

Thursday, 11th March, 2021 - 10.15 a.m.

AGENDA

Page Nos.

1. APOLOGIES

2. DECLARATIONS OF INTEREST

In terms of Section 5 of the Code of Conduct, members are asked to declare any interest in particular items on the agenda and the nature of the interest(s) at this stage.

3. CIVIC BUSINESS BULLETIN

Circulated to members and available on FISH and Fife Council website.

4. MINUTE – Minute of the meeting of Fife Council of 25th February, 2021.

3 - 29

5. MINUTES OF COMMITTEES AND SUB-COMMITTEES

Minutes of the February, 2021 meetings of Fife Council's Committees and Sub-Committees, as contained in the volume of minutes uploaded to FISH and Fife Council website, as submitted for accuracy.

6. QUESTION TIME

In terms of Standing Orders, copies of these questions will be emailed to members and available on FISH and Fife Council website.

7. GENERAL FUND REVENUE BUDGET 2021 - 2024

The Council is requested to consider the revenue budget and in this regard, there are submitted the following papers:-

(a) Local Government Finance Settlement 2021/22 - Local Government Finance Circular No. 1/2021 30 – 48

(b) Report by the Executive Director - Finance and Corporate Services; and 49 – 68

(c) Administration's Motion and Revenue Budget Proposals 2021-2024. To Follow

8./

8. CAPITAL INVESTMENT PLAN 2021 - 2031

The Council is requested to consider the Capital Investment Plan 2021-2031 and in this regard, there are submitted the following papers:-

- | | | |
|-----|--|-----------|
| (a) | Report by the Executive Director - Finance and Corporate Services; and | 69 – 76 |
| (b) | Administration's Motion and Capital Investment Plan 2021/31. | To follow |

9. REVIEW OF GOVERNANCE ARRANGEMENTS – Report by the Head of Legal and Democratic Services. 77 - 80

10. BUSINESS BROUGHT FORWARD BY THE PROVOST AS A MATTER OF URGENCY

Members are reminded that should they have queries on the detail of a report they should, where possible, contact the report authors in advance of the meeting to seek clarification.

Morag Ferguson
Head of Legal and Democratic Services
Finance and Corporate Services

Fife House
North Street
Glenrothes
Fife, KY7 5LT

4th March, 2021

If telephoning, please ask for:
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Agendas and papers for all Committee meetings can be accessed on
www.fife.gov.uk/committees

THE FIFE COUNCIL - FIFE COUNCIL – REMOTE MEETING

25th February, 2021

10.00 a.m. – 12.45 p.m.
and 1.05 p.m. – 4.10 p.m.

PRESENT

Councillors Jim Leishman (Convener), David Alexander, Lesley Backhouse, Alistair Bain, David Barratt, John Beare, Tim Brett, James Calder, Ken Caldwell, Alistair Cameron, Ian Cameron, Alex Campbell, Rod Cavanagh, Bobby Clelland, Dave Coleman, Altany Craik, Neil Crooks, Colin Davidson, Dave Dempsey, John Docherty, Gavin Ellis, Linda Erskine, Ian Ferguson, Derek Glen, David Graham, Fiona Grant, Mick Green, Sharon Green-Wilson, Gary Guichan, Garry Haldane, Jean Hall-Muir, Judy Hamilton, Zoe Hisbent, Linda Holt, Gordon Langlands, Helen Law, Kathleen Leslie, Rosemary Liewald, Carol Lindsay, Jane Ann Liston, Mary Lockhart, Donald Lothian, David MacDiarmid, Mino Manekshaw, Karen Marjoram, Alice McGarry, Lea McLelland, Derek Noble, Dominic Nolan, John O'Brien, Tony Orton, Ross Paterson, Bill Porteous, Graham Ritchie, David Ross, David J Ross, Fay Sinclair, Ryan Smart, Kate Stewart, Jonny Tepp, Brian Thomson, Ann Verner, Andrew Verrecchia, Ross Vettraino, Craig Walker, Darren Watt, Richard Watt, Vikki Wilton and Jan Wincott.

**APOLOGY FOR
ABSENCE:**

Councillor Margaret Kennedy.

206. DECLARATIONS OF INTEREST

Councillor Brian Thomson declared an interest in paragraph 215 below as he had been the subject of one of the complaints referred to in the report. He indicated that he would leave the meeting during consideration of this item.

The Provost, Councillors Brian Thomson, Ann Verner and Lesley Backhouse all declared an interest in paragraph 216 below as they were Council appointed members of the St Andrews Links Trust or St Andrews Links Management Committee. They each indicated that they would leave the meeting during consideration of this item.

Councillor Dominic Nolan declared an interest in paragraph 216 below as he was a Council appointed Trustee of the St Andrews Community Trust which has connections to the St Andrews Links Trust. He indicated that he would leave the meeting during consideration of this item.

207. CIVIC BUSINESS BULLETIN

There was circulated at the meeting a Civic Business Bulletin, a copy of which is appended as Appendix 1 to the minute.

208./

208. MINUTES

The Provost, seconded by Councillor Smart, moved that the minutes of Fife Council meetings of 12th November, 2020 (Special Meeting) and 12th November, 2020, be approved.

Decision

The minutes were approved.

209. MINUTES OF COMMITTEES AND SUB-COMMITTEES

The minutes of the undernoted Committees and Sub-Committees, as contained in the volume of minutes, were submitted for accuracy:-

- (1) North East Planning Committee of 18th November, 16th December, 2020 and 13th January, 2021.
- (2) Central and West Planning Committee of 25th November, 16th December, 2020 and 20th January, 2021.
- (3) Fife Planning Review Body of 30th November, 2020 and 18th January, 2021.
- (4) Glenrothes Area Committee of 2nd December, 2020 and 27th January, 2021.
- (5) South and West Fife Area Committee of 25th November, 2020 and 13th January, 2021.
- (6) Kirkcaldy Area Committee of 1st December, 2020 and 19th January, 2021.
- (7) City of Dunfermline Area Committee of 1st December, 2020.
- (8) Levenmouth Area Committee of 2nd December, 2020 and 27th January, 2021.
- (9) Cowdenbeath Area Committee of 9th December, 2020 and 13th January, 2021.
- (10) North East Fife Area Committee of 28th October, 9th December, 2020 and 20th January, 2021.
- (11) Policy and Coordination Committee of 19th November, 2020 and 7th January, 2021.
- (12) Environment, Finance and Communities Scrutiny Committee of 27th October, 2020.
- (13) Education, Children's Services, Health and Social Care Scrutiny Committee of 4th November, 2020.
- (14) Standards and Audit Committee of 26th November and 17th December, 2020.
- (15) Superannuation Fund and Pensions Committee and Fife Pension Board of 26th November and 15th December, 2020.
- (16) Health and Social Care Integration Joint Board of 23rd October, 2020.

Decision

The minutes were noted.

210./

210. CO-LEADERS' REPORT

The Council considered a report by the Co-Leaders on a number of strategic issues. The Co-Leaders provided updates on a number of issues in response to questions from members.

Decision

The Council noted the report.

211. QUESTION TIME

In terms of Standing Order 1.7, the questions put by members to the meeting, the written answers and supplementary questions, are contained in Appendix 2 to the minute.

The Provost advised that due to the similar nature of questions 3, 11, 12, 13 and 14, he had agreed that a combined response be provided and that the members who had submitted these questions would only be allowed one supplementary question each.

212. SETTING OF COUNCIL TAX FOR 2021/2022

In connection with the consideration of the Setting of Council Tax for 2021/22, the Council considered the following papers:-

- (a) report by the Executive Director (Finance and Corporate Services) advising of the terms of section 112 of the Local Government Finance Act 1992 which restricted the voting rights of elected members who were in arrears in respect of the payment of Community Charge or Council Tax. The report referred also to the provisions of the Councillors' Code of Conduct which enabled members to participate, discuss and vote on matters relating to the setting of the Council Tax without the need to declare a financial interest, notwithstanding that members might have an interest in any item of expenditure; and
- (b) report by the Executive Director (Finance and Corporate Services) which provided information relating to the setting of a Council Tax position for the next financial year 2021/22.

Motion

Councillor David Ross, seconded by Councillor Alexander, moved that the recommendations in the report be approved.

Amendment

Councillor Brett, seconded by Councillor Calder moved as follows:-

"We accept the recommendations that Council Tax rates should be frozen at 2020/21 rates but ask that the Co-Leaders write to the Scottish Government to clarify/

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clarify whether the funding which is being received to freeze the Council Tax will be base lined into the Local Government settlement next year."

With the agreement of the Provost, the mover of the motion agreed to accept the amendment.

Decision

The Council:-

- (1) agreed that Council Tax be set ahead of the remainder of the Council's General Revenue Budget;
- (2) agreed to set a Band D equivalent Council Tax figure for 2021/22;
- (3) noted that the General Funding Revenue Budget report would be reported to Council on 11th March, 2021 and would be subject to all the relevant information having been made available from Scottish Government; and
- (4) agreed to write to the Scottish Government to confirm whether the funding received to freeze the Council Tax would be base lined into the Local Government settlement next year.

The meeting adjourned at 11.30am and reconvened at 11.40am.

213. HOUSING REVENUE ACCOUNT (HRA) BUDGET 2021 - 2022 AND HOUSING REVENUE ACCOUNT (HRA) CAPITAL INVESTMENT PLAN 2021 - 2024

The Council considered joint reports by the Head of Housing Services and Head of Finance which brought forward budget proposals for the Housing Revenue Account with a view to determining rent levels and other charges which would apply during 2021/22 and a proposal for the Housing Revenue Capital Investment Plan 2021/24.

Housing Revenue Account Budget 2021/22

Motion

Councillor Judy Hamilton, seconded by Councillor Lesley Backhouse, moved as follows:-

"That the Council:-

1. Approves the Housing Revenue Account (HRA) Budget 2021-22 report by the Head of Housing Services and the Head of Finance and agrees the following recommendations:-
 - (a) Approves a rental increase of 1.5% for HRA rents and charges for 2021- 22.
 - (b) Approves to freeze charges for lock-ups for one final year following the continuing review into asset condition and to remove any remaining direct debit discounts.
 - (c)/

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- (c) Approves the proposed HRA savings and pressures for 2021-22.
- (d) Approves a rental increase of 1.5% on Homelessness Temporary Accommodation to keep rental increase on the General Fund Housing Account in line with increases on HRA rents and charges for 2021-22.”

Housing Revenue Account: Capital Investment Plan 2021/24

Motion

Councillor Judy Hamilton, seconded by Councillor Lesley Backhouse, moved as follows:-

“That the Council:-

1. Approves the Housing Revenue Account: Capital Investment Plan report by the Head of Housing Services and the Head of Finance and agrees the following recommendations within the report:
 - a) An HRA Capital Investment Plan of £244.230m over the three years 2021- 2024 across the Component Replacement, Wider Works and Affordable Housing Programmes.
 - b) Additional new borrowing of £6.435m included within the proposed investment plan for 2021-22 to complete the affordable housing Phase 3 programme delivery to May 2022.
 - c) A commitment to review the potential to enhance the proposed programme of works within the HRA Capital Investment Plan in the summer of 2021-22. In particular, to seek to maximise opportunities to accelerate the speed of the component replacement programme
2. Agrees to the apportionment of funding as recommended in appendix 1 of the report. A summary of the total recommended investment is detailed below:

Recommendation A – HRA Capital Investment	2021-22	2022-23	2023-24	Total Investment 2021-24
	£m	£m	£m	£m
Component Replacement	31.000	31.000	31.000	93.000
Wider Works				
Major Projects	1.362	0.525	1.650	3.537
ESSH 2 & Fuel Poverty	2.075	4.075	3.500	9.650
Regeneration/ Estates Action	4.950	4.850	5.950	15.750
Specific Needs	1.630	2.075	0.905	4.610
Safety & Structural Works	2.650	2.650	1.708	7.008
Land Acquisitions	2.000	2.000	2.000	6.000
Property Acquisitions	5.000	5.000	5.000	15.000

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Sub-total	19.667	21.175	20.713	61.555
Affordable Housing Programme	30.000	30.000	29.675	89.675
Total	80.667	82.175	81.388	244.230

The meeting adjourned at 12.45pm and reconvened at 1.05pm.

Amendment

Councillor Tepp, seconded by Councillor Calder moved as follows:-

“Propose that the HRA revenue and capital budget proposals be withdrawn and re-represented to the Council meeting on 11th March 2021 with options to fund a rent freeze for 2021/22 to reduce the pressures on hard working households that do not received housing benefit rent payments.”

The Provost advised that for the purposes of the vote, both motions in relation to the Housing Revenue Account Budget 2021/22 and the Housing Revenue Account Capital Investment Plan 2021/24 would be combined.

Roll Call

For the combined Motions – 51 votes

Councillors David Alexander, Lesley Backhouse, Alistair Bain, David Barratt, John Beare, Ken Caldwell, Alistair Cameron, Ian Cameron, Alex Campbell, Rod Cavanagh, Bobby Clelland, Altany Craik, Neil Crooks, Colin Davidson, John Docherty, Linda Erskine, Ian Ferguson, Derek Glen, David Graham, Fiona Grant, Sharon Green-Wilson, Gary Guichan, Garry Haldane, Jean Hall Muir, Judy Hamilton, Zoe Hisbent, Linda Holt, Gordon Langlands, Helen Law, Jim Leishman, Rosemary Liewald, Carol Lindsay, Mary Lockhart, David MacDiarmid, Karen Marjoram, Lea McLelland, Alice McGarry, Derek Noble, John O'Brien, Ross Paterson, David Ross, Fay Sinclair, Ryan Smart, Kate Stewart, Brian Thomson, Ann Verner, Andrew Verrecchia, Ross Vettraino, Craig Walker, Vikki Wilton and Jan Wincott.

For the Amendment – 15 votes

Councillors Tim Brett, James Calder, Dave Coleman, Dave Dempsey, Gavin Ellis, Mick Green, Kathleen Leslie, Jane Ann Liston, Mino Manekshaw, Dominic Nolan, Tony Orton, David J Ross, Jonny Tepp, Darren Watt and Richard Watt.

Abstained – Councillors Donald Lothian, Bill Porteous and Graham Ritchie.

Decision

Accordingly, the combined motions were carried.

Councillor/

Councillor Suttie joined the meeting following consideration of the above item.

