	6,709	778	7,487	7,487	460	7,947	7,947	479	8,426	8,426	501	8,927
Council Tax Earmarked for Affordable Housing	550	10	560	560	(94)	466	466	29	495	495	30	525	525	31	556
Asset Management	(2,565)	-	(2,565)	(2,565)	-	(2,565)	(2,565)	-	(2,565)	(2,565)	-	(2,565)	(2,565)	-	(2,565)
Debt Charges	13,000	4,935	17,935	17,935	7,842	25,777	25,777	-	25,777	25,777	31	25,808	25,808	542	26,350
Review of Council Assets	(811)	(1,241)	(2,052)	(2,052)	(1,600)	(3,652)	(3,652)	(1,000)	(4,652)	(4,652)	(1,000)	(5,652)	(5,652)	-	(5,652)
Management of Staffing Budgets	(2,475)	-	(2,475)	(2,475)	-	(2,475)	(2,475)	-	(2,475)	(2,475)	-	(2,475)	(2,475)	-	(2,475)
Income Generation	-	(500)	(500)	(500)	(1,000)	(1,500)	(1,500)	(1,000)	(2,500)	(2,500)	(500)	(3,000)	(3,000)	-	(3,000)
Criminal Justice Social Work Funding	1,068	-	1,068	1,068	-	1,068	1,068	-	1,068	1,068	-	1,068	1,068	-	1,068
Apprenticeship Levy	738	60	798	798	-	798	798	-	798	798	-	798	798	-	798
TOTAL CORPORATE COMMITMENTS	16,782	3,438	20,220	20,220	5,926	26,146	26,146	(1,511)	24,635	24,635	(960)	23,675	23,675	1,074	24,749
FUNDING FOR COUNCIL SERVICES	(303,996)	(6,381)	(310,377)	(310,377)	(8,324)	(318,701)	(318,701)	(3,862)	(322,563)	(322,563)	(2,312)	(324,875)	(324,875)	(4,621)	(329,496)
SERVICE PLANNED EXPENDITURE															
Education & Children's Services															
Children's															
Children's	19,507	772	20,279	20,279	495	20,774	20,774	477	21,251	21,251	487	21,738	21,738	(179)	21,559
Children's total	19,507	772	20,279	20,279	495	20,774	20,774	477	21,251	21,251	487	21,738	21,738	(179)	21,559
Education															
Inclusion & Wellbeing	12,583	534	13,117	13,117	1,390	14,507	14,507	537	15,044	15,044	588	15,632	15,632	381	16,013
Pre-school Education & Childcare	16,678	(262)	16,416	16,416	30	16,446	16,446	29	16,475	16,475	34	16,509	16,509	40	16,549
Schools - Primary	53,520	3,767	57,287	57,287	2,983	60,270	60,270	3,717	63,987	63,987	2,107	66,094	66,094	2,075	68,169
Schools - Secondary	56,351	3,813	60,164	60,164	2,688	62,852	62,852	1,904	64,756	64,756	2,088	66,844	66,844	2,075	68,919
Schools Support Services	4,184	(508)	3,676	3,676	57	3,733	3,733	59	3,792	3,792	67	3,859	3,859	80	3,939
East Lothian Works	1,462	(152)	1,310	1,310	28	1,338	1,338	29	1,367	1,367	36	1,403	1,403	37	1,440
Education total	144,778	7,192	151,970	151,970	7,176	159,146	159,146	6,275	165,421	165,421	4,920	170,341	170,341	4,688	175,029
Education & Children's Services total	164,285	7,964	172,249	172,249	7,671	179,920	179,920	6,752	186,672	186,672	5,407	192,079	192,079	4,509	196,588
Council Resources															
Finance															
Financial Services	3,991	(343)	3,648	3,648	12	3,660	3,660	44	3,704	3,704	(14)	3,690	3,690	72	3,762
Revenues & Financial Support	4,787	(338)	4,449	4,449	66	4,515	4,515	66	4,581	4,581	80	4,661	4,661	82	4,743

Area	2024/25 Budget			2025/26 Budget			2026/27 Budget			2027/28 Budget			2028/29 Budget		
	2023/24 Base Budget £'000	Changes £'000	Total Budget £'000	2024/25 Base Budget £'000	Changes £'000	Total Budget £'000	2025/26 Base Budget £'000	Changes £'000	Total Budget £'000	2026/27 Base Budget £'000	Changes £'000	Total Budget £'000	2027/28 Base Budget £'000	Changes £'000	Total Budget £'000
Procurement, Transformation & Digital	791	55	846	846	19	865	865	21	886	886	24	910	910	25	935
Finance total	9,569	(626)	8,943	8,943	97	9,040	9,040	131	9,171	9,171	90	9,261	9,261	179	9,440
Corporate Services															
IT Services	3,376	171	3,547	3,547	198	3,745	3,745	210	3,955	3,955	235	4,190	4,190	247	4,437
People & Council Support	3,960	336	4,296	4,296	97	4,393	4,393	99	4,492	4,492	120	4,612	4,612	123	4,735
Governance	2,371	8	2,379	2,379	57	2,436	2,436	59	2,495	2,495	66	2,561	2,561	80	2,641
Communications	455	7	462	462	9	471	471	8	479	479	10	489	489	11	500
Corporate Services total	10,162	522	10,684	10,684	361	11,045	11,045	376	11,421	11,421	431	11,852	11,852	461	12,313
Council Resources Total	19,731	(104)	19,627	19,627	458	20,085	20,085	507	20,592	20,592	521	21,113	21,113	640	21,753
Health & Social Care Partnership															
Adult Wellbeing	68,493	471	68,964	68,964	-	68,964	68,964	-	68,964	68,964	-	68,964	68,964	-	68,964
Health & Social Care total	68,493	471	68,964	68,964	-	68,964	68,964	-	68,964	68,964	-	68,964	68,964	-	68,964
Place Services															
Development															
Planning	1,170	(67)	1,103	1,103	54	1,157	1,157	57	1,214	1,214	69	1,283	1,283	71	1,354
Economic Development	878	(24)	854	854	25	879	879	(56)	823	823	30	853	853	30	883
Development total	2,048	(91)	1,957	1,957	79	2,036	2,036	1	2,037	2,037	99	2,136	2,136	101	2,237
Housing															
Housing & Strategic Regeneration	243	41	284	284	15	299	299	16	315	315	18	333	333	20	353
Community Housing	2,764	(3)	2,761	2,761	48	2,809	2,809	38	2,847	2,847	45	2,892	2,892	45	2,937
Property Maintenance Trading Activity	(987)	(48)	(1,035)	(1,035)	-	(1,035)	(1,035)	-	(1,035)	(1,035)	-	(1,035)	(1,035)	-	(1,035)
Housing total	2,020	(10)	2,010	2,010	63	2,073	2,073	54	2,127	2,127	63	2,190	2,190	65	2,255
Infrastructure															
Facility Support Services	4,486	682	5,168	5,168	112	5,280	5,280	110	5,390	5,390	110	5,500	5,500	114	5,614
Facility Trading Activity	(328)	-	(328)	(328)	-	(328)	(328)	-	(328)	(328)	-	(328)	(328)	-	(328)
Landscape & Countryside Management	6,177	111	6,288	6,288	99	6,387	6,387	149	6,536	6,536	181	6,717	6,717	184	6,901
Asset Maintenance & Engineering Services	2,288	(182)	2,106	2,106	(859)	1,247	1,247	279	1,526	1,526	1,363	2,889	2,889	(1,155)	1,734
Strategic Asset & Capital Planning	(286)	20	(266)	(266)	50	(216)	(216)	51	(165)	(165)	60	(105)	(105)	61	(44)
Roads Network & Flood Protection	4,831	(193)	4,638	4,638	114	4,752	4,752	123	4,875	4,875	138	5,013	5,013	149	5,162
Roads Trading Activity	(666)	(4)	(670)	(670)	(11)	(681)	(681)	(11)	(692)	(692)	-	(692)	(692)	-	(692)
Transportation	1,992	(2)	1,990	1,990	124	2,114	2,114	112	2,226	2,226	95	2,321	2,321	96	2,417
Waste Services	10,371	(762)	9,609	9,609	218	9,827	9,827	308	10,135	10,135	256	10,391	10,391	258	10,649
Active Business Unit	4,053	(254)	3,799	3,799	61	3,860	3,860	58	3,918	3,918	65	3,983	3,983	67	4,050
Infrastructure total	32,918	(584)	32,334	32,334	(92)	32,242	32,242	1,179	33,421	33,421	2,268	35,689	35,689	(226)	35,463
Communities & Partnerships															
Policy, Performance & Organisational Development	758	(53)	705	705	12	717	717	14	731	731	17	748	748	16	764
Connected Communities	6,805	(695)	6,110	6,110	123	6,233	6,233	122	6,355	6,355	140	6,495	6,495	142	6,637
Protective Services	2,138	(80)	2,058	2,058	45	2,103	2,103	50	2,153	2,153	55	2,208	2,208	58	2,266
Customer Services Group	4,800	(437)	4,363	4,363	(35)	4,328	4,328	110	4,438	4,438	134	4,572	4,572	134	4,706
Communities & Partnerships total	14,501	(1,265)	13,236	13,236	145	13,381	13,381	296	13,677	13,677	346	14,023	14,023	350	14,373

East Lothian Council
General Fund - Budget Proposals 2024/25

Area	2024/25 Budget			2025/26 Budget			2026/27 Budget			2027/28 Budget			2028/29 Budget		
	2023/24 Base Budget £'000	Changes £'000	Total Budget £'000	2024/25 Base Budget £'000	Changes £'000	Total Budget £'000	2025/26 Base Budget £'000	Changes £'000	Total Budget £'000	2026/27 Base Budget £'000	Changes £'000	Total Budget £'000	2027/28 Base Budget £'000	Changes £'000	Total Budget £'000
Place Total	51,487	(1,950)	49,537	49,537	195	49,732	49,732	1,530	51,262	51,262	2,776	54,038	54,038	290	54,328
TOTAL SERVICE EXPENDITURE	303,996	6,381	310,377	310,377	8,324	318,701	318,701	8,789	327,490	327,490	8,704	336,194	336,194	5,439	341,633
Budget Deficit/(Surplus)	-	-	-	-	-	-	-	4,927	4,927	4,927	6,392	11,319	11,319	818	12,137

Band D Council Tax
% increase / (decrease) in Band D

0.00%

Bar Band D Multiplier	Impact of Council Tax		2024/25 Council Tax
	Freeze	% Increase	
A 240/360	0.00	0.00%	957.08
B 280/360	0.00	0.00%	1,116.59
C 320/360	0.00	0.00%	1,276.10
D 360/360	0.00	0.00%	1,435.62
E 473/360	0.00	0.00%	1,886.24
F 585/360	0.00	0.00%	2,332.88
G 705/360	0.00	0.00%	2,811.42
H 882/360	0.00	0.00%	3,517.26

* Note the Council operates Joint Billing alongside Scottish Water

Area	Description	2024/25			2025/26			2026/27			2027/28			2028/29		
		Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change
CORPORATE INCOME																
General Revenue Grant	GRG Increase (Additional Funding excluding Health & Social Care)	(2,157)	-	(2,157)	-	-	-	(1,800)	-	(1,800)	-	-	-	-	-	-
General Revenue Grant	GRG Increase - Pay Funding 2022/23 & 2023/24 (Baselined in GRG 2024/25)	(6,551)	-	(6,551)	-	-	-	-	-	-	-	-	-	-	-	-
General Revenue Grant	GRG Increase (New Policy Commitments excluding Health & Social Care)	(272)	-	(272)	-	-	-	-	-	-	-	-	-	-	-	-
General Revenue Grant	GRG Increase - Early Years Specific Grant Baselined 2024/25	(10,927)	-	(10,927)	-	-	-	-	-	-	-	-	-	-	-	-
General Revenue Grant	GRG Decrease - Retained Teacher Support - Paid as a Specific Grant 2024/25	2,952	-	2,952	-	-	-	-	-	-	-	-	-	-	-	-
General Revenue Grant	GRG Increase - Funding for Council Tax Freeze 2024/25	(3,400)	-	(3,400)	-	-	-	-	-	-	-	-	-	-	-	-
General Revenue Grant	GRG Increase - Teacher Pension Assumed Increase (23% to 26% 2024/25)	(1,589)	-	(1,589)	-	-	-	-	-	-	-	-	-	-	-	-
General Revenue Grant	GRG Increase (Health & Social Care)	(371)	-	(371)	-	-	-	-	-	-	-	-	-	-	-	-
Total General Revenue Grant Changes		(22,315)	-	(22,315)	-	-	-	(1,800)	-	(1,800)	-	-	-	-	-	-
Specific Grants	Gaelic Adjustment	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-
Specific Grants	Early Learning & Childcare - Baselined in GRG 2024/25	10,927	-	10,927	-	-	-	-	-	-	-	-	-	-	-	-
Specific Grants	Retained Teacher Support - Removed from GRG Baseline 2024/25	(2,952)	-	(2,952)	-	-	-	-	-	-	-	-	-	-	-	-
Specific Grants	Pupil Equity Fund Adjustment	(1)	-	(1)	-	-	-	-	-	-	-	-	-	-	-	-
Total Specific Grants		7,975	-	7,975	-	-	-	-	-	-	-	-	-	-	-	-
Council Tax	Freeze (Year 1), 10% (Year 2) 5% Increase (Years 3-5) and Additional Properties	(1,330)	-	(1,330)	(8,414)	-	(8,414)	(5,233)	-	(5,233)	(5,441)	-	(5,441)	(5,695)	-	(5,695)
Council Tax	Second Homes - 100% Premium	(900)	-	(900)	-	-	-	-	-	-	-	-	-	-	-	-
Total Council Tax		(2,230)	-	(2,230)	(8,414)	-	(8,414)	(5,233)	-	(5,233)	(5,441)	-	(5,441)	(5,695)	-	(5,695)
Planned Use / Refund of Reserves	General Fund - Used in 2023/24	7,378	-	7,378	-	-	-	-	-	-	-	-	-	-	-	-
Planned Use / Refund of Reserves	General Fund - Planned Use 2024/25	(1,000)	-	(1,000)	1,000	-	1,000	-	-	-	-	-	-	-	-	-
Planned Use / Refund of Reserves	Contribution to Reserves	-	-	-	1,006	-	1,006	(1,006)	-	(1,006)	-	-	-	-	-	-
Planned Use / Refund of Reserves	Capital Fund	(1,935)	-	(1,935)	(7,842)	-	(7,842)	5,688	-	5,688	4,089	-	4,089	-	-	-
Funding for Pay	Pay Funding 2023/24 - Baselined in GRG 2024/25	2,308	-	2,308	-	-	-	-	-	-	-	-	-	-	-	-
Total Transfers to / from Reserves		6,751	-	6,751	(5,836)	-	(5,836)	4,682	-	4,682	4,089	-	4,089	(5,695)	-	(5,695)
CORPORATE INCOME TOTAL		(9,819)	-	(9,819)	(14,250)	-	(14,250)	(2,351)	-	(2,351)	(1,352)	-	(1,352)	(5,695)	-	(5,695)
CORPORATE COMMITMENTS																
Valuation Board Requisition	Joint Requisition Adjustments	58	-	58	-	-	-	-	-	-	-	-	-	-	-	-
Total Valuation Joint Board Requisition		58	-	58	-	-	-	-	-	-	-	-	-	-	-	-
Council Tax Reduction Scheme	Council Tax Reduction Scheme Adjustment	116	-	116	778	-	778	460	-	460	479	-	479	501	-	501
Total Council Tax Reduction Scheme		116	-	116	778	-	778	460	-	460	479	-	479	501	-	501
Council Tax Earmarked for Affordable Housing	Council Tax Earmarked for Affordable Homes	10	-	10	(94)	-	(94)	29	-	29	30	-	30	31	-	31
Total Council Tax Earmarked for Affordable Housing		10	-	10	(94)	-	(94)	29	-	29	30	-	30	31	-	31
Income Generation	Parking Charges	-	(500)	(500)	-	(1,000)	(1,000)	-	(1,000)	(1,000)	-	(500)	(500)	-	-	-
Total Income Generation		-	(500)	(500)	-	(1,000)	(1,000)	-	(1,000)	(1,000)	-	(500)	(500)	-	-	-
Debt Charges	Debt Charges Adjustments	4,935	-	4,935	7,842	-	7,842	-	-	-	31	-	31	542	-	542
Total Debt Charges		4,935	-	4,935	7,842	-	7,842	-	-	-	31	-	31	542	-	542
Review of Council Assets	Asset Review	(241)	-	(241)	-	-	-	-	-	-	-	-	-	-	-	-
Review of Council Assets	Further Asset Review Savings	-	(1,000)	(1,000)	-	(1,600)	(1,600)	-	(1,000)	(1,000)	-	(1,000)	(1,000)	-	-	-
Total Review of Council Assets		(241)	(1,000)	(1,241)	-	(1,600)	(1,600)	-	(1,000)	(1,000)	-	(1,000)	(1,000)	-	-	-
Apprenticeship Levy	Apprenticeship Levy Adjustment	60	-	60	-	-	-	-	-	-	-	-	-	-	-	-
Total Apprenticeship Levy		60	-	60	-	-	-	-	-	-	-	-	-	-	-	-
CORPORATE COMMITMENTS TOTAL		4,938	(1,500)	3,438	8,526	(2,600)	5,926	489	(2,000)	(1,511)	540	(1,500)	(960)	1,074	-	1,074
EXPENDITURE LIMIT		(4,881)	(1,500)	(6,381)	(5,724)	(2,600)	(8,324)	(1,862)	(2,000)	(3,862)	(812)	(1,500)	(2,312)	(4,621)	-	(4,621)
SERVICE EXPENDITURE																
EDUCATION & CHILDREN'S SERVICES																
Children's Services																
Children's	Pay - 3% year 1, 2% years 2-5	279	-	279	208	-	208	212	-	212	258	-	258	263	-	263
Children's	Pension - Reduction in Lothian Pension Fund Contribution Rate	(344)	-	(344)	-	-	-	-	-	-	-	-	-	-	-	-
Children's	Inflation - Utilities	7	-	7	1	-	1	1	-	1	1	-	1	1	-	1

Area	Description	2024/25			2025/26			2026/27			2027/28			2028/29		
		Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change
Children's	Inflation - External Placements	170	-	170	126	-	126	104	-	104	68	-	68	57	-	57
Children's	Review of Foster Provision	660	-	660	160	-	160	160	-	160	160	-	160	(500)	-	(500)
Total Children's Services		772	-	772	495	-	495	477	-	477	487	-	487	(179)	-	(179)
Education																
Inclusion & Wellbeing	Pay - 3% year 1, 2% years 2-5	87	-	87	38	-	38	35	-	35	40	-	40	52	-	52
Inclusion & Wellbeing	Pension - Reduction in Lothian Pension Fund Contribution Rate	(20)	-	(20)	-	-	-	-	-	-	-	-	-	-	-	-
Inclusion & Wellbeing	Demographics	139	-	139	113	-	113	136	-	136	161	-	161	161	-	161
Inclusion & Wellbeing	Revenue Consequences of Capital/Service Deductions	155	-	155	373	-	373	173	-	173	207	-	207	-	-	-
Inclusion & Wellbeing	Inflation - External Placements	90	-	90	68	-	68	58	-	58	39	-	39	39	-	39
Inclusion & Wellbeing	Inflation - Contract Transport	83	-	83	-	-	-	135	-	135	141	-	141	129	-	129
Inclusion & Wellbeing	Contract Transport New Contract	-	-	-	798	-	798	-	-	-	-	-	-	-	-	-
Total Inclusion & Wellbeing		534	-	534	1,390	-	1,390	537	-	537	588	-	588	381	-	381
Pre-school Education & Childcare	Pay - 3% year 1, 2% years 2-5	58	-	58	29	-	29	28	-	28	33	-	33	39	-	39
Pre-school Education & Childcare	Pension - Reduction in Lothian Pension Fund Contribution Rate	(30)	-	(30)	-	-	-	-	-	-	-	-	-	-	-	-
Pre-school Education & Childcare	Service Review Savings	(306)	-	(306)	-	-	-	-	-	-	-	-	-	-	-	-
Pre-school Education & Childcare	Inflation - Utilities	16	-	16	1	-	1	1	-	1	1	-	1	1	-	1
Total Pre-school Education & Childcare		(262)	-	(262)	30	-	30	29	-	29	34	-	34	40	-	40
Schools - Primary	Pay - 3% year 1, 2% years 2-5	2,540	-	2,540	1,067	-	1,067	1,086	-	1,086	1,178	-	1,178	1,456	-	1,456
Schools - Primary	Pension - Reduction in Lothian Pension Fund Contribution Rate	(498)	-	(498)	-	-	-	-	-	-	-	-	-	-	-	-
Schools - Primary	Demographics	-	-	-	20	-	20	-	-	-	-	-	-	-	-	-
Schools - Primary	Revenue Consequences of Capital	326	-	326	1,323	-	1,323	2,111	-	2,111	373	-	373	54	-	54
Schools - Primary	Inflation - Utilities	481	-	481	46	-	46	46	-	46	46	-	46	46	-	46
Schools - Primary	NDR	75	-	75	76	-	76	77	-	77	78	-	78	78	-	78
Schools - Primary	Inflation - Contracts/Service Deductions	627	-	627	336	-	336	338	-	338	370	-	370	376	-	376
Schools - Primary	Inflation - Contract Transport	36	-	36	-	-	-	59	-	59	62	-	62	65	-	65
Schools - Primary	Contract Transport New Contract	-	-	-	350	-	350	-	-	-	-	-	-	-	-	-
Schools - Primary	FSM Expansion Primary 6/7	265	-	265	-	-	-	-	-	-	-	-	-	-	-	-
Schools - Primary	Review of Instrumental Music Service	-	(85)	(85)	-	(235)	(235)	-	-	-	-	-	-	-	-	-
Total Schools - Primary		3,852	(85)	3,767	3,218	(235)	2,983	3,717	-	3,717	2,107	-	2,107	2,075	-	2,075
Schools - Secondary	Pay - 3% year 1, 2% years 2-5	2,118	-	2,118	863	-	863	879	-	879	918	-	918	1,231	-	1,231
Schools - Secondary	Pension - Reduction in Lothian Pension Fund Contribution Rate	(166)	-	(166)	-	-	-	-	-	-	-	-	-	-	-	-
Schools - Secondary	Demographics	-	-	-	170	-	170	272	-	272	267	-	267	267	-	267
Schools - Secondary	Revenue Consequences of Capital/Service Deductions	826	-	826	663	-	663	354	-	354	242	-	242	141	-	141
Schools - Secondary	Inflation - Utilities	402	-	402	39	-	39	39	-	39	39	-	39	39	-	39
Schools - Secondary	PPP	828	-	828	224	-	224	180	-	180	433	-	433	202	-	202
Schools - Secondary	NDR	51	-	51	52	-	52	53	-	53	54	-	54	54	-	54
Schools - Secondary	Inflation - Contracts	95	-	95	18	-	18	16	-	16	18	-	18	18	-	18
Schools - Secondary	Inflation - Contract Transport	69	-	69	-	-	-	111	-	111	117	-	117	123	-	123
Schools - Secondary	Contract Transport New Contract	-	-	-	659	-	659	-	-	-	-	-	-	-	-	-
Schools - Secondary	Improving Senior Phase Options	-	(160)	(160)	-	-	-	-	-	-	-	-	-	-	-	-
Schools - Secondary	Savings in PPP Contract	-	(250)	(250)	-	-	-	-	-	-	-	-	-	-	-	-
Total Schools - Secondary		4,223	(410)	3,813	2,688	-	2,688	1,904	-	1,904	2,088	-	2,088	2,075	-	2,075
Schools Support Services	Pay - 3% year 1, 2% years 2-5	58	-	58	57	-	57	59	-	59	67	-	67	80	-	80
Schools Support Services	Service Review Savings	(666)	-	(666)	-	-	-	-	-	-	-	-	-	-	-	-
Schools Support Services	Additional IT Licences	100	-	100	-	-	-	-	-	-	-	-	-	-	-	-
Total Schools Support Services		(508)	-	(508)	57	-	57	59	-	59	67	-	67	80	-	80
East Lothian Works	Pay - 3% year 1, 2% years 2-5	37	-	37	27	-	27	28	-	28	34	-	34	35	-	35

