

Falkirk Council.

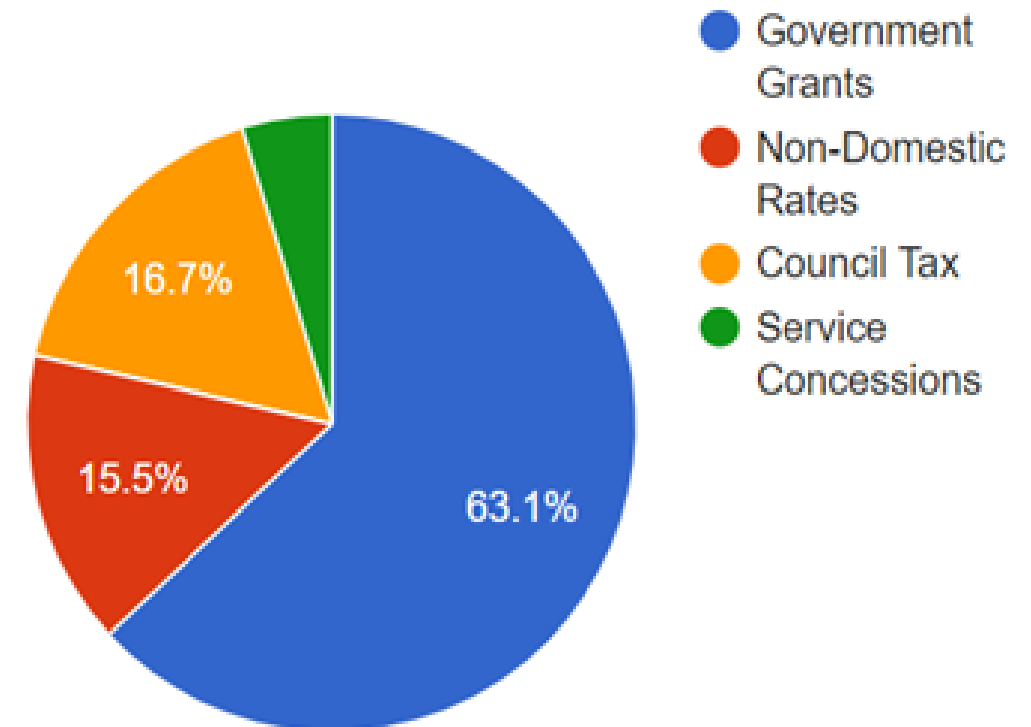
**Why are we in such a Financial
Mess? Where did it all go
wrong?**



How is the Council Funded?

Source	£'000s
Government Grants	297,420
Non-Domestic Rates	72,962
Council Tax	78,691
Service Concessions	22,532
Reserves	0

Council funding



How is the Council Funded



The Majority of Falkirk councils funding comes from the Scottish Governments block Grant to the council.



Whilst Council Tax only makes up 16.7% of our funding.



Another 15.5% comes from Non-Domestic rates which is like a council tax equivalent for Commercial premises.



Whilst the rest came from service Concessions. These could be described as an additional mortgage that was taken out on schools. The issue with using them to balance the budget is they are non-recurring income and will eventually run out.

How do you spend this money?



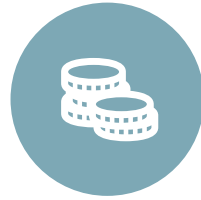
The council may appear to be one large unitary organisation but in financial terms we are split into 3 main different spending pots.



These pots are funded in different ways and the money in them is ring fenced for different priorities. Therefore we cannot move money between them.



The Councils
General Fund



The Capital
Account



The Housing
Revenue Account

These Pots are:

The Housing Revenue Account



This is entirely funded by the rents of Falkirk council tenants.



It pays for the maintenance and improvement of council homes, the applications service and most of the required borrowing for new build homes.



This is set on a yearly basis.

The Capital Account



This is funded through a variety of different streams: the sale of council property, specific Scottish and UK government grants for projects, possibly even lottery funding.



The majority of this is one off funding for specific projects for example the new town hall.



It is generally set as a long-term budget over 5 to 10 years as the money in it will be spent on projects which take a long time to build plan and develop.