214. CALL-IN - EDUCATION AND CHILDREN'S SERVICES SUB-COMMITTEE DECISION OF 3RD NOVEMBER, 2020 RELATING TO "CHILDCARE SERVICES AND PLAY PRACTICE DEVELOPMENT" (MINUTE REFERENCE PARAGRAPH 186 OF 2020 ECS 70)

The Council considered a report by the Executive Director, Finance and Corporate Services which requested members, in terms of Standing Order 12(5)(b), to make a final determination in relation to the call-in of the Education and Children's Services Sub-Committee decision of 3rd November, 2020 relating to Childcare Services and Play Practice Development.

Motion

Councillor Dempsey, seconded by Councillor David J Ross, moved as follows:-

"This Council recognises the need to modernise Childcare Services in Fife where services are duplicated or underutilised. We recognise the significant degree of consultation that took place prior to this proposal, and the detailed work of Education and Children's Services staff. This Council supports the concept of "commercialisation" as a key tool in achieving value for money in the delivery of services to the taxpayer. We are appreciative of the opportunity, provided by scrutiny, to re-examine the original proposals presented and agree that all should be implemented with the exception of the proposal to change the service offered by the Additional Support Needs (ASN) Out of School Clubs. Council agrees that this ASN service should continue to be offered to families on the same basis as is currently delivered and that no cost saving is sought from this area. Targeting Respite Care for families that have children with complex additional support needs is a step too far and should be ring fenced. As such, Council asks that a further report be prepared for the Education & Children's Services Sub-Committee on the basis set out above, identifying alternative areas where any consequential savings shortfall can be realised."

Amendment

Councillor David Ross, seconded by Councillor Law, moved as follows:-

"Council agrees the recommendation from the Education and Children's Services and Health and Social Care Scrutiny Committee to:

Defer implementation of the new approach to Childcare Services and Play Practice and request further reports to the Education and Children's Services Sub-Committee detailing:

1. the impact of these proposals on children and families and on disadvantaged communities;
2. options for maintaining or expanding these services to better meet needs and where possible increase income;
- 3./

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3. a full business plan for the future provision of childcare and play practice development.”

Roll Call

For the Motion - 12 votes

Councillors Dave Coleman, Dave Dempsey, Gavin Ellis, Mick Green, Kathleen Leslie, Mino Manekshaw, Dominic Nolan, Tony Orton, Graham Ritchie, David J Ross, Darren Watt and Richard Watt.

For the Amendment – 56 votes

Councillors David Alexander, Lesley Backhouse, Alistair Bain, David Barratt, John Beare, Tim Brett, James Calder, Ken Caldwell, Alistair Cameron, Ian Cameron, Alex Campbell, Rod Cavanagh, Bobby Clelland, Altany Craik, Neil Crooks, John Docherty, Linda Erskine, Ian Ferguson, Derek Glen, David Graham, Fiona Grant, Sharon Green-Wilson, Gary Guichan, Garry Haldane, Jean Hall Muir, Judy Hamilton, Zoe Hisbent, Linda Holt, Gordon Langlands, Helen Law, Jim Leishman, Rosemary Liewald, Carol Lindsay, Jane Ann Liston, Mary Lockhart, David MacDiarmid, Karen Marjoram, Lea McLelland, Alice McGarry, Derek Noble, John O'Brien, Ross Paterson, Bill Porteous, David Ross, Fay Sinclair, Ryan Smart, Kate Stewart, Alistair Suttie, Jonny Tepp, Brian Thomson, Ann Verner, Andrew Verrecchia, Ross Vettraino, Craig Walker, Vikki Wilton and Jan Wincott.

Decision

Accordingly, the amendment was carried.

Councillor Thomson left the meeting prior to consideration of the following two items, having earlier declared an interest in both.

215. STANDARDS COMMISSION FOR SCOTLAND DECISIONS

The Council considered a report by the Executive Director, Finance and Corporate Services which presented the findings of the Standard Commission for Scotland in relation to complaints against Councillors Brian Thomson, Tony Miklinski and Andy Heer.

Decision

The Council noted the report.

The Provost, Councillors Verner, Backhouse and Nolan left the meeting prior to consideration of the following item, having earlier declared an interest.

The Chief Executive convened the meeting for the following item.

216. APPOINTMENT TO PARTNER ORGANISATION - ST ANDREWS LINKS TRUST

The Council considered a report by the Head of Legal and Democratic Services which/

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which asked members to agree the appointment of a non-elected member representative, nominated by the local golf clubs, to the St Andrews Links Trust.

Decision

The Council agreed to appoint Mrs Sandra Tuddenham, a nominee from the local golf clubs, to the St Andrews Links Trust for a period of three years from 1st April, 2021 to 31st December, 2023.

The Provost, Councillors Verner, Backhouse, Nolan and Thomson all rejoined the meeting following consideration of the above items.

217. NOTICE OF MOTIONS

The Council considered a report by the Head of Legal and Democratic Services which required the Council to consider motions submitted in terms of Standing Order 8.1.

Motion 1

Councillor Calder, seconded by Councillor Brett, moved as follows:-

“Council commends the young people in Fife who selflessly provide care for others. Council notes that: • Recent research shows that one in five secondary school children may be a young carer. For many, their caring journey begins at a much younger age. • Caring for someone can be very isolating, worrying and stressful. For young carers, this can negatively impact on their experiences and outcomes in education, having a lasting effect on their life chances. • Each year, The Carers Trust has organised a Young Carers’ Action Awareness Day. In 2021 this will be renamed Young Carers’ Action Day and marked on March 16. • The purpose of the day is to raise public awareness of the challenges faced by young people and young adults because of their caring role, and to campaign for greater support for young carers to meet their needs. Council resolves to: • Promote Young Carers Action Day as widely as possible on an annual basis, particularly to young carers and their families. • Ask the Education and Children’s Services Directorate and Fife Health and Social Care Partnership to work with the Carers Trust Scotland, Fife Young Carers and Young Scot to establish an annual event in Fife to mark this date to which young carers and their families can be invited in person or online, and at which appropriate information and services can be accessed.”

Decision

The Council agreed the motion unanimously.

Motion 2

Councillor Ellis, seconded by Councillor Leslie, moved as follows:-

“Council recognises there is currently work being done by the Scottish Parliament and charities such as the SSPCA in dealing with illegal puppy farming, However, Council also notes the increase in the sale of puppies from a domestic setting and calls/

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calls for a report to be presented to the Environment & Protective services sub committee outlining the following:

1. What more Fife Council can do to tackle the rise in domestic puppy selling from homes in Fife.
2. What more could be done to increase applications for a breeding licence across Fife.
3. How a version of the Trusted Trader scheme could be adapted to allow the citizens of Fife a simple online check of breeders who hold a current Fife Council breeding licence allowing our citizens to have confidence in where they are buying their puppies from.”

Decision

The Council agreed the motion unanimously.

Councillor Stewart left the meeting during consideration of the above motion.

Motion 3

Councillor Ritchie, seconded by Councillor David J Ross, moved as follows:-

NOT EVERY DISABILITY IS VISIBLE.

“Fife Council notes that the charity Crohn's and Colitis UK is encouraging venues, providing accessible toilets to install new signage. This is to help stop stigma and discrimination towards people with Crohn's disease and ulcerative colitis and other invisible conditions. The signs have two standing figures and a wheelchair user with the words " accessible toilet" and the logo "NOT EVERY DISABILITY IS VISIBLE".

Furthermore, Fife Council resolves to ensure that accessible toilets on Council premises bear these signs, also to ask town centre retailers and leisure outlets to do likewise with their accessible toilets.

And seek advice from the charity on the information and training we should provide to Council staff members, ensuring that any changing places toilets in our buildings are properly signposted for visitors.”

Decision

The Council agreed the motion unanimously.

Councillor Backhouse left the meeting during consideration of the above motion.

Motion 4

Councillor Darren Watt, seconded by Councillor Ellis, moved as follows:-

“Council recognises and praises our staff's tireless efforts with gritting and snow clearing/

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clearing Fife's roads and pavements throughout the winter period and recent cold snap.

Council further recognises and praises the heroic efforts of local residents who assisted and supported their neighbours, communities, and fellow Fifers throughout winter.

Council recognises despite everyone's best efforts, far too many people experienced preventable distress and difficulties, were entirely cut off from their communities, and endured unnecessary risks and costs because of the lack of snow clearing and gritting in the areas in which they live and work.

Council calls for an urgent review into Fife Council's current Winter Gritting and Snow Clearing Services Policy to assess and determine:

- If it is fit for purpose.
- What lessons can be learnt.
- What additional resources are required to ensure disruption is kept to an absolute minimum.
- The need for more localised budgets and decision making.

Amendment

Councillor Craik, seconded by Councillor Beare, moved as follows:-

"Para 1&2 remain

Replace to end from 'Council recognises' with

Furthermore, the combined efforts across the service kept Fife moving during the recent snow event where staff were redeployed to snow clearing duties from a range of other duties.

Winter reviews are part of the 'business as usual' of the service and of the Economy, Tourism, Strategic Planning and Transportation sub committee.

Notes that a report will come to the sub-committee in due course.

Council reiterates its thanks for the efforts of our staff during the winter and as always will look to improve performance for the residents of Fife."

Roll Call

For the Motion – 18 votes

Councillors Tim Brett, James Calder, Dave Coleman, Dave Dempsey, Gavin Ellis, Mick Green, Linda Holt, Kathleen Leslie, Jane Ann Liston, Mino Manekshaw, Dominic Nolan, Tony Orton, Bill Porteous, Graham Ritchie, David J Ross, Jonny Tepp, Darren Watt and Richard Watt.

For/

For the Amendment – 49 votes

Councillors David Alexander, Alistair Bain, David Barratt, John Beare, Alistair Cameron, Ian Cameron, Alex Campbell, Rod Cavanagh, Bobby Clelland, Altany Craik, Neil Crooks, Colin Davidson, John Docherty, Linda Erskine, Ian Ferguson, Derek Glen, David Graham, Fiona Grant, Sharon Green-Wilson, Gary Guichan, Garry Haldane, Jean Hall Muir, Judy Hamilton, Zoe Hisbent, Gordon Langlands, Helen Law, Jim Leishman, Rosemary Liewald, Carol Lindsay, Mary Lockhart, Donald Lothian, David MacDiarmid, Karen Marjoram, Lea McLelland, Alice McGarry, Derek Noble, John O'Brien, Ross Paterson, David Ross, Fay Sinclair, Ryan Smart, Alistair Suttie, Brian Thomson, Ann Verner, Andrew Verrecchia, Ross Vettraino, Craig Walker, Vikki Wilton and Jan Wincott.

Decision

Accordingly, the amendment was carried.

Motion 5

Councillor David Ross, seconded by Councillor Alexander, moved as follows:-

Independent Review of Adult Social Care

“Council agrees to endorse the motion in response to the publication of the Independent Review of Adult Social Care that was agreed unanimously by COS:A Leaders on Wednesday 10th February as follows, and agrees to write to the Scottish Government and to COSLA on this basis:

Leaders note the publication of the Feeley Report on the Independent Review of Adult Social Care in Scotland.

Leaders express their grave concern at the recommendations on governance and accountability which would see the removal of local democratic accountability and a degree of centralisation that would be detrimental to the local delivery of social care and its integration with other key community services.

Leaders endorse the principles set out in the report of:

- Empowering people
- Valuing the workforce
- A human rights approach

Leaders strongly agree that the lived experience of those who rely on social care should be embedded within the system and that social care should move to a more person centred approach, recognising the value of not for profit provision.

Social/

Social care should be:

- Accessible;
- Personalised;
- Integrated;
- Preventative;
- Respectful; and
- Safe.

However, Leaders express particular concern at the recommendation 15 that states:

“Accountability for social care support should move from local government to Scottish Ministers, and a Minister should be appointed with specific responsibility for Social Care.”

This concern mirrors the findings of the report itself when it says:

“We asked what would worry people about a National Care Service, and the most frequently mentioned concern was that it would bring loss of local knowledge and expertise.”

Leaders also endorse the comments from SOLACE and from Directors of Finance in paragraphs 17 and 18 of the report.

Leaders therefore restate COSLA’s position as expressed in the agreed Blueprint for Local Government that:

“Discussion on the future of social care has centred on the potential creation of a National Care Service. This can mean many different things to different people. Moving towards a National Care Service should not be merely accepted as the necessary means of reform without proper consideration of its scope, resourcing and, vitally, its implications for local decision making. Any National Care Service must be locally empowered, reflect the needs of our communities and recognise the vital role of the third sector. It must be outcome focussed with the principle of addressing health inequalities at its core, ensure that social care is on an even playing field and address the financial challenges facing the sector. This can only be achieved by Local Government that is rooted in the community and employs local people.”

Leaders mandate COSLA officers and spokespeople to undertake appropriate lobbying in relation to this report, based on this position.”

Amendment/

Amendment

Councillor Brett, seconded by Councillor Calder, moved as follows:-

“We support the motion but in addition requests that there should be a further opportunity for members to discuss the recommendations and ideas in the review.”

With the agreement of the Provost, the mover of the motion agreed to accept the amendment.

Decision

Accordingly, the conjoined motion was agreed.

Councillors Grant, Sinclair, Verrecchia and Richard Watt left the meeting during consideration of the above motion.

Councillors Sinclair and Backhouse rejoined the meeting prior to consideration of the following motion.

Motion 6

Councillor Liston, seconded by Councillor Tepp, moved as follows:-

“Fife Council:

- * reiterates its belief that the council tax is inherently unfair;
- * recalls that the party currently in Government promised to 'abolish the unfair council tax' in 2007 and again in 2011, and
- * agree that the Co-Leaders should write to the Scottish Government to urge that it commits to doing so and replacing this tax with a system more based upon ability to pay.

This is to ensure that:

- * power can be decentralised, and
- * councils can be held to account by their electors, and are more able to provide the services pertinent and necessary to their residents.”

Amendment 1

Councillor Beare, seconded by Councillor McLelland, moved as follows:-

“Fife Council notes, that the Scottish Parliamentary Elections are scheduled to take/

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take place on Thursday May 6th and that the Scottish Parliament has the powers to alter the form of local taxation in Scotland.

Fife Council acknowledges that despite the talents of the Co-Leaders even they will be unable to ensure that there is the time in this parliamentary session to replace the current form of local taxation.

Fife Council calls on all political parties to put forward manifestos to the voting public which reflect their beliefs, aspirations and policies and Fife Council urges them to do so.”

Amendment 2

Councillor David Ross, seconded by Councillor Lockhart, moved as follows:-

“Council notes its disappointment that the Scottish Government has failed to develop a rules based framework for local government funding in partnership with COSLA that would be introduced in the next Parliament, or to bring forward legislation by the end of this Parliament for the replacement of the council tax, based on cross-party agreement, contrary to its commitments in January 2019. Council acknowledges that there is now no time for such proposals to be brought forward in the current Parliament but resolves to write to all political parties represented in the Scottish Parliament urging them to commit to both the introduction of a rules based fiscal framework for the funding of local government and the replacement of the council tax with a fairer and more progressive form of local taxation in the next Parliament.”

