



Joint Administration Budget Statement

This year the Council comes to set its budget under extraordinary circumstances. The COVID pandemic has completely changed the way the Council has worked over the past year, and the priorities it has had to pursue.

The Council has been focussed on maintaining its basic services, but also on supporting people impacted by the pandemic and supporting all those voluntary and community groups that have come together to assist in their local areas. The Council has worked closely in support of Public Health and NHS Fife and we have undoubtedly benefitted from the existing culture of partnership working we have built up in Fife over many years. Our staff have worked hard to pass on much needed funding to support local businesses and continue to do so. Many Council staff have volunteered or taken on unfamiliar roles and we have all had to adapt to working remotely.

Now that vaccines are available, it is to be hoped that many restrictions will be lifted over the coming months. But the impacts of the pandemic will be far reaching and it will take many months for things to return to anything like normality, and some things will have changed for ever.

For that reason, it is still difficult to predict the additional costs of COVID the Council will have to meet over the next two years such as additional cleaning and safety measures, or the continuing loss of income due to facilities being shut, such as swimming pools, leisure centres and theatres.

The Council also has a key role in supporting the recovery. We have already set out an approach to the recovery focussed on supporting the recovery of the local economy, tackling poverty that has grown during the pandemic, and continuing to address the challenge of climate change. Action on these priorities will require resources.

After many years of having to make cutbacks and savings, we have the opportunity this year to make some significant reinvestments in our services. COVID restrictions and the diversion of staff to support individuals and communities during the pandemic, coupled with recent severe weather, have had an impact on our roads and on our local environment.

Therefore, we propose to invest an additional £9.9m into repairing and improving our roads over the next two years and nearly £1m extra into managing our local environment through the Parks, Streets and Open Spaces service.

Further investment will be made in the three priorities of supporting the recovery of Fife's local economy, tackling poverty and addressing climate change, including through additional investment to tackle flooding. We will also invest in our young people and schools, recognising in particular the need to ensure that as many young people as possible have access to remote technology to assist their learning.

Our overall proposals amount to a significant investment in services, facilities and support for communities and the local economy including additional funding of:

- £9.9m into roads over the next 2 years;
- £5.4 to mitigate the impact of flooding;
- £7.5m into tourism and community facilities;
- Almost £1m into local environmental management;
- £2.9m into supporting the local economy;
- £0.5m into tackling poverty in addition to the £31m we already spend on hardship payments, rebates and prevention measures, and further specific funding from Government; and
- A further £1m for devices to support remote learning for our young people on top of Government funding for this purpose and the mainstream resources we commit every year to education.

We recognise there will continue to be pressure on Council budgets in future years, but we believe it is right to make these investments in our services and our priorities now, to mitigate the impacts of the pandemic and assist with Fife's recovery. While there is adequate funding available to make these investments, it will be for the Executive Director (Finance & Corporate Services) to review and ensure the best use of various funding sources available, including, additional funding for COVID-19, fiscal flexibilities and other corporate solutions to optimise the benefit to the Council.

Significant additional funding has come and will be coming from Government to assist councils meet the extra costs and loss of income from the pandemic, and to support the recovery. But it remains to be seen whether this will be sufficient to meet all our costs going forward. Much of this additional funding will come to councils at the end of this financial year. This means our reserves will be significantly higher than usual at the start of the coming financial year.

However much of this funding is earmarked to meet specific costs due to the pandemic, loss of income and to assist with the recovery. It will not be recurring funding so can only be used on a one-off basis.

In light of this, we propose to commit some of this funding for one-off expenditure to address identified needs and priorities at this time. We will retain the bulk of this funding to be allocated over the course of the coming year to meet emerging costs of the pandemic, to offset loss of income and to support the recovery. Detailed proposals will be considered over the course of the year by the Council's Policy and Co-ordination Committee and committed in line with these priorities.