This money can't be used to fund day to day council spending as it is ringfenced to specific projects and it is also non-recurring.

The Council Revenue Account



This is the largest Account in the Council.



It pays for the day to day running of basic services like waste, Social work, road repairs and Education.



It is funded through the Scottish Government Grant, Non-domestic rates and Council Tax.



This Budget is set and spent entirely on a yearly basis.

Revenue Account



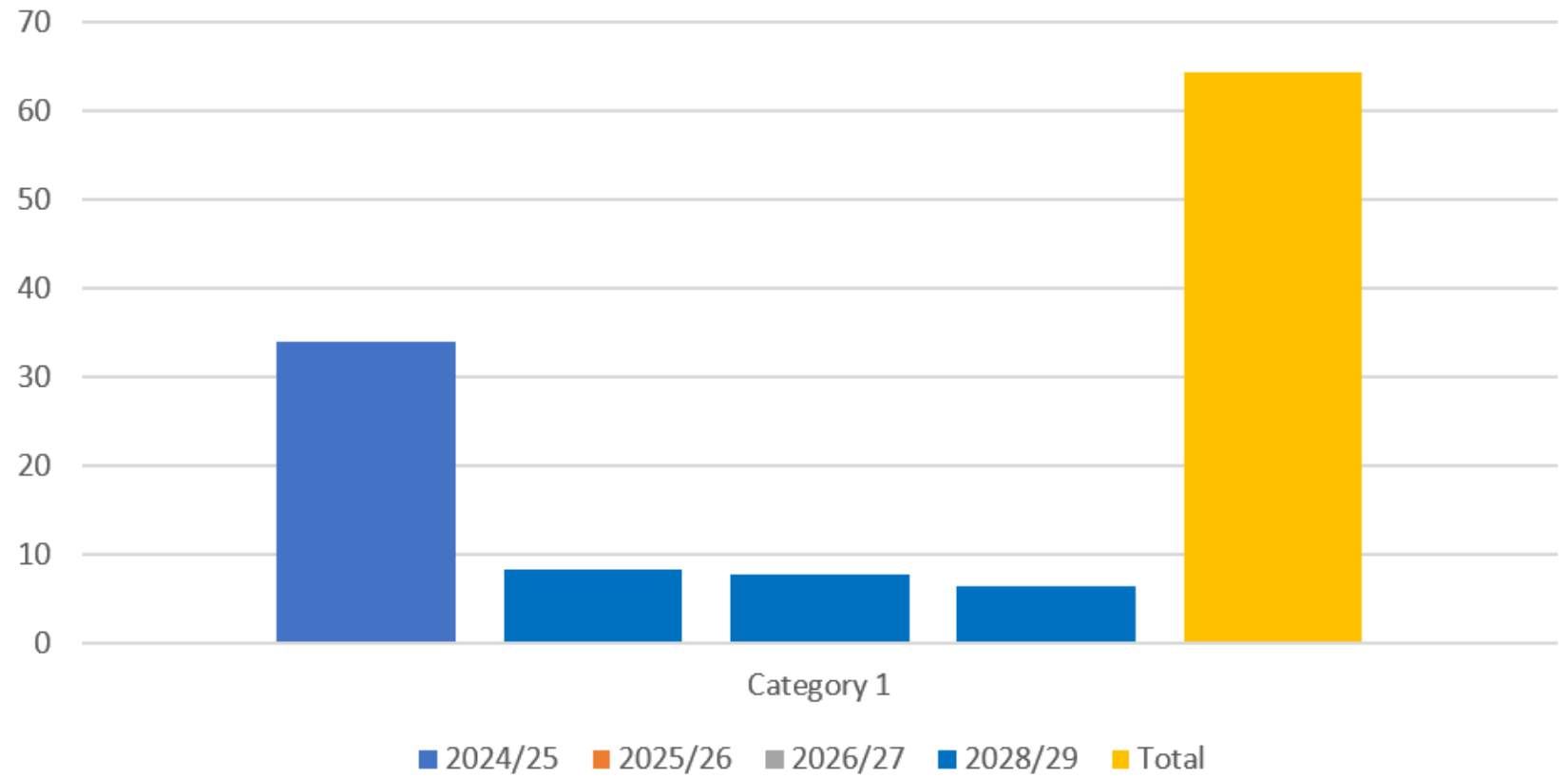
The rest of this presentation will focus on the revenue account. As this is the how the everyday operations of the council are funded.