Amendment 3

Councillor Dempsey, seconded by Councillor Darren Watt, moved as follows:-

"Council believes that the key to council funding lies in a fair framework rather than the details of taxes. Council likes Barnett for Councils and asks COSLA to pursue that"

Roll Call

For the Motion – 6 votes

Councillors Tim Brett, James Calder, Jane Ann Liston, Donald Lothian, Bill Porteous and Jonny Tepp.

For Amendment 1 – 24 votes

Councillors David Alexander, Lesley Backhouse, Alistair Bain, David Barratt, John Beare, Rod Cavanagh, John Docherty, Derek Glen, Sharon Green-Wilson, Jean Hall Muir, Zoe Hisbent, Rosemary Liewald, Carol Lindsay, David MacDiarmid, Karen Marjoram, Lea McLelland, Alice McGarry, John O'Brien, Fay Sinclair, Alistair Suttie, Ann Verner, Ross Vettraino, Craig Walker and Vikki Wilton.

For Amendment 2 – 23 votes

Councillors/

2021 FC 257

Councillors Alistair Cameron, Ian Cameron, Alex Campbell, Bobby Clelland, Altany Craik, Neil Crooks, Colin Davidson, Linda Erskine, David Graham, Gary Guichan, Garry Haldane, Judy Hamilton, Linda Holt, Gordon Langlands, Helen Law, Jim Leishman, Mary Lockhart, Derek Noble, Ross Paterson, David Ross, Ryan Smart, Brian Thomson and Jan Wincott.

For Amendment 3 – 11 votes

Councillors Dave Coleman, Dave Dempsey, Gavin Ellis, Mick Green, Kathleen Leslie, Mino Manekshaw, Dominic Nolan, Tony Orton, Graham Ritchie, David J Ross and Darren Watt.

As there was no overall majority, the motion fell, and a further vote was taken between the amendments.

For Amendment 1 – 24 votes

Councillors David Alexander, Lesley Backhouse, Alistair Bain, David Barratt, John Beare, Rod Cavanagh, John Docherty, Derek Glen, Sharon Green-Wilson, Jean Hall Muir, Zoe Hisbent, Rosemary Liewald, Carol Lindsay, David MacDiarmid, Karen Marjoram, Lea McLelland, Alice McGarry, John O'Brien, Fay Sinclair, Alistair Suttie, Ann Verner, Ross Vettraino, Craig Walker and Vikki Wilton.

For Amendment 2 – 29 votes

Councillors Tim Brett, James Calder, Alistair Cameron, Ian Cameron, Alex Campbell, Bobby Clelland, Altany Craik, Neil Crooks, Colin Davidson, Linda Erskine, David Graham, Gary Guichan, Garry Haldane, Judy Hamilton, Linda Holt, Gordon Langlands, Helen Law, Jim Leishman, Jane Ann Liston, Mary Lockhart, Donald Lothian, Derek Noble, Ross Paterson, Bill Porteous, David Ross, Ryan Smart, Jonny Tepp, Brian Thomson and Jan Wincott.

For Amendment 3 – 11 votes

Councillors Dave Coleman, Dave Dempsey, Gavin Ellis, Mick Green, Kathleen Leslie, Mino Manekshaw, Dominic Nolan, Tony Orton, Graham Ritchie, David J Ross and Darren Watt.

As there was no overall majority, the Amendment 3 fell, and a further vote was taken between the remaining amendments.

For Amendment 1 – 24 votes

Councillors David Alexander, Lesley Backhouse, Alistair Bain, David Barratt, John Beare, Rod Cavanagh, John Docherty, Derek Glen, Sharon Green-Wilson, Jean Hall Muir, Zoe Hisbent, Rosemary Liewald, Carol Lindsay, David MacDiarmid, Karen Marjoram, Lea McLelland, Alice McGarry, John O'Brien, Fay Sinclair, Alistair Suttie, Ann Verner, Ross Vettraino, Craig Walker and Vikki Wilton.

For Amendment 2 – 28 votes

Councillors/

2021 FC 258

Councillors Tim Brett, James Calder, Alistair Cameron, Ian Cameron, Alex Campbell, Bobby Clelland, Altany Craik, Neil Crooks, Colin Davidson, Linda Erskine, David Graham, Gary Guichan, Garry Haldane, Judy Hamilton, Linda Holt, Gordon Langlands, Helen Law, Jim Leishman, Jane Ann Liston, Mary Lockhart, Donald Lothian, Derek Noble, Ross Paterson, Bill Porteous, David Ross, Ryan Smart, Jonny Tepp and Jan Wincott.

Abstained – Councillors Dave Coleman, Dave Dempsey, Gavin Ellis, Mick Green, Kathleen Leslie, Mino Manekshaw, Dominic Nolan, Tony Orton, David J Ross and Darren Watt.

Decision

Accordingly, Amendment 2 was carried.

Councillors Ferguson and Thomson left the meeting during consideration of the above motion.

Motion 7

Councillor Leslie, seconded by Councillor Dempsey, moved as follows:-

“Council recognises that from August 2023 a fully funded year of Early Learning and Childcare (ELC) for all children who are not yet five years old at the beginning of the school term will become a universal right. Council recognises that all children born in January or February can be deferred automatically at parental request and require no assessment for additional funding for ELC. Council recognises that currently those children born after the start of the school term until December 31st are also entitled to be deferred at parental request but are not automatically granted additional funding for ELC. Council recognises that there is a lack of equity in this provision and requests a report to the Education & Children’s Services Sub-Committee to advise on the possibility that all children who are under the age of five at the start of the school term will automatically be funded for an additional year of nursery – to begin from this academic year.”

Decision

The Council agreed the motion unanimously.

Councillors Lothian, Green-Wilson and Hall Muir left the meeting during consideration of the above motion.

218. BUSINESS BROUGHT FORWARD BY THE PROVOST AS A MATTER OF URGENCY

It was noted that there was no business to be brought forward under this item.

FIFE COUNCIL

25th February, 2021

Agenda Item No. 3

Civic Business Bulletin

10th Scottish Empty Homes Awards

Congratulations to Joanne Saurin for winning the 'outstanding individual' award at the 10th Scottish Empty Homes. Joanne, Housing Professional in the Private Sector Team, has been bringing empty homes back into housing use across Fife since 2014. Her successes with voluntary sector partners in Glenrothes and through the 'matchmaker' scheme were recognised during the ceremony.

Chartered Institute of Housing's Scotland Awards

Fife Council's Housing Team won Team of the Year at the Chartered Institute of Housing's Scotland Awards recently. This is the first time we have won a CIH Award. The award was for the Covid response to managing housing access and homelessness services working in conjunction with Building Services and Business Support.

Marsh Awards Nomination

The Inverkeithing Heritage programme's Burgh Survey work, supported by the Town Centre Development Unit, Planning, Fife Historic Buildings Trust and Communities & Neighbourhoods, was nominated for the Marsh Awards, recognising excellence in community archaeology projects. In the paid support category, one of only two this year, the project was in a shortlist of only 3, and the only Scottish project. At the Council for British Archaeology AGM yesterday, the project was Highly Commended by the CBA judges (the runner up award).

Scottish Photography Awards

Congratulations to Ben Marshall, a modern apprentice Youth Worker who was chosen for the Young Photographer of the Year award at this year's Scottish Portrait Awards. He also won the UK-wide Wex student Photographer of the year while he was studying at Dundee and Angus college for a Diploma in Creative and Digital Media as part of his Modern Apprenticeship with Fife Council .



MEETING OF FIFE COUNCIL

THURSDAY, 25TH FEBRUARY, 2021

AGENDA ITEM NO. 7 - QUESTION TIME

QUESTION 1 FROM COUNCILLOR DAVE DEMPSEY

What use was made in Fife schools of Education Scotland's publication "The Road to the Scottish Parliament" before it was withdrawn and how much use was made after that?

Answer

Following notification from Education Scotland on the withdrawal of the publication "The Road to the Scottish Parliament", our Headteachers and wider staff groups were advised that it should not be used in any of our schools until the national review was completed. We are not aware of any school making use of this publication in advance of its withdrawal and no queries were received from schools following the advice not to use until the review had been completed. However, schools and teachers do make use resources according to the needs of their own courses and lessons, we do not hold this information centrally.

QUESTION 2 FROM COUNCILLOR JONNY TEPP

What actions are the administration taking to tackle contamination in domestic recycling bins and at recycling points?

Answer

Council Officers, together with Officers of Fife Resource Solutions are currently working on a funding application to Zero Waste Scotland. The application seeks finance for a project to address, not only contamination issues, but to engage with and inform the community of forthcoming statutory changes, which should increase the recycling of waste products.

QUESTION 3 FROM COUNCILLOR JAMES CALDER (combined response to questions 3, 11, 12, 13 and 14)

What percentage of primary and what percentage of secondary school pupils have been engaging with online learning in the current lockdown?

Answer

In January into early February, an authority-wide survey has been used to gather data on engagement in remote learning. Schools reported on the percentage of their learners who are engaging with remote learning in line with their school expectations:

Across all Fife schools:

- 48% of schools reported that almost all of their learners (90%+) were engaging with remote learning.
- 84% of schools reported that most of their learners (75%+) were engaging with remote learning.
- 97% of schools reported that the majority of learners (50%+) were engaging with remote learning.

In Secondary schools:

- 33% of secondary schools reported that almost all of their learners (90%+) were engaging with remote learning.
- 55% of secondary schools reported that most of their learners (75%+) were engaging with remote learning.

In Primary schools (including nursery classes):

- 53% of primary schools reported that almost all of their learners (90%+) were engaging with remote learning.
- 91% of primary schools reported that most of their learners (75%+) were engaging with remote learning.

Schools are carefully tracking and monitoring engagement level of learners across classes and are using a wide range of approaches to improve engagement. These include:

- Communicating directly with parents/carers by phone, video calls, emails, texts, online chats and in some cases garden visits.
- Provision of paper learning packs.
- Provision of IT devices / connectivity solutions.
- Offer of school place, even for short periods to support engagement in remote learning.
- Provision of IT support for both children and parents/carers.
- Multi-agency working.
- Parent/Carer and Pupil surveys evaluating the success of approaches to remote learning and making adaptations as appropriate.
- Opportunities for daily interactions with teachers to ask questions and receive feedback.
- Use of the online platform, SeeSaw, has improved engagement of the younger learners.

Supplementary – Councillor Calder

Have we any idea how the lack of engagement from some senior pupils will affect grades?

Answer

All schools are doing a significant amount of work to ensure pupils are engaging and continuing to work towards their expected grades.

Supplementary – Councillor Holt

What is being done by Fife Council to reach people who have not engaged in remote learning? Will senior pupils be disadvantaged?

Answer

Significant amounts of work going on in schools to engage all pupils and no evidence to suggest senior pupils will be disadvantaged.

QUESTION 4 FROM COUNCILLOR JONNY TEPP

Following the recent bad weather our thanks go to the workers who helped keep our communities safe. In our Tay Bridgehead Ward there are many steep, hilly roads and many elderly residents. Some of these particularly on steep side-roads think they were let down by Fife Council because their roads were inaccessible for several days. What reassurance can the administration offer to Fifers that adequate resources will always be made available to deliver the winter services policy; and what would they say to those residents who live on steep hills that are not gritted as a priority and who see the policy itself as not meeting their needs?

Answer

Due to the vast road network within Fife it is not possible to treat all roads simultaneously therefore we operate a priority system for gritting action with streets split into Primary, Secondary & All Other Routes. Storm Darcy hit Fife on the evening of 8 February and there followed repeated snow falls over many days. This meant that it was extremely difficult to keep our Primary Routes open for the first few days and often treatments had to be repeated after further snow falls. Only once the Primary network was widened and secured could resources fully move onto the lower priority roads. Every available Gritting vehicle and Snow Plough was used on a 24/7 split shift system by Roads & Transportation. Additional plant was hired from external contractors, hundreds of employees from Grounds Maintenance, Waste Collection and Building Services were deployed on the lower category roads, footways and grit bin filling in what was a Fife-wide event. Significant efforts had been made in the Tay Coast area once the higher priorities had been attended to and many of these hard to reach locations by their nature must wait their turn. No greater effort could have been made and the level of resource suggested should be employed is vastly beyond that of any council.

Supplementary

Can you confirm that budget constraints do not come into play in winter emergencies?

Answer

Yes that is correct.

QUESTION 5 FROM COUNCILLOR BILL PORTEOUS

Will Fife Council be appointing an Older Peoples Champion following the recommendation made by Age Scotland and the Scottish Older Peoples Assembly. An Older Peoples Champion is an ambassadorial role held by an Elected Councillor whose job is to be a link between the Council and older people in the local area. Nine older people's champions have been appointed across Scotland to date. What plans does Fife Council have for appointing a champion?

Answer

Consideration will need to be given as to how this would be resourced but that will be for the next Administration to consider.

QUESTION 6 FROM COUNCILLOR TIM BRETT

What input will Elected Members from North East Fife have in the development of the regional spatial strategy for the whole of Fife. Previously North East Fife Members contributed to Tayplan but the regional spatial strategy for Tayside Local Authorities does not include North East Fife. North East Fife will come under the Edinburgh City Deal. There are no Elected Members on the SESPLAN Committee from North East Fife.

Answer

The new partnerships for Regional Spatial Strategies mean Fife now falls entirely within the Edinburgh and South East Scotland regional partnership and this also includes the Lothians, Scottish Borders and City of Edinburgh. Elected member representation has been agreed by Fife Council administration. Councillors Craik and Beare are the Fife Council representatives on the SESplan Joint Committee and the City Region Elected Member Oversight Committee. The duties of the SESplan Joint Committee are being transferred to the oversight Committee. The Regional Spatial Strategy will be prepared after Scottish Government publish related Regulations. An interim strategy has been prepared to inform the review of the National Planning Framework and this was considered and approved for submission to the Scottish Government by the Council's Economy, Tourism, Strategic Planning and Transport Committee on 1 October 2020.

As the Regional Spatial Strategy develops and at key stages workshop(s) will be held through, and any necessary reports presented to, the Economy, Tourism, Strategic Planning and Transport Sub Committee to involve elected members. Briefings will be provided to all Fife Councillors at key stages.

The Tay Cities Regional Spatial Strategy does not involve elected member representation on its joint committee. However, Fife Council officers are involved with the Board to contribute and report, where appropriate, on matters as they may affect Fife.