Revenue Budget 2021-24

Proposed by Joint Administration

Contents

Page	Description
1-4	Joint Administration Budget Proposal
5	Revenue Budget Gap 2021-24
Appendices	
6	Appendix 1 – Budget Savings proposed by Joint Administration
7	Appendix 2 – Budget Investment proposed by Joint Administration
8	Appendix 3 – On-Off Investment proposed by Joint Administration

Introduction

Following the publication of the Scottish Government's draft budget, for the coming year 2021-22 the Council is projecting a small surplus of £4.015m. This is available for investment whilst maintaining a balanced budget for 2021-22, although it could increase the budget gap in future years.

Savings Proposals and Pressures

In addition to this surplus, a small number of savings have been identified from current expenditure, some of which have already been considered and approved through committees or sub-committees and others which are efficiency savings. In total these amount to an additional £0.540m available for investment per Appendix 1

A previously agreed staffing restructure within Parks, Streets and Open Spaces will deliver further savings of £0.250m, however in recognition of previous cuts the Joint Administration has proposed reinvestment of £0.500m to enhance frontline service delivery.

Investment

This provides a total of up to £4.555m available to invest in expenditure during the budget period 2021-24. The Joint Administration is proposing to make the following investments in services:-

Health and Social Care - £1.778m

It is proposed to passport across to the Health and Social Care Partnership the equivalent increase in core grant (1.17%) the Council has received from the Scottish Government as per our usual practice of reflection increases or decreases in the allocation for Health and Social Care.

Halls and Centres - £0.417m

This relates to a previous agreed saving that has proved to be unachievable and is a continuing burden on the Communities Directorate budget. This budget provides the opportunity to make a permanent adjustment to reflect this.

Children and Families Support for 3rd Sector Organisations - £0.410m

Similarly, this is a previously identified saving that has not been achieved. The review of 3rd Sector Children and Families Services is now being implemented and the reinvestment of this funding rather than continuing to seek it as a savings will allow a smoother transition to the new approach and provide additional investment in the required services.

Autism Strategy - £0.100m

It is recognised that the newly revised strategy to support people with autism requires additional investment and this will be transferred to the Health and Social Care Partnership specifically for this purpose.

Road Maintenance - £0.450m

This is part of a package of revenue and capital investment in improving Fife's roads and pavements. It is recognised that there has been a significant impact on Fife's roads during

the pandemic. Not only was there a period when COVID restrictions meant that only essential repairs could be carried out, but some staff were required to help in other activities to support people through the period of the pandemic. Recent severe weather has also had an impact on the roads.

In previous budgets, some revenue expenditure has been diverted to help fund capital roads improvements. However, it is important not only to continue making these major improvements to Fife's roads, but they must be maintained as well. That is the purpose of this additional revenue funding for roads maintenance.

Parks, Streets and Open Spaces - £0.525m

Due to funding pressures on the Council the Parks, Streets and Open Spaces service has seen significant cuts in its budget over recent years. This has had a negative impact on the local environment and this investment will allow additional permanent staff to be employed within the service. This will fit well with our intention to fund additional seasonal work in the coming year to make up for the environmental work that it hasn't been possible to undertake during COVID restrictions.

Business Support/Enterprise Hubs/Community Wealth Building - £0.375m

The pandemic has had a significant impact on Fife's local economy. There is a need to increase investment in supporting business going forward. As part of this approach to supporting the local economy it is proposed to try and accelerate the development of small enterprise hubs to encourage innovation and the growth of new and existing small local businesses. In addition to the capital expenditure already committed or proposed, these enterprise hubs will require some revenue funding to support their development and initial running costs.

The Council has also agreed to pursue a community wealth building approach to supporting and developing the local economy and this will require some investment to implement.