It is also where the councils massive £64 million budget Gap sits.

Current Position

Falkirk Council Budget Gap



What Can be done to Close the Gap?

There are 4 ways



The Scottish government increase the funding they give to Falkirk Council



Raise council tax or non-domestic rates



Increase the charges for council services

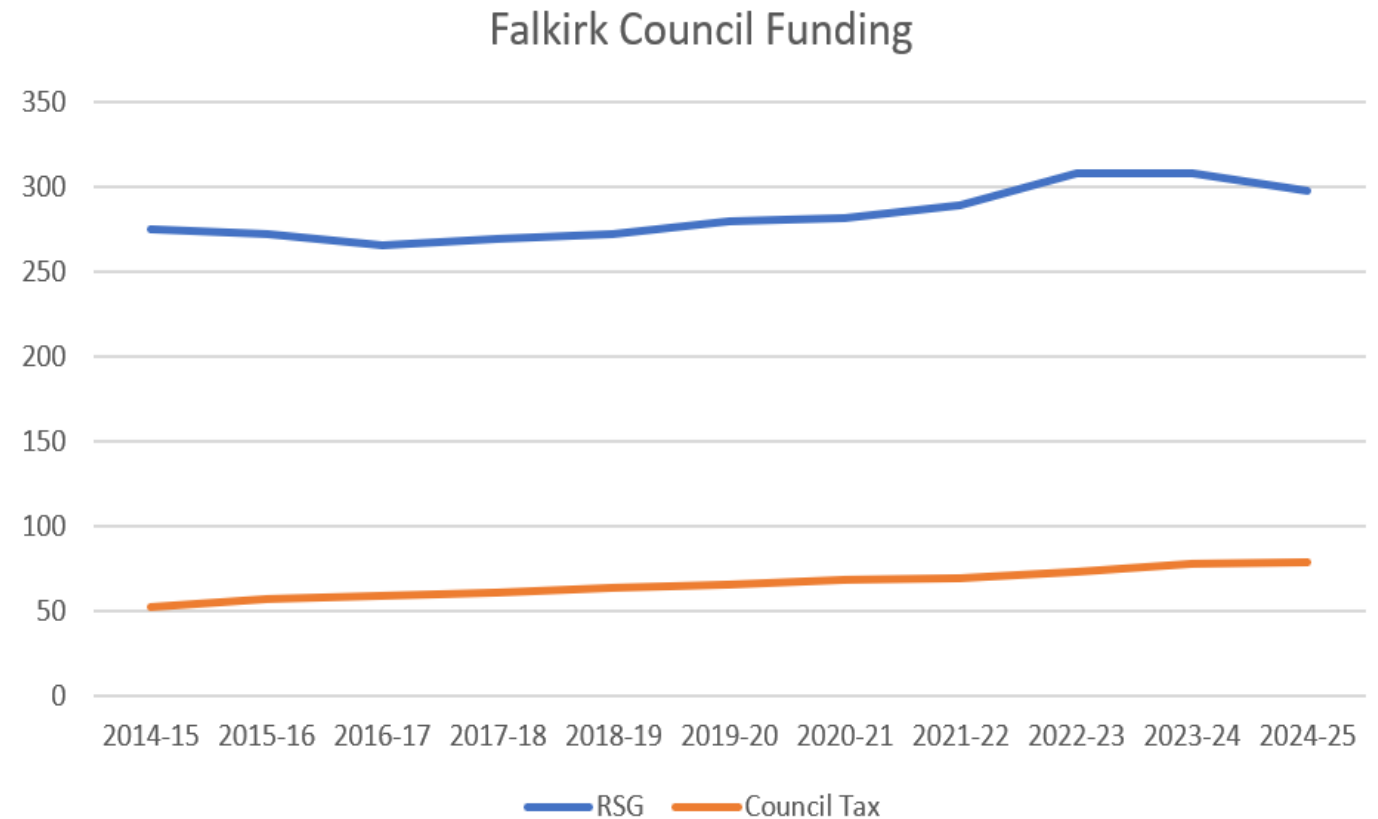


Cut Vital council services to save money

Scottish government Funding

Over the last decade the grant that Falkirk Council has received from the Scottish Government. Has remained stagnant and even fallen in recent years.