QUESTION 7 FROM COUNCILLOR TIM BRETT

Will Fife Council Administration support a request to the Scottish Government for an increase in the minimum price of alcohol? Scotland has a significantly greater number of deaths linked to alcohol and, whilst the introduction of minimum pricing has been welcomed, this has not kept pace with inflation and the number of deaths continues to be a concern.

Answer

Fife Council questions is not an appropriate place to take a policy decision. Should be followed up with Licensing Board and IJB.

QUESTION 8 FROM COUNCILLOR DONALD LOTHIAN

Will the Administration support a call to the UK Government to review the criteria for cold weather payments? Payments can amount to £25 for each seven-day period of very cold

weather but, in the cold weather between November and March each year. Large parts of central Fife are currently missing out on payments because the temperatures are based on a weather station in Leuchars which is 20 miles away from Glenrothes and other parts of central Fife. There is therefore a need for the present arrangements to be reviewed.

Answer

Valid point, happy to progress.

QUESTION 9 FROM COUNCILLOR JANE ANN LISTON

I would like to congratulate all staff who helped to deal with the snow and ice conditions over the last two weeks. These, however, will have further exacerbated problems on our roads. What is the current position in relation to the number of potholes on roads in Fife? How many of these have not been filled within the target five-day timetable. What steps does the Council have for catching up on the backlog.

Answer

The position as of 23 February 2021, is that there are currently 509 high risk defects (potholes) awaiting repair of which 438 are out with the targeted 5-day response period. This volume of potholes and resulting backlog, is directly due to a prolonged period of bad weather, which brought about the onset of this defect type more rapidly, coupled with resources being unavoidably diverted to attend to the greater risks presented by snow and ice.

In addition to stepping up resources devoted to pothole repairs during normal working hours, the Service had an additional 10 repair teams out last weekend, who reduced the backlog by some 250 repairs. The same level of activity is planned this weekend and if the weather remains favourable, we expect the backlog to be completely cleared by week commencing 8 March.

Supplementary

How do our response rates compare to other local authorities and other countries with a similar climate?

Answer

I don't have this information to hand but will follow up with the Head of Service.

QUESTION 10 FROM COUNCILLOR DONALD LOTHIAN

What has been the average number of applications for Primary School head teacher posts over the last 2 years. Is there any difference in the number of applications for joint headships ie where the head is covering 2 schools?

Answer

Since August 2018, the average number of applications for Primary Headteacher posts is 4.05. The average number of applications for joint Headteacher posts in Primary schools is 4.83.

QUESTION 11 FROM COUNCILLOR LINDA HOLT

How many children and young people did not engage with online learning last week (or the most recent week you have figures for) in Fife? Please give an absolute number and a percentage.

Answer

See response to Q3.

QUESTION 12 FROM COUNCILLOR LINDA HOLT

How many children and young people in Fife are not regularly receiving live interactive video contact with their teachers? Please give an absolute number and a percentage.

Answer

See response to Q3.

QUESTION 13 FROM COUNCILLOR LINDA HOLT

How many children and young people in Fife are still without a laptop or tablet with a browser that can access Glow and Teams, or without an internet connection? Please give an absolute number and a percentage.

Answer

See response to Q3.

QUESTION 14 FROM COUNCILLOR LINDA HOLT

The Courier recently reported concerns that S4 leavers have become so disengaged from education that they may never return to school and are doomed to leave with no qualifications. How many S4s in Fife are not participating in online learning?

Answer

See response to Q3.

QUESTION 15 FROM COUNCILLOR LINDA HOLT

In his letter of 15 January 2021 to Kate Forbes, Steve Barclay of HM Treasury named two funds, which will shortly become available: the Levelling Up Fund which "will invest in local infrastructure that has a visible impact on people and their communities and will support economic recovery", and the UK Shared Prosperity Fund, which "will help to level up and create opportunity across the UK in places most in need".

What shovel-ready projects does Fife Council have in its purview for applying to these funds?

Answer

The UK Comprehensive Spending Review (CSR) 2020 was published on 25 November 2020. The UK Government had previously stated that it would announce full details on the UK Shared Prosperity Fund as part of the CSR, but unfortunately, this was not the case. Instead the UK Government announced it will launch a series of pilot projects in 2021/22, worth £220 million, in order to help local areas prepare for the introduction of the SPF.

Further details of this were initially to be published in January and are now expected in March 2021 at the Budget. The Chancellor confirmed that total domestic UK-wide funding would at least match EU receipts, on average, reaching around £1.5 billion a year.

The proposals for the UKSPF included a focus on three spending areas:

- People -including training, workforce skills, supplementing existing national programmes such as early years provision;
- Place-based, including regeneration and housing improvement, community-based initiatives, town centres, green, rural and digital infrastructure;
- Business-focused, local tailored support for businesses including green and technology adoption

On 15th January, Stephen Barclay MP wrote to Kate Forbes MSP, outlining the proposed approach for Shared Prosperity funding, noting that:

“The UK Shared Prosperity Fund will help to level up and create opportunity across the UK in places most in need. It will operate UK-wide, using the new financial assistance powers in the UK Internal Market Act. We will ramp up funding so that total domestic UK-wide funding will at least match EU receipts on average reaching around £1.5bn a year. We will confirm multi-year profiles at the next Spending Review. On top of this, to help local areas prepare over 2021-22 for introduction of the UKSPF, we will provide additional funding to support our communities to pilot programmes and new approaches. We will work closely with the Scottish Government on how best to use this to prepare for the introduction of the UKSPF and will provide detail on allocations for 2021-22 in a prospectus soon.”

The Council currently operates a number of programmes funded through European Structural Investment Funds (ESIF), which are funded until March 2022. These include the Opportunities Fife Partnership employability programme and Business Gateway Fife business support programmes. It is envisaged that, subject to Scottish and UK Government agreement, successors to these programmes would be eligible for future Shared Prosperity Fund allocations.

In addition, the CSR announced a new Levelling Up Fund of £4 billion for England, that will attract up to £0.8 billion funding for Scotland, Wales and Northern Ireland. The Fund currently sets out investment opportunities across English regions, noting the investments made by UK Government in City Region and Regional Growth Fund programmes in Scotland.

The aim of the fund is to invest in regional infrastructure that has a visible impact on local communities. The types of projects that could be funded include local road schemes, bus lanes, railway station upgrades, regenerating eyesores, upgrading town centres and community infrastructure, and local arts and culture. These activities were not eligible for EU funding in the last programme but had been prior to 2014. It is not yet known how this will operate in Scotland. The Council’s Local Transport Strategy, Mid Fife Economic Action Plan and refreshed Economic Strategy, together with projects developed through local place leadership approaches, will inform potential investment approaches for this Fund. UK Government would expect to link investments to existing arrangements through City Regions and Regional Growth Funds.

Officers will update on both the Shared Prosperity Fund and Levelling Up Fund as more detail becomes known and the prospectus published, following announcements expected at the next UK Budget.

QUESTION 16 FROM COUNCILLOR LINDA HOLT

The Westminster government allocated £200 million to Holyrood for Brexit preparedness under the Barnett formula. How much money did Fife Council receive from the Scottish Government to prepare for Brexit, how much has it spent and on what?

Answer

In 2019/20, the Scottish Government provided £1.6m nationally for Brexit Preparedness. Fife's allocation of the funding was £0.050m. We incurred £5,500 additional costs in 2019/20.

In 2020/21, the Scottish Government provided £0.1m for Scottish Fishing Vessel Inspections. Fife claimed £3,000.

Supplementary

So little money to Fife, what pressures are Fife Council expecting?

Answer

No profit from Brexit, need more money not less.

QUESTION 17 FROM COUNCILLOR LINDA HOLT

The East Neuk has the highest proportion of over-85s in Scotland and we know that older people are more likely to suffer from digital exclusion than younger age-groups. Has Fife Council checked that it is not in breach of the Equality Act by insisting on an exclusively online booking system for its recycling sites?

Answer

Yes. I will go on to say, however, that the operation of the Recycling Centre booking system complies with the Law, as the site rules and conditions apply equally to everyone, irrespective of their protected characteristic in terms of the Equality Act. The Council has no control over any national changes to policy and will apply changes locally as they consider appropriate.

Supplementary

Would you consider accepting Bookings by phone?

Answer

Throughout Fife, not just in the East Neuk, there are people with no Internet access. The good news is that in the part of Fife, which I represent, those people have family, friends, neighbours, a Community Council and local Councillors, who do have access to the Internet and who are pleased to make Bookings on their behalf. I'm confident that the people in the East Neuk are no less fortunate. I would venture the view, Provost, if there is a problem, that it is not a large one, as I have only had two people seeking my help and one of those subsequently called me back to say that he had learned that his son had Internet access, so would not require my help again in that regard. Perhaps Councillor Holy would drop me a line to say how many people in the Ward she represents have sought her help.

When the Local Offices reopen, I will be looking to them assist anyone without Internet access to make Bookings. Meantime, any Fife resident, who has no family, friends, neighbours, a Community Council or local councillors with Internet access, can make Recycling Centre Bookings by telephone via the Call Centre. I understand that that facility is rarely used, which seems to support my view, if there is a problem, that it is not a large one.

QUESTION 18 FROM COUNCILLOR LINDA HOLT

How many requests for deferral with consequent funding of a nursery place for an extra year did Fife Council grant last year? How many of these funded places were at a nursery run by a private or third sector provider?

Answer

There were 64 approved **discretionary** deferrals for session 20/21. No discretionary deferral placements are provided within a nursery run by a private or third sector provider.

Supplementary

Does the Convener think that it is fair that people who live in rural areas are disadvantaged?

Answer

No I don't think anyone is disadvantaged.

QUESTION 19 FROM COUNCILLOR LINDA HOLT

How many times have potholes in St Monans been reported to Fife Council since December 1st (a) via the website and (b) via other means (eg. phone, email)? How many potholes have been filled in St Monans since then, and how many potholes remain outstanding?

Answer

Since December 1st we have received 38 reports of potholes in St Monans via the website and 9 reports via email to officers. As a result of these 47 reports a total of 10 defects were identified, 1 'critical risk' defect, which was repaired within 24 hours of observation, 5 'high risk' defects, 2 of which have been repaired and 3 are programmed to be repaired within the 5-day intervention deadline. The remaining 4 defects are medium and low risk defects that will be repaired during programmed patching within the coming 3-month period. Over the same period 2,878 surface defects were identified across Fife as a whole.

Supplementary

Roads are worse than ever been. When will Fife Council change its policy to acknowledge this?

Answer

Don't recognise that roads are worse than they have ever been. Road strategy was changed to a fix it once approach last year. Staff currently working 7 days to clear the backlog due to the recent adverse weather.



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Local Government Finance Circular No 1/2021

Chief Executives and Directors of Finance of
Scottish Local Authorities

Chief Executive, Convention of Scottish Local
Authorities (COSLA)

Our ref: A31631414
1 February 2021

Dear Chief Executive/Director of Finance

1. LOCAL GOVERNMENT FINANCE SETTLEMENT 2021-22 **2. NON-DOMESTIC RATES**

1. This Local Government Finance Circular provides details of the provisional total revenue and capital funding allocations for 2021-22, as well as the latest information on current known redeterminations for 2020-21. This Circular also provides details on a range of Non-Domestic Rates measures, including the proposed 2021-22 poundage and changes to certain reliefs.
2. The provisional total funding allocations form the basis for the annual consultation between the Scottish Government and COSLA ahead of the Local Government Finance (Scotland) Order 2021 being presented to the Scottish Parliament, which is currently scheduled for 10 March 2021.
3. We expect local authorities to inform COSLA, and for COSLA in turn to inform the Scottish Government by no later than 12 February 2021, if they think there are any discrepancies or changes required to these provisional allocations. Redistribution(s) to address any agreed discrepancies or changes will be undertaken within the total settlement allocations set out in this Circular and not through the provision of any additional resources by the Scottish Government. The allocations are therefore only provisional at this stage, with the final allocations not being confirmed until after the end of the consultation period and the publication of the Local Government Finance Circular which will follow the approval of the Local Government Finance (Scotland) Order 2021.
4. The Cabinet Secretary for Finance wrote to the COSLA President, copied to all Council Leaders on 28 January 2021, confirming the package of measures that make up the settlement to be provided to local government in return for the provisional funding allocations set out in this Circular. This Circular should be read in conjunction with that letter. The terms of this settlement have been negotiated through COSLA on behalf of all 32 of its member councils.

5. The Scottish Government will work in partnership with local government to implement the budget and the joint priorities in return for the full funding package worth £11.6 billion and includes;
 - £59 million revenue to support the final tranche of increased funding for the expansion in funded Early Learning and Childcare (ELC) entitlement to 1,140 hours;
 - £90 million to compensate councils who choose to freeze council tax levels;
 - In addition to the £100 million available in 2020-21, a further £72.6 million to be transferred from the health portfolio to the Local Authorities in-year for investment in health and social care and mental health services that are delegated to Integration Authorities under the Public Bodies (Joint Working) (Scotland) Act 2014. This brings the total transferred from the health portfolio to support health and social care integration to £883.6 million in 2021-22. The additional £72.6 million for local government comprises a contribution to continued delivery of the real Living Wage (£34 million), uprating of free personal and nursing care payments (£10.1 million), implementation of the Carers Act in line with the Financial Memorandum of the Carers Bill (£28.5 million);
 - The ongoing £88 million to maintain the pupil:teacher ratio nationally and secure places for all probationers who require one under the teacher induction scheme;
 - Continued provision in support of Teachers Pay (£156 million) and Pensions (£97 million);
 - An additional £7.7 million support for inter-island ferries bringing the total to £19.2 million
 - £5.3 million for Barclay implementation costs; and
 - £10 million additional capital funding for Flood Risk schemes.
6. In addition to the funding set out in this Circular it should be noted that there are a number of further revenue and capital funding streams outwith the local government finance settlement for particular policy initiatives which benefit local government services. Table 5.15 in the Scottish Government's "Budget Document: 2021-22", which was published on 28 January 2021, provides further details of these funding streams.
7. The allocations have been arrived at using the standard agreed needs-based distribution methodology and updated indicators. We will share a separate note providing a full reconciliation of the changes between the 2020-21 and 2021-22 Budgets and between the 2021-22 Budget and the figures in this Circular. We will also provide full details of all the general revenue allocations.
8. The various parts and annexes to this Circular, listed below, provide more of the detail behind the calculations.

Part A: Local Government Finance Settlement – Revenue: 2021-22 and changes in 2020-21;
 Part B: Local Government Finance Settlement – Capital: 2021-22;
 Part C: Non-Domestic Rates for 2021-22.