Area	Description	2024/25			2025/26			2026/27			2027/28			2028/29		
		Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change
East Lothian Works	Pension - Reduction in Lothian Pension Fund Contribution Rate	(43)	-	(43)	-	-	-	-	-	-	-	-	-	-	-	-
East Lothian Works	Service Review Savings	(112)	-	(112)	-	-	-	-	-	-	-	-	-	-	-	-
East Lothian Works	NDR	1	-	1	1	-	1	1	-	1	2	-	2	2	-	2
East Lothian Works	Sale of CAT Building	-	(35)	(35)	-	-	-	-	-	-	-	-	-	-	-	-
Total East Lothian Works	Total East Lothian Works	(117)	(35)	(152)	28	-	28	29	-	29	36	-	36	37	-	37
Total Education		7,722	(530)	7,192	7,411	(235)	7,176	6,275	-	6,275	4,920	-	4,920	4,688	-	4,688
TOTAL EDUCATION & CHILDRENS		8,494	(530)	7,964	7,906	(235)	7,671	6,752	-	6,752	5,407	-	5,407	4,509	-	4,509
COUNCIL RESOURCES																
Finance																
Financial Services	Pay - 3% year 1, 2% years 2-5	100	-	100	57	-	57	58	-	58	71	-	71	72	-	72
Financial Services	Pension - Reduction in Lothian Pension Fund Contribution Rate	(80)	-	(80)	-	-	-	-	-	-	-	-	-	-	-	-
Financial Services	External Audit Fee Increase	37	-	37	-	-	-	-	-	-	-	-	-	-	-	-
Financial Services	Savings from Counter Fraud	-	(200)	(200)	-	-	-	-	-	-	-	-	-	-	-	-
Financial Services	Service Review - Early Delivery of Staff Savings	-	(200)	(200)	-	-	-	-	-	-	200	-	200	-	-	-
Financial Services	Service Review - Corporate Accounting (Staff Reduction)	-	-	-	-	-	-	-	-	-	(135)	-	(135)	-	-	-
Financial Services	Service Review - Service Accounting (Staff Reduction)	-	-	-	-	-	-	-	-	-	(150)	-	(150)	-	-	-
Financial Services	Shared Service Arrangement - Internal Audit	-	-	-	-	(45)	(45)	-	(14)	(14)	-	-	-	-	-	-
Total Financial Services		57	(400)	(343)	57	(45)	12	58	(14)	44	71	(85)	(14)	72	-	72
Revenues & Financial Support	Pay - 3% year 1, 2% years 2-5	129	-	129	66	-	66	66	-	66	80	-	80	82	-	82
Revenues & Financial Support	Pension - Reduction in Lothian Pension Fund Contribution Rate	(95)	-	(95)	-	-	-	-	-	-	-	-	-	-	-	-
Revenues & Financial Support	Barclay/Valuation Appeals	7	-	7	-	-	-	-	-	-	-	-	-	-	-	-
Revenues & Financial Support	Revenue System Costs	51	-	51	-	-	-	-	-	-	-	-	-	-	-	-
Revenues & Financial Support	Empty Property Relief - Policy Changes	-	(430)	(430)	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues & Financial Support		92	(430)	(338)	66	-	66	66	-	66	80	-	80	82	-	82
Procurement, Transformation & Digital	Pay - 3% year 1, 2% years 2-5	76	-	76	19	-	19	21	-	21	24	-	24	25	-	25
Procurement, Transformation & Digital	Pension - Reduction in Lothian Pension Fund Contribution Rate	(21)	-	(21)	-	-	-	-	-	-	-	-	-	-	-	-
Total Procurement, Transformation & Digital		55	-	55	19	-	19	21	-	21	24	-	24	25	-	25
Total Finance		204	(830)	(626)	142	(45)	97	145	(14)	131	175	(85)	90	179	-	179
Corporate Services																
IT Services	Pay - 3% year 1, 2% years 2-5	20	-	20	51	-	51	51	-	51	63	-	63	63	-	63
IT Services	Pension - Reduction in Lothian Pension Fund Contribution Rate	(46)	-	(46)	-	-	-	-	-	-	-	-	-	-	-	-
IT Services	Microsoft Enterprise Agreement & IDOX	59	-	59	94	-	94	103	-	103	113	-	113	124	-	124
IT Services	Increased Licence Costs	138	-	138	53	-	53	56	-	56	59	-	59	60	-	60
Total IT Services		171	-	171	198	-	198	210	-	210	235	-	235	247	-	247
People & Council Support	Pay - 3% year 1, 2% years 2-5	244	-	244	97	-	97	99	-	99	120	-	120	123	-	123
People & Council Support	Pension - Reduction in Lothian Pension Fund Contribution Rate	(37)	-	(37)	-	-	-	-	-	-	-	-	-	-	-	-
People & Council Support	Revenue Consequences of Capital	100	-	100	-	-	-	-	-	-	-	-	-	-	-	-
People & Council Support	System Enhancements	29	-	29	-	-	-	-	-	-	-	-	-	-	-	-
Total People & Council Support		336	-	336	97	-	97	99	-	99	120	-	120	123	-	123
Governance	Pay - 3% year 1, 2% years 2-5	90	-	90	57	-	57	59	-	59	66	-	66	80	-	80
Governance	Pension - Reduction in Lothian Pension Fund Contribution Rate	(17)	-	(17)	-	-	-	-	-	-	-	-	-	-	-	-
Governance	Paper Records Management	(27)	-	(27)	-	-	-	-	-	-	-	-	-	-	-	-
Governance	Registrars Systems Development	-	(38)	(38)	-	-	-	-	-	-	-	-	-	-	-	-
Total Governance		46	(38)	8	57	-	57	59	-	59	66	-	66	80	-	80
Communications	Pay - 3% year 1, 2% years 2-5	16	-	16	9	-	9	8	-	8	10	-	10	11	-	11
Communications	Pension - Reduction in Lothian Pension Fund Contribution Rate	(9)	-	(9)	-	-	-	-	-	-	-	-	-	-	-	-
Total Communications		7	-	7	9	-	9	8	-	8	10	-	10	11	-	11
Total Corporate Services		560	(38)	522	361	-	361	376	-	376	431	-	431	461	-	461

Area	Description	2024/25			2025/26			2026/27			2027/28			2028/29		
		Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change
TOTAL COUNCIL RESOURCES		764	(868)	(104)	503	(45)	458	521	(14)	507	606	(85)	521	640	-	640
Health & Social Care Partnership																
Adult Wellbeing	Additional investment per SG settlement - Real Living Wage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Wellbeing	Additional investment per SG settlement - FPNC	366	-	366	-	-	-	-	-	-	-	-	-	-	-	-
Adult Wellbeing	Additional investment per SG settlement - SDS	5	-	5	-	-	-	-	-	-	-	-	-	-	-	-
Adult Wellbeing	Increase Funding for Pay 2023/24	100	-	100	-	-	-	-	-	-	-	-	-	-	-	-
Total Adult Wellbeing		471	-	471	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL HEALTH & SOCIAL CARE		471	-	471	-	-	-	-	-	-	-	-	-	-	-	-
Place Services																
Development																
Planning	Pay - 3% year 1, 2% years 2-5	132	-	132	54	-	54	57	-	57	69	-	69	71	-	71
Planning	Pension - Reduction in Lothian Pension Fund Contribution Rate	(79)	-	(79)	-	-	-	-	-	-	-	-	-	-	-	-
Planning	Restructure of Place Directorate	-	(120)	(120)	-	-	-	-	-	-	-	-	-	-	-	-
Total Planning		53	(120)	(67)	54	-	54	57	-	57	69	-	69	71	-	71
Economic Development	Pay - 3% year 1, 2% years 2-5	16	-	16	25	-	25	24	-	24	30	-	30	30	-	30
Economic Development	Pension - Reduction in Lothian Pension Fund Contribution Rate	(40)	-	(40)	-	-	-	-	-	-	-	-	-	-	-	-
Economic Development	City Deal Project Manager Cost Saving	-	-	-	-	-	-	(80)	(80)	-	-	-	-	-	-	-
Total Economic Development		(24)	-	(24)	25	-	25	24	(80)	(56)	30	-	30	30	-	30
TOTAL DEVELOPMENT		29	(120)	(91)	79	-	79	81	(80)	1	99	-	99	101	-	101
Housing																
Housing & Strategic Regeneration	Pay - 3% year 1, 2% years 2-5	50	-	50	15	-	15	16	-	16	18	-	18	20	-	20
Housing & Strategic Regeneration	Pension - Reduction in Lothian Pension Fund Contribution Rate	(9)	-	(9)	-	-	-	-	-	-	-	-	-	-	-	-
Total Housing & Strategic Regeneration		41	-	41	15	-	15	16	-	16	18	-	18	20	-	20
Community Housing	Pay - 3% year 1, 2% years 2-5	1	-	1	24	-	24	24	-	24	30	-	30	30	-	30
Community Housing	Pension - Reduction in Lothian Pension Fund Contribution Rate	(46)	-	(46)	-	-	-	-	-	-	-	-	-	-	-	-
Community Housing	Inflation - Utilities	18	-	18	2	-	2	2	-	2	2	-	2	2	-	2
Community Housing	Inflation - Contracts	39	-	39	12	-	12	12	-	12	13	-	13	13	-	13
Community Housing	Service Pressure - Temporary Accommodation	260	-	260	10	-	10	-	-	-	-	-	-	-	-	-
Community Housing	Review of Adaptations	-	(275)	(275)	-	-	-	-	-	-	-	-	-	-	-	-
Total Community Housing		272	(275)	(3)	48	-	48	38	-	38	45	-	45	45	-	45
Property Maintenance Trading Activity	Savings from new system implementation	-	(48)	(48)	-	-	-	-	-	-	-	-	-	-	-	-
Total Housing & Strategic Regeneration		-	(48)	(48)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL HOUSING		313	(323)	(10)	63	-	63	54	-	54	63	-	63	65	-	65
INFRASTRUCTURE																
Facility Support Services	Pay - 3% year 1, 2% years 2-5	19	-	19	11	-	11	11	-	11	14	-	14	14	-	14
Facility Support Services	Pension - Reduction in Lothian Pension Fund Contribution Rate	(7)	-	(7)	-	-	-	-	-	-	-	-	-	-	-	-
Facility Support Services	Revenue Consequences of Capital	136	-	136	5	-	5	3	-	3	-	-	4	-	4	
Facility Support Services	Inflation - Utilities	422	-	422	35	-	35	35	-	35	35	-	35	35	-	35
Facility Support Services	NDR	36	-	36	37	-	37	37	-	37	38	-	38	38	-	38
Facility Support Services	Inflation - Contracts	86	-	86	24	-	24	24	-	24	23	-	23	23	-	23
Facility Support Services	Print & Mailroom Review	-	(10)	(10)	-	-	-	-	-	-	-	-	-	-	-	-
Total Facility Support Services		692	(10)	682	112	-	112	110	-	110	110	-	110	114	-	114
Landscape & Countryside Management	Pay - 3% year 1, 2% years 2-5	296	-	296	135	-	135	135	-	135	166	-	166	169	-	169
Landscape & Countryside Management	Pension - Reduction in Lothian Pension Fund Contribution Rate	(170)	-	(170)	-	-	-	-	-	-	-	-	-	-	-	-
Landscape & Countryside Management	Inflation - Utilities	25	-	25	2	-	2	2	-	2	2	-	2	2	-	2
Landscape & Countryside Management	Inflation - Contracts	20	-	20	12	-	12	12	-	12	13	-	13	13	-	13
Landscape & Countryside Management	Service Pressure - Ash Dieback	50	-	50	(50)	-	(50)	-	-	-	-	-	-	-	-	-
Landscape & Countryside Management	Increase Burial Fees	-	(20)	(20)	-	-	-	-	-	-	-	-	-	-	-	-
Landscape & Countryside Management	Restructure of Place Directorate	-	(90)	(90)	-	-	-	-	-	-	-	-	-	-	-	-
Total Landscape & Countryside Management		221	(110)	111	99	-	99	149	-	149	181	-	181	184	-	184

Area	Description	2024/25			2025/26			2026/27			2027/28			2028/29		
		Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change
Asset Maintenance & Engineering Services	Pay - 3% year 1, 2% years 2-5	59	-	59	33	-	33	35	-	35	42	-	42	43	-	43
Asset Maintenance & Engineering Services	Pension - Reduction in Lothian Pension Fund Contribution Rate	(52)	-	(52)	-	-	-	-	-	-	-	-	-	-	-	-
Asset Maintenance & Engineering Services	Revenue Consequences of Capital	227	-	227	59	-	59	29	-	29	1,260	-	1,260	(1,260)	-	(1,260)
Asset Maintenance & Engineering Services	Inflation - Contracts	141	-	141	59	-	59	60	-	60	61	-	61	62	-	62
Asset Maintenance & Engineering Services	SFT Funding (Wallyford & Whitecraig Schools)	(645)	-	(645)	(1,010)	-	(1,010)	155	-	155	-	-	-	-	-	-
Asset Maintenance & Engineering Services	Rental Income Day Centres - Remove 2023/24 Efficiency Saving	175	-	175	-	-	-	-	-	-	-	-	-	-	-	-
Asset Maintenance & Engineering Services	Increase in Building Warrant Fees	-	(87)	(87)	-	-	-	-	-	-	-	-	-	-	-	-
Total Asset Maintenance & Engineering Services		(95)	(87)	(182)	(859)	-	(859)	279	-	279	1,363	-	1,363	(1,155)	-	(1,155)
Strategic Asset & Capital Planning	Pay - 3% year 1, 2% years 2-5	82	-	82	45	-	45	47	-	47	56	-	56	57	-	57
Strategic Asset & Capital Planning	Pension - Reduction in Lothian Pension Fund Contribution Rate	(67)	-	(67)	-	-	-	-	-	-	-	-	-	-	-	-
Strategic Asset & Capital Planning	NDR	3	-	3	3	-	3	3	-	3	3	-	3	3	-	3
Strategic Asset & Capital Planning	Inflation - Contracts	2	-	2	2	-	2	1	-	1	1	-	1	1	-	1
Total Strategic Asset & Capital Planning		20	-	20	50	-	50	51	-	51	60	-	60	61	-	61
Roads Network & Flood Protection	Pay - 3% year 1, 2% years 2-5	85	-	85	45	-	45	47	-	47	55	-	55	59	-	59
Roads Network & Flood Protection	Pension - Reduction in Lothian Pension Fund Contribution Rate	(66)	-	(66)	-	-	-	-	-	-	-	-	-	-	-	-
Roads Network & Flood Protection	Inflation - Utilities	171	-	171	70	-	70	77	-	77	85	-	85	92	-	92
Roads Network & Flood Protection	NDR	2	-	2	2	-	2	3	-	3	3	-	3	3	-	3
Roads Network & Flood Protection	Inflation - Contracts	2	-	2	2	-	2	2	-	2	1	-	1	1	-	1
Roads Network & Flood Protection	Road Consent Pricing Model	(12)	-	(12)	(5)	-	(5)	(6)	-	(6)	(6)	-	(6)	(6)	-	(6)
Roads Network & Flood Protection	Increase Coastal Car Parking Charges	-	(45)	(45)	-	-	-	-	-	-	-	-	-	-	-	-
Roads Network & Flood Protection	Reduce Roads Expenditure	-	(330)	(330)	-	-	-	-	-	-	-	-	-	-	-	-
Total Roads Network & Flood Protection		182	(375)	(193)	114	-	114	123	-	123	138	-	138	149	-	149
Roads Trading Activity	Pay - 3% year 1, 2% years 2-5	93	-	93	55	-	55	56	-	56	68	-	68	70	-	70
Roads Trading Activity	Pension - Reduction in Lothian Pension Fund Contribution Rate	(18)	-	(18)	-	-	-	-	-	-	-	-	-	-	-	-
Roads Trading Activity	NDR	2	-	2	2	-	2	3	-	3	3	-	3	3	-	3
Roads Trading Activity	Inflation - Contracts	(81)	-	(81)	(68)	-	(68)	(70)	-	(70)	(71)	-	(71)	(73)	-	(73)
Total Roads Trading Activity		(4)	-	(4)	(11)	-	(11)	(11)	-	(11)	-	-	-	-	-	-
Transportation	Pay - 3% year 1, 2% years 2-5	69	-	69	32	-	32	33	-	33	40	-	40	41	-	41
Transportation	Pension - Reduction in Lothian Pension Fund Contribution Rate	(33)	-	(33)	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	Inflation - Utilities	11	-	11	1	-	1	1	-	1	1	-	1	1	-	1
Transportation	NDR	1	-	1	2	-	2	2	-	2	2	-	2	2	-	2
Transportation	Inflation - Vehicle Fuel	2	-	2	2	-	2	2	-	2	3	-	3	3	-	3
Transportation	Inflation - Contracts	192	-	192	87	-	87	74	-	74	49	-	49	49	-	49
Transportation	Reduce Support for Taxi Cards	-	(24)	(24)	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	Home to School Transport Review	-	(220)	(220)	-	-	-	-	-	-	-	-	-	-	-	-
Total Transportation		242	(244)	(2)	124	-	124	112	-	112	95	-	95	96	-	96
Waste Services	Pay - 3% year 1, 2% years 2-5	153	-	153	69	-	69	71	-	71	86	-	86	86	-	86
Waste Services	Pension - Reduction in Lothian Pension Fund Contribution Rate	(72)	-	(72)	-	-	-	-	-	-	-	-	-	-	-	-
Waste Services	Inflation - Utilities	21	-	21	3	-	3	3	-	3	3	-	3	3	-	3
Waste Services	NDR	4	-	4	4	-	4	5	-	5	5	-	5	5	-	5
Waste Services	Inflation - Vehicle Fuel	9	-	9	9	-	9	9	-	9	10	-	10	10	-	10
Waste Services	Inflation - Contracts	400	-	400	253	-	253	220	-	220	152	-	152	154	-	154
Waste Services	Three Weekly Residual Waste Collection	-	(502)	(502)	-	-	-	-	-	-	-	-	-	-	-	-
Waste Services	Waste Services Efficiency	-	(75)	(75)	-	-	-	-	-	-	-	-	-	-	-	-
Waste Services	Uplift in Garden Waste Charge	-	-	-	(120)	-	(120)	-	-	-	-	-	-	-	-	-
Waste Services	Charge for Garden Waste Collection	-	(600)	(600)	-	-	-	-	-	-	-	-	-	-	-	-
Waste Services	Trade Waste Review	-	(100)	(100)	-	-	-	-	-	-	-	-	-	-	-	-
Total Waste Services		515	(1,277)	(762)	338	(120)	218	308	-	308	256	-	256	258	-	258
Active Business Unit	Pay - 3% year 1, 2% years 2-5	93	-	93	32	-	32	33	-	33	39	-	39	41	-	41
Active Business Unit	Pension - Reduction in Lothian Pension Fund Contribution Rate	(36)	-	(36)	-	-	-	-	-	-	-	-	-	-	-	-
Active Business Unit	Revenue Consequences of Capital	19	-	19	1	-	1	-	-	-	-	-	-	-	-	-