Tackling Poverty - £0.500m

Recovery from the crisis stage of the pandemic is going to bring significant challenges for many people in Fife. There will be a need to reappraise our spending priorities and to invest in prevention as well as crisis support at times of need. Our work in supporting communities during this last year has been built on working locally as a community team supported by effective and simplified processes. We have agreed that this people and place approach needs to be fundamental to supporting communities going forward and to working with people and partners. This will require investment as the pandemic has demonstrated not just the value of working in this way but also how stretched these resources are.

We have also made a commitment to bringing forward proposals to ensure that cost is not a barrier to people's ability to participate actively and use our public services. This together with a sustainable plan for food support linked to wider support services and welfare support will be key areas for funding over the period.

One-Off Investment

In addition to the headroom available for investment during 2021-24, additional funding will be available to the Council through one-off funding from central government for loss of income and additional costs during the pandemic, as well as funding for the on-going impacts of COVID and to support the recovery, in addition to funding from agreed fiscal flexibilities.

The bulk of this funding will be put into reserves and brought forward for commitment during the course of the coming year when the longer-term costs and impacts of the pandemic become clearer. The Council has already agreed an approach to recovery and reform, and funding will be allocated in line with the priorities outlined through this process.

However, it is clear that there are a number of priorities that should be addressed sooner rather than later. There is adequate funding available to make some initial investments , and it will be for the Executive Director (Finance & Corporate Services) to review and ensure the best use of various funding sources available, including, additional funding for COVID-19, fiscal flexibilities and other corporate solutions to optimise the benefit to the Council.

The Joint Administration proposes to fund these on a one-off basis as follows:-

Flooding - £0.450m

Additional funding of £0.450m revenue and £5.000m in capital will be committed to addressing flooding across Fife, allowing assessments to be carried out on the many flood risk sites identified through the recent review and work to be carried out on the highest priority sites. This funding has been agreed by the Policy and Co-ordination Committee and is included within this budget.

Education Devices - £1.000m

The Council has already distributed 7,000 tablet/ laptop/book devices and over 1,000 devices to allow internet access, to school pupils during the pandemic. This has allowed those without access to such devices to continue with their learning remotely.

The Council has committed an additional £1.400m to order a further 5,000 devices for distribution to pupils who are still having to share devices with siblings or other family members to assist with their remote learning.

Regardless of the timing and nature of a return to school for all pupils, the pandemic has re-emphasised the importance of the use of technology in learning and it has always been the ambition of the Joint Administration to ensure equality of access to technology and the internet as an assistance to learning.

It is the intention to go further with this approach in the future but as an initial step it is proposed to commit a further £1m of one-off funding to secure further devices for school pupils with limited access to them.

Parks, Streets and Open Spaces – Seasonal Staff - £0.400m

Last year, due to COVID restrictions, the Council had to cut back on the environmental maintenance work it undertook. This has meant there is an outstanding backlog of work requiring attention in the year to come. For that reason, it is proposed to increase the number of seasonal staff employed on this work in 2021 by around 50% to tackle the backlog of environmental maintenance. This will have the added benefit of providing a number of temporary jobs to mitigate the immediate impacts of unemployment following the pandemic.

Trusts

The Council's arm's length Trusts have suffered particularly badly throughout the pandemic and many of their facilities and activities have had to remain closed for an extended period. As a consequence, they have lost significant income over the past year. The Council will ensure their continued financial viability over 2021-22 and will engage with them during the course of the year to agree future plans that take account of the longer-term impacts of the pandemic on their operation in line with the aspirations and priorities of the Council.

Area Budgets

It has been difficult for the Council's Area Committees to commission local projects due to the pandemic with the consequence that the current year's budgets are significantly underspent. It is proposed to allow the Area Committees to carry forward these underspends into 2021-22 for projects that have been delayed and to help meet emerging needs and support the recovery at a local level.

Conclusion

In conclusion, this is an extraordinary budget for extraordinary times. It is based on our key priorities of tackling poverty; supporting local economic recovery; and addressing climate change; underpinned by a community wealth building approach and adaptation to new ways of working. It seeks to invest in our services so that the Council can continue to support Fife's people, communities and businesses through the pandemic and into the recovery.