The various Annexes included in this Circular are as follows:

Annex A: All Scotland Aggregated Funding Totals 2020-22;
 Annex B: Individual Revenue Allocations for 2021-22;
 Annex C: Revised Individual Revenue Allocations for 2020-21;
 Annex D: Explanatory Notes on the Revenue Distribution;
 Annex E: Estimates of Ring-Fenced Grant Revenue Funding for 2021-22;
 Annex F: Floor calculation for 2021-22;
 Annex G: Redeterminations of Individual Revenue funding for 2020-21;
 Annex H: 2008-22 Changes Column;
 Annex I: General Capital Grant and Specific Capital Grants 2021-22;
 Annex J: General Capital Grant – Flood Allocations Per Local Authority 2021-22;
 Annex K: Total Local Government Funding Settlement 2021-22.

Part A: Local Government Finance Settlement - Revenue: 2021-22 and changes in 2020-21

9. This Finance Circular sets out the provisional distribution of revenue funding allocations for 2021-22. **Annex A** of this Circular sets out the all-Scotland aggregate totals for 2020-22.
10. **Annexes B** and **C** set out the distribution of the total revenue funding allocation between councils and the allocation of the different elements (General Revenue Funding, Non-Domestic Rate Income and Ring-Fenced Revenue Grants) for each council for 2021-22 and 2020-21. The basis behind the grant distribution methodology is as recommended in the report from the Settlement and Distribution Group (SDG) and as agreed by COSLA Leaders and Scottish Ministers. The explanatory notes contained in **Annex D** explain the basis behind the calculation of the individual council grant allocations.
11. **Annex E** gives a breakdown of the provisional individual council shares of all the ring-fenced revenue grant allocations for 2021-22.
12. The calculation and effects of the main floor adjustment for 2021-22, which provided councils with a minimum increase in the funding used in the calculation of the main floor of 1.73%, is set out in **Annex F** of this Circular. The setting of the floor is in line with the revised arrangements agreed following the SDG review of the floor methodology during 2019.
13. This Circular confirms the continuation of the **85% funding floor** for 2021-22. The methodology compares total revenue funding plus local authorities estimated council tax income and any council whose total support under this method falls below 85% will be topped up to ensure that all councils receive 85% of the Scottish average total revenue support per head.
14. This Local Government Finance Circular provides details of current known 2020-21 redeterminations at **Annex G** for the General Revenue Grant, both core settlement and COVID-19 related. It should be noted that only the core settlement additions have been included in the revised 2020-21 settlement set out in Annex A. The COVID-19 related additional funding is a constantly changing position however the redetermination allocations for 2020-21 as at the end of February will be included in the Local Government Finance (Scotland) Order 2021. The distribution of the additional COVID-19 consequentials of £200 million for the lost income scheme in 2020-21 and £259 million for 2021-22 for general ongoing pandemic pressures will be included in the Local Government Finance (Scotland) Order 2021 and the accompanying Local Government Finance Circular once they have been agreed with COSLA.
15. **Annex H** summarises the column within the settlement titled 2008-22 Changes Column.

Part B: Local Government Finance Settlement – Capital Grants 2021-22

16. In 2021-22 the Local Government Settlement provides capital grants totalling £617 million. This is made up of General Capital Grant totalling £478 million and Specific Grants totalling £139 million.
17. **Annex I** sets out the provisional distribution of the Settlement for capital per local authority for 2021-22. Capital grants which remain undistributed are identified as such. The methodologies used to calculate these provisional allocations have been agreed with COSLA.
18. The provisional distribution for the General Capital Grant includes allocations for flood schemes. The allocations for these schemes is set out in **Annex J**. Where schemes have slipped and the grant paid in a prior year exceeds the grant due the scheme will show a negative value which will reduce the total General Capital Grant payable to that Council.
19. **Annex K** summarises the Local Government Finance Settlement for 2021-22.

Part C: Non-Domestic Rates for 2021-22

20. The Distributable Amount of Non-Domestic Rates Income for 2021-22 has been provisionally set at £2,631 million. This figure uses the latest forecast of net income from non-domestic rates in 2021-22 and also draws on council estimates of the amounts they will contribute to the Non-Domestic Rating Account (the 'Pool') in 2020-21. The figure incorporates the Scottish Fiscal Commission's estimate of the contributable amount and includes a calculation of gross income; expected losses from appeals; estimated expenditure on mandatory and other reliefs; write-offs and provision of bad debt together; and estimated changes due to prior year adjustments. The distribution of Non-Domestic Rates Income for 2021-22 has been based on the amount each Council estimates it will collect (based on the 2020-21 mid-year estimates provided by councils). General Revenue Grant provides the guaranteed balance of funding. This method of allocation provides a clear presentation of the Non-Domestic Rates Income per council and transparency in the make-up of council funding.
21. The 2021-22 Non-Domestic Basic Property Rate ('poundage') is provisionally set at 49 pence, which will deliver the lowest poundage rate anywhere in the UK. Two additional rates are levied on properties with a rateable value over £51,000 (50.3 pence) and £95,000 (51.6 pence) respectively.
22. The Scottish Budget 2021-22 also introduces the following policies:
 - The rateable value upper threshold in order to qualify for Fresh Start Relief will be increased from £65,000 to £95,000 to match the Higher Property Rate threshold. This relief encourages the re-use of empty property by offering 100% relief for up to twelve months to properties that have been empty for six months or more;
 - 100% relief for at least three months for properties in the retail, hospitality, leisure (RHL) and aviation sectors. This will be application-based in order to ensure that this support goes only to those who require it.
 - Business Growth Accelerator (BGA) relief will be expanded to property improvements where there has been a concurrent change of use to incentivise the re-use of existing assets. This component of BGA ensures that any increases in NDR due to improvements to or the expansion of existing properties will not take effect until 12 months after those changes are made to the property;
 - 100% BGA relief in relation to unoccupied new-builds, which is currently available until 12 months after the property is first occupied regardless of how long it is unoccupied, will continue to be available for up to three years on those properties from the point at which it is first received;

- 100% Day Nursery Relief for all standalone nurseries in the public, private and charitable sectors will be extended to 30 June 2023;
- The current 60% hydro relief, in order to provide investor certainty and respond to the findings of the Tretton Review of Small Scale Hydro Plant and Machinery will be time-limited to 31 March 2032 as will the 50% District heating Relief; and
- Where district heating networks are powered by renewables, as part of the Heat in Building Strategy, the District Heating Relief will be expanded to offer 90% relief instead of 50% for new District Heating networks. This will be available to 31 March 2024.

23. The Scottish Budget 2021-22 maintains the following reliefs which are set annually:

- Small Business Bonus Scheme relief, which has lifted over 117,000 properties out of rates altogether as at 1 July 2020; and
- Transitional Relief, which caps annual rates bill increases at 12.5% in real terms for Aberdeen City and Aberdeenshire offices and for all but the very largest hospitality properties across Scotland.

24. The following reliefs will also be maintained: charitable rates relief, disabled rates relief, empty property relief, Enterprise Areas relief, hardship relief, mobile masts relief, new fibre relief, renewable energy relief, reverse vending machine relief, rural relief, sports club relief and stud farms relief. Discretionary sports club relief will be subject to statutory guidance, subject to parliament, from 1 April 2021, to ensure that it supports affordable community-based facilities, as recommended by the independent Barclay Review of non-domestic rates.

25. The Barclay Review recommended that: “To counter a known avoidance tactic for second homes, owners or occupiers of self-catering properties must prove an intention let for 140 days in the year and evidence of actual letting for 70 days.” Due to COVID-19 however, the implementation of this policy has been delayed to 1 April 2022 at which point 70 days of letting will have to be evidenced in the previous financial year (i.e. the first year this will apply will be 2021-22). Councils will have discretion in the event of exceptional and unforeseen circumstances to vary this number of days.

26. NDR reliefs, like other subsidy or support measures, may be subject to the conditions set out in the EU-UK Trade and Cooperation Agreement, which in certain cases limits sectoral public subsidisation to 325,000 Special Drawing Rights (equivalent to approximately £350,000) over any period of three fiscal years. This will apply to the reliefs that would previously have been covered by the EU State aid *de minimis* rules. RHL relief is provisionally being awarded as ‘no aid’ although this, and the position in relation to the Aviation relief, will be confirmed following the conclusion of the UK Budget. The final policy design will take into account the UK Government’s own position on any RHL relief and related Barnett consequential payments accruing to the Scottish Government.

27. Councils may also offer their own local reliefs under the Community Empowerment (Scotland) Act 2015.

28. Details on the Business Rates Incentivisation Scheme (BRIS) will be confirmed shortly.

Enquiries relating to this Circular

29. It should be noted that figures in this Circular may be marginally different due to roundings. Local authorities should note that if they have any substantive specific enquiries relating to this Circular these should, in the first instance, be addressed through COSLA. We have given an undertaking to respond to these queries as quickly as possible. Contact details for COSLA are:

Sarah Watters
0131 474 9329 Sarah@cosla.gov.uk

Any other queries should be addressed to the following:

Local Government Revenue Settlement and BRIS.
Bill Stitt Bill.Stitt@gov.scot

Local Government Finance Settlement (Capital)
Craig Inglis Craig.Inglis@gov.scot

Non-Domestic Rates
Ian Storrie Ian.Storrie@gov.scot

30. This Circular, along with the supporting tables will be made available through the Local Government section of the Scottish Government website at:
<https://www.gov.scot/publications/local-government-finance-circulars-index/>

Yours faithfully



Brenda Campbell
Deputy Director, Local Government & Analytical Services Division

	2020-21 £ million	2021-22 £ million
Revenue Funding		
General Resource Grant	8,099.439	7,596.311
Non Domestic Rate Income	1,868.030	2,631.000
Specific Revenue Grants	709.750	776.081
Total Revenue	10,677.219	11,003.392
<i>less</i> Teachers' Induction Scheme	0.000	37.600
<i>less</i> Discretionary Housing Payments	11.949	35.369
<i>less</i> Mental Health Officer Shortfall (paid direct)	0.500	0.000
<i>less</i> Gaelic	0.014	0.163
<i>less</i> Barclay Implementation	0.378	0.000
<i>less</i> Customer First Top-up	0.446	1.410
<i>less</i> Support for Ferries	0.046	0.000
<i>less</i> School Child Burials	0.000	0.600
Distributable Revenue Funding	10,663.886	10,928.250
Capital Funding		
General Capital Grant	467.937	467.937
Specific Capital Grants	294.877	133.777
Distributed to SPT	15.327	15.327
Total Capital	778.141	617.041
Total Funding	11,455.360	11,620.433
2020-21 RECONCILIATION FROM FINANCE CIRCULAR 4/2020		
General Resource Grant Circular 4/2020	8,090.033	
Teachers Induction Scheme	6.967	
Dundee to Stanstead Airlink	1.267	
Spatial Planning - Improvement Service	0.120	
Education Psychologists payment	0.252	
EU Brexit Funding	0.800	
Revised General Resource Grant Circular 1/2021	8,099.439	

INDIVIDUAL REVENUE ALLOCATIONS 2021-22

ANNEX B

£million	Expenditure					Funding							
	1	2	3	4	5	6	7	8	9	10	11	12	13
	Updated Service Provision	2008-22 Changes	Loan Charges/ PPP/ LPFS	Main Floor	Total Estimated Expenditure	Assumed Council Tax contribution	Total Ring-fenced Grants	Non Domestic Rates	General Revenue Funding	Total	85% floor	Council Tax Freeze	Revised Total
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	431.819	15.667	18.624	-0.354	465.755	93.989	32.243	255.450	84.072	371.766	0.000	4.206	375.972
Aberdeenshire	552.794	21.301	19.474	-7.332	586.237	111.729	34.455	132.012	308.040	474.508	0.000	4.715	479.223
Angus	251.361	9.637	11.591	-3.419	269.170	43.972	13.854	24.883	186.460	225.198	0.000	1.727	226.925
Argyll & Bute	218.644	7.854	9.313	15.222	251.033	39.450	12.302	31.559	167.722	211.583	0.000	1.762	213.345
Clackmannanshire	116.207	4.088	4.747	-0.594	124.449	19.547	7.444	17.184	80.274	104.902	0.000	0.829	105.731
Dumfries & Galloway	345.789	12.974	15.653	-2.800	371.616	59.355	16.943	48.881	246.437	312.261	0.000	2.364	314.625
Dundee City	349.600	12.222	5.967	5.215	373.004	47.379	24.863	33.763	266.999	325.625	0.000	2.123	327.748
East Ayrshire	281.196	10.120	10.101	-3.872	297.545	42.537	18.747	22.093	214.168	255.008	0.000	1.903	256.911
East Dunbartonshire	245.700	9.176	4.100	-2.425	256.550	50.689	13.291	16.812	175.758	205.861	0.000	2.153	208.014
East Lothian	228.708	8.550	3.813	-1.947	239.123	46.349	14.743	27.286	150.745	192.774	0.000	1.948	194.722
East Renfrewshire	221.436	8.667	9.164	-1.799	237.469	43.195	8.506	9.107	176.662	194.274	0.000	1.802	196.076
Edinburgh, City of	967.534	34.955	23.755	10.499	1,036.743	222.915	61.959	237.666	514.203	813.828	8.409	9.615	831.852
Eilean Siar	83.975	3.383	7.071	16.347	110.776	9.544	4.497	7.751	88.984	101.232	0.000	0.372	101.604
Falkirk	344.523	12.761	19.582	-4.157	372.709	59.394	24.798	76.507	212.010	313.315	0.000	2.358	315.673
Fife	808.837	30.195	31.534	-11.004	859.562	140.079	51.131	170.905	497.447	719.483	0.000	5.829	725.312
Glasgow City	1,424.373	49.479	90.881	4.170	1,568.903	215.650	94.552	281.746	976.955	1,353.253	0.000	9.671	1,362.924
Highland	549.019	20.526	31.353	-1.010	599.889	97.845	33.620	134.656	333.769	502.044	0.000	4.231	506.275
Inverclyde	188.198	6.603	10.359	3.047	208.207	27.533	12.454	15.130	153.090	180.674	0.000	1.198	181.872
Midlothian	204.928	7.449	6.450	-0.001	218.826	36.786	16.548	23.680	141.812	182.040	0.000	1.663	183.703
Moray	199.853	7.609	8.484	-2.731	213.215	34.539	13.091	51.912	113.673	178.676	0.000	1.482	180.158
North Ayrshire	324.672	11.468	6.918	8.508	351.567	49.870	20.980	35.902	244.814	301.697	0.000	2.182	303.879
North Lanarkshire	775.679	28.097	10.197	-10.308	803.665	117.132	51.025	106.283	529.225	686.533	0.000	4.640	691.173
Orkney Islands	82.784	3.090	5.824	-1.204	90.493	8.146	10.593	12.321	59.432	82.347	0.000	0.319	82.666
Perth & Kinross	324.050	12.303	12.247	-4.225	344.375	65.922	16.920	43.889	217.645	278.453	0.000	2.817	281.271
Renfrewshire	399.881	14.284	7.979	-3.013	419.131	70.931	28.742	102.801	216.656	348.200	0.000	3.019	351.219
Scottish Borders	260.105	9.809	12.894	-3.539	279.268	47.999	15.168	33.571	182.531	231.269	0.000	1.955	233.224
Shetland Islands	89.690	3.347	7.162	4.984	105.183	8.234	14.307	33.598	49.043	96.949	0.000	0.323	97.272
South Ayrshire	254.407	9.373	9.199	-3.381	269.597	48.033	13.388	29.404	178.772	221.564	0.000	2.102	223.666
South Lanarkshire	705.958	26.119	10.285	3.745	746.107	125.178	43.734	401.967	175.228	620.929	0.000	4.882	625.811
Stirling	209.668	7.703	11.112	-2.572	225.911	38.914	14.233	34.188	138.576	186.997	0.000	1.690	188.687
West Dunbartonshire	223.057	7.648	3.726	5.350	239.780	33.812	14.097	102.481	89.390	205.968	0.000	1.423	207.391
West Lothian	394.024	14.854	12.669	-5.401	416.147	65.519	22.689	75.611	252.327	350.628	0.000	2.699	353.327
Scotland	12,058.469	441.310	452.228	0.000	12,952.007	2,122.166	775.918	2,631.000	7,422.923	10,829.841	8.409	90.000	10,928.250