Area	Description	2024/25			2025/26			2026/27			2027/28			2028/29		
		Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change
Active Business Unit	Inflation - Utilities	67	-	67	6	-	6	6	-	6	6	-	6	6	-	6
Active Business Unit	NDR	7	-	7	7	-	7	7	-	7	8	-	8	8	-	8
Active Business Unit	PPP	12	-	12	12	-	12	9	-	9	10	-	10	10	-	10
Active Business Unit	Inflation Contracts	4	-	4	3	-	3	3	-	3	2	-	2	2	-	2
Active Business Unit	Reduce ENJOY Management Fee	-	(100)	(100)	-	-	-	-	-	-	-	-	-	-	-	-
Active Business Unit	Review Management and Maintenance of Sport Facilities	-	(310)	(310)	-	-	-	-	-	-	-	-	-	-	-	-
Active Business Unit	Innerwick Residential Centre - Declare surplus and dispose	-	(10)	(10)	-	-	-	-	-	-	-	-	-	-	-	-
Total Active Business Unit		166	(420)	(254)	61		61	58		58	65		65	67		67
TOTAL INFRASTRUCTURE		1,939	(2,523)	(584)	28	(120)	(92)	1,179		1,179	2,268		2,268	(226)		(226)
Communities & Partnerships																
Policy, Performance & Organisational Development	Pay - 3% year 1, 2% years 2-5	59	-	59	12	-	12	14	-	14	17	-	17	16	-	16
Policy, Performance & Organisational Development	Pension - Reduction in Lothian Pension Fund Contribution Rate	(12)	-	(12)	-	-	-	-	-	-	-	-	-	-	-	-
Policy, Performance & Organisational Development	Restructure of Place Directorate	-	(100)	(100)	-	-	-	-	-	-	-	-	-	-	-	-
Total Policy, Performance & Organisational Development		47	(100)	(53)	12		12	14		14	17		17	16		16
Connected Communities	Pay - 3% year 1, 2% years 2-5	44	-	44	59	-	59	60	-	60	72	-	72	74	-	74
Connected Communities	Pension - Reduction in Lothian Pension Fund Contribution Rate	(101)	-	(101)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Revenue Consequences of Capital	(11)	-	(11)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Inflation - Utilities	94	-	94	9	-	9	9	-	9	9	-	9	9	-	9
Connected Communities	NDR	9	-	9	10	-	10	10	-	10	11	-	11	11	-	11
Connected Communities	PPP	9	-	9	9	-	9	7	-	7	7	-	7	7	-	7
Connected Communities	Inflation - Contracts	15	-	15	36	-	36	36	-	36	41	-	41	41	-	41
Connected Communities	Specialist Youth Workers - HRA Contribution	(45)	-	(45)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Haddington Corn Exchange Rental Income	-	27	27	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Reduce Funding for Brunton Theatre Trust	-	(200)	(200)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Reduce Funding for Community Grants	-	(100)	(100)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Investment in Specialist Youth Workers	-	(46)	(46)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Reduce Funding for Police Grant	-	(125)	(125)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Restructure of Place Directorate	-	(50)	(50)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Reduce Funding for Area Partnerships	-	(35)	(35)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Review of Fishrow Janitorial Provision	-	(180)	(180)	-	-	-	-	-	-	-	-	-	-	-	-
Total Connected Communities		14	(709)	(695)	123		123	122		122	140		140	142		142
Protective Services	Pay - 3% year 1, 2% years 2-5	73	-	73	45	-	45	50	-	50	55	-	55	58	-	58
Protective Services	Pension - Reduction in Lothian Pension Fund Contribution Rate	(63)	-	(63)	-	-	-	-	-	-	-	-	-	-	-	-
Protective Services	Bring Pest Control Service back in-house	-	(15)	(15)	-	-	-	-	-	-	-	-	-	-	-	-
Protective Services	Restructure of Place Directorate	-	(75)	(75)	-	-	-	-	-	-	-	-	-	-	-	-
Total Protective Services		10	(90)	(80)	45		45	50		50	55		55	58		58
Customer Services Group	Pay - 3% year 1, 2% years 2-5	30	-	30	79	-	79	104	-	104	127	-	127	127	-	127
Customer Services Group	Pension - Reduction in Lothian Pension Fund Contribution Rate	(195)	-	(195)	-	-	-	-	-	-	-	-	-	-	-	-
Customer Services Group	Revenue Consequences of Capital	21	-	21	-	-	-	-	-	-	-	-	-	-	-	-
Customer Services Group	NDR	2	-	2	2	-	2	2	-	2	3	-	3	3	-	3
Customer Services Group	Inflation - Contracts	13	-	13	4	-	4	4	-	4	4	-	4	4	-	4
Customer Services Group	Library Service Redesign	-	(180)	(180)	-	(120)	(120)	-	-	-	-	-	-	-	-	-
Customer Services Group	Museum Service Redesign	-	(100)	(100)	-	-	-	-	-	-	-	-	-	-	-	-
Customer Services Group	Development of Self Check-in	-	(28)	(28)	-	-	-	-	-	-	-	-	-	-	-	-
Total Customer Services Group		(129)	(308)	(437)	85	(120)	(35)	110		110	134		134	134		134
TOTAL COMMUNITIES & PARTNERSHIPS		(58)	(1,207)	(1,265)	265	(120)	145	296		296	346		346	350		350
TOTAL PLACE		2,223	(4,173)	(1,950)	435	(240)	195	1,610	(80)	1,530	2,776		2,776	290		290
SERVICES TOTAL		11,952	(5,571)	6,381	8,844	(520)	8,324	8,883	(94)	8,789	8,789	(85)	8,704	5,439		5,439
TOTAL		7,071	(7,071)	-	3,120	(3,120)	-	7,021	(2,094)	4,927	7,977	(1,585)	6,392	818		818

2b(iii)

SNP GROUP AMENDMENT TO GENERAL FUND BUDGET PROJECTIONS 2024/25 – 2028/29

Area	2024/25 Budget			2025/26 Budget			2026/27 Budget			2027/28 Budget			2028/29 Budget		
	2023/24 Base Budget £'000	Changes £'000	Total Budget £'000	2024/25 Base Budget £'000	Changes £'000	Total Budget £'000	2025/26 Base Budget £'000	Changes £'000	Total Budget £'000	2026/27 Base Budget £'000	Changes £'000	Total Budget £'000	2027/28 Base Budget £'000	Changes £'000	Total Budget £'000
CORPORATE INCOME															
General Revenue Grant	(215,697)	(22,315)	(238,012)	(238,012)	-	(238,012)	(238,012)	(1,800)	(239,812)	(239,812)	-	(239,812)	(239,812)	-	(239,812)
Specific Grants	(13,818)	7,975	(5,843)	(5,843)	-	(5,843)	(5,843)	-	(5,843)	(5,843)	-	(5,843)	(5,843)	-	(5,843)
Council Tax	(75,337)	(2,230)	(77,567)	(77,567)	(7,011)	(84,578)	(84,578)	(5,146)	(89,724)	(89,724)	(5,351)	(95,075)	(95,075)	(5,600)	(100,675)
Social Care Fund	(6,240)	-	(6,240)	(6,240)	-	(6,240)	(6,240)	-	(6,240)	(6,240)	-	(6,240)	(6,240)	-	(6,240)
Planned Use / Refund of Reserves	(7,378)	4,443	(2,935)	(2,935)	(5,644)	(8,579)	(8,579)	4,490	(4,089)	(4,089)	4,089	-	-	-	-
Funding for Pay	(2,308)	2,308	-	-	-	-	-	-	-	-	-	-	-	-	-
EXPENDITURE LIMIT	(320,778)	(9,819)	(330,597)	(330,597)	(12,655)	(343,252)	(343,252)	(2,456)	(345,708)	(345,708)	(1,262)	(346,970)	(346,970)	(5,600)	(352,570)
LESS CORPORATE COMMITMENTS															
Valuation Board Requisition	684	58	742	742	-	742	742	-	742	742	-	742	742	-	742
Council Tax Reduction Scheme	6,593	116	6,709	6,709	778	7,487	7,487	460	7,947	7,947	479	8,426	8,426	501	8,927
Council Tax Earmarked for Affordable Housing	550	10	560	560	(94)	466	466	29	495	495	30	525	525	31	556
Asset Management	(2,565)	-	(2,565)	(2,565)	-	(2,565)	(2,565)	-	(2,565)	(2,565)	-	(2,565)	(2,565)	-	(2,565)
Debt Charges	13,000	4,935	17,935	17,935	7,842	25,777	25,777	-	25,777	25,777	31	25,808	25,808	542	26,350
Review of Council Assets	(811)	(1,241)	(2,052)	(2,052)	(1,000)	(3,052)	(3,052)	(1,000)	(4,052)	(4,052)	(1,000)	(5,052)	(5,052)	-	(5,052)
Management of Staffing Budgets	(2,475)	-	(2,475)	(2,475)	-	(2,475)	(2,475)	-	(2,475)	(2,475)	-	(2,475)	(2,475)	-	(2,475)
Income Generation	-	(500)	(500)	(500)	(1,000)	(1,500)	(1,500)	(1,000)	(2,500)	(2,500)	(500)	(3,000)	(3,000)	-	(3,000)
Criminal Justice Social Work Funding	1,068	-	1,068	1,068	-	1,068	1,068	-	1,068	1,068	-	1,068	1,068	-	1,068
Apprenticeship Levy	738	60	798	798	-	798	798	-	798	798	-	798	798	-	798
TOTAL CORPORATE COMMITMENTS	16,782	3,438	20,220	20,220	6,526	26,746	26,746	(1,511)	25,235	25,235	(960)	24,275	24,275	1,074	25,349
FUNDING FOR COUNCIL SERVICES	(303,996)	(6,381)	(310,377)	(310,377)	(6,129)	(316,506)	(316,506)	(3,967)	(320,473)	(320,473)	(2,222)	(322,695)	(322,695)	(4,526)	(327,221)
SERVICE PLANNED EXPENDITURE															
Education & Children's Services															
Children's															
Children's	19,507	772	20,279	20,279	495	20,774	20,774	477	21,251	21,251	487	21,738	21,738	(179)	21,559
Children's total	19,507	772	20,279	20,279	495	20,774	20,774	477	21,251	21,251	487	21,738	21,738	(179)	21,559
Education															
Inclusion & Wellbeing	12,583	534	13,117	13,117	1,390	14,507	14,507	537	15,044	15,044	588	15,632	15,632	381	16,013
Pre-school Education & Childcare	16,678	(262)	16,416	16,416	30	16,446	16,446	29	16,475	16,475	34	16,509	16,509	40	16,549
Schools - Primary	53,520	3,802	57,322	57,322	2,968	60,290	60,290	3,717	64,007	64,007	2,107	66,114	66,114	2,075	68,189
Schools - Secondary	56,351	3,813	60,164	60,164	2,688	62,852	62,852	1,904	64,756	64,756	2,088	66,844	66,844	2,075	68,919
Schools Support Services	4,184	(508)	3,676	3,676	57	3,733	3,733	59	3,792	3,792	67	3,859	3,859	80	3,939
East Lothian Works	1,462	(152)	1,310	1,310	28	1,338	1,338	29	1,367	1,367	36	1,403	1,403	37	1,440
Education total	144,778	7,227	152,005	152,005	7,161	159,166	159,166	6,275	165,441	165,441	4,920	170,361	170,361	4,688	175,049
Education & Children's Services total	164,285	7,999	172,284	172,284	7,656	179,940	179,940	6,752	186,692	186,692	5,407	192,099	192,099	4,509	196,608
Council Resources															
Finance															
Financial Services	3,991	(343)	3,648	3,648	12	3,660	3,660	44	3,704	3,704	(14)	3,690	3,690	72	3,762
Revenues & Financial Support	4,787	(338)	4,449	4,449	66	4,515	4,515	66	4,581	4,581	80	4,661	4,661	82	4,743

Area	2024/25 Budget			2025/26 Budget			2026/27 Budget			2027/28 Budget			2028/29 Budget		
	2023/24 Base Budget £'000	Changes £'000	Total Budget £'000	2024/25 Base Budget £'000	Changes £'000	Total Budget £'000	2025/26 Base Budget £'000	Changes £'000	Total Budget £'000	2026/27 Base Budget £'000	Changes £'000	Total Budget £'000	2027/28 Base Budget £'000	Changes £'000	Total Budget £'000
Procurement, Transformation & Digital	791	55	846	846	19	865	865	21	886	886	24	910	910	25	935
Finance total	9,569	(626)	8,943	8,943	97	9,040	9,040	131	9,171	9,171	90	9,261	9,261	179	9,440
Corporate Services															
IT Services	3,376	171	3,547	3,547	198	3,745	3,745	210	3,955	3,955	235	4,190	4,190	247	4,437
People & Council Support	3,960	336	4,296	4,296	97	4,393	4,393	99	4,492	4,492	120	4,612	4,612	123	4,735
Governance	2,371	8	2,379	2,379	57	2,436	2,436	59	2,495	2,495	66	2,561	2,561	80	2,641
Communications	455	7	462	462	9	471	471	8	479	479	10	489	489	11	500
Corporate Services total	10,162	522	10,684	10,684	361	11,045	11,045	376	11,421	11,421	431	11,852	11,852	461	12,313
Council Resources Total	19,731	(104)	19,627	19,627	458	20,085	20,085	507	20,592	20,592	521	21,113	21,113	640	21,753
Health & Social Care Partnership															
Adult Wellbeing	68,493	471	68,964	68,964	-	68,964	68,964	-	68,964	68,964	-	68,964	68,964	-	68,964
Health & Social Care total	68,493	471	68,964	68,964	-	68,964	68,964	-	68,964	68,964	-	68,964	68,964	-	68,964
Place Services															
Development															
Planning	1,170	(67)	1,103	1,103	54	1,157	1,157	57	1,214	1,214	69	1,283	1,283	71	1,354
Economic Development	878	(84)	794	794	25	819	819	(56)	763	763	30	793	793	30	823
Development total	2,048	(151)	1,897	1,897	79	1,976	1,976	1	1,977	1,977	99	2,076	2,076	101	2,177
Housing															
Housing & Strategic Regeneration	243	41	284	284	15	299	299	16	315	315	18	333	333	20	353
Community Housing	2,764	272	3,036	3,036	(102)	2,934	2,934	38	2,972	2,972	45	3,017	3,017	45	3,062
Property Maintenance Trading Activity	(987)	(48)	(1,035)	(1,035)	-	(1,035)	(1,035)	-	(1,035)	(1,035)	-	(1,035)	(1,035)	-	(1,035)
Housing total	2,020	265	2,285	2,285	(87)	2,198	2,198	54	2,252	2,252	63	2,315	2,315	65	2,380
Infrastructure															
Facility Support Services	4,486	682	5,168	5,168	112	5,280	5,280	110	5,390	5,390	110	5,500	5,500	114	5,614
Facility Trading Activity	(328)	-	(328)	(328)	-	(328)	(328)	-	(328)	(328)	-	(328)	(328)	-	(328)
Landscape & Countryside Management	6,177	11	6,188	6,188	(51)	6,137	6,137	149	6,286	6,286	181	6,467	6,467	184	6,651
Asset Maintenance & Engineering Services	2,288	(182)	2,106	2,106	(859)	1,247	1,247	279	1,526	1,526	1,363	2,889	2,889	(1,155)	1,734
Strategic Asset & Capital Planning	(286)	20	(266)	(266)	50	(216)	(216)	51	(165)	(165)	60	(105)	(105)	61	(44)
Roads Network & Flood Protection	4,831	(378)	4,453	4,453	114	4,567	4,567	123	4,690	4,690	138	4,828	4,828	149	4,977
Roads Trading Activity	(666)	(4)	(670)	(670)	(11)	(681)	(681)	(11)	(692)	(692)	-	(692)	(692)	-	(692)
Transportation	1,992	218	2,210	2,210	(876)	1,334	1,334	112	1,446	1,446	95	1,541	1,541	96	1,637
Waste Services	10,371	(812)	9,559	9,559	218	9,777	9,777	308	10,085	10,085	256	10,341	10,341	258	10,599
Active Business Unit	4,053	(404)	3,649	3,649	(189)	3,460	3,460	(192)	3,268	3,268	(185)	3,083	3,083	67	3,150
Infrastructure total	32,918	(849)	32,069	32,069	(1,492)	30,577	30,577	929	31,506	31,506	2,018	33,524	33,524	(226)	33,298
Communities & Partnerships															
Policy, Performance & Organisational Development	758	(53)	705	705	12	717	717	14	731	731	17	748	748	16	764
Connected Communities	6,805	(810)	5,995	5,995	(277)	5,718	5,718	(33)	5,685	5,685	140	5,825	5,825	142	5,967
Protective Services	2,138	(80)	2,058	2,058	45	2,103	2,103	50	2,153	2,153	55	2,208	2,208	58	2,266
Customer Services Group	4,800	(307)	4,493	4,493	(265)	4,228	4,228	110	4,338	4,338	134	4,472	4,472	134	4,606
Communities & Partnerships total	14,501	(1,250)	13,251	13,251	(485)	12,766	12,766	141	12,907	12,907	346	13,253	13,253	350	13,603

East Lothian Council
General Fund - Budget Proposals 2024/25

Area	2024/25 Budget			2025/26 Budget			2026/27 Budget			2027/28 Budget			2028/29 Budget		
	2023/24 Base Budget £'000	Changes £'000	Total Budget £'000	2024/25 Base Budget £'000	Changes £'000	Total Budget £'000	2025/26 Base Budget £'000	Changes £'000	Total Budget £'000	2026/27 Base Budget £'000	Changes £'000	Total Budget £'000	2027/28 Base Budget £'000	Changes £'000	Total Budget £'000
Place Total	51,487	(1,985)	49,502	49,502	(1,985)	47,517	47,517	1,125	48,642	48,642	2,526	51,168	51,168	290	51,458
TOTAL SERVICE EXPENDITURE	303,996	6,381	310,377	310,377	6,129	316,506	316,506	8,384	324,890	324,890	8,454	333,344	333,344	5,439	338,783
Budget Deficit/(Surplus)	-	-	-	-	-	-	-	4,417	4,417	4,417	6,232	10,649	10,649	913	11,562

Band D Council Tax
% increase / (decrease) in Band D

0.00%

Bar Band D Multiplier	Impact of Council Tax		2024/25 Council Tax
	Freeze	% Increase	
A 240/360	0.00	0.00%	957.08
B 280/360	0.00	0.00%	1,116.59
C 320/360	0.00	0.00%	1,276.10
D 360/360	0.00	0.00%	1,435.62
E 473/360	0.00	0.00%	1,886.24
F 585/360	0.00	0.00%	2,332.88
G 705/360	0.00	0.00%	2,811.42
H 882/360	0.00	0.00%	3,517.26