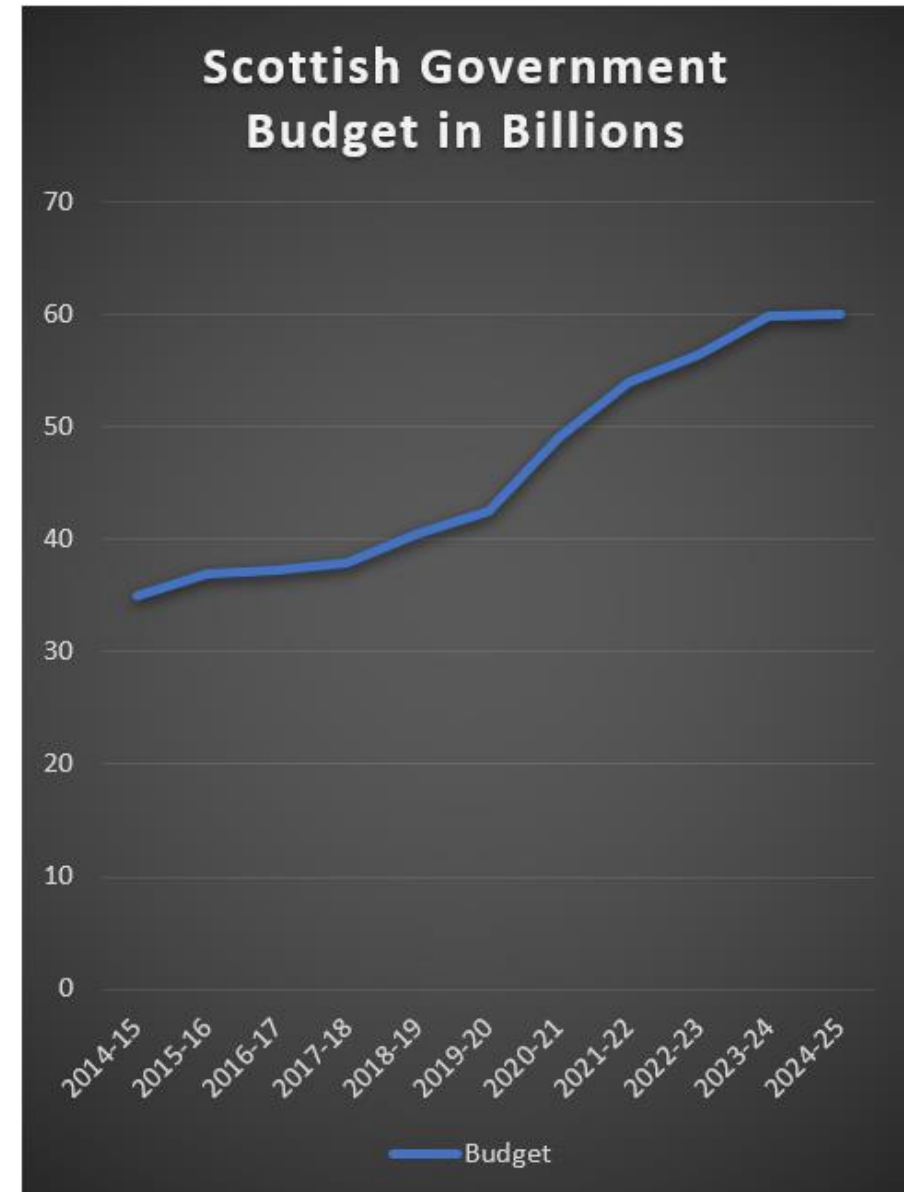
Combined with high inflation this has put major pressure on the councils' finances



Why have the Scottish Government not Increased Funding to councils?