£million	Expenditure					Funding						
	1	2	3	4	5	6	7	8	9	10	11	12
	Updated Service Provision	2008-21 Changes	Loan Charges/ PPP/ LPFS	Main Floor	Total Estimated Expenditure	Assumed Council Tax contribution	Total Ring-fenced Grants	Non Domestic Rates	General Revenue Funding	Total	85% floor	Revised Total
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	427.617	7.175	19.356	4.104	458.252	92.923	29.712	164.415	171.202	365.329	0.000	365.329
Aberdeenshire	547.316	9.812	20.110	-4.905	572.333	111.237	31.314	80.112	349.670	461.096	0.000	461.096
Angus	250.425	4.440	11.864	-2.303	264.426	43.727	12.732	17.768	190.199	220.699	0.000	220.699
Argyll & Bute	219.689	3.655	9.589	15.399	248.332	39.424	11.710	23.284	173.914	208.908	0.000	208.908
Clackmannanshire	116.419	1.899	4.899	-0.228	122.989	19.424	6.765	10.757	86.043	103.565	0.000	103.565
Dumfries & Galloway	347.897	6.042	16.180	-3.241	366.878	59.097	15.684	35.659	256.438	307.781	0.000	307.781
Dundee City	352.397	5.671	10.101	1.485	369.654	47.386	23.007	32.888	266.373	322.268	0.000	322.268
East Ayrshire	281.056	4.651	10.492	-2.614	293.585	42.374	17.494	17.651	216.066	251.211	0.000	251.211
East Dunbartonshire	247.723	4.252	4.239	-0.453	255.761	50.351	12.093	15.238	178.079	205.410	0.000	205.410
East Lothian	227.863	3.939	3.942	-0.243	235.501	45.393	13.474	18.274	158.360	190.108	0.000	190.108
East Renfrewshire	225.095	4.029	9.308	-0.764	237.668	42.848	7.783	9.961	177.076	194.820	0.000	194.820
Edinburgh, City of	962.124	15.963	24.345	11.100	1,013.532	220.931	56.996	238.922	496.683	792.601	8.400	801.001
Eilean Siar	83.591	1.566	7.318	17.044	109.519	9.527	4.348	5.562	90.082	99.992	0.000	99.992
Falkirk	346.485	5.906	20.046	-3.102	369.335	59.070	22.958	46.281	241.026	310.265	0.000	310.265
Fife	805.910	13.910	32.471	-7.390	844.901	138.906	47.392	111.709	546.894	705.995	0.000	705.995
Glasgow City	1,433.729	22.844	100.918	-4.806	1,552.685	214.097	88.125	238.445	1,012.018	1,338.588	0.000	1,338.588
Highland	554.257	9.688	32.451	-5.254	591.142	97.121	30.701	92.297	371.023	494.021	0.000	494.021
Inverclyde	190.456	3.057	10.725	1.784	206.022	27.503	11.524	13.118	153.877	178.519	0.000	178.519
Midlothian	204.732	3.431	9.589	-1.790	215.962	36.145	15.145	19.587	145.085	179.817	0.000	179.817
Moray	197.517	3.482	8.774	-1.587	208.186	34.269	11.933	29.008	132.976	173.917	0.000	173.917
North Ayrshire	330.596	5.405	10.637	0.428	347.066	49.583	19.587	25.017	252.879	297.483	0.000	297.483
North Lanarkshire	778.115	12.988	10.540	-6.944	794.699	116.408	47.369	71.360	559.562	678.291	0.000	678.291
Orkney Islands	79.365	1.429	6.043	-0.502	86.335	8.069	8.005	7.019	63.242	78.266	0.000	78.266
Perth & Kinross	321.334	5.625	12.641	-2.841	336.759	65.424	15.515	37.876	217.944	271.335	0.000	271.335
Renfrewshire	402.450	6.662	8.254	-3.511	413.855	69.989	26.453	73.841	243.572	343.866	0.000	343.866
Scottish Borders	257.051	4.490	13.384	-2.266	272.659	47.965	13.888	23.388	187.418	224.694	0.000	224.694
Shetland Islands	84.260	1.586	7.765	4.634	98.245	8.210	8.199	17.182	64.654	90.035	0.000	90.035
South Ayrshire	254.744	4.300	9.494	-1.638	266.900	48.135	12.384	28.601	177.780	218.765	0.000	218.765
South Lanarkshire	710.505	12.160	10.630	3.349	736.644	123.887	40.140	226.179	346.438	612.757	0.000	612.757
Stirling	210.286	3.583	11.430	-1.890	223.409	38.774	13.039	28.626	142.970	184.635	0.000	184.635
West Dunbartonshire	227.127	3.594	3.851	2.588	237.160	33.400	13.138	55.963	134.659	203.760	0.000	203.760
West Lothian	394.956	6.885	13.047	-3.643	411.245	64.554	21.083	52.042	273.566	346.691	0.000	346.691
Scotland	12,073.085	204.119	484.433	0.000	12,761.637	2,106.151	709.690	1,868.030	8,077.766	10,655.486	8.400	10,663.886

The explanation of each of the columns within the tables at Annex B is as follows:

Column 1 – represents the updated on-going service provision and includes the following combined information: (i) the updated Grant Aided Expenditure (GAE) assessments; (ii) the revised Special Islands Needs Allowance (SINA); (iii) each council's individual share of the on-going revenue grants which have been rolled up into the core local government finance settlement; (iv) each council's share of all the baselined redeterminations since Spending Review 2007; and the previous loan charge adjustment.

Column 2 – is the new combined total, non-ring-fenced, changes in general provision resulting from Spending Reviews 2007, 2010, 2011, 2013, 2015 and budget revisions for 2016 - 2021 allocated pro-rata to each council's share of GAE plus SINA.

Column 3 – represents the updated share of the loan charges support for outstanding debt and the same level of on-going PPP level playing field support. The methodology for calculating Loan Charge Support (LCS) and support for Public Private Partnership (PPP) projects (level playing field projects only (LPFS)) is set out on Annex H of Finance Circular 2/2011.

Column 4 – is the main floor adjustment which has been calculated using the revised methodology agreed following the 2018 review.

Column 5 – this is the net revenue expenditure recognised by the Scottish Government and represents the sum of columns 1 to 4.

Column 6 – is the assumption of the amount of Total Estimated Expenditure to be funded from the council tax. Any changes are as a result of buoyancy or projected numbers of properties, as well as the estimated additional council tax income to be collected and retained by each local authority as a result of the changes to bands E to H.

Column 7 – is each council's estimated share of the on-going Ring-Fenced Grants for Gaelic, Pupil Equity Fund, Criminal Justice Social Work, Early Learning and Childcare, and Inter-Island Ferries.

Column 8 – is each council's share of the estimated non-domestic rate income which has been distributed proportionately on the basis of council's 2020-21 mid-year income.

Column 9 – is the balance of funding provided by means of general revenue funding and is calculated by deducting columns 6, 7 and 8 from the Total Estimated Expenditure in column 5.

Column 10 – represents the total revenue funding available to each council in 2021-22.

Column 11 – is the 85% floor adjustment which has been calculated to meet the Scottish Government's commitment to ensure that no Local Authority receives less than 85% of the Scottish average per head in terms of revenue support.

Columns 12 – is the funding available to compensate councils who choose to freeze their council tax at 2020-21 levels.

Column 13 - is the revised total funding including all the changes and the 85% funding floor adjustments.

Local Authority	Gaelic	Pupil Equity Fund	Criminal Justice Social Work	Early Learning and Childcare Expansion	Support for Ferries
	£m	£m	£m	£m	£m
Aberdeen City	0.088	3.051	3.953	25.151	0.000
Aberdeenshire	0.000	2.854	2.817	28.785	0.000
Angus	0.022	2.142	1.628	10.062	0.000
Argyll & Bute	0.365	1.305	0.984	9.093	0.554
Clackmannanshire	0.002	1.498	1.117	4.827	0.000
Dumfries & Galloway	0.000	2.815	2.521	11.607	0.000
Dundee City	0.000	4.971	3.551	16.341	0.000
East Ayrshire	0.144	3.435	2.108	13.059	0.000
East Dunbartonshire	0.066	1.632	0.791	10.802	0.000
East Lothian	0.008	1.512	1.068	12.154	0.000
East Renfrewshire	0.013	1.327	0.614	6.551	0.000
Edinburgh, City of	0.320	7.125	7.984	46.529	0.000
Eilean Siar	0.965	0.287	0.294	2.951	0.000
Falkirk	0.014	3.589	2.684	18.510	0.000
Fife	0.010	9.690	6.105	35.327	0.000
Glasgow City	0.540	21.773	15.519	56.720	0.000
Highland	0.905	3.931	3.239	25.545	0.000
Inverclyde	0.070	2.350	1.300	8.734	0.000
Midlothian	0.008	2.167	1.251	13.122	0.000
Moray	0.000	1.368	1.291	10.432	0.000
North Ayrshire	0.090	4.215	2.662	14.013	0.000
North Lanarkshire	0.260	8.935	5.345	36.485	0.000
Orkney Islands	0.000	0.233	0.235	2.270	7.855
Perth & Kinross	0.105	1.666	1.831	13.317	0.000
Renfrewshire	0.000	4.276	2.583	21.883	0.000
Scottish Borders	0.001	1.764	1.256	12.146	0.000
Shetland Islands	0.000	0.223	0.252	3.048	10.784
South Ayrshire	0.015	2.352	1.729	9.292	0.000
South Lanarkshire	0.170	8.103	4.412	31.049	0.000
Stirling	0.115	1.391	1.239	11.488	0.000
West Dunbartonshire	0.015	3.105	1.631	9.346	0.000
West Lothian	0.008	4.913	2.455	15.313	0.000
Scotland	4.319	120.000	86.450	545.956	19.193

Note: These figures are provisional and represent the current best estimates.

The actual allocation of these specific revenue grants will be notified to the relevant local authorities in due course by the relevant Policy Team

Local Authority	Grant Without Floor	Change Without Floor	Floor Change	Grant With Floor	Change With Floor
	£m	%	£m	£m	%
Scottish Borders	204.621	5.02%	-3.539	201.083	3.20%
Aberdeenshire	423.946	4.94%	-7.332	416.614	3.12%
Orkney	69.631	4.69%	-1.204	68.427	2.88%
Moray	157.884	4.64%	-2.731	155.154	2.83%
Perth & Kinross	244.272	4.49%	-4.225	240.047	2.69%
Fife	636.224	4.32%	-11.004	625.221	2.52%
Angus	197.679	4.04%	-3.419	194.260	2.24%
North Lanarkshire	596.004	3.92%	-10.308	585.696	2.13%
East Ayrshire	223.851	3.88%	-3.872	219.980	2.08%
West Lothian	312.272	3.78%	-5.401	306.871	1.98%
South Ayrshire	195.506	3.58%	-3.381	192.125	1.78%
Aberdeen City	317.734	1.85%	-0.354	317.379	1.73%
Falkirk	265.309	3.35%	-4.157	261.152	1.73%
Renfrewshire	297.654	2.77%	-3.013	294.641	1.73%
Dumfries & Galloway	273.818	2.78%	-2.800	271.018	1.73%
Stirling	160.788	3.39%	-2.572	158.216	1.73%
East Dunbartonshire	178.940	3.13%	-2.425	176.515	1.73%
East Lothian	168.231	2.92%	-1.947	166.284	1.73%
East Renfrewshire	171.384	2.81%	-1.799	169.586	1.73%
Highland	439.138	1.97%	-1.010	438.129	1.73%
Clackmannanshire	89.127	2.41%	-0.594	88.533	1.73%
Midlothian	150.383	1.73%	-0.001	150.382	1.73%
Inverclyde	150.696	-0.28%	3.047	153.743	1.73%
South Lanarkshire	529.587	1.02%	3.745	533.332	1.73%
Glasgow City	1,163.299	1.37%	4.170	1,167.468	1.73%
Shetland	75.885	-4.54%	4.984	80.869	1.73%
Dundee City	269.927	-0.20%	5.215	275.142	1.73%
West Dunbartonshire	167.306	-1.42%	5.350	172.656	1.73%
North Ayrshire	250.762	-1.61%	8.508	259.270	1.73%
Edinburgh, City of	677.794	0.18%	10.499	688.293	1.73%
Argyll & Bute	165.416	-6.84%	15.222	180.638	1.73%
Eilean Siar	75.790	-16.46%	16.347	92.137	1.73%
Scotland	9,300.860	1.98%	0.000	9,300.860	1.98%

The annual change in the Grant for Floor Funding was 1.98% and as a result of the floor being set at -0.25 below this annual change the minimum increase in the Grant for floor was set at 1.73%