* Note the Council operates Joint Billing alongside Scottish Water

Area	Description	2024/25			2025/26			2026/27			2027/28			2028/29		
		Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change
CORPORATE INCOME																
General Revenue Grant	GRG Increase (Additional Funding excluding Health & Social Care)	(2,157)	-	(2,157)	-	-	-	(1,800)	-	(1,800)	-	-	-	-	-	-
General Revenue Grant	GRG Increase - Pay Funding 2022/23 & 2023/24 (Baselined in GRG 2024/25)	(6,551)	-	(6,551)	-	-	-	-	-	-	-	-	-	-	-	-
General Revenue Grant	GRG Increase (New Policy Commitments excluding Health & Social Care)	(272)	-	(272)	-	-	-	-	-	-	-	-	-	-	-	-
General Revenue Grant	GRG Increase - Early Years Specific Grant Baselined 2024/25	(10,927)	-	(10,927)	-	-	-	-	-	-	-	-	-	-	-	-
General Revenue Grant	GRG Decrease - Retained Teacher Support - Paid as a Specific Grant 2024/25	2,952	-	2,952	-	-	-	-	-	-	-	-	-	-	-	-
General Revenue Grant	GRG Increase - Funding for Council Tax Freeze 2024/25	(3,400)	-	(3,400)	-	-	-	-	-	-	-	-	-	-	-	-
General Revenue Grant	GRG Increase - Teacher Pension Assumed Increase (23% to 26% 2024/25)	(1,589)	-	(1,589)	-	-	-	-	-	-	-	-	-	-	-	-
General Revenue Grant	GRG Increase (Health & Social Care)	(371)	-	(371)	-	-	-	-	-	-	-	-	-	-	-	-
Total General Revenue Grant Changes		(22,315)	-	(22,315)	-	-	-	(1,800)	-	(1,800)	-	-	-	-	-	-
Specific Grants	Gaelic Adjustment	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-
Specific Grants	Early Learning & Childcare - Baselined in GRG 2024/25	10,927	-	10,927	-	-	-	-	-	-	-	-	-	-	-	-
Specific Grants	Retained Teacher Support - Removed from GRG Baseline 2024/25	(2,952)	-	(2,952)	-	-	-	-	-	-	-	-	-	-	-	-
Specific Grants	Pupil Equity Fund Adjustment	(1)	-	(1)	-	-	-	-	-	-	-	-	-	-	-	-
Total Specific Grants		7,975	-	7,975	-	-	-	-	-	-	-	-	-	-	-	-
Council Tax	Freeze (Year 1), 8% (Year 2) 5% Increase (Years 3-5) and Additional Properties	(1,330)	-	(1,330)	(7,011)	-	(7,011)	(5,146)	-	(5,146)	(5,351)	-	(5,351)	(5,600)	-	(5,600)
Council Tax	Second Homes - 100% Premium	(900)	-	(900)	-	-	-	-	-	-	-	-	-	-	-	-
Total Council Tax		(2,230)	-	(2,230)	(7,011)	-	(7,011)	(5,146)	-	(5,146)	(5,351)	-	(5,351)	(5,600)	-	(5,600)
Planned Use / Refund of Reserves	General Fund - Used in 2023/24	7,378	-	7,378	-	-	-	-	-	-	-	-	-	-	-	-
Planned Use / Refund of Reserves	General Fund - Planned Use 2024/25	(1,000)	-	(1,000)	1,000	-	1,000	-	-	-	-	-	-	-	-	-
Planned Use / Refund of Reserves	Contribution to Reserves	-	-	-	1,198	-	1,198	(1,198)	-	(1,198)	-	-	-	-	-	-
Planned Use / Refund of Reserves	Capital Fund	(1,935)	-	(1,935)	(7,842)	-	(7,842)	5,688	-	5,688	4,089	-	4,089	-	-	-
Funding for Pay	Pay Funding 2023/24 - Baselined in GRG 2024/25	2,308	-	2,308	-	-	-	-	-	-	-	-	-	-	-	-
Total Transfers to / from Reserves		6,751	-	6,751	(5,644)	-	(5,644)	4,490	-	4,490	4,089	-	4,089	(5,600)	-	(5,600)
CORPORATE INCOME TOTAL		(9,819)	-	(9,819)	(12,655)	-	(12,655)	(2,456)	-	(2,456)	(1,262)	-	(1,262)	(5,600)	-	(5,600)
CORPORATE COMMITMENTS																
Valuation Board Requisition	Joint Requisition Adjustments	58	-	58	-	-	-	-	-	-	-	-	-	-	-	-
Total Valuation Joint Board Requisition		58	-	58	-	-	-	-	-	-	-	-	-	-	-	-
Council Tax Reduction Scheme	Council Tax Reduction Scheme Adjustment	116	-	116	778	-	778	460	-	460	479	-	479	501	-	501
Total Council Tax Reduction Scheme		116	-	116	778	-	778	460	-	460	479	-	479	501	-	501
Council Tax Earmarked for Affordable Housing	Council Tax Earmarked for Affordable Homes	10	-	10	(94)	-	(94)	29	-	29	30	-	30	31	-	31
Total Council Tax Earmarked for Affordable Housing		10	-	10	(94)	-	(94)	29	-	29	30	-	30	31	-	31
Income Generation	Parking Charges	-	(500)	(500)	-	(1,000)	(1,000)	-	(1,000)	(1,000)	-	(500)	(500)	-	-	-
Total Income Generation		-	(500)	(500)	-	(1,000)	(1,000)	-	(1,000)	(1,000)	-	(500)	(500)	-	-	-
Debt Charges	Debt Charges Adjustments	4,935	-	4,935	7,842	-	7,842	-	-	-	31	-	31	542	-	542
Total Debt Charges		4,935	-	4,935	7,842	-	7,842	-	-	-	31	-	31	542	-	542
Review of Council Assets	Asset Review	(241)	-	(241)	-	-	-	-	-	-	-	-	-	-	-	-
Review of Council Assets	Further Asset Review Savings	-	(1,000)	(1,000)	-	(1,000)	(1,000)	-	(1,000)	(1,000)	-	(1,000)	(1,000)	-	-	-
Total Review of Council Assets		(241)	(1,000)	(1,241)	-	(1,000)	(1,000)	-	(1,000)	(1,000)	-	(1,000)	(1,000)	-	-	-
Apprenticeship Levy	Apprenticeship Levy Adjustment	60	-	60	-	-	-	-	-	-	-	-	-	-	-	-
Total Apprenticeship Levy		60	-	60	-	-	-	-	-	-	-	-	-	-	-	-
CORPORATE COMMITMENTS TOTAL		4,938	(1,500)	3,438	8,526	(2,000)	6,526	489	(2,000)	(1,511)	540	(1,500)	(960)	1,074	-	1,074
EXPENDITURE LIMIT		(4,881)	(1,500)	(6,381)	(4,129)	(2,000)	(6,129)	(1,967)	(2,000)	(3,967)	(722)	(1,500)	(2,222)	(4,526)	-	(4,526)
SERVICE EXPENDITURE																
EDUCATION & CHILDREN'S SERVICES																
Children's Services																
Children's	Pay - 3% year 1, 2% years 2-5	279	-	279	208	-	208	212	-	212	258	-	258	263	-	263
Children's	Pension - Reduction in Lothian Pension Fund Contribution Rate	(344)	-	(344)	-	-	-	-	-	-	-	-	-	-	-	-
Children's	Inflation - Utilities	7	-	7	1	-	1	1	-	1	1	-	1	1	-	1

Area	Description	2024/25			2025/26			2026/27			2027/28			2028/29		
		Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change
Children's	Inflation - External Placements	170	-	170	126	-	126	104	-	104	68	-	68	57	-	57
Children's	Review of Foster Provision	660	-	660	160	-	160	160	-	160	160	-	160	(500)	-	(500)
Total Children's Services		772	-	772	495	-	495	477	-	477	487	-	487	(179)	-	(179)
Education																
Inclusion & Wellbeing	Pay - 3% year 1, 2% years 2-5	87	-	87	38	-	38	35	-	35	40	-	40	52	-	52
Inclusion & Wellbeing	Pension - Reduction in Lothian Pension Fund Contribution Rate	(20)	-	(20)	-	-	-	-	-	-	-	-	-	-	-	-
Inclusion & Wellbeing	Demographics	139	-	139	113	-	113	136	-	136	161	-	161	161	-	161
Inclusion & Wellbeing	Revenue Consequences of Capital/Service Deductions	155	-	155	373	-	373	173	-	173	207	-	207	-	-	-
Inclusion & Wellbeing	Inflation - External Placements	90	-	90	68	-	68	58	-	58	39	-	39	39	-	39
Inclusion & Wellbeing	Inflation - Contract Transport	83	-	83	-	-	-	135	-	135	141	-	141	129	-	129
Inclusion & Wellbeing	Contract Transport New Contract	-	-	-	798	-	798	-	-	-	-	-	-	-	-	-
Total Inclusion & Wellbeing		534	-	534	1,390	-	1,390	537	-	537	588	-	588	381	-	381
Pre-school Education & Childcare	Pay - 3% year 1, 2% years 2-5	58	-	58	29	-	29	28	-	28	33	-	33	39	-	39
Pre-school Education & Childcare	Pension - Reduction in Lothian Pension Fund Contribution Rate	(30)	-	(30)	-	-	-	-	-	-	-	-	-	-	-	-
Pre-school Education & Childcare	Service Review Savings	(306)	-	(306)	-	-	-	-	-	-	-	-	-	-	-	-
Pre-school Education & Childcare	Inflation - Utilities	16	-	16	1	-	1	1	-	1	1	-	1	1	-	1
Total Pre-school Education & Childcare		(262)	-	(262)	30	-	30	29	-	29	34	-	34	40	-	40
Schools - Primary	Pay - 3% year 1, 2% years 2-5	2,540	-	2,540	1,067	-	1,067	1,086	-	1,086	1,178	-	1,178	1,456	-	1,456
Schools - Primary	Pension - Reduction in Lothian Pension Fund Contribution Rate	(498)	-	(498)	-	-	-	-	-	-	-	-	-	-	-	-
Schools - Primary	Demographics	-	-	-	20	-	20	-	-	-	-	-	-	-	-	-
Schools - Primary	Revenue Consequences of Capital	326	-	326	1,323	-	1,323	2,111	-	2,111	373	-	373	54	-	54
Schools - Primary	Inflation - Utilities	481	-	481	46	-	46	46	-	46	46	-	46	46	-	46
Schools - Primary	NDR	75	-	75	76	-	76	77	-	77	78	-	78	78	-	78
Schools - Primary	Inflation - Contracts/Service Deductions	627	-	627	336	-	336	338	-	338	370	-	370	376	-	376
Schools - Primary	Inflation - Contract Transport	36	-	36	-	-	-	59	-	59	62	-	62	65	-	65
Schools - Primary	Contract Transport New Contract	-	-	-	350	-	350	-	-	-	-	-	-	-	-	-
Schools - Primary	FSM Expansion Primary 6/7	265	-	265	-	-	-	-	-	-	-	-	-	-	-	-
Schools - Primary	Review of Instrumental Music Service	-	(50)	(50)	-	(250)	(250)	-	-	-	-	-	-	-	-	-
Total Schools - Primary		3,852	(50)	3,802	3,218	(250)	2,968	3,717	-	3,717	2,107	-	2,107	2,075	-	2,075
Schools - Secondary	Pay - 3% year 1, 2% years 2-5	2,118	-	2,118	863	-	863	879	-	879	918	-	918	1,231	-	1,231
Schools - Secondary	Pension - Reduction in Lothian Pension Fund Contribution Rate	(166)	-	(166)	-	-	-	-	-	-	-	-	-	-	-	-
Schools - Secondary	Demographics	-	-	-	170	-	170	272	-	272	267	-	267	267	-	267
Schools - Secondary	Revenue Consequences of Capital/Service Deductions	826	-	826	663	-	663	354	-	354	242	-	242	141	-	141
Schools - Secondary	Inflation - Utilities	402	-	402	39	-	39	39	-	39	39	-	39	39	-	39
Schools - Secondary	PPP	828	-	828	224	-	224	180	-	180	433	-	433	202	-	202
Schools - Secondary	NDR	51	-	51	52	-	52	53	-	53	54	-	54	54	-	54
Schools - Secondary	Inflation - Contracts	95	-	95	18	-	18	16	-	16	18	-	18	18	-	18
Schools - Secondary	Inflation - Contract Transport	69	-	69	-	-	-	111	-	111	117	-	117	123	-	123
Schools - Secondary	Contract Transport New Contract	-	-	-	659	-	659	-	-	-	-	-	-	-	-	-
Schools - Secondary	Improving Senior Phase Options	-	(160)	(160)	-	-	-	-	-	-	-	-	-	-	-	-
Schools - Secondary	Savings in PPP Contract	-	(250)	(250)	-	-	-	-	-	-	-	-	-	-	-	-
Total Schools - Secondary		4,223	(410)	3,813	2,688	-	2,688	1,904	-	1,904	2,088	-	2,088	2,075	-	2,075
Schools Support Services	Pay - 3% year 1, 2% years 2-5	58	-	58	57	-	57	59	-	59	67	-	67	80	-	80
Schools Support Services	Service Review Savings	(666)	-	(666)	-	-	-	-	-	-	-	-	-	-	-	-
Schools Support Services	Additional IT Licences	100	-	100	-	-	-	-	-	-	-	-	-	-	-	-
Total Schools Support Services	Total Schools Support Services	(508)	-	(508)	57	-	57	59	-	59	67	-	67	80	-	80
East Lothian Works	Pay - 3% year 1, 2% years 2-5	37	-	37	27	-	27	28	-	28	34	-	34	35	-	35

Area	Description	2024/25			2025/26			2026/27			2027/28			2028/29		
		Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change
East Lothian Works	Pension - Reduction in Lothian Pension Fund Contribution Rate	(43)	-	(43)	-	-	-	-	-	-	-	-	-	-	-	-
East Lothian Works	Service Review Savings	(112)	-	(112)	-	-	-	-	-	-	-	-	-	-	-	-
East Lothian Works	NDR	1	-	1	1	-	1	1	-	1	2	-	2	2	-	2
East Lothian Works	Sale of CAT Building	-	(35)	(35)	-	-	-	-	-	-	-	-	-	-	-	-
Total East Lothian Works	Total East Lothian Works	(117)	(35)	(152)	28		28	29		29	36		36	37		37
Total Education		7,722	(495)	7,227	7,411	(250)	7,161	6,275		6,275	4,920		4,920	4,688		4,688
TOTAL EDUCATION & CHILDRENS		8,494	(495)	7,999	7,906	(250)	7,656	6,752		6,752	5,407		5,407	4,509		4,509
COUNCIL RESOURCES																
Finance																
Financial Services	Pay - 3% year 1, 2% years 2-5	100	-	100	57	-	57	58	-	58	71	-	71	72	-	72
Financial Services	Pension - Reduction in Lothian Pension Fund Contribution Rate	(80)	-	(80)	-	-	-	-	-	-	-	-	-	-	-	-
Financial Services	External Audit Fee Increase	37	-	37	-	-	-	-	-	-	-	-	-	-	-	-
Financial Services	Savings from Counter Fraud	-	(200)	(200)	-	-	-	-	-	-	-	-	-	-	-	-
Financial Services	Service Review - Early Delivery of Staff Savings	-	(200)	(200)	-	-	-	-	-	-	200		200	-	-	-
Financial Services	Service Review - Corporate Accounting (Staff Reduction)	-	-	-	-	-	-	-	-	-	(135)		(135)	-	-	-
Financial Services	Service Review - Service Accounting (Staff Reduction)	-	-	-	-	-	-	-	-	-	(150)		(150)	-	-	-
Financial Services	Shared Service Arrangement - Internal Audit	-	-	-	-	(45)	(45)	-	(14)	(14)	-	-	-	-	-	-
Total Financial Services		57	(400)	(343)	57	(45)	12	58	(14)	44	71	(85)	(14)	72		72
Revenues & Financial Support	Pay - 3% year 1, 2% years 2-5	129	-	129	66	-	66	66	-	66	80	-	80	82	-	82
Revenues & Financial Support	Pension - Reduction in Lothian Pension Fund Contribution Rate	(95)	-	(95)	-	-	-	-	-	-	-	-	-	-	-	-
Revenues & Financial Support	Barclay/Valuation Appeals	7	-	7	-	-	-	-	-	-	-	-	-	-	-	-
Revenues & Financial Support	Revenue System Costs	51	-	51	-	-	-	-	-	-	-	-	-	-	-	-
Revenues & Financial Support	Empty Property Relief - Policy Changes	-	(430)	(430)	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues & Financial Support		92	(430)	(338)	66		66	66		66	80		80	82		82
Procurement, Transformation & Digital	Pay - 3% year 1, 2% years 2-5	76	-	76	19	-	19	21	-	21	24	-	24	25	-	25
Procurement, Transformation & Digital	Pension - Reduction in Lothian Pension Fund Contribution Rate	(21)	-	(21)	-	-	-	-	-	-	-	-	-	-	-	-
Total Procurement, Transformation & Digital		55		55	19		19	21		21	24		24	25		25
Total Finance		204	(830)	(626)	142	(45)	97	145	(14)	131	175	(85)	90	179		179
Corporate Services																
IT Services	Pay - 3% year 1, 2% years 2-5	20	-	20	51	-	51	51	-	51	63	-	63	63	-	63
IT Services	Pension - Reduction in Lothian Pension Fund Contribution Rate	(46)	-	(46)	-	-	-	-	-	-	-	-	-	-	-	-
IT Services	Microsoft Enterprise Agreement & IDOX	59	-	59	94	-	94	103	-	103	113	-	113	124	-	124
IT Services	Increased Licence Costs	138	-	138	53	-	53	56	-	56	59	-	59	60	-	60
Total IT Services		171		171	198		198	210		210	235		235	247		247
People & Council Support	Pay - 3% year 1, 2% years 2-5	244	-	244	97	-	97	99	-	99	120	-	120	123	-	123
People & Council Support	Pension - Reduction in Lothian Pension Fund Contribution Rate	(37)	-	(37)	-	-	-	-	-	-	-	-	-	-	-	-
People & Council Support	Revenue Consequences of Capital	100	-	100	-	-	-	-	-	-	-	-	-	-	-	-
People & Council Support	System Enhancements	29	-	29	-	-	-	-	-	-	-	-	-	-	-	-
Total People & Council Support		336		336	97		97	99		99	120		120	123		123
Governance	Pay - 3% year 1, 2% years 2-5	90	-	90	57	-	57	59	-	59	66	-	66	80	-	80
Governance	Pension - Reduction in Lothian Pension Fund Contribution Rate	(17)	-	(17)	-	-	-	-	-	-	-	-	-	-	-	-
Governance	Paper Records Management	(27)	-	(27)	-	-	-	-	-	-	-	-	-	-	-	-
Governance	Registrars Systems Development	-	(38)	(38)	-	-	-	-	-	-	-	-	-	-	-	-
Total Governance		46	(38)	8	57		57	59		59	66		66	80		80
Communications	Pay - 3% year 1, 2% years 2-5	16	-	16	9	-	9	8	-	8	10	-	10	11	-	11
Communications	Pension - Reduction in Lothian Pension Fund Contribution Rate	(9)	-	(9)	-	-	-	-	-	-	-	-	-	-	-	-
Total Communications		7		7	9		9	8		8	10		10	11		11
Total Corporate Services		560	(38)	522	361		361	376		376	431		431	461		461

Area	Description	2024/25			2025/26			2026/27			2027/28			2028/29		
		Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change
TOTAL COUNCIL RESOURCES		764	(868)	(104)	503	(45)	458	521	(14)	507	606	(85)	521	640	-	640
Health & Social Care Partnership																
Adult Wellbeing	Additional investment per SG settlement - Real Living Wage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Wellbeing	Additional investment per SG settlement - FPNC	366	-	366	-	-	-	-	-	-	-	-	-	-	-	-
Adult Wellbeing	Additional investment per SG settlement - SDS	5	-	5	-	-	-	-	-	-	-	-	-	-	-	-
Adult Wellbeing	Increase Funding for Pay 2023/24	100	-	100	-	-	-	-	-	-	-	-	-	-	-	-
Total Adult Wellbeing		471	-	471	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL HEALTH & SOCIAL CARE		471	-	471	-	-	-	-	-	-	-	-	-	-	-	-
Place Services																
Development																
Planning	Pay - 3% year 1, 2% years 2-5	132	-	132	54	-	54	57	-	57	69	-	69	71	-	71
Planning	Pension - Reduction in Lothian Pension Fund Contribution Rate	(79)	-	(79)	-	-	-	-	-	-	-	-	-	-	-	-
Planning	Restructure of Place Directorate	-	(120)	(120)	-	-	-	-	-	-	-	-	-	-	-	-
Total Planning		53	(120)	(67)	54	-	54	57	-	57	69	-	69	71	-	71
Economic Development	Pay - 3% year 1, 2% years 2-5	16	-	16	25	-	25	24	-	24	30	-	30	30	-	30
Economic Development	Pension - Reduction in Lothian Pension Fund Contribution Rate	(40)	-	(40)	-	-	-	-	-	-	-	-	-	-	-	-
Economic Development	Service Review	-	(60)	(60)	-	-	-	-	-	-	-	-	-	-	-	-
Economic Development	City Deal Project Manager Cost Saving	-	-	-	-	-	-	(80)	(80)	-	-	-	-	-	-	-
Total Economic Development		(24)	(60)	(84)	25	-	25	24	(80)	(56)	30	-	30	30	-	30
TOTAL DEVELOPMENT		29	(180)	(151)	79	-	79	81	(80)	1	99	-	99	101	-	101
Housing																
Housing & Strategic Regeneration	Pay - 3% year 1, 2% years 2-5	50	-	50	15	-	15	16	-	16	18	-	18	20	-	20
Housing & Strategic Regeneration	Pension - Reduction in Lothian Pension Fund Contribution Rate	(9)	-	(9)	-	-	-	-	-	-	-	-	-	-	-	-
Total Housing & Strategic Regeneration		41	-	41	15	-	15	16	-	16	18	-	18	20	-	20
Community Housing	Pay - 3% year 1, 2% years 2-5	1	-	1	24	-	24	24	-	24	30	-	30	30	-	30
Community Housing	Pension - Reduction in Lothian Pension Fund Contribution Rate	(46)	-	(46)	-	-	-	-	-	-	-	-	-	-	-	-
Community Housing	Inflation - Utilities	18	-	18	2	-	2	2	-	2	2	-	2	2	-	2
Community Housing	Inflation - Contracts	39	-	39	12	-	12	12	-	12	13	-	13	13	-	13
Community Housing	Service Pressure - Temporary Accommodation	260	-	260	10	-	10	-	-	-	-	-	-	-	-	-
Community Housing	Review of Adaptations	-	-	-	-	(150)	(150)	-	-	-	-	-	-	-	-	-
Total Community Housing		272	-	272	48	(150)	(102)	38	-	38	45	-	45	45	-	45
Property Maintenance Trading Activity	Savings from new system implementation	-	(48)	(48)	-	-	-	-	-	-	-	-	-	-	-	-
Total Housing & Strategic Regeneration		-	(48)	(48)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL HOUSING		313	(48)	265	63	(150)	(87)	54	-	54	63	-	63	65	-	65
INFRASTRUCTURE																
Facility Support Services	Pay - 3% year 1, 2% years 2-5	19	-	19	11	-	11	11	-	11	14	-	14	14	-	14
Facility Support Services	Pension - Reduction in Lothian Pension Fund Contribution Rate	(7)	-	(7)	-	-	-	-	-	-	-	-	-	-	-	-
Facility Support Services	Revenue Consequences of Capital	136	-	136	5	-	5	3	-	3	-	-	4	-	4	
Facility Support Services	Inflation - Utilities	422	-	422	35	-	35	35	-	35	35	-	35	35	-	35
Facility Support Services	NDR	36	-	36	37	-	37	37	-	37	38	-	38	38	-	38
Facility Support Services	Inflation - Contracts	86	-	86	24	-	24	24	-	24	23	-	23	23	-	23
Facility Support Services	Print & Mailroom Review	-	(10)	(10)	-	-	-	-	-	-	-	-	-	-	-	-
Total Facility Support Services		692	(10)	682	112	-	112	110	-	110	110	-	110	114	-	114
Landscape & Countryside Management	Pay - 3% year 1, 2% years 2-5	296	-	296	135	-	135	135	-	135	166	-	166	169	-	169
Landscape & Countryside Management	Pension - Reduction in Lothian Pension Fund Contribution Rate	(170)	-	(170)	-	-	-	-	-	-	-	-	-	-	-	-
Landscape & Countryside Management	Inflation - Utilities	25	-	25	2	-	2	2	-	2	2	-	2	2	-	2
Landscape & Countryside Management	Inflation - Contracts	20	-	20	12	-	12	12	-	12	13	-	13	13	-	13
Landscape & Countryside Management	Service Pressure - Ash Dieback	50	-	50	(50)	-	(50)	-	-	-	-	-	-	-	-	-
Landscape & Countryside Management	Reduce Gardening, Nursery and Amenity Services	-	(100)	(100)	-	(150)	(150)	-	-	-	-	-	-	-	-	-
Landscape & Countryside Management	Increase Burial Fees	-	(20)	(20)	-	-	-	-	-	-	-	-	-	-	-	-