Over the last 10 years the Scottish governments annual budget has increased from £35 billion in 2014 to £60Billion today.

This is an increase of 71%. Which begs the question where has the money gone?

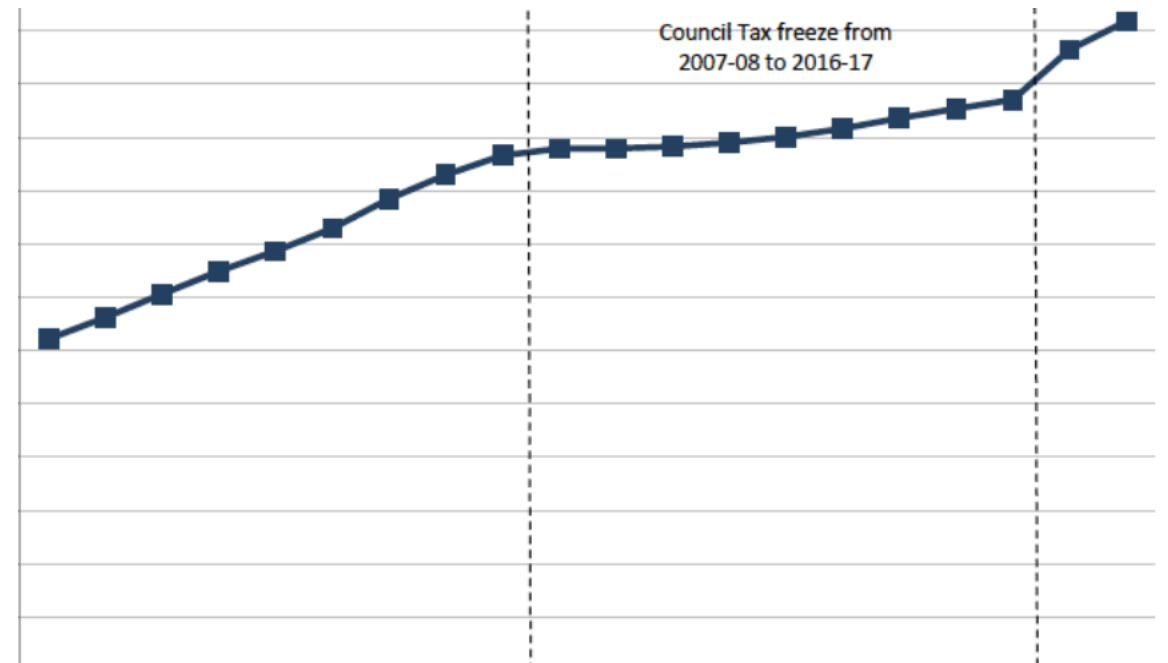


Council Tax

Further to freezing Falkirk councils funding for the Scottish government also decided to freeze Council tax for 11 out of the last 17 years.

They claim to have fully funded this but as seen in previous slides our funding has been practically stagnant.

No one want to pay more council tax, but it is tax that pays for the vital public services that we need.



Increase Fees and Charges

This is an option within the control of the council and pressure to find additional revenue was placed here. This led to the unpopular brown bin charge and increases in other Fees such as small items uplift, the fees charged for swimming pool lets were also increased which played a vital part in keeping them open. However, these increases only go a small way towards closing the budget gap.



Service Cuts

So, having our funding frozen for over a decade and our powers to raise council tax severely curtailed by the Scottish Government, then having maxed out council fees and charges.

The council was left with No other option than to start cutting vital services.



What has been cut already?

- Community Centres
- Sport Pavilions
- Teacher Numbers
- Support Staff
- School week already cut from 1650 to 1600 minutes.
- Employment programmes
- The Bo'ness Rec
- The list is massive



The Council Does not want to have to make these cuts.

But has been forced into them by years underfunding and council tax freezes by the Scottish Government.

If you do not want to see massive cuts to council services for example the Cuts to learning hours.

Then please stand up for Falkirk Council.

Put pressure on your MSP tell them that council services matter and need to be funded properly and that councils should have the power to set their own council tax rates.