REDETERMINATIONS OF INDIVIDUAL REVENUE FUNDING 2020-21 - GENERAL

GENERAL	Teachers for Ethnic Minorities Correction	Rapid Rehousing Transition Grant Correction	Customer First - Additional Funding	Dundee to Stansted	Education Psychologists payment	Teacher Induction Scheme	EU Brexit Funding	Spatial Planning - Improvement Service	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	-0.015	0.002	0.000	0.000	0.009	0.732	0.025	0.000	0.753
Aberdeenshire	-0.004	-0.006	0.000	0.000	0.018	0.873	0.025	0.000	0.906
Angus	-0.001	-0.004	0.000	0.000	0.009	0.486	0.025	0.000	0.515
Argyll & Bute	-0.002	-0.002	0.000	0.000	0.000	0.112	0.025	0.000	0.133
Clackmannanshire	0.004	-0.005	0.000	0.000	0.000	0.535	0.025	0.000	0.559
Dumfries & Galloway	0.000	0.000	0.000	0.000	0.000	0.995	0.025	0.000	1.020
Dundee City	0.002	0.011	0.000	1.267	0.009	0.866	0.025	0.000	2.180
East Ayrshire	0.001	-0.001	0.000	0.000	0.009	1.250	0.025	0.000	1.284
East Dunbartonshire	-0.001	-0.001	0.000	0.000	0.009	3.231	0.025	0.000	3.263
East Lothian	-0.003	-0.010	0.000	0.000	0.000	0.857	0.025	0.000	0.869
East Renfrewshire	0.001	-0.002	0.000	0.000	0.009	3.505	0.025	0.000	3.538
Edinburgh, City of	-0.007	0.024	0.000	0.000	0.035	1.348	0.025	0.000	1.425
Eilean Siar	-0.003	0.000	0.000	0.000	0.000	0.160	0.025	0.000	0.182
Falkirk	0.004	-0.025	0.000	0.000	0.009	2.031	0.025	0.000	2.044
Fife	0.031	-0.009	0.000	0.000	0.018	3.541	0.025	0.000	3.606
Glasgow City	-0.003	0.033	0.000	0.000	0.018	5.410	0.025	0.000	5.483
Highland	-0.001	0.006	0.000	0.000	0.009	0.975	0.025	0.000	1.014
Inverclyde	0.002	-0.001	0.000	0.000	0.009	0.884	0.025	0.000	0.919
Midlothian	0.002	0.003	0.000	0.000	0.009	0.859	0.025	0.000	0.898
Moray	0.000	-0.008	0.000	0.000	0.000	0.329	0.025	0.000	0.346
North Ayrshire	0.000	0.001	0.000	0.000	0.009	0.747	0.025	0.000	0.782
North Lanarkshire	-0.008	-0.019	0.964	0.000	0.009	4.111	0.025	0.120	5.202
Orkney	0.000	0.000	0.000	0.000	0.000	0.059	0.025	0.000	0.084
Perth & Kinross	0.001	0.002	0.000	0.000	0.009	0.293	0.025	0.000	0.330
Renfrewshire	-0.001	0.004	0.000	0.000	0.009	1.945	0.025	0.000	1.982
Scottish Borders	0.002	0.005	0.000	0.000	0.000	0.631	0.025	0.000	0.663
Shetland	0.001	0.000	0.000	0.000	0.001	0.048	0.025	0.000	0.075
South Ayrshire	0.001	0.004	0.000	0.000	0.000	1.338	0.025	0.000	1.368
South Lanarkshire	0.000	0.013	0.000	0.000	0.009	2.355	0.025	0.000	2.402
Stirling	0.000	-0.008	0.000	0.000	0.009	1.154	0.025	0.000	1.180
West Dunbartonshire	0.001	-0.005	0.000	0.000	0.009	0.727	0.025	0.000	0.757
West Lothian	-0.004	-0.002	0.000	0.000	0.009	2.182	0.025	0.000	2.210
Scotland	0.000	0.000	0.964	1.267	0.252	44.567	0.800	0.120	47.970

REDETERMINATIONS OF INDIVIDUAL REVENUE FUNDING 2020-21 - COVID

ANNEX G (Continued)

COVID-19	Associated with COVID 19	Local Authority Hardship Fund	Scottish Welfare Fund Top Up	Food Fund	Registrars of Death	Community Justice CPP Transitional Funding Extra	Council Tax Reduction Scheme Additional Support	Extra Environmental Health Officers	Test & Protect Combined	Winter Plan - RRTP
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	5.448	1.758	0.596	0.802	0.025	0.013	0.630	0.044	0.095	0.223
Aberdeenshire	7.452	2.404	0.497	1.023	0.029	0.013	0.920	0.059	0.114	0.155
Angus	3.372	1.088	0.383	0.602	0.013	0.012	0.340	0.024	0.064	0.100
Argyll & Bute	2.776	0.895	0.293	0.440	0.009	0.012	0.490	0.043	0.047	0.065
Clackmannanshire	1.444	0.465	0.243	0.312	0.006	0.012	0.280	0.019	0.027	0.072
Dumfries & Galloway	4.588	1.480	0.579	0.890	0.016	0.013	0.730	0.046	0.089	0.112
Dundee City	4.308	1.389	0.809	1.152	0.016	0.013	0.900	0.026	0.095	0.175
East Ayrshire	3.532	1.139	0.631	0.838	0.013	0.013	0.650	0.020	0.075	0.089
East Dunbartonshire	3.228	1.042	0.251	0.436	0.012	0.012	0.390	0.019	0.043	0.061
East Lothian	2.992	0.965	0.334	0.447	0.012	0.012	0.380	0.019	0.048	0.105
East Renfrewshire	3.060	0.987	0.221	0.348	0.010	0.012	0.330	0.019	0.036	0.045
Edinburgh, City of	12.121	3.910	1.531	1.651	0.057	0.013	2.430	0.103	0.201	0.563
Eilean Siar	1.189	0.384	0.094	0.147	0.003	0.012	0.060	0.019	0.016	0.018
Falkirk	4.484	1.447	0.615	0.878	0.018	0.013	0.480	0.024	0.081	0.132
Fife	10.564	3.407	1.514	2.254	0.041	0.013	1.190	0.063	0.210	0.335
Glasgow City	17.348	5.596	4.076	4.799	0.069	0.013	5.090	0.123	0.407	0.772
Highland	7.356	2.373	0.738	1.199	0.026	0.013	1.180	0.090	0.124	0.187
Inverclyde	2.320	0.749	0.447	0.565	0.009	0.012	0.290	0.019	0.049	0.028
Midlothian	2.605	0.840	0.326	0.446	0.010	0.012	0.280	0.019	0.044	0.085
Moray	2.644	0.853	0.261	0.448	0.011	0.012	0.330	0.023	0.046	0.058
North Ayrshire	4.104	1.324	0.785	1.038	0.015	0.013	0.690	0.024	0.086	0.130
North Lanarkshire	9.864	3.181	1.744	2.114	0.038	0.013	1.710	0.046	0.188	0.290
Orkney	1.084	0.350	0.049	0.099	0.002	0.012	0.100	0.019	0.011	0.017
Perth & Kinross	4.272	1.378	0.410	0.621	0.017	0.013	0.350	0.043	0.070	0.133
Renfrewshire	5.060	1.632	0.782	1.063	0.020	0.013	1.240	0.044	0.097	0.116
Scottish Borders	3.408	1.100	0.365	0.576	0.013	0.012	0.550	0.038	0.061	0.105
Shetland	1.204	0.388	0.044	0.104	0.003	0.012	0.050	0.019	0.013	0.017
South Ayrshire	3.264	1.053	0.474	0.625	0.012	0.012	0.340	0.024	0.062	0.110
South Lanarkshire	9.233	2.978	1.389	1.937	0.035	0.013	1.310	0.048	0.177	0.282
Stirling	2.720	0.878	0.275	0.417	0.010	0.012	0.260	0.027	0.044	0.069
West Dunbartonshire	2.728	0.880	0.532	0.684	0.010	0.012	0.270	0.019	0.058	0.156
West Lothian	5.228	1.687	0.712	1.045	0.020	0.013	0.760	0.029	0.096	0.195
Undistributed	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Scotland	155.000	50.000	22.000	30.000	0.600	0.400	25.000	1.200	2.872	5.000

REDETERMINATIONS OF INDIVIDUAL REVENUE FUNDING 2020-21 - COVID

ANNEX G (Continued)

Additional UKG Consequentials (Confirmed)	Children and young people's mental health	Business Support Grant Admin	Education Recovery Funding	Additional Education - Teachers	Additional Education - Digital inclusion	Additional Education - Home Learning Support Fund	Winter Hardship £100 payments & admin (80% of £16m)	January Free School Meal provision	Total	Lost Income Scheme
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1.722	0.576	0.464	0.605	0.785	0.209	0.302	0.317	0.174	14.787	0.000
2.356	0.791	0.628	1.257	1.190	0.599	0.304	0.342	0.187	20.319	0.000
1.066	0.326	0.256	0.478	0.528	0.211	0.204	0.224	0.123	9.414	0.000
0.877	0.246	0.458	0.390	0.369	0.179	0.135	0.132	0.072	7.927	0.000
0.456	0.139	0.080	0.176	0.238	0.092	0.110	0.131	0.072	4.373	0.000
1.450	0.433	0.484	0.684	0.697	0.367	0.296	0.336	0.184	13.473	0.000
1.361	0.445	0.279	0.490	0.732	0.311	0.304	0.560	0.307	13.671	0.000
1.116	0.332	0.215	0.444	0.599	0.301	0.289	0.372	0.204	10.873	0.000
1.021	0.268	0.116	0.424	0.555	0.133	0.125	0.172	0.094	8.401	0.000
0.946	0.294	0.180	0.403	0.482	0.196	0.181	0.169	0.092	8.257	0.000
0.967	0.261	0.087	0.426	0.542	0.101	0.122	0.139	0.076	7.788	0.000
3.832	1.343	1.095	1.307	1.700	0.387	0.596	0.641	0.351	33.832	0.000
0.376	0.089	0.134	0.172	0.125	0.072	0.036	0.034	0.018	2.997	0.000
1.418	0.419	0.255	0.569	0.774	0.269	0.302	0.402	0.220	12.801	0.000
3.339	1.047	0.671	1.356	1.821	0.753	0.789	1.044	0.572	30.983	0.000
5.484	1.737	1.305	1.917	2.881	1.285	1.669	2.345	1.285	58.200	0.000
2.326	0.712	0.960	1.162	1.086	0.562	0.400	0.421	0.231	21.146	0.000
0.734	0.202	0.115	0.263	0.401	0.177	0.139	0.316	0.173	7.007	0.000
0.824	0.248	0.145	0.352	0.450	0.165	0.163	0.200	0.110	7.325	0.000
0.836	0.275	0.246	0.371	0.404	0.200	0.156	0.144	0.079	7.396	0.000
1.297	0.370	0.255	0.497	0.672	0.256	0.320	0.399	0.219	12.495	0.000
3.118	0.938	0.493	1.242	1.770	0.661	0.773	0.985	0.540	29.710	0.000
0.343	0.070	0.124	0.135	0.105	0.058	0.034	0.023	0.013	2.647	0.000
1.350	0.414	0.462	0.592	0.602	0.291	0.230	0.187	0.103	11.539	0.000
1.599	0.454	0.472	0.599	0.850	0.293	0.307	0.466	0.255	15.363	0.000
1.078	0.329	0.406	0.506	0.497	0.253	0.205	0.180	0.099	9.781	0.000
0.381	0.083	0.113	0.165	0.119	0.072	0.023	0.028	0.015	2.851	0.000
1.032	0.283	0.255	0.398	0.505	0.214	0.203	0.244	0.134	9.244	0.000
2.919	0.841	0.507	1.206	1.624	0.603	0.579	0.891	0.488	27.059	0.000
0.860	0.293	0.285	0.380	0.430	0.183	0.138	0.144	0.079	7.504	0.000
0.863	0.233	0.143	0.327	0.493	0.200	0.204	0.361	0.198	8.371	0.000
1.653	0.511	0.313	0.708	0.974	0.347	0.362	0.531	0.291	15.476	0.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.120	0.000	3.120	200.000
49.000	15.000	12.000	20.000	25.000	10.000	10.000	16.000	7.058	456.130	200.000

Local Authority	2021-22 GAE plus SINA	Percentage Shares	2008-22 Changes	2008-21 Changes	Movement in Changes
	£m	£m	£m	£m	£m
Aberdeen City	306.743	3.55	15.667	7.175	8.492
Aberdeenshire	417.049	4.83	21.301	9.812	11.489
Angus	188.678	2.18	9.637	4.440	5.197
Argyll & Bute	153.775	1.78	7.854	3.655	4.199
Clackmannanshire	80.047	0.93	4.088	1.899	2.189
Dumfries & Galloway	254.015	2.94	12.974	6.042	6.932
Dundee City	239.296	2.77	12.222	5.671	6.551
East Ayrshire	198.135	2.29	10.120	4.651	5.469
East Dunbartonshire	179.653	2.08	9.176	4.252	4.924
East Lothian	167.396	1.94	8.550	3.939	4.611
East Renfrewshire	169.700	1.96	8.667	4.029	4.638
Edinburgh, City of	684.383	7.92	34.955	15.963	18.992
Eilean Siar	66.234	0.77	3.383	1.566	1.817
Falkirk	249.848	2.89	12.761	5.906	6.855
Fife	591.193	6.84	30.195	13.910	16.285
Glasgow City	968.754	11.21	49.479	22.844	26.635
Highland	401.885	4.65	20.526	9.688	10.838
Inverclyde	129.282	1.50	6.603	3.057	3.546
Midlothian	145.843	1.69	7.449	3.431	4.018
Moray	148.978	1.72	7.609	3.482	4.127
North Ayrshire	224.540	2.60	11.468	5.405	6.063
North Lanarkshire	550.112	6.37	28.097	12.988	15.109
Orkney	60.490	0.70	3.090	1.429	1.661
Perth & Kinross	240.883	2.79	12.303	5.625	6.678
Renfrewshire	279.667	3.24	14.284	6.662	7.622
Scottish Borders	192.047	2.22	9.809	4.490	5.319
Shetland	65.522	0.76	3.347	1.586	1.761
South Ayrshire	183.506	2.12	9.373	4.300	5.073
South Lanarkshire	511.379	5.92	26.119	12.160	13.959
Stirling	150.814	1.75	7.703	3.583	4.120
West Dunbartonshire	149.743	1.73	7.648	3.594	4.054
West Lothian	290.836	3.37	14.854	6.885	7.969
Scotland	8640.426	100.000	441.310	204.119	237.191