Area	Description	2024/25			2025/26			2026/27			2027/28			2028/29		
		Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change
Landscape & Countryside Management	Restructure of Place Directorate	-	(90)	(90)	-	-	-	-	-	-	-	-	-	-	-	-
Total Landscape & Countryside Management		221	(210)	11	99	(150)	(51)	149	-	149	181	-	181	184	-	184
Asset Maintenance & Engineering Services	Pay - 3% year 1, 2% years 2-5	59	-	59	33	-	33	35	-	35	42	-	42	43	-	43
Asset Maintenance & Engineering Services	Pension - Reduction in Lothian Pension Fund Contribution Rate	(52)	-	(52)	-	-	-	-	-	-	-	-	-	-	-	-
Asset Maintenance & Engineering Services	Revenue Consequences of Capital	227	-	227	59	-	59	29	-	29	1,260	-	1,260	(1,260)	-	(1,260)
Asset Maintenance & Engineering Services	Inflation - Contracts	141	-	141	59	-	59	60	-	60	61	-	61	62	-	62
Asset Maintenance & Engineering Services	SFT Funding (Wallyford & Whitecraig Schools)	(645)	-	(645)	(1,010)	-	(1,010)	155	-	155	-	-	-	-	-	-
Asset Maintenance & Engineering Services	Rental Income Day Centres - Remove 2023/24 Efficiency Saving	175	-	175	-	-	-	-	-	-	-	-	-	-	-	-
Asset Maintenance & Engineering Services	Increase in Building Warrant Fees	-	(87)	(87)	-	-	-	-	-	-	-	-	-	-	-	-
Total Asset Maintenance & Engineering Services		(95)	(87)	(182)	(859)	-	(859)	279	-	279	1,363	-	1,363	(1,155)	-	(1,155)
Strategic Asset & Capital Planning	Pay - 3% year 1, 2% years 2-5	82	-	82	45	-	45	47	-	47	56	-	56	57	-	57
Strategic Asset & Capital Planning	Pension - Reduction in Lothian Pension Fund Contribution Rate	(67)	-	(67)	-	-	-	-	-	-	-	-	-	-	-	-
Strategic Asset & Capital Planning	NDR	3	-	3	3	-	3	3	-	3	3	-	3	3	-	3
Strategic Asset & Capital Planning	Inflation - Contracts	2	-	2	2	-	2	1	-	1	1	-	1	1	-	1
Total Strategic Asset & Capital Planning		20	-	20	50	-	50	51	-	51	60	-	60	61	-	61
Roads Network & Flood Protection	Pay - 3% year 1, 2% years 2-5	85	-	85	45	-	45	47	-	47	55	-	55	59	-	59
Roads Network & Flood Protection	Pension - Reduction in Lothian Pension Fund Contribution Rate	(66)	-	(66)	-	-	-	-	-	-	-	-	-	-	-	-
Roads Network & Flood Protection	Inflation - Utilities	171	-	171	70	-	70	77	-	77	85	-	85	92	-	92
Roads Network & Flood Protection	NDR	2	-	2	2	-	2	3	-	3	3	-	3	3	-	3
Roads Network & Flood Protection	Inflation - Contracts	2	-	2	2	-	2	2	-	2	1	-	1	1	-	1
Roads Network & Flood Protection	Road Consent Pricing Model	(12)	-	(12)	(5)	-	(5)	(6)	-	(6)	(6)	-	(6)	(6)	-	(6)
Roads Network & Flood Protection	Increase Coastal Car Parking Charges	-	(230)	(230)	-	-	-	-	-	-	-	-	-	-	-	-
Roads Network & Flood Protection	Reduce Roads Expenditure	-	(330)	(330)	-	-	-	-	-	-	-	-	-	-	-	-
Total Roads Network & Flood Protection		182	(560)	(378)	114	-	114	123	-	123	138	-	138	149	-	149
Roads Trading Activity	Pay - 3% year 1, 2% years 2-5	93	-	93	55	-	55	56	-	56	68	-	68	70	-	70
Roads Trading Activity	Pension - Reduction in Lothian Pension Fund Contribution Rate	(18)	-	(18)	-	-	-	-	-	-	-	-	-	-	-	-
Roads Trading Activity	NDR	2	-	2	2	-	2	3	-	3	3	-	3	3	-	3
Roads Trading Activity	Inflation - Contracts	(81)	-	(81)	(68)	-	(68)	(70)	-	(70)	(71)	-	(71)	(73)	-	(73)
Total Roads Trading Activity		(4)	-	(4)	(11)	-	(11)	(11)	-	(11)	-	-	-	-	-	-
Transportation	Pay - 3% year 1, 2% years 2-5	69	-	69	32	-	32	33	-	33	40	-	40	41	-	41
Transportation	Pension - Reduction in Lothian Pension Fund Contribution Rate	(33)	-	(33)	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	Inflation - Utilities	11	-	11	1	-	1	1	-	1	1	-	1	1	-	1
Transportation	NDR	1	-	1	2	-	2	2	-	2	2	-	2	2	-	2
Transportation	Inflation - Vehicle Fuel	2	-	2	2	-	2	2	-	2	3	-	3	3	-	3
Transportation	Inflation - Contracts	192	-	192	87	-	87	74	-	74	49	-	49	49	-	49
Transportation	Reduce Support for Taxi Cards	-	(24)	(24)	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	Move to Statutory Provision for Home to School Transport	-	-	-	-	(1,000)	(1,000)	-	-	-	-	-	-	-	-	-
Total Transportation		242	(24)	218	124	(1,000)	(876)	112	-	112	95	-	95	96	-	96
Waste Services	Pay - 3% year 1, 2% years 2-5	153	-	153	69	-	69	71	-	71	86	-	86	86	-	86
Waste Services	Pension - Reduction in Lothian Pension Fund Contribution Rate	(72)	-	(72)	-	-	-	-	-	-	-	-	-	-	-	-
Waste Services	Inflation - Utilities	21	-	21	3	-	3	3	-	3	3	-	3	3	-	3
Waste Services	NDR	4	-	4	4	-	4	5	-	5	5	-	5	5	-	5
Waste Services	Inflation - Vehicle Fuel	9	-	9	9	-	9	9	-	9	10	-	10	10	-	10
Waste Services	Inflation - Contracts	400	-	400	253	-	253	220	-	220	152	-	152	154	-	154
Waste Services	Three Weekly Residual Waste Collection	-	(502)	(502)	-	-	-	-	-	-	-	-	-	-	-	-
Waste Services	Waste Services Efficiency	-	(125)	(125)	-	-	-	-	-	-	-	-	-	-	-	-
Waste Services	Uplift in Garden Waste Charge	-	-	-	-	(120)	(120)	-	-	-	-	-	-	-	-	-
Waste Services	Charge for Garden Waste Collection	-	(600)	(600)	-	-	-	-	-	-	-	-	-	-	-	-
Waste Services	Trade Waste Review	-	(100)	(100)	-	-	-	-	-	-	-	-	-	-	-	-
Total Waste Services		515	(1,327)	(812)	338	(120)	218	308	-	308	256	-	256	258	-	258
Active Business Unit	Pay - 3% year 1, 2% years 2-5	93	-	93	32	-	32	33	-	33	39	-	39	41	-	41

Area	Description	2024/25			2025/26			2026/27			2027/28			2028/29		
		Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change
Active Business Unit	Pension - Reduction in Lothian Pension Fund Contribution Rate	(36)	-	(36)	-	-	-	-	-	-	-	-	-	-	-	-
Active Business Unit	Revenue Consequences of Capital	19	-	19	1	-	1	-	-	-	-	-	-	-	-	-
Active Business Unit	Inflation - Utilities	67	-	67	6	-	6	6	-	6	6	-	6	6	-	6
Active Business Unit	NDR	7	-	7	7	-	7	7	-	7	8	-	8	8	-	8
Active Business Unit	PPP	12	-	12	12	-	12	9	-	9	10	-	10	10	-	10
Active Business Unit	Inflation Contracts	4	-	4	3	-	3	3	-	3	2	-	2	2	-	2
Active Business Unit	Reduce ENJOY Management Fee	-	(250)	(250)	-	(250)	(250)	-	(250)	(250)	-	(250)	(250)	-	(250)	-
Active Business Unit	Review Management and Maintenance of Sport Facilities	-	(310)	(310)	-	-	-	-	-	-	-	-	-	-	-	-
Active Business Unit	Innerwick Residential Centre - Declare surplus and dispose	-	(10)	(10)	-	-	-	-	-	-	-	-	-	-	-	-
Total Active Business Unit		166	(570)	(404)	61	(250)	(189)	58	(250)	(192)	65	(250)	(185)	67	-	67
TOTAL INFRASTRUCTURE		1,939	(2,788)	(849)	28	(1,520)	(1,492)	1,179	(250)	929	2,268	(250)	2,018	(226)	-	(226)
Communities & Partnerships																
Policy, Performance & Organisational Development	Pay - 3% year 1, 2% years 2-5	59	-	59	12	-	12	14	-	14	17	-	17	16	-	16
Policy, Performance & Organisational Development	Pension - Reduction in Lothian Pension Fund Contribution Rate	(12)	-	(12)	-	-	-	-	-	-	-	-	-	-	-	-
Policy, Performance & Organisational Development	Restructure of Place Directorate	-	(100)	(100)	-	-	-	-	-	-	-	-	-	-	-	-
Total Policy, Performance & Organisational Development		47	(100)	(53)	12	-	12	14	-	14	17	-	17	16	-	16
Connected Communities	Pay - 3% year 1, 2% years 2-5	44	-	44	59	-	59	60	-	60	72	-	72	74	-	74
Connected Communities	Pension - Reduction in Lothian Pension Fund Contribution Rate	(101)	-	(101)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Revenue Consequences of Capital	(11)	-	(11)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Inflation - Utilities	94	-	94	9	-	9	9	-	9	9	-	9	9	-	9
Connected Communities	NDR	9	-	9	10	-	10	10	-	10	11	-	11	11	-	11
Connected Communities	PPP	9	-	9	9	-	9	7	-	7	7	-	7	7	-	7
Connected Communities	Inflation - Contracts	15	-	15	36	-	36	36	-	36	41	-	41	41	-	41
Connected Communities	Specialist Youth Workers - HRA Contribution	(45)	-	(45)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Haddington Corn Exchange Rental Income	-	27	27	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Reduce Funding for Brunton Theatre Trust	-	(200)	(200)	-	(200)	(200)	-	(55)	(55)	-	-	-	-	-	-
Connected Communities	Reduce Funding for Community Grants	-	(200)	(200)	-	(200)	(200)	-	(100)	(100)	-	-	-	-	-	-
Connected Communities	Investment in Specialist Youth Workers	-	(46)	(46)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Reduce Funding for Police Grant	-	(125)	(125)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Restructure of Place Directorate	-	(50)	(50)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Reduce Funding for Area Partnerships	-	(50)	(50)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Review of Fisherrow Janitorial Provision	-	(180)	(180)	-	-	-	-	-	-	-	-	-	-	-	-
Total Connected Communities		14	(824)	(810)	123	(400)	(277)	122	(155)	(33)	140	-	140	142	-	142
Protective Services	Pay - 3% year 1, 2% years 2-5	73	-	73	45	-	45	50	-	50	55	-	55	58	-	58
Protective Services	Pension - Reduction in Lothian Pension Fund Contribution Rate	(63)	-	(63)	-	-	-	-	-	-	-	-	-	-	-	-
Protective Services	Bring Pest Control Service back in-house	-	(15)	(15)	-	-	-	-	-	-	-	-	-	-	-	-
Protective Services	Restructure of Place Directorate	-	(75)	(75)	-	-	-	-	-	-	-	-	-	-	-	-
Total Protective Services		10	(90)	(80)	45	-	45	50	-	50	55	-	55	58	-	58
Customer Services Group	Pay - 3% year 1, 2% years 2-5	30	-	30	79	-	79	104	-	104	127	-	127	127	-	127
Customer Services Group	Pension - Reduction in Lothian Pension Fund Contribution Rate	(195)	-	(195)	-	-	-	-	-	-	-	-	-	-	-	-
Customer Services Group	Revenue Consequences of Capital	21	-	21	-	-	-	-	-	-	-	-	-	-	-	-
Customer Services Group	NDR	2	-	2	2	-	2	2	-	2	3	-	3	3	-	3
Customer Services Group	Inflation - Contracts	13	-	13	4	-	4	4	-	4	4	-	4	4	-	4
Customer Services Group	Library Service Redesign	-	(100)	(100)	-	(200)	(200)	-	-	-	-	-	-	-	-	-
Customer Services Group	Museum Service Redesign	-	(50)	(50)	-	(150)	(150)	-	-	-	-	-	-	-	-	-
Customer Services Group	Development of Self Check-in	-	(28)	(28)	-	-	-	-	-	-	-	-	-	-	-	-
Total Customer Services Group		(129)	(178)	(307)	85	(350)	(265)	110	-	110	134	-	134	134	-	134
TOTAL COMMUNITIES & PARTNERSHIPS		(58)	(1,192)	(1,250)	265	(750)	(485)	296	(155)	141	346	-	346	350	-	350
TOTAL PLACE		2,223	(4,208)	(1,985)	435	(2,420)	(1,985)	1,610	(485)	1,125	2,776	(250)	2,526	290	-	290
SERVICES TOTAL		11,952	(5,571)	6,381	8,844	(2,715)	6,129	8,883	(499)	8,384	8,789	(335)	8,454	5,439	-	5,439
TOTAL		7,071	(7,071)	-	4,715	(4,715)	-	6,916	(2,499)	4,417	8,067	(1,835)	6,232	913	-	913

2b(iii)

**CONSERVATIVE GROUP
AMENDMENT TO GENERAL FUND
BUDGET PROJECTIONS
2024/25 – 2028/29**

Area	2024/25 Budget			2025/26 Budget			2026/27 Budget			2027/28 Budget			2028/29 Budget		
	2023/24 Base Budget £'000	Changes £'000	Total Budget £'000	2024/25 Base Budget £'000	Changes £'000	Total Budget £'000	2025/26 Base Budget £'000	Changes £'000	Total Budget £'000	2026/27 Base Budget £'000	Changes £'000	Total Budget £'000	2027/28 Base Budget £'000	Changes £'000	Total Budget £'000
CORPORATE INCOME															
General Revenue Grant	(215,697)	(22,315)	(238,012)	(238,012)	-	(238,012)	(238,012)	(1,800)	(239,812)	(239,812)	-	(239,812)	(239,812)	-	(239,812)
Specific Grants	(13,818)	7,975	(5,843)	(5,843)	-	(5,843)	(5,843)	-	(5,843)	(5,843)	-	(5,843)	(5,843)	-	(5,843)
Council Tax	(75,337)	(2,230)	(77,567)	(77,567)	(8,414)	(85,981)	(85,981)	(5,233)	(91,214)	(91,214)	(5,441)	(96,655)	(96,655)	(5,695)	(102,350)
Social Care Fund	(6,240)	-	(6,240)	(6,240)	-	(6,240)	(6,240)	-	(6,240)	(6,240)	-	(6,240)	(6,240)	-	(6,240)
Planned Use / Refund of Reserves	(7,378)	4,503	(2,875)	(2,875)	(5,896)	(8,771)	(8,771)	4,682	(4,089)	(4,089)	4,089	-	-	-	-
Funding for Pay	(2,308)	2,308	-	-	-	-	-	-	-	-	-	-	-	-	-
EXPENDITURE LIMIT	(320,778)	(9,759)	(330,537)	(330,537)	(14,310)	(344,847)	(344,847)	(2,351)	(347,198)	(347,198)	(1,352)	(348,550)	(348,550)	(5,695)	(354,245)
LESS CORPORATE COMMITMENTS															
Valuation Board Requisition	684	58	742	742	-	742	742	-	742	742	-	742	742	-	742
Council Tax Reduction Scheme	6,593	116	6,709	6,709	778	7,487	7,487	460	7,947	7,947	479	8,426	8,426	501	8,927
Council Tax Earmarked for Affordable Housing	550	10	560	560	(94)	466	466	29	495	495	30	525	525	31	556
Asset Management	(2,565)	-	(2,565)	(2,565)	-	(2,565)	(2,565)	-	(2,565)	(2,565)	-	(2,565)	(2,565)	-	(2,565)
Debt Charges	13,000	4,935	17,935	17,935	7,842	25,777	25,777	-	25,777	25,777	31	25,808	25,808	542	26,350
Review of Council Assets	(811)	(1,241)	(2,052)	(2,052)	(1,600)	(3,652)	(3,652)	(1,000)	(4,652)	(4,652)	(1,000)	(5,652)	(5,652)	-	(5,652)
Management of Staffing Budgets	(2,475)	(100)	(2,575)	(2,575)	(300)	(2,875)	(2,875)	(1,000)	(3,875)	(3,875)	-	(3,875)	(3,875)	-	(3,875)
Criminal Justice Social Work Funding	1,068	-	1,068	1,068	-	1,068	1,068	-	1,068	1,068	-	1,068	1,068	-	1,068
Apprenticeship Levy	738	60	798	798	-	798	798	-	798	798	-	798	798	-	798
TOTAL CORPORATE COMMITMENTS	16,782	3,838	20,620	20,620	6,626	27,246	27,246	(1,511)	25,735	25,735	(460)	25,275	25,275	1,074	26,349
FUNDING FOR COUNCIL SERVICES	(303,996)	(5,921)	(309,917)	(309,917)	(7,684)	(317,601)	(317,601)	(3,862)	(321,463)	(321,463)	(1,812)	(323,275)	(323,275)	(4,621)	(327,896)
SERVICE PLANNED EXPENDITURE															
Education & Children's Services															
Children's															
Children's	19,507	772	20,279	20,279	495	20,774	20,774	477	21,251	21,251	487	21,738	21,738	(179)	21,559
Children's total	19,507	772	20,279	20,279	495	20,774	20,774	477	21,251	21,251	487	21,738	21,738	(179)	21,559
Education															
Inclusion & Wellbeing	12,583	534	13,117	13,117	1,390	14,507	14,507	537	15,044	15,044	588	15,632	15,632	381	16,013
Pre-school Education & Childcare	16,678	(262)	16,416	16,416	30	16,446	16,446	29	16,475	16,475	34	16,509	16,509	40	16,549
Schools - Primary	53,520	4,102	57,622	57,622	3,218	60,840	60,840	3,717	64,557	64,557	2,107	66,664	66,664	2,075	68,739
Schools - Secondary	56,351	3,813	60,164	60,164	2,688	62,852	62,852	1,904	64,756	64,756	2,088	66,844	66,844	2,075	68,919
Schools Support Services	4,184	(508)	3,676	3,676	57	3,733	3,733	59	3,792	3,792	67	3,859	3,859	80	3,939
East Lothian Works	1,462	(152)	1,310	1,310	28	1,338	1,338	29	1,367	1,367	36	1,403	1,403	37	1,440
Education total	144,778	7,527	152,305	152,305	7,411	159,716	159,716	6,275	165,991	165,991	4,920	170,911	170,911	4,688	175,599
Education & Children's Services total	164,285	8,299	172,584	172,584	7,906	180,490	180,490	6,752	187,242	187,242	5,407	192,649	192,649	4,509	197,158
Council Resources															
Finance															
Financial Services	3,991	(343)	3,648	3,648	12	3,660	3,660	44	3,704	3,704	(14)	3,690	3,690	72	3,762
Revenues & Financial Support	4,787	(488)	4,299	4,299	66	4,365	4,365	66	4,431	4,431	80	4,511	4,511	82	4,593
Procurement, Transformation & Digital	791	55	846	846	19	865	865	21	886	886	24	910	910	25	935