FIFE COUNCIL
GENERAL FUND REVENUE BUDGET 2021-24

	2021-22 £m	2022-23 £m	2023-24 £m
Estimated Budget Surplus/(Reduction) as per report by Executive Director Finance & Corporate Services (March 2021)	4.015	(14.903)	(34.365)
Contribution to Health & Social Care - 1.17% Core Grant Increase	1.778	1.778	1.778
Revised Budget Surplus/(Reduction)	2.237	(16.681)	(36.143)
Savings Proposed by Administration (Appendix 1)	0.540	0.540	0.540
Revised Budget Gap	2.777	(16.141)	(35.603)
Proposed Additional Investment by Administration			
Investment (Appendix 2)	2.777	2.777	2.777
Revised Budget Gap	0.000	(18.918)	(38.380)

FIFE COUNCIL
GENERAL FUND REVENUE BUDGET 2021-24
BUDGET SAVINGS

Saving Reference		Cumulative Saving		
		2021-22 £m	2022-23 £m	2023-24 £m
	Enterprise & Environment			
	Assets, Transportation & Environment			
	Environment & Building Services			
2022-EE-01	Reduction of PSOS Supervisors	0.250	0.250	0.250
	Roads & Transportation Service			
2022-EE-02	Implementation of Risk Based Approach to Road Inspections	0.120	0.120	0.120
	Economy, Planning & Employability			
	Protective Services			
2022-EC-03	Review of Protective Services Staffing	0.030	0.030	0.030
	Total Enterprise & Environment	0.400	0.400	0.400
	Finance & Corporate Services			
	Revenue & Commercial Services			
2022-FC-01	Business Support - Reduce Printing	0.040	0.040	0.040
	Finance & Corporate Services Directorate			
2022-FC-02	Triage of Professional Services	0.100	0.100	0.100
	Total Finance & Corporate Services	0.140	0.140	0.140
	Total Budget Savings	0.540	0.540	0.540

FIFE COUNCIL
GENERAL FUND REVENUE BUDGET 2021-24
BUDGET INVESTMENT

	Cumulative Investment		
	2021-22 £m	2022-23 £m	2023-24 £m
<u>Education & Children Services</u>			
Providing joined up support for Families within Education, Social Work and 3rd Sector	0.410	0.410	0.410
Total Education & Children Services	0.410	0.410	0.410
<u>Enterprise & Environment</u>			
Assets, Transportation & Environment			
Environment & Building Services			
PSOS Staffing	0.525	0.525	0.525
Roads & Transportation Service			
Road Maintenance	0.450	0.450	0.450
Economy, Planning & Employability			
Business and Employability			
Business Support/Enterprise Hubs/Community Wealth	0.375	0.375	0.375
Total Enterprise & Environment	1.350	1.350	1.350
<u>Communities</u>			
Communities & Neighbourhoods			
Halls and Centres	0.417	0.417	0.417
Local Community Areas			
Tackling Poverty - People and Place Approach	0.500	0.500	0.500
Total Communities	0.917	0.917	0.917
<u>Health & Social Care</u>			
Autism Strategy - One-Stop-Shop	0.100	0.100	0.100
Total Health & Social Care Services	0.100	0.100	0.100
Total Budget Investment	2.777	2.777	2.777

FIFE COUNCIL
GENERAL FUND REVENUE BUDGET 2021-24
BUDGET ONE-OFF INVESTMENT

	2021-22 £m
Education & Children Services	
Digital Devices	1.000
Total Education & Children Services	1.000
Enterprise & Environment	
Assets, Transportation & Environment	
Environment & Building Services	
PSOS Staffing	0.400
Total Enterprise & Environment	0.400
Total Budget Investment (One-Off)	1.400
Funded By:-	
COVID-19/Fiscal Flexibilities/Corporate Solutions	1.400
Total Funding	1.400