Area	2024/25 Budget			2025/26 Budget			2026/27 Budget			2027/28 Budget			2028/29 Budget		
	2023/24 Base Budget £'000	Changes £'000	Total Budget £'000	2024/25 Base Budget £'000	Changes £'000	Total Budget £'000	2025/26 Base Budget £'000	Changes £'000	Total Budget £'000	2026/27 Base Budget £'000	Changes £'000	Total Budget £'000	2027/28 Base Budget £'000	Changes £'000	Total Budget £'000
Finance total	9,569	(776)	8,793	8,793	97	8,890	8,890	131	9,021	9,021	90	9,111	9,111	179	9,290
Corporate Services															
IT Services	3,376	171	3,547	3,547	198	3,745	3,745	210	3,955	3,955	235	4,190	4,190	247	4,437
People & Council Support	3,960	336	4,296	4,296	97	4,393	4,393	99	4,492	4,492	120	4,612	4,612	123	4,735
Governance	2,371	8	2,379	2,379	57	2,436	2,436	59	2,495	2,495	66	2,561	2,561	80	2,641
Communications	455	7	462	462	9	471	471	8	479	479	10	489	489	11	500
Corporate Services total	10,162	522	10,684	10,684	361	11,045	11,045	376	11,421	11,421	431	11,852	11,852	461	12,313
Council Resources Total	19,731	(254)	19,477	19,477	458	19,935	19,935	507	20,442	20,442	521	20,963	20,963	640	21,603
Health & Social Care Partnership															
Adult Wellbeing	68,493	471	68,964	68,964	-	68,964	68,964	-	68,964	68,964	-	68,964	68,964	-	68,964
Health & Social Care total	68,493	471	68,964	68,964	-	68,964	68,964	-	68,964	68,964	-	68,964	68,964	-	68,964
Place Services															
Development															
Planning	1,170	(267)	903	903	(146)	757	757	57	814	814	69	883	883	71	954
Economic Development	878	(84)	794	794	25	819	819	(56)	763	763	30	793	793	30	823
Development total	2,048	(351)	1,697	1,697	(121)	1,576	1,576	1	1,577	1,577	99	1,676	1,676	101	1,777
Housing															
Housing & Strategic Regeneration	243	41	284	284	15	299	299	16	315	315	18	333	333	20	353
Community Housing	2,764	(3)	2,761	2,761	48	2,809	2,809	38	2,847	2,847	45	2,892	2,892	45	2,937
Property Maintenance Trading Activity	(987)	(48)	(1,035)	(1,035)	-	(1,035)	(1,035)	-	(1,035)	(1,035)	-	(1,035)	(1,035)	-	(1,035)
Housing total	2,020	(10)	2,010	2,010	63	2,073	2,073	54	2,127	2,127	63	2,190	2,190	65	2,255
Infrastructure															
Facility Support Services	4,486	682	5,168	5,168	112	5,280	5,280	110	5,390	5,390	110	5,500	5,500	114	5,614
Facility Trading Activity	(328)	-	(328)	(328)	-	(328)	(328)	-	(328)	(328)	-	(328)	(328)	-	(328)
Landscape & Countryside Management	6,177	111	6,288	6,288	99	6,387	6,387	149	6,536	6,536	181	6,717	6,717	184	6,901
Asset Maintenance & Engineering Services	2,288	(182)	2,106	2,106	(859)	1,247	1,247	279	1,526	1,526	1,363	2,889	2,889	(1,155)	1,734
Strategic Asset & Capital Planning	(286)	20	(266)	(266)	50	(216)	(216)	51	(165)	(165)	60	(105)	(105)	61	(44)
Roads Network & Flood Protection	4,831	137	4,968	4,968	114	5,082	5,082	123	5,205	5,205	138	5,343	5,343	149	5,492
Roads Trading Activity	(666)	(4)	(670)	(670)	(11)	(681)	(681)	(11)	(692)	(692)	-	(692)	(692)	-	(692)
Transportation	1,992	(2)	1,990	1,990	(471)	1,519	1,519	112	1,631	1,631	95	1,726	1,726	96	1,822
Waste Services	10,371	(687)	9,684	9,684	218	9,902	9,902	308	10,210	10,210	256	10,466	10,466	258	10,724
Active Business Unit	4,053	(404)	3,649	3,649	61	3,710	3,710	58	3,768	3,768	65	3,833	3,833	67	3,900
Infrastructure total	32,918	(329)	32,589	32,589	(687)	31,902	31,902	1,179	33,081	33,081	2,268	35,349	35,349	(226)	35,123
Communities & Partnerships															
Policy, Performance & Organisational Development	758	(53)	705	705	12	717	717	14	731	731	17	748	748	16	764
Connected Communities	6,805	(1,515)	5,290	5,290	123	5,413	5,413	122	5,535	5,535	140	5,675	5,675	142	5,817
Protective Services	2,138	(80)	2,058	2,058	45	2,103	2,103	50	2,153	2,153	55	2,208	2,208	58	2,266
Customer Services Group	4,800	(257)	4,543	4,543	(115)	4,428	4,428	110	4,538	4,538	134	4,672	4,672	134	4,806
Communities & Partnerships total	14,501	(1,905)	12,596	12,596	65	12,661	12,661	296	12,957	12,957	346	13,303	13,303	350	13,653
Place Total	51,487	(2,595)	48,892	48,892	(680)	48,212	48,212	1,530	49,742	49,742	2,776	52,518	52,518	290	52,808

East Lothian Council
General Fund - Budget Proposals 2024/25

Area	2024/25 Budget			2025/26 Budget			2026/27 Budget			2027/28 Budget			2028/29 Budget		
	2023/24 Base Budget £'000	Changes £'000	Total Budget £'000	2024/25 Base Budget £'000	Changes £'000	Total Budget £'000	2025/26 Base Budget £'000	Changes £'000	Total Budget £'000	2026/27 Base Budget £'000	Changes £'000	Total Budget £'000	2027/28 Base Budget £'000	Changes £'000	Total Budget £'000
TOTAL SERVICE EXPENDITURE	303,996	5,921	309,917	309,917	7,684	317,601	317,601	8,789	326,390	326,390	8,704	335,094	335,094	5,439	340,533
Budget Deficit/(Surplus)	-	-	-	-	-	-	-	4,927	4,927	4,927	6,892	11,819	11,819	818	12,637

Band D Council Tax
% increase / (decrease) in Band D

0.00%

Bar Band D Multiplier	Impact of Council Tax		2024/25 Council Tax
	Freeze	% Increase	
A 240/360	0.00	0.00%	957.08
B 280/360	0.00	0.00%	1,116.59
C 320/360	0.00	0.00%	1,276.10
D 360/360	0.00	0.00%	1,435.62
E 473/360	0.00	0.00%	1,886.24
F 585/360	0.00	0.00%	2,332.88
G 705/360	0.00	0.00%	2,811.42
H 882/360	0.00	0.00%	3,517.26

* Note the Council operates Joint Billing alongside Scottish Water

Area	Description	2024/25			2025/26			2026/27			2027/28			2028/29		
		Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change
CORPORATE INCOME																
General Revenue Grant	GRG Increase (Additional Funding excluding Health & Social Care)	(2,157)	-	(2,157)	-	-	-	(1,800)	-	(1,800)	-	-	-	-	-	-
General Revenue Grant	GRG Increase - Pay Funding 2022/23 & 2023/24 (Baselined in GRG 2024/25)	(6,551)	-	(6,551)	-	-	-	-	-	-	-	-	-	-	-	-
General Revenue Grant	GRG Increase (New Policy Commitments excluding Health & Social Care)	(272)	-	(272)	-	-	-	-	-	-	-	-	-	-	-	-
General Revenue Grant	GRG Increase - Early Years Specific Grant Baselined 2024/25	(10,927)	-	(10,927)	-	-	-	-	-	-	-	-	-	-	-	-
General Revenue Grant	GRG Decrease - Retained Teacher Support - Paid as a Specific Grant 2024/25	2,952	-	2,952	-	-	-	-	-	-	-	-	-	-	-	-
General Revenue Grant	GRG Increase - Funding for Council Tax Freeze 2024/25	(3,400)	-	(3,400)	-	-	-	-	-	-	-	-	-	-	-	-
General Revenue Grant	GRG Increase - Teacher Pension Assumed Increase (23% to 26% 2024/25)	(1,589)	-	(1,589)	-	-	-	-	-	-	-	-	-	-	-	-
General Revenue Grant	GRG Increase (Health & Social Care)	(371)	-	(371)	-	-	-	-	-	-	-	-	-	-	-	-
Total General Revenue Grant Changes		(22,315)	-	(22,315)	-	-	-	(1,800)	-	(1,800)	-	-	-	-	-	-
Specific Grants	Gaelic Adjustment	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-
Specific Grants	Early Learning & Childcare - Baselined in GRG 2024/25	10,927	-	10,927	-	-	-	-	-	-	-	-	-	-	-	-
Specific Grants	Retained Teacher Support - Removed from GRG Baseline 2024/25	(2,952)	-	(2,952)	-	-	-	-	-	-	-	-	-	-	-	-
Specific Grants	Pupil Equity Fund Adjustment	(1)	-	(1)	-	-	-	-	-	-	-	-	-	-	-	-
Total Specific Grants		7,975	-	7,975	-	-	-	-	-	-	-	-	-	-	-	-
Council Tax	Freeze (Year 1), 10% (Year 2) 5% Increase (Years 3-5) and Additional Properties	(1,330)	-	(1,330)	(8,414)	-	(8,414)	(5,233)	-	(5,233)	(5,441)	-	(5,441)	(5,695)	-	(5,695)
Council Tax	Second Homes - 100% Premium	(900)	-	(900)	-	-	-	-	-	-	-	-	-	-	-	-
Total Council Tax		(2,230)	-	(2,230)	(8,414)	-	(8,414)	(5,233)	-	(5,233)	(5,441)	-	(5,441)	(5,695)	-	(5,695)
Planned Use / Refund of Reserves	General Fund - Used in 2023/24	7,378	-	7,378	-	-	-	-	-	-	-	-	-	-	-	-
Planned Use / Refund of Reserves	General Fund - Planned Use 2024/25	(940)	-	(940)	940	-	940	-	-	-	-	-	-	-	-	-
Planned Use / Refund of Reserves	Contribution to Reserves	-	-	-	1,006	-	1,006	(1,006)	-	(1,006)	-	-	-	-	-	-
Planned Use / Refund of Reserves	Capital Fund	(1,935)	-	(1,935)	(7,842)	-	(7,842)	5,688	-	5,688	4,089	-	4,089	-	-	-
Funding for Pay	Pay Funding 2023/24 - Baselined in GRG 2024/25	2,308	-	2,308	-	-	-	-	-	-	-	-	-	-	-	-
Total Transfers to / from Reserves		6,811	-	6,811	(5,896)	-	(5,896)	4,682	-	4,682	4,089	-	4,089	(5,695)	-	(5,695)
CORPORATE INCOME TOTAL		(9,759)	-	(9,759)	(14,310)	-	(14,310)	(2,351)	-	(2,351)	(1,352)	-	(1,352)	(5,695)	-	(5,695)
CORPORATE COMMITMENTS																
Valuation Board Requisition	Joint Requisition Adjustments	58	-	58	-	-	-	-	-	-	-	-	-	-	-	-
Total Valuation Joint Board Requisition		58	-	58	-	-	-	-	-	-	-	-	-	-	-	-
Council Tax Reduction Scheme	Council Tax Reduction Scheme Adjustment	116	-	116	778	-	778	460	-	460	479	-	479	501	-	501
Total Council Tax Reduction Scheme		116	-	116	778	-	778	460	-	460	479	-	479	501	-	501
Council Tax Earmarked for Affordable Housing	Council Tax Earmarked for Affordable Homes	10	-	10	(94)	-	(94)	29	-	29	30	-	30	31	-	31
Total Council Tax Earmarked for Affordable Housing		10	-	10	(94)	-	(94)	29	-	29	30	-	30	31	-	31
Management of Staffing Budgets	Review of Terms and Conditions including Fairer Pay Bands	-	-	-	-	-	-	-	-	(1,000)	(1,000)	-	-	-	-	-
Management of Staffing Budgets	Reduction in management structure	-	(100)	(100)	-	(300)	(300)	-	-	-	-	-	-	-	-	-
Total Management of Staffing Budgets		-	(100)	(100)	-	(300)	(300)	-	-	(1,000)	(1,000)	-	-	-	-	-
Debt Charges	Debt Charges Adjustments	4,935	-	4,935	7,842	-	7,842	-	-	-	31	-	31	542	-	542
Total Debt Charges		4,935	-	4,935	7,842	-	7,842	-	-	-	31	-	31	542	-	542
Review of Council Assets	Asset Review	(241)	-	(241)	-	-	-	-	-	-	-	-	-	-	-	-
Review of Council Assets	Further Asset Review Savings	-	(1,000)	(1,000)	-	(1,600)	(1,600)	-	(1,000)	(1,000)	-	(1,000)	(1,000)	-	-	-
Total Review of Council Assets		(241)	(1,000)	(1,241)	-	(1,600)	(1,600)	-	(1,000)	(1,000)	-	(1,000)	(1,000)	-	-	-
Apprenticeship Levy	Apprenticeship Levy Adjustment	60	-	60	-	-	-	-	-	-	-	-	-	-	-	-
Total Apprenticeship Levy		60	-	60	-	-	-	-	-	-	-	-	-	-	-	-
CORPORATE COMMITMENTS TOTAL		4,938	(1,100)	3,838	8,526	(1,900)	6,626	489	(2,000)	(1,511)	540	(1,000)	(460)	1,074	-	1,074
EXPENDITURE LIMIT		(4,821)	(1,100)	(5,921)	(5,784)	(1,900)	(7,684)	(1,862)	(2,000)	(3,862)	(812)	(1,000)	(1,812)	(4,621)	-	(4,621)
SERVICE EXPENDITURE																
EDUCATION & CHILDREN'S SERVICES																
Children's Services																
Children's	Pay - 3% year 1, 2% years 2-5	279	-	279	208	-	208	212	-	212	258	-	258	263	-	263
Children's	Pension - Reduction in Lothian Pension Fund Contribution Rate	(344)	-	(344)	-	-	-	-	-	-	-	-	-	-	-	-

Conservative Amendment
Updated or changed
New proposal (saving)
New proposal (investment)

Area	Description	2024/25			2025/26			2026/27			2027/28			2028/29		
		Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change
Children's	Inflation - Utilities	7	-	7	1	-	1	1	-	1	1	-	1	1	-	1
Children's	Inflation - External Placements	170	-	170	126	-	126	104	-	104	68	-	68	57	-	57
Children's	Review of Foster Provision	660	-	660	160	-	160	160	-	160	160	-	160	(500)	-	(500)
Total Children's Services		772	-	772	495	-	495	477	-	477	487	-	487	(179)	-	(179)
Education																
Inclusion & Wellbeing	Pay - 3% year 1, 2% years 2-5	87	-	87	38	-	38	35	-	35	40	-	40	52	-	52
Inclusion & Wellbeing	Pension - Reduction in Lothian Pension Fund Contribution Rate	(20)	-	(20)	-	-	-	-	-	-	-	-	-	-	-	-
Inclusion & Wellbeing	Demographics	139	-	139	113	-	113	136	-	136	161	-	161	161	-	161
Inclusion & Wellbeing	Revenue Consequences of Capital/Service Deductions	155	-	155	373	-	373	173	-	173	207	-	207	-	-	-
Inclusion & Wellbeing	Inflation - External Placements	90	-	90	68	-	68	58	-	58	39	-	39	39	-	39
Inclusion & Wellbeing	Inflation - Contract Transport	83	-	83	-	-	-	135	-	135	141	-	141	129	-	129
Inclusion & Wellbeing	Contract Transport New Contract	-	-	-	798	-	798	-	-	-	-	-	-	-	-	-
Total Inclusion & Wellbeing		534	-	534	1,390	-	1,390	537	-	537	588	-	588	381	-	381
Pre-school Education & Childcare	Pay - 3% year 1, 2% years 2-5	58	-	58	29	-	29	28	-	28	33	-	33	39	-	39
Pre-school Education & Childcare	Pension - Reduction in Lothian Pension Fund Contribution Rate	(30)	-	(30)	-	-	-	-	-	-	-	-	-	-	-	-
Pre-school Education & Childcare	Service Review Savings	(306)	-	(306)	-	-	-	-	-	-	-	-	-	-	-	-
Pre-school Education & Childcare	Inflation - Utilities	16	-	16	1	-	1	1	-	1	1	-	1	1	-	1
Total Pre-school Education & Childcare		(262)	-	(262)	30	-	30	29	-	29	34	-	34	40	-	40
Schools - Primary	Pay - 3% year 1, 2% years 2-5	2,540	-	2,540	1,067	-	1,067	1,086	-	1,086	1,178	-	1,178	1,456	-	1,456
Schools - Primary	Pension - Reduction in Lothian Pension Fund Contribution Rate	(498)	-	(498)	-	-	-	-	-	-	-	-	-	-	-	-
Schools - Primary	Demographics	-	-	-	20	-	20	-	-	-	-	-	-	-	-	-
Schools - Primary	Revenue Consequences of Capital	326	-	326	1,323	-	1,323	2,111	-	2,111	373	-	373	54	-	54
Schools - Primary	Inflation - Utilities	481	-	481	46	-	46	46	-	46	46	-	46	46	-	46
Schools - Primary	NDR	75	-	75	76	-	76	77	-	77	78	-	78	78	-	78
Schools - Primary	Inflation - Contracts/Service Deductions	627	-	627	336	-	336	338	-	338	370	-	370	376	-	376
Schools - Primary	Inflation - Contract Transport	36	-	36	-	-	-	59	-	59	62	-	62	65	-	65
Schools - Primary	Contract Transport New Contract	-	-	-	350	-	350	-	-	-	-	-	-	-	-	-
Schools - Primary	FSM Expansion Primary 6/7	265	-	265	-	-	-	-	-	-	-	-	-	-	-	-
Schools - Primary	Additional Support for Numeracy and Literacy Skills in Early and First Level Learning & Teaching	250	-	250	-	-	-	-	-	-	-	-	-	-	-	-
Total Schools - Primary		4,102	-	4,102	3,218	-	3,218	3,717	-	3,717	2,107	-	2,107	2,075	-	2,075
Schools - Secondary	Pay - 3% year 1, 2% years 2-5	2,118	-	2,118	863	-	863	879	-	879	918	-	918	1,231	-	1,231
Schools - Secondary	Pension - Reduction in Lothian Pension Fund Contribution Rate	(166)	-	(166)	-	-	-	-	-	-	-	-	-	-	-	-
Schools - Secondary	Demographics	-	-	-	170	-	170	272	-	272	267	-	267	267	-	267
Schools - Secondary	Revenue Consequences of Capital/Service Deductions	826	-	826	663	-	663	354	-	354	242	-	242	141	-	141
Schools - Secondary	Inflation - Utilities	402	-	402	39	-	39	39	-	39	39	-	39	39	-	39
Schools - Secondary	PPP	828	-	828	224	-	224	180	-	180	433	-	433	202	-	202
Schools - Secondary	NDR	51	-	51	52	-	52	53	-	53	54	-	54	54	-	54
Schools - Secondary	Inflation - Contracts	95	-	95	18	-	18	16	-	16	18	-	18	18	-	18
Schools - Secondary	Inflation - Contract Transport	69	-	69	-	-	-	111	-	111	117	-	117	123	-	123
Schools - Secondary	Contract Transport New Contract	-	-	-	659	-	659	-	-	-	-	-	-	-	-	-
Schools - Secondary	Improving Senior Phase Options	-	(160)	(160)	-	-	-	-	-	-	-	-	-	-	-	-
Schools - Secondary	Savings in PPP Contract	-	(250)	(250)	-	-	-	-	-	-	-	-	-	-	-	-
Total Schools - Secondary		4,223	(410)	3,813	2,688	-	2,688	1,904	-	1,904	2,088	-	2,088	2,075	-	2,075
Schools Support Services	Pay - 3% year 1, 2% years 2-5	58	-	58	57	-	57	59	-	59	67	-	67	80	-	80
Schools Support Services	Service Review Savings	(666)	-	(666)	-	-	-	-	-	-	-	-	-	-	-	-
Schools Support Services	Additional IT Licences	100	-	100	-	-	-	-	-	-	-	-	-	-	-	-
Total Schools Support Services	Total Schools Support Services	(508)	-	(508)	57	-	57	59	-	59	67	-	67	80	-	80

Conservative Amendment
Updated or changed
New proposal (saving)
New proposal (investment)

Area	Description	2024/25			2025/26			2026/27			2027/28			2028/29		
		Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change
East Lothian Works	Pay - 3% year 1, 2% years 2-5	37	-	37	27	-	27	28	-	28	34	-	34	35	-	35
East Lothian Works	Pension - Reduction in Lothian Pension Fund Contribution Rate	(43)	-	(43)	-	-	-	-	-	-	-	-	-	-	-	-
East Lothian Works	Service Review Savings	(112)	-	(112)	-	-	-	-	-	-	-	-	-	-	-	-
East Lothian Works	NDR	1	-	1	1	-	1	1	-	1	2	-	2	2	-	2
East Lothian Works	Sale of CAT Building	-	(35)	(35)	-	-	-	-	-	-	-	-	-	-	-	-
Total East Lothian Works	Total East Lothian Works	(117)	(35)	(152)	28	-	28	29	-	29	36	-	36	37	-	37
Total Education		7,972	(445)	7,527	7,411	-	7,411	6,275	-	6,275	4,920	-	4,920	4,688	-	4,688
TOTAL EDUCATION & CHILDRENS		8,744	(445)	8,299	7,906	-	7,906	6,752	-	6,752	5,407	-	5,407	4,509	-	4,509
COUNCIL RESOURCES																
Finance																
Financial Services	Pay - 3% year 1, 2% years 2-5	100	-	100	57	-	57	58	-	58	71	-	71	72	-	72
Financial Services	Pension - Reduction in Lothian Pension Fund Contribution Rate	(80)	-	(80)	-	-	-	-	-	-	-	-	-	-	-	-
Financial Services	External Audit Fee Increase	37	-	37	-	-	-	-	-	-	-	-	-	-	-	-
Financial Services	Savings from Counter Fraud	-	(200)	(200)	-	-	-	-	-	-	-	-	-	-	-	-
Financial Services	Service Review - Early Delivery of Staff Savings	-	(200)	(200)	-	-	-	-	-	-	200	200	-	-	-	-
Financial Services	Service Review - Corporate Accounting (Staff Reduction)	-	-	-	-	-	-	-	-	-	(135)	(135)	-	-	-	-
Financial Services	Service Review - Service Accounting (Staff Reduction)	-	-	-	-	-	-	-	-	-	(150)	(150)	-	-	-	-
Financial Services	Shared Service Arrangement - Internal Audit	-	-	-	-	(45)	(45)	-	(14)	(14)	-	-	-	-	-	-
Total Financial Services		57	(400)	(343)	57	(45)	12	58	(14)	44	71	(85)	(14)	72	-	72
Revenues & Financial Support	Pay - 3% year 1, 2% years 2-5	129	-	129	66	-	66	66	-	66	80	-	80	82	-	82
Revenues & Financial Support	Pension - Reduction in Lothian Pension Fund Contribution Rate	(95)	-	(95)	-	-	-	-	-	-	-	-	-	-	-	-
Revenues & Financial Support	Barclay/Valuation Appeals	7	-	7	-	-	-	-	-	-	-	-	-	-	-	-
Revenues & Financial Support	Revenue System Costs	51	-	51	-	-	-	-	-	-	-	-	-	-	-	-
Revenues & Financial Support	Empty Property Relief - Policy Changes	-	(580)	(580)	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues & Financial Support		92	(580)	(488)	66	-	66	66	-	66	80	-	80	82	-	82
Procurement, Transformation & Digital	Pay - 3% year 1, 2% years 2-5	76	-	76	19	-	19	21	-	21	24	-	24	25	-	25
Procurement, Transformation & Digital	Pension - Reduction in Lothian Pension Fund Contribution Rate	(21)	-	(21)	-	-	-	-	-	-	-	-	-	-	-	-
Total Procurement, Transformation & Digital		55	-	55	19	-	19	21	-	21	24	-	24	25	-	25
Total Finance		204	(980)	(776)	142	(45)	97	145	(14)	131	175	(85)	90	179	-	179
Corporate Services																
IT Services	Pay - 3% year 1, 2% years 2-5	20	-	20	51	-	51	51	-	51	63	-	63	63	-	63
IT Services	Pension - Reduction in Lothian Pension Fund Contribution Rate	(46)	-	(46)	-	-	-	-	-	-	-	-	-	-	-	-
IT Services	Microsoft Enterprise Agreement & IDOX	59	-	59	94	-	94	103	-	103	113	-	113	124	-	124
IT Services	Increased Licence Costs	138	-	138	53	-	53	56	-	56	59	-	59	60	-	60
Total IT Services		171	-	171	198	-	198	210	-	210	235	-	235	247	-	247
People & Council Support	Pay - 3% year 1, 2% years 2-5	244	-	244	97	-	97	99	-	99	120	-	120	123	-	123
People & Council Support	Pension - Reduction in Lothian Pension Fund Contribution Rate	(37)	-	(37)	-	-	-	-	-	-	-	-	-	-	-	-
People & Council Support	Revenue Consequences of Capital	100	-	100	-	-	-	-	-	-	-	-	-	-	-	-
People & Council Support	System Enhancements	29	-	29	-	-	-	-	-	-	-	-	-	-	-	-
Total People & Council Support		336	-	336	97	-	97	99	-	99	120	-	120	123	-	123
Governance	Pay - 3% year 1, 2% years 2-5	90	-	90	57	-	57	59	-	59	66	-	66	80	-	80
Governance	Pension - Reduction in Lothian Pension Fund Contribution Rate	(17)	-	(17)	-	-	-	-	-	-	-	-	-	-	-	-
Governance	Paper Records Management	(27)	-	(27)	-	-	-	-	-	-	-	-	-	-	-	-
Governance	Registrars Systems Development	-	(38)	(38)	-	-	-	-	-	-	-	-	-	-	-	-
Total Governance		46	(38)	8	57	-	57	59	-	59	66	-	66	80	-	80
Communications	Pay - 3% year 1, 2% years 2-5	16	-	16	9	-	9	8	-	8	10	-	10	11	-	11
Communications	Pension - Reduction in Lothian Pension Fund Contribution Rate	(9)	-	(9)	-	-	-	-	-	-	-	-	-	-	-	-
Total Communications		7	-	7	9	-	9	8	-	8	10	-	10	11	-	11

Conservative Amendment
Updated or changed
New proposal (saving)
New proposal (investment)

Area	Description	2024/25			2025/26			2026/27			2027/28			2028/29		
		Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change
Total Corporate Services		560	(38)	522	361	-	361	376	-	376	431	-	431	461	-	461
TOTAL COUNCIL RESOURCES		764	(1,018)	(254)	503	(45)	458	521	(14)	507	606	(85)	521	640	-	640
Health & Social Care Partnership																
Adult Wellbeing	Additional investment per SG settlement - Real Living Wage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult Wellbeing	Additional investment per SG settlement - FPNC	366	-	366	-	-	-	-	-	-	-	-	-	-	-	-
Adult Wellbeing	Additional investment per SG settlement - SDS	5	-	5	-	-	-	-	-	-	-	-	-	-	-	-
Adult Wellbeing	Increase Funding for Pay 2023/24	100	-	100	-	-	-	-	-	-	-	-	-	-	-	-
Total Adult Wellbeing		471	-	471	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL HEALTH & SOCIAL CARE		471	-	471	-	-	-	-	-	-	-	-	-	-	-	-
Place Services																
Development																
Planning	Pay - 3% year 1, 2% years 2-5	132	-	132	54	-	54	57	-	57	69	-	69	71	-	71
Planning	Pension - Reduction in Lothian Pension Fund Contribution Rate	(79)	-	(79)	-	-	-	-	-	-	-	-	-	-	-	-
Planning	Reduction in planning service	-	(200)	(200)	-	(200)	(200)	-	-	-	-	-	-	-	-	-
Planning	Restructure of Place Directorate	-	(120)	(120)	-	-	-	-	-	-	-	-	-	-	-	-
Total Planning		53	(320)	(267)	54	(200)	(146)	57	-	57	69	-	69	71	-	71
Economic Development	Pay - 3% year 1, 2% years 2-5	16	-	16	25	-	25	24	-	24	30	-	30	30	-	30
Economic Development	Pension - Reduction in Lothian Pension Fund Contribution Rate	(40)	-	(40)	-	-	-	-	-	-	-	-	-	-	-	-
Economic Development	Remove Visit Scotland role	-	(60)	(60)	-	-	-	-	-	-	-	-	-	-	-	-
Economic Development	City Deal Project Manager Cost Saving	-	-	-	-	-	-	(80)	(80)	-	-	-	-	-	-	-
Total Economic Development		(24)	(60)	(84)	25	-	25	24	(80)	(56)	30	-	30	30	-	30
TOTAL DEVELOPMENT		29	(380)	(351)	79	(200)	(121)	81	(80)	1	99	-	99	101	-	101
Housing																
Housing & Strategic Regeneration	Pay - 3% year 1, 2% years 2-5	50	-	50	15	-	15	16	-	16	18	-	18	20	-	20
Housing & Strategic Regeneration	Pension - Reduction in Lothian Pension Fund Contribution Rate	(9)	-	(9)	-	-	-	-	-	-	-	-	-	-	-	-
Total Housing & Strategic Regeneration		41	-	41	15	-	15	16	-	16	18	-	18	20	-	20
Community Housing	Pay - 3% year 1, 2% years 2-5	1	-	1	24	-	24	24	-	24	30	-	30	30	-	30
Community Housing	Pension - Reduction in Lothian Pension Fund Contribution Rate	(46)	-	(46)	-	-	-	-	-	-	-	-	-	-	-	-
Community Housing	Inflation - Utilities	18	-	18	2	-	2	2	-	2	2	-	2	2	-	2
Community Housing	Inflation - Contracts	39	-	39	12	-	12	12	-	12	13	-	13	13	-	13
Community Housing	Service Pressure - Temporary Accommodation	260	-	260	10	-	10	-	-	-	-	-	-	-	-	-
Community Housing	Review of Adaptations	-	(275)	(275)	-	-	-	-	-	-	-	-	-	-	-	-
Total Community Housing		272	(275)	(3)	48	-	48	38	-	38	45	-	45	45	-	45
Property Maintenance Trading Activity	Savings from new system implementation	-	(48)	(48)	-	-	-	-	-	-	-	-	-	-	-	-
Total Housing & Strategic Regeneration		-	(48)	(48)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL HOUSING		313	(323)	(10)	63	-	63	54	-	54	63	-	63	65	-	65
INFRASTRUCTURE																
Facility Support Services	Pay - 3% year 1, 2% years 2-5	19	-	19	11	-	11	11	-	11	14	-	14	14	-	14
Facility Support Services	Pension - Reduction in Lothian Pension Fund Contribution Rate	(7)	-	(7)	-	-	-	-	-	-	-	-	-	-	-	-
Facility Support Services	Revenue Consequences of Capital	136	-	136	5	-	5	3	-	3	-	-	4	-	4	
Facility Support Services	Inflation - Utilities	422	-	422	35	-	35	35	-	35	35	-	35	35	-	35
Facility Support Services	NDR	36	-	36	37	-	37	37	-	37	38	-	38	38	-	38
Facility Support Services	Inflation - Contracts	86	-	86	24	-	24	24	-	24	23	-	23	23	-	23
Facility Support Services	Print & Mailroom Review	-	(10)	(10)	-	-	-	-	-	-	-	-	-	-	-	-
Total Facility Support Services		692	(10)	682	112	-	112	110	-	110	110	-	110	114	-	114
Landscape & Countryside Management	Pay - 3% year 1, 2% years 2-5	296	-	296	135	-	135	135	-	135	166	-	166	169	-	169
Landscape & Countryside Management	Pension - Reduction in Lothian Pension Fund Contribution Rate	(170)	-	(170)	-	-	-	-	-	-	-	-	-	-	-	-
Landscape & Countryside Management	Inflation - Utilities	25	-	25	2	-	2	2	-	2	2	-	2	2	-	2
Landscape & Countryside Management	Inflation - Contracts	20	-	20	12	-	12	12	-	12	13	-	13	13	-	13
Landscape & Countryside Management	Service Pressure - Ash Dieback	50	-	50	(50)	-	(50)	-	-	-	-	-	-	-	-	-

Area	Description	2024/25			2025/26			2026/27			2027/28			2028/29		
		Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change
Landscaping & Countryside Management	Increase Burial Fees	-	(20)	(20)	-	-	-	-	-	-	-	-	-	-	-	-
Landscaping & Countryside Management	Restructure of Place Directorate	-	(90)	(90)	-	-	-	-	-	-	-	-	-	-	-	-
Total Landscaping & Countryside Management		221	(110)	111	99	-	99	149	-	149	181	-	181	184	-	184
Asset Maintenance & Engineering Services	Pay - 3% year 1, 2% years 2-5	59	-	59	33	-	33	35	-	35	42	-	42	43	-	43
Asset Maintenance & Engineering Services	Pension - Reduction in Lothian Pension Fund Contribution Rate	(52)	-	(52)	-	-	-	-	-	-	-	-	-	-	-	-
Asset Maintenance & Engineering Services	Revenue Consequences of Capital	227	-	227	59	-	59	29	-	29	1,260	-	1,260	(1,260)	-	(1,260)
Asset Maintenance & Engineering Services	Inflation - Contracts	141	-	141	59	-	59	60	-	60	61	-	61	62	-	62
Asset Maintenance & Engineering Services	SFT Funding (Wallyford & Whitecraig Schools)	(645)	-	(645)	(1,010)	-	(1,010)	155	-	155	-	-	-	-	-	-
Asset Maintenance & Engineering Services	Rental Income Day Centres - Remove 2023/24 Efficiency Saving	175	-	175	-	-	-	-	-	-	-	-	-	-	-	-
Asset Maintenance & Engineering Services	Increase in Building Warrant Fees	-	(87)	(87)	-	-	-	-	-	-	-	-	-	-	-	-
Total Asset Maintenance & Engineering Services		(95)	(87)	(182)	(859)	-	(859)	279	-	279	1,363	-	1,363	(1,155)	-	(1,155)
Strategic Asset & Capital Planning	Pay - 3% year 1, 2% years 2-5	82	-	82	45	-	45	47	-	47	56	-	56	57	-	57
Strategic Asset & Capital Planning	Pension - Reduction in Lothian Pension Fund Contribution Rate	(67)	-	(67)	-	-	-	-	-	-	-	-	-	-	-	-
Strategic Asset & Capital Planning	NDR	3	-	3	3	-	3	3	-	3	3	-	3	3	-	3
Strategic Asset & Capital Planning	Inflation - Contracts	2	-	2	2	-	2	1	-	1	1	-	1	1	-	1
Total Strategic Asset & Capital Planning		20	-	20	50	-	50	51	-	51	60	-	60	61	-	61
Roads Network & Flood Protection	Pay - 3% year 1, 2% years 2-5	85	-	85	45	-	45	47	-	47	55	-	55	59	-	59
Roads Network & Flood Protection	Pension - Reduction in Lothian Pension Fund Contribution Rate	(66)	-	(66)	-	-	-	-	-	-	-	-	-	-	-	-
Roads Network & Flood Protection	Inflation - Utilities	171	-	171	70	-	70	77	-	77	85	-	85	92	-	92
Roads Network & Flood Protection	NDR	2	-	2	2	-	2	3	-	3	3	-	3	3	-	3
Roads Network & Flood Protection	Inflation - Contracts	2	-	2	2	-	2	2	-	2	1	-	1	1	-	1
Roads Network & Flood Protection	Road Consent Pricing Model	(12)	-	(12)	(5)	-	(5)	(6)	-	(6)	(6)	-	(6)	(6)	-	(6)
Roads Network & Flood Protection	Increase Coastal Car Parking Charges	-	(45)	(45)	-	-	-	-	-	-	-	-	-	-	-	-
Total Roads Network & Flood Protection		182	(45)	137	114	-	114	123	-	123	138	-	138	149	-	149
Roads Trading Activity	Pay - 3% year 1, 2% years 2-5	93	-	93	55	-	55	56	-	56	68	-	68	70	-	70
Roads Trading Activity	Pension - Reduction in Lothian Pension Fund Contribution Rate	(18)	-	(18)	-	-	-	-	-	-	-	-	-	-	-	-
Roads Trading Activity	NDR	2	-	2	2	-	2	3	-	3	3	-	3	3	-	3
Roads Trading Activity	Inflation - Contracts	(81)	-	(81)	(68)	-	(68)	(70)	-	(70)	(71)	-	(71)	(73)	-	(73)
Total Roads Trading Activity		(4)	-	(4)	(11)	-	(11)	(11)	-	(11)	-	-	-	-	-	-
Transportation	Pay - 3% year 1, 2% years 2-5	69	-	69	32	-	32	33	-	33	40	-	40	41	-	41
Transportation	Pension - Reduction in Lothian Pension Fund Contribution Rate	(33)	-	(33)	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	Inflation - Utilities	11	-	11	1	-	1	1	-	1	1	-	1	1	-	1
Transportation	NDR	1	-	1	2	-	2	2	-	2	2	-	2	2	-	2
Transportation	Inflation - Vehicle Fuel	2	-	2	2	-	2	2	-	2	3	-	3	3	-	3
Transportation	Inflation - Contracts	192	-	192	87	-	87	74	-	74	49	-	49	49	-	49
Transportation	Reduce Support for Taxi Cards	-	(24)	(24)	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	Home to School Transport Review	-	(220)	(220)	-	(595)	(595)	-	-	-	-	-	-	-	-	-
Total Transportation		242	(244)	(2)	124	(595)	(471)	112	-	112	95	-	95	96	-	96
Waste Services	Pay - 3% year 1, 2% years 2-5	153	-	153	69	-	69	71	-	71	86	-	86	86	-	86
Waste Services	Pension - Reduction in Lothian Pension Fund Contribution Rate	(72)	-	(72)	-	-	-	-	-	-	-	-	-	-	-	-
Waste Services	Inflation - Utilities	21	-	21	3	-	3	3	-	3	3	-	3	3	-	3
Waste Services	NDR	4	-	4	4	-	4	5	-	5	5	-	5	5	-	5
Waste Services	Inflation - Vehicle Fuel	9	-	9	9	-	9	9	-	9	10	-	10	10	-	10
Waste Services	Inflation - Contracts	400	-	400	253	-	253	220	-	220	152	-	152	154	-	154
Waste Services	Three Weekly Residual Waste Collection	-	(502)	(502)	-	-	-	-	-	-	-	-	-	-	-	-
Waste Services	Uplift in Garden Waste Charge	-	-	-	-	(120)	(120)	-	-	-	-	-	-	-	-	-
Waste Services	Charge for Garden Waste Collection	-	(600)	(600)	-	-	-	-	-	-	-	-	-	-	-	-
Waste Services	Trade Waste Review	-	(100)	(100)	-	-	-	-	-	-	-	-	-	-	-	-
Total Waste Services		515	(1,202)	(687)	338	(120)	218	308	-	308	256	-	256	258	-	258
Active Business Unit	Pay - 3% year 1, 2% years 2-5	93	-	93	32	-	32	33	-	33	39	-	39	41	-	41
Active Business Unit	Pension - Reduction in Lothian Pension Fund Contribution Rate	(36)	-	(36)	-	-	-	-	-	-	-	-	-	-	-	-

Conservative Amendment
Updated or changed
New proposal (saving)
New proposal (investment)

Area	Description	2024/25			2025/26			2026/27			2027/28			2028/29		
		Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change	Budget Change £'000	Efficiencies	Total Change
Active Business Unit	Revenue Consequences of Capital	19	-	19	1	-	1	-	-	-	-	-	-	-	-	-
Active Business Unit	Inflation - Utilities	67	-	67	6	-	6	6	-	6	6	-	6	6	-	6
Active Business Unit	NDR	7	-	7	7	-	7	7	-	7	8	-	8	8	-	8
Active Business Unit	PPP	12	-	12	12	-	12	9	-	9	10	-	10	10	-	10
Active Business Unit	Inflation Contracts	4	-	4	3	-	3	3	-	3	2	-	2	2	-	2
Active Business Unit	Reduce ENJOY Management Fee	-	(250)	(250)	-	-	-	-	-	-	-	-	-	-	-	-
Active Business Unit	Review Management and Maintenance of Sport Facilities	-	(310)	(310)	-	-	-	-	-	-	-	-	-	-	-	-
Active Business Unit	Innerwick Residential Centre - Declare surplus and dispose	-	(10)	(10)	-	-	-	-	-	-	-	-	-	-	-	-
Total Active Business Unit		166	(570)	(404)	61		61	58		58	65		65	67		67
TOTAL INFRASTRUCTURE		1,939	(2,268)	(329)	28	(715)	(687)	1,179		1,179	2,268		2,268	(226)		(226)
Communities & Partnerships																
Policy, Performance & Organisational Development	Pay - 3% year 1, 2% years 2-5	59	-	59	12	-	12	14	-	14	17	-	17	16	-	16
Policy, Performance & Organisational Development	Pension - Reduction in Lothian Pension Fund Contribution Rate	(12)	-	(12)	-	-	-	-	-	-	-	-	-	-	-	-
Policy, Performance & Organisational Development	Restructure of Place Directorate	-	(100)	(100)	-	-	-	-	-	-	-	-	-	-	-	-
Total Policy, Performance & Organisational Development		47	(100)	(53)	12		12	14		14	17		17	16		16
Connected Communities	Pay - 3% year 1, 2% years 2-5	44	-	44	59	-	59	60	-	60	72	-	72	74	-	74
Connected Communities	Pension - Reduction in Lothian Pension Fund Contribution Rate	(101)	-	(101)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Revenue Consequences of Capital	(11)	-	(11)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Inflation - Utilities	94	-	94	9	-	9	9	-	9	9	-	9	9	-	9
Connected Communities	NDR	9	-	9	10	-	10	10	-	10	11	-	11	11	-	11
Connected Communities	PPP	9	-	9	9	-	9	7	-	7	7	-	7	7	-	7
Connected Communities	Inflation - Contracts	15	-	15	36	-	36	36	-	36	41	-	41	41	-	41
Connected Communities	Specialist Youth Workers - HRA Contribution	(45)	-	(45)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Haddington Corn Exchange Rental Income	-	27	27	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Additional Support for Community Councils	50	-	50	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Reduce Funding for Brunton Theatre Trust	-	(200)	(200)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Reduce Funding for Community Grants	-	(300)	(300)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Investment in Specialist Youth Workers	-	(46)	(46)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Restructure of Place Directorate	-	(50)	(50)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Reduce Funding for Area Partnerships	-	(830)	(830)	-	-	-	-	-	-	-	-	-	-	-	-
Connected Communities	Review of Fisherrow Janitorial Provision	-	(180)	(180)	-	-	-	-	-	-	-	-	-	-	-	-
Total Connected Communities		64	(1,579)	(1,515)	123		123	122		122	140		140	142		142
Protective Services	Pay - 3% year 1, 2% years 2-5	73	-	73	45	-	45	50	-	50	55	-	55	58	-	58
Protective Services	Pension - Reduction in Lothian Pension Fund Contribution Rate	(63)	-	(63)	-	-	-	-	-	-	-	-	-	-	-	-
Protective Services	Bring Pest Control Service back in-house	-	(15)	(15)	-	-	-	-	-	-	-	-	-	-	-	-
Protective Services	Restructure of Place Directorate	-	(75)	(75)	-	-	-	-	-	-	-	-	-	-	-	-
Total Protective Services		10	(90)	(80)	45		45	50		50	55		55	58		58
Customer Services Group	Pay - 3% year 1, 2% years 2-5	30	-	30	79	-	79	104	-	104	127	-	127	127	-	127
Customer Services Group	Pension - Reduction in Lothian Pension Fund Contribution Rate	(195)	-	(195)	-	-	-	-	-	-	-	-	-	-	-	-
Customer Services Group	Revenue Consequences of Capital	21	-	21	-	-	-	-	-	-	-	-	-	-	-	-
Customer Services Group	NDR	2	-	2	2	-	2	2	-	2	3	-	3	3	-	3
Customer Services Group	Inflation - Contracts	13	-	13	4	-	4	4	-	4	4	-	4	4	-	4
Customer Services Group	Museum Service Redesign	-	(100)	(100)	-	(200)	(200)	-	-	-	-	-	-	-	-	-
Customer Services Group	Development of Self Check-in	-	(28)	(28)	-	-	-	-	-	-	-	-	-	-	-	-
Total Customer Services Group		(129)	(128)	(257)	85	(200)	(115)	110		110	134		134	134		134
TOTAL COMMUNITIES & PARTNERSHIPS		(8)	(1,897)	(1,905)	265	(200)	65	296		296	346		346	350		350
TOTAL PLACE		2,273	(4,868)	(2,595)	435	(1,115)	(680)	1,610	(80)	1,530	2,776		2,776	290		290
SERVICES TOTAL		12,252	(6,331)	5,921	8,844	(1,160)	7,684	8,883	(94)	8,789	8,789	(85)	8,704	5,439		5,439
TOTAL		7,431	(7,431)	-	3,060	(3,060)	-	7,021	(2,094)	4,927	7,977	(1,085)	6,892	818		818

REPORT TO: EAST LoTHIAN COUNCIL

MEETING DATE: 20 February 2024

BY: Executive Director for Council Resources

SUBJECT: Treasury Management Strategy 2024-25 to 2028-29

3

1 PURPOSE

- 1.1 To seek the approval of the Council of the Treasury Management and Investment Strategies for 2024-25 to 2028-29.

2 RECOMMENDATIONS

2.1 The Council is recommended to:

- i. Note that the General Services and HRA Capital investment plans for 2024-25 to 2028-29 are subject to consideration and approval by the previous agenda item considered by Council on 20 February 2024. Should there be any change to the approved figures, there will be a need to update the specific Boundaries and Limits set out below.
- ii. Approve the Treasury Management Strategy referenced within sections 3.5-3.19.
- iii. Approve the Investment Strategy referenced in sections 3.20-3.22.
- iv. Approve the repayment of loans fund advances using the methodology detailed in section 3.7.
- v. Approve the Operational Boundaries for external debt as detailed in section 3.15.
- vi. Approve the Authorised Limits for external debt as detailed in section 3.16.
- vii. Approve the delegation of authority to the Chief Financial Officer in conjunction with the Head of Finance to effect movement between

external borrowing and other long-term liabilities as detailed in section 3.18.

- viii. Note the detailed Treasury Management Strategy Statement which has been submitted to the Members Library.

3 BACKGROUND

- 3.1 Treasury management is defined as the management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- 3.2 The Treasury Management Code of Practice requires the Council to approve a Treasury Management Strategy and an Investment Strategy in advance of each financial year.
- 3.3 This strategy is also supported by the Financial and Capital Strategies, which were approved by Council on 12 December 2023, and is intended to firmly place decisions around borrowing in the context of the overall longer-term financial position of the authority and to provide improved links between the revenue and capital budgets.
- 3.4 The full Treasury Management and Investment Strategy for the period 2024-25 to 2028-29 has been lodged in the Members Library. This report outlines the key points from those strategies. The figures used are based on those reflected in the draft General Services and HRA capital budgets amendment being considered by Council at this meeting.
- 3.5 Each year a local authority must calculate the revenue costs that flow from capital financing decisions. This means that capital expenditure must be limited to a level that is affordable and within the projected income of the Council for the foreseeable future, taking into account the elements below:
- Increases in principal and interest charges caused by increased borrowing to finance additional capital expenditure, and;
 - Any additional running costs from new capital projects

Treasury Management Strategy

- 3.6 The table below provides details setting out the capital investment plans for 2024-25 to 2028-29, in line with the proposed General Services and HRA capital budgets. As a reminder, the actual capital expenditure incurred in 2022-23 and provisional estimates of total gross capital expenditure plans and how these are to be financed for 2023-24 are also detailed below. Not all of the projected expenditure will be funded

by borrowing, but any shortfall of other funding resources results in a borrowing need.

Table 1

Capital Expenditure	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	5 Year Total Estimate
£'000	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	
General Services	87,955	55,369	117,196	53,610	57,480	68,585	67,605	364,475
HRA	40,349	44,238	31,579	44,170	32,309	38,681	46,206	192,945
Total	128,304	99,607	148,775	97,780	89,789	107,266	113,811	557,420

Financing of capital expenditure	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	5 Year Total Estimate
£'000	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	
General Services								
Capital grants	-38,501	-18,818	-51,710	-23,547	-39,508	-55,524	-38,659	-208,946
Capital receipts	-11,242	-6,222	-14,940	-5,157	-1,970	-6,972	-11,673	-40,712
CFCR	-436	0	0	0	0		0	0
General Services Total	-50,179	-25,040	-66,650	-28,704	-41,478	-62,495	-50,332	-249,658
HRA								
Capital grants	-14,983	-9,887	-196	-3,196	-3,196	-1,351	-1,727	-9,666
Capital receipts	0	0	0	0	0	0	0	0
CFCR	0	-1,200	-2,200	-3,100	-3,500	-5,000	-5,000	-18,800
HRA Total	-14,983	-11,087	-2,396	-6,296	-6,696	-6,351	-6,727	-28,466
Net financing need for the year	63,142	63,480	79,729	62,780	41,615	38,419	56,752	279,295

3.7 The net financing need for the year is financed by Loans Fund advances. The operation of the loans fund is regulated by statute: (The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 (the 2016 Regulations) which came into force on 1 April 2016. The Council will apply the following strategy for loans fund advances, and this remains consistent with the Loans Fund Review principles previously approved by Council in June 2019:

- Any income/receipts applied in year are, where possible, aligned to shorter life assets. However, if appropriate, they may be used to

reduce loans fund advances. Where it is thought to be prudent funds will be applied to the capital fund for future use for principal debt repayment or to reduce loans fund advances. Any loans fund advances in year are matched to assets with longer economic lives.

General Services

- Capital expenditure funded by loans fund advances from 2001 is reflected within the loans fund on an individual asset basis, rather than an overall pooled approach.
- Capital expenditure funded by loans fund advances incurred between 2001 and 2016 has been aligned to the asset life which was given at the time capital expenditure had been incurred (i.e. in line with depreciation charged through the Council's statutory accounts). These have been aligned to the asset lives provided for the rolling valuation programme as required by the Council's statutory accounting process.
- From 2016, in line with the statutory guidance, all asset lives have been reviewed and aligned to the estimated economic life of the asset.

HRA

- Capital expenditure funded by loans fund advances incurred from 2001 has been reflected within the loans fund and categorised as new council housing, modernisation expenditure on existing properties and open market acquisitions.
- Capital expenditure funded by loans fund advances incurred between 2001 and 2012-13 has been aligned to the asset life which was given at the time capital expenditure has been incurred (i.e. in line with depreciation charged through the Council's statutory accounts).
- From 2013-14, there was a change to the approach required to value Council dwellings through the statutory accounts. As a result, all of the Council dwellings have been depreciated using a pooled approach and given the same life, regardless of each asset's age.
- It is not considered prudent and commensurate with the economic benefit of the asset life to match loans fund advances in such a way. As such, from 2013-14, all of the asset lives have been reviewed, and all HRA loans fund advances are now aligned to the estimated economic life of the asset.

3.8 For illustrative purposes, assuming projected expenditure is in line with approved plans and further extended to a 10 year period, the General Services and HRA expected loans fund balances are shown in tables 2 and 3 below.

Table 2 - General Services

General Services £'000	Opening Balance	Advances	Repayments	Closing Balance
Year 1	321,667	50,546	7,143	365,070
Year 2-5	365,070	64,271	38,712	390,629
Year 6-10	390,629	88,279	45,770	433,138
Year 11-15	433,138		52,251	380,887
Year 15-20	380,887		52,366	328,521
Year 21-30	328,521		81,618	246,902
Year 31-40	246,902		55,132	191,770
Year 41-50	191,770		70,556	121,214
Year 51-60	121,214		91,209	30,005
Year 61-70	30,005		30,005	0

Table 3 - HRA

HRA £'000	Opening Balance	Advances	Repayment s	Closing Balance
Year 1	267,834	29,183	5,838	291,179
Year 2-5	291,179	135,295	28,290	398,185
Year 6-10	398,185	47,667	41,204	404,648
Year 11-15	404,648		42,600	362,048
Year 16-20	362,048		38,494	323,554
Year 21-30	323,554		72,325	251,228
Year 31-40	251,228		68,943	182,285
Year 41-50	182,285		79,779	102,506
Year 51-60	102,506		78,673	23,833
Year 61-70	23,833		23,833	0

3.9 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The Council does not associate borrowing with particular items or types of expenditure. The

authority has an integrated Treasury Management Strategy and has adopted the CIPFA Code of Treasury Management. The Council has at any point in time a number of cash flows both positive and negative. In day-to-day cash management, no distinction is made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the Council and not simply those arising from capital spending. Other than to manage short-term cash flows, the Council is not allowed to borrow for revenue purposes.

3.10 Table 4 below sets out the Capital Financing Requirement (CFR) and the movement in CFR for the Council across the 5 year strategy period from 2024-25 to 2028-29. The table also includes a reminder of the actual CFR in 2022-23 and current projections for 2023-24.

Table 4 - CFR

£'000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Capital Financing Requirement (including PPP & Finance Leases)							
CFR - General Services	327,591	352,354	394,175	403,586	409,203	405,010	411,759
CFR – HRA	240,066	267,835	291,180	322,739	341,420	366,388	398,186
Total CFR	567,657	620,189	685,355	726,325	750,623	771,398	809,945
Movement in CFR	56,428	52,532	65,165	40,970	24,298	20,775	38,547
Movement in CFR represented by							
Net financing need for the year	63,142	63,480	79,729	62,781	41,615	38,418	56,751
GS -Less loan fund repayments and other financing movements	-1,891	-5,566	-8,726	-15,496	-10,385	-10,281	-10,523
HRA - Less loan fund repayments and other financing movements	-4,822	-5,382	-5,838	-6,315	-6,932	-7,362	-7,681
Movement in CFR	56,428	52,532	65,165	40,970	24,298	20,775	38,547

3.11 Capital investment decisions should be made in accordance with the following fundamental principles of the Prudential Code:

- Service objectives e.g. achieving the Council Plan objectives
- Stewardship of assets e.g. asset management planning
- Affordability e.g. implications for Council Tax and Rent levels
- Value for money e.g. option appraisal
- Prudence and sustainability e.g. implications for external borrowing

- Practicality e.g. is the investment proposal practical given other competing pressures on the service involved

3.12 Prudential indicators are also required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the council's overall finances. Some of these are set out in more detail below.

- One of the main prudential indicators is the ratio of financing costs to net revenue streams which identifies the trend in the cost of capital against income. Actual 2022-23 figures and estimates of the ratio of financing costs to net revenue stream for the current and future years are set out in the table 5 below.

Table 5 – Ratio of financing costs to net revenue streams

£'000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
GS Revenue Stream	293,293	297,453	321,422	329,986	337,019	342,460	348,155
GS Financing Costs	7,988	13,000	17,887	25,694	20,917	20,963	21,454
General Services	2.72%	4.37%	5.57%	7.79%	6.21%	6.12%	6.16%
HRA Revenue Stream	36,538	37,482	40,854	43,381	46,144	48,975	52,062
HRA Financing Costs	10,999	13,017	14,806	16,435	18,177	19,208	20,810
HRA	30.10%	34.73%	36.24%	37.88%	39.39%	39.22%	39.97%

- The reduction in the General Services 2022-23 ratio is the impact of the use of fiscal flexibilities in relation to loans fund principal repayments, as reported to Council in June 2023. If the flexibility was not applied both the financing costs and the ratio would have increased. The ratio reflects the size of the capital investment budgets to support the infrastructure requirements associated with current and future growth plans. The phased payback of the 2022-23 fiscal flexibility is also included from 2023-24.
- The increase in the ratio for General Services in 2025-26 is due, in part, to the final principal payment in relation to assets pre 2001 and the reprofiling of the same assets after the use of the fiscal

flexibilities, as well as the end of the benefit from earlier reviews of the loans fund.

- The HRA ratio reflects the large planned investment in new council housing programme, which is mainly financed through borrowing. This borrowing has to be repaid with interest and this leads to increased financing costs.
- The incremental impact of capital investment decisions on council tax and housing rent levels are set out in Tables 6 and 7 below.

Table 6 - Impact on Council Tax

	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
General Services Debt £'000	295,377	321,667	365,070	376,341	384,055	381,765	390,628
Band D Equivalents	59,752	61,235	61,456	62,330	63,013	63,628	64,201
Debt per Band D Equivalent £	£4,943	£5,253	£5,940	£6,038	£6,095	£6,000	£6,084

Table 7 - Impact on Rent

	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
HRA debt £'000	240,066	267,835	291,180	322,739	341,420	366,388	398,186
Number of HRA dwellings	9,144	9,283	9,359	9,471	9,577	9,661	9,790
Debt per dwelling £	£26,254	£28,852	£31,112	£34,077	£35,650	£37,924	£40,673

3.13 The Council's forecasted treasury portfolio position at 31 March 2024 and forward projections are shown in Table 8 below. The table shows the actual external debt (the treasury management operations) against the underlying capital borrowing need (the Capital Financing Requirement – CFR) highlighting any over or under borrowing.

Table 8 – Treasury Portfolio

£'000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
External Debt							
Debt at 1 April	424,761	441,503	496,080	558,885	614,421	636,915	652,082
Expected change in Debt	16,742	54,577	62,805	55,536	22,493	15,167	40,432
Other long-term liabilities (OLTL)	33,779	32,214	30,687	29,104	27,245	25,148	23,246
Expected change in OLTL	-1,565	-1,527	-1,583	-1,860	-2,096	-1,902	-2,115
Actual gross debt at 31 March	441,503	496,080	558,885	614,421	636,915	652,082	692,513
The Capital Financing Requirement	535,442	589,501	656,249	699,079	725,474	748,151	788,813
Under / (over) borrowing	93,939	93,421	97,365	84,658	88,560	96,070	96,300

3.14 The key treasury management indicator of prudence is that external borrowing should not exceed the CFR for the preceding year (2022-23) plus additional CFR in the current (2023-24) and two following years (2024-25 and 2025-26).

	2023/24 Estimate Gross Debt	2022/23 Actual CFR	2023/24 Estimate CFR Increase	2024/25 Estimate CFR Increase	2025/26 Estimate CFR Increase	CFR Total
£m	496	535	54	69	43	701

This year is projected to be within this indicator - External Debt £496m and CFR £701m. At the close of the 2022-23 financial year, the Council was well within this indicator, as the CFR for the actual year was £568 million and external borrowing was £474 million.

Boundaries for Debt

3.15 In line with the requirements, the Council is asked to approve limits beyond which external debt is not normally expected to exceed in the

proceeding 5 years of the strategy. The operational boundaries for gross external debt are set out in Table 9 below.

Table 9 – Operational Boundary

Operational boundary £'000	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Debt	589,501	656,249	699,079	725,474	748,151	788,813
Other long term liabilities	30,687	29,104	27,245	25,148	23,246	21,131
Total	620,188	685,354	726,324	750,622	771,397	809,944

3.16 Furthermore, the Council must set maximum levels of borrowing by way of setting Authorised Limits for its gross external debt for the strategy period. Table 10 below sets out the maximum authorised limits for the next five years. These limits separately identify borrowing from other long-term liabilities such as finance leases.

Table 10 – Authorised Limits

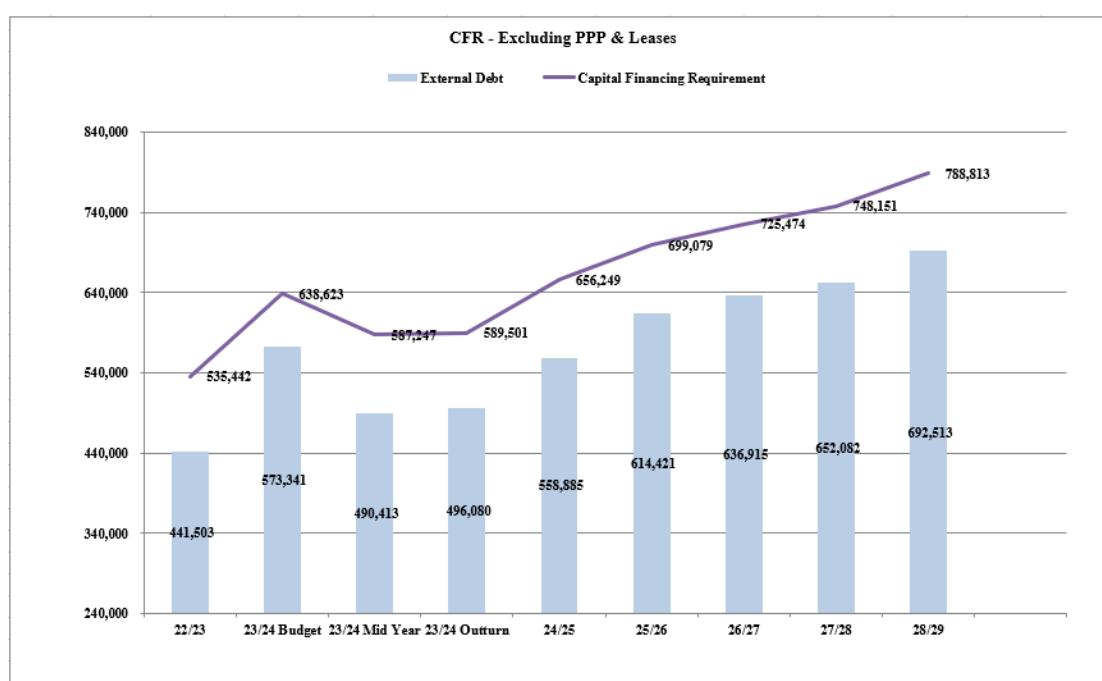
Authorised limit £'000	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Debt	627,000	726,000	734,000	774,000	817,000	847,000
Other long term liabilities	31,000	30,000	28,000	26,000	24,000	22,000
Total	658,000	756,000	762,000	800,000	841,000	869,000

3.17 These authorised limits are consistent with the Council's current commitments, and approved budget for capital expenditure and financing. The limits are based on the estimate of the most likely, prudent but not worst-case scenario which includes sufficient headroom over and above this to allow for the operational management of unusual cash flows, such as debt restructuring, or timing issues with expected capital income. Any revision required to the authorised limit must be approved by Council. External debt is prohibited beyond the authorised limit.

3.18 A summary of the CFR excluding PPP and leases against the planned external debt is set out in Table 11 and the graph shown below.

Table 11

£'000	2022/23	2023/24 Budget	2023/24 Midyear	2023/24 Outturn	2024/25	2025/26	2026/27	2027/28	2028/29
Authorised Limit	601,000	680,000	628,000	627,000	726,000	734,000	774,000	817,000	847,000
Operational Boundary	535,442	638,623	587,247	589,501	656,249	699,079	725,474	748,151	788,813
Capital Financing Requirement	535,442	638,623	587,247	589,501	656,249	699,079	725,474	748,151	788,813
External Debt	441,503	573,341	490,413	496,080	558,885	614,421	636,915	652,082	692,513



3.19 In line with existing financial regulations, the Council has delegated authority to the Chief Financial Officer in conjunction with the Head of Finance to effect movement between borrowing and long-term liabilities within the total authorised limits and operational boundaries approved. Any such movement would be reported to Council / Cabinet via the Members Library and as part of Treasury Management update reports.

Investment Strategy

3.20 The Council's Investment strategy is developed in line with Local Government Investments (Scotland) Regulations 2010, (and accompanying Finance Circular 5/2010) and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes, 2021 edition, ("the CIPFA TM Code").

- 3.21 The Investment strategy details the approach which the Council will take to minimise the risk to investments and lists the investments which the Council will be permitted to use. The regulations and guidance place a high priority on the management of risk. The Council's investment priorities will be **security first, liquidity second and then return**.
- 3.22 Common Good and Charitable Trust funds are managed on behalf of the Council by an external investment management firm. The strategy details the Council's policy on the investment of these funds. The indicator below sets a limit on the total level of investments held for longer than 365 days.

Upper limit for principal sums invested for longer than 365 days			
£m	2024/25	2025/26	2026/27
Principal sums invested for longer than 365 days	£10m	£10m	£10m

4 POLICY IMPLICATIONS

- 4.1 There are no direct policy implications associated with this report although clearly, the report provides a strategic context and direction within which all future financial plans should be considered. On-going monitoring and reporting of the Council's financial performance is a key part of the approved Treasury Management Strategy.

5 INTEGRATED IMPACT ASSESSMENT

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

6 RESOURCE IMPLICATIONS

- 6.1 Financial – these strategies are consistent with the draft General Services and HRA capital budgets being considered by Council on 20 February 2024.
- 6.2 Personnel - none
- 6.3 Other – none

7 BACKGROUND PAPERS

- 7.1 CIPFA (2021) – “Treasury Management in the Public Services, Cross Sectoral Guidance notes”

- 7.2 CIPFA (2021) – “The Prudential Code for capital finance in local authorities”
- 7.3 The Local Government Investments (Scotland) Regulations 2010
- 7.4 The Local Authority (Capital Financing and Accounting) (Scotland) Regulations 2016
- 7.5 Financial Strategy and Capital Strategy 2024-25 to 2028-29 - Council 12 December 2023
- 7.6 Capital Investment and Treasury Management Strategy 2024-25 to 2028-29 (lodged in Members Library Service)
- 7.7 Council 20 February 2024 – Administration budget papers

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