2021-22 £m	Capital Settlement 2021-22			Specific grants to be paid in 2021-22				
	General Capital Grant	Specific Grants	Total Capital Grants	Strathclyde Partnership	Vacant and Derelict Land	T MDF	Cycling Walking & Safer Streets	Total
Aberdeen City	18.519	1.001	19.520	0.000	0.000	0.000	1.001	1.001
Aberdeenshire	23.028	1.144	24.172	0.000	0.000	0.000	1.144	1.144
Angus	10.625	0.509	11.134	0.000	0.000	0.000	0.509	0.509
Argyll & Bute	9.937	0.376	10.313	0.000	0.000	0.000	0.376	0.376
Clackmannanshire	4.322	0.226	4.548	0.000	0.000	0.000	0.226	0.226
Dumfries & Galloway	15.147	0.652	15.799	0.000	0.000	0.000	0.652	0.652
Dundee City	13.847	0.654	14.501	0.000	0.000	0.000	0.654	0.654
East Ayrshire	10.759	0.534	11.293	0.000	0.000	0.000	0.534	0.534
East Dunbartonshire	7.508	0.476	7.984	0.000	0.000	0.000	0.476	0.476
East Lothian	8.494	0.469	8.963	0.000	0.000	0.000	0.469	0.469
East Renfrewshire	5.655	0.418	6.073	0.000	0.000	0.000	0.418	0.418
Edinburgh, City of	38.490	30.249	68.739	0.000	0.000	27.950	2.299	30.249
Eilean Siar	6.412	0.117	6.529	0.000	0.000	0.000	0.117	0.117
Falkirk	24.154	0.705	24.859	0.000	0.000	0.000	0.705	0.705
Fife	25.013	3.087	28.100	0.000	1.451	0.000	1.636	3.087
Glasgow City	49.884	69.227	119.111	0.000	2.159	64.295	2.773	69.227
Highland	24.884	1.033	25.917	0.000	0.000	0.000	1.033	1.033
Inverclyde	6.326	0.341	6.667	0.000	0.000	0.000	0.341	0.341
Midlothian	7.190	0.405	7.595	0.000	0.000	0.000	0.405	0.405
Moray	8.224	0.420	8.644	0.000	0.000	0.000	0.420	0.420
North Ayrshire	-1.861	1.910	0.049	0.000	1.320	0.000	0.590	1.910
North Lanarkshire	20.730	3.433	24.163	0.000	1.938	0.000	1.495	3.433
Orkney Islands	5.119	0.098	5.217	0.000	0.000	0.000	0.098	0.098
Perth & Kinross	25.311	0.665	25.976	0.000	0.000	0.000	0.665	0.665
Renfrewshire	12.126	0.784	12.910	0.000	0.000	0.000	0.784	0.784
Scottish Borders	31.643	0.506	32.149	0.000	0.000	0.000	0.506	0.506
Shetland Islands	5.191	0.100	5.291	0.000	0.000	0.000	0.100	0.100
South Ayrshire	8.539	0.493	9.032	0.000	0.000	0.000	0.493	0.493
South Lanarkshire	21.480	2.141	23.621	0.000	0.737	0.000	1.404	2.141
Stirling	8.380	0.413	8.793	0.000	0.000	0.000	0.413	0.413
West Dunbartonshire	1.023	0.389	1.412	0.000	0.000	0.000	0.389	0.389
West Lothian	11.838	0.802	12.640	0.000	0.000	0.000	0.802	0.802
Undistributed	10.000	0.000	10.000	0.000	0.000	0.000	0.000	0.000
Councils Total	477.937	123.777	601.714	0.000	7.605	92.245	23.927	123.777
Strathclyde Partnership for Transport		15.327	15.327	15.327	0.000	0.000	0.000	15.327
Grand Total	477.937	139.104	617.041	15.327	7.605	92.245	23.927	139.104

Council	Flood Scheme	Total 2021-22
		£m
Aberdeenshire Council	Stonehaven	1.246
Aberdeenshire Council	Huntly	0.000
Angus Council	Arbroath	0.259
Argyll & Bute Council	Campbeltown	0.125
Comhairle nan Eilean Siar	South Fords	0.000
Dumfries & Galloway Council	Dumfries/ River Nith/ Whitesands FPS	-0.036
Dumfries & Galloway Council	Stranraer work item 4 &6	0.120
Dumfries & Galloway Council	Langholm	-0.006
Dumfries & Galloway Council	Newton Stewart/ River Cree	-0.016
Dundee City Council	Broughty Ferry	0.000
Dundee City Council	Dundee	0.000
East Ayrshire Council	New Cumnock	0.991
East Dunbartonshire Council	Park Burn	0.000
East Lothian Council	Musselburgh	0.359
East Lothian Council	Haddington	0.023
Falkirk Council	Grangemouth FPS	13.783
Fife Council	Kinness Burn	0.192
Glasgow City Council	White Cart Water Phase 3	0.000
Glasgow City Council	Camlachie Burn	0.000
Highland Council	Smithton and Culloden	-2.213
Highland Council	Caol and Lochyside	1.095
Highland Council	Drumnadrochit	0.661
Inverclyde Council	Inverclyde FPS - Glenmosston Burn	0.000
Inverclyde Council	Inverclyde FPS - Coves Burn	0.000
Inverclyde Council	Inverclyde FPS - Bouverie Burn	0.000
Inverclyde Council	Quarrier's Village	0.000
Moray Council	Newmill	0.000
North Ayrshire Council	Millport Coastal	-9.613
North Ayrshire Council	Upper Garnock FPS	-0.782
North Ayrshire Council	Mill Burn Millport	-0.733
Orkney Islands Council	Kirkwall	0.000
Perth & Kinross Council	Comrie	10.945
Perth & Kinross Council	Milnathort	1.416
Perth & Kinross Council	South Kinross	0.123
Perth & Kinross Council	Scone	0.419
Scottish Borders Council	Hawick	20.588
Stirling Council	Bridge of Allan	0.515
Stirling Council	Stirling	-0.007
Stirling Council	Callander	-0.093
West Dunbartonshire Council	Gruggies Burn	-5.760
	Total	33.601

Local Authority	Ring-Fenced Grants	Non Domestic Rates	General Revenue Funding	Total 2021-22 Revenue	General Capital Grant	Specific Grant	Total 2021-22 Capital	2021-22 Local Government Finance Settlement
	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	32.243	255.450	88.278	375.972	18.519	1.001	19.520	395.492
Aberdeenshire	34.455	132.012	312.756	479.223	23.028	1.144	24.172	503.395
Angus	13.854	24.883	188.187	226.925	10.625	0.509	11.134	238.059
Argyll & Bute	12.302	31.559	169.485	213.345	9.937	0.376	10.313	223.658
Clackmannanshire	7.444	17.184	81.103	105.731	4.322	0.226	4.548	110.279
Dumfries & Galloway	16.943	48.881	248.801	314.625	15.147	0.652	15.799	330.424
Dundee City	24.863	33.763	269.122	327.748	13.847	0.654	14.501	342.249
East Ayrshire	18.747	22.093	216.071	256.911	10.759	0.534	11.293	268.204
East Dunbartonshire	13.291	16.812	177.911	208.014	7.508	0.476	7.984	215.998
East Lothian	14.743	27.286	152.694	194.722	8.494	0.469	8.963	203.685
East Renfrewshire	8.506	9.107	178.464	196.076	5.655	0.418	6.073	202.149
Edinburgh, City of	61.959	237.666	532.227	831.852	38.490	30.249	68.739	900.591
Eilean Siar	4.497	7.751	89.356	101.604	6.412	0.117	6.529	108.133
Falkirk	24.798	76.507	214.368	315.673	24.154	0.705	24.859	340.532
Fife	51.131	170.905	503.275	725.312	25.013	3.087	28.100	753.412
Glasgow City	94.552	281.746	986.626	1,362.924	49.884	69.227	119.111	1,482.035
Highland	33.620	134.656	338.000	506.275	24.884	1.033	25.917	532.192
Inverclyde	12.454	15.130	154.288	181.872	6.326	0.341	6.667	188.539
Midlothian	16.548	23.680	143.475	183.703	7.190	0.405	7.595	191.298
Moray	13.091	51.912	115.155	180.158	8.224	0.420	8.644	188.802
North Ayrshire	20.980	35.902	246.996	303.879	- 1.861	1.910	0.049	303.928
North Lanarkshire	51.025	106.283	533.865	691.173	20.730	3.433	24.163	715.336
Orkney	10.593	12.321	59.752	82.666	5.119	0.098	5.217	87.883
Perth & Kinross	16.920	43.889	220.462	281.271	25.311	0.665	25.976	307.247
Renfrewshire	28.742	102.801	219.676	351.219	12.126	0.784	12.910	364.129
Scottish Borders	15.168	33.571	184.485	233.224	31.643	0.506	32.149	265.373
Shetland	14.307	33.598	49.366	97.272	5.191	0.100	5.291	102.563
South Ayrshire	13.388	29.404	180.874	223.666	8.539	0.493	9.032	232.698
South Lanarkshire	43.734	401.967	180.110	625.811	21.480	2.141	23.621	649.432
Stirling	14.233	34.188	140.266	188.687	8.380	0.413	8.793	197.480
West Dunbartonshire	14.097	102.481	90.813	207.391	1.023	0.389	1.412	208.803
West Lothian	22.689	75.611	255.026	353.327	11.838	0.802	12.640	365.967
Undistributed	0.163	0.000	74.979	75.142	10.000	0.000	10.000	85.142
Strathclyde Passenger Transport	0.000	0.000	0.000	0.000	0.000	15.327	15.327	15.327
Scotland	776.081	2,631.000	7,596.311	11,003.392	477.937	139.104	617.041	11,620.433

General Fund Revenue Budget 2021-24

Report by: Eileen Rowand, Executive Director (Finance and Corporate Services)

Wards Affected: All

Purpose

The purpose of this report is to provide members with sufficient information to enable the Council to approve a budget for 2021-24 as required by statute.

Recommendation(s)

The Council is asked to:

- (a) note the details of the provisional settlement announced by the Scottish Government as outlined in Finance Circular 1/2021;
- (b) consider the provisional settlement as outlined in the letter from the Cabinet Secretary for to the COSLA President dated 28th January, 2021;
- (c) note the indicative levels of expenditure, subject to further detailed analysis in respect of the financial years 2022-23 and 2023-24;
- (d) note an updated financial plan will be presented to Members at Policy & Co-ordination Committee in September 2021 providing more clarity around the financial implications associated with reform and the recovery from the COVID-19 pandemic;
- (e) authorise the Section 95 Officer to consider the most appropriate use of fiscal flexibilities relative to the Council's financial position in year; and
- (f) note the progress in respect of transformation projects funded by ring fencing of capital receipts detailed at Section 7 below.

Resource Implications

The report identifies significant resource implications that have to be considered in the determination of the budget for 2021-22 and future years.

Legal & Risk Implications

It is a statutory requirement for the Council to set a balanced budget.

Impact Assessment

Section 149 of the Equality Act 2010 requires, as part of the public sector equality duty, to have due regard to the general duties;

- Eliminate discrimination, harassment and victimisation
- Advance equality of opportunity
- Foster good relations

Having due regard involves:

- Removing or minimizing disadvantage suffered by persons
- Taking steps to meet the needs of persons with protected characteristics
- Encouraging people to participate in public life
- Tackling prejudice and promoting understanding
- Taking steps to take account of disabled persons' disabilities

The protected characteristics are ages, disability, race, religion or belief, sex, gender reassignment, sexual orientation, pregnancy and maternity and marriage and civil partnership.

This means the Council needs to understand the effect of policy changes on equality and this involves looking at evidence, engaging with people, staff and service users. One of the ways the Council understands the impact of policy changes on staff and service users is through undertaking equality impact assessments. Each budget proposal, therefore, being considered by the Council has been subject to an Equality Impact Assessment (EqIA). An EqIA aims to identify how a policy or service meets one or more of the general duties referred to above and whether the budget proposals impact on one or more of the protected characteristics.

The Fairer Scotland Duty (part 1 of the Equality Act 2010), came into force in Scotland in April 2018. It placed a legal responsibility on public bodies in Scotland to actively consider (pay due regard to) how they can reduce inequalities of outcome caused by socio-economic disadvantage when making strategic decisions.

All EqIAs undertaken have taken due regard of the general duties under the Equality Act including the Fairer Scotland Duty. Where a potential impact was identified on any of the protected characteristics, mitigating actions were identified. Copies of the Equality Impact Assessments are available from the Equalities Unit: enquiry.equalities@fife.gov.uk and will also be available on FifeDirect.

Consultation

There has been limited time to consult on the provisional financial settlement given the late announcement of the Draft Scottish Budget and delay of the UK Budget.

1.0 Background

- 1.1 The Council continues to operate in a climate of unprecedented uncertainty, the enduring impacts of which remain unknown. While it is anticipated that the most severe impacts of the pandemic will be felt in 2020-21, a review of the Council's budget assumptions has been undertaken and it is clear that the financial impacts could continue for some time to come. More detail around future financial planning and reporting in respect of the Pandemic is provided at Section 4.
- 1.2 This report provides information on the estimated resources available to the Council over the 2021-24 period. Over this planning period there is scope for investment in financial year 2021-22 however the estimates indicate a gap in funding with a budget reduction over the following two financial years. This information will enable decisions to be made on the level of the Council's expenditure for the financial year 2021-22 in order to set a balanced budget.
- 1.3 Following a review of the ongoing cost of continuing current services at their current level, it is evident that the Council will not need to use measures known as, fiscal flexibilities provided by the Scottish Government to balance the core budget for 2021-22. However, a more detailed evaluation of the likely continuing cost of COVID-19 will be carried out early in the new financial year to determine the cost of recovery from the pandemic. A decision on the need to access these and use corporate solutions for one off costs and investment will be made during the year when a full assessment of the impact of lifting restrictions associated with the pandemic. Due to the technical nature of the fiscal flexibilities it is proposed that the Section 95 officer is given the authority to consider which of the flexibilities is most appropriate for the Council to make use of going forward.
- 1.4 The determination of the budget requirement is governed by statute, S108 (2) of the Local Government (Scotland) Act 1973 and S93 (3) of the Local Government Finance Act 1992. This outlines that the Council must calculate the level of expenditure it will incur in the year, the level of income it will receive through non-domestic rates, general revenue funding and additional grants and whether or not there will be a contribution from reserves or need to restore reserves. The Council recently agreed to freeze Council Tax for 2021-22 at 2020-21 levels as part of the terms and conditions of the Local Government Finance Settlement and has determined that there is no requirement to restore reserves at this time.
- 1.5 In setting the budget for 2021-22 members should seek to maintain a 3-year focus recognising the significant financial challenge that lies ahead. Whilst there is uncertainty in relation to the figures beyond 2021-22, high-level projections point to a budget gap remaining by 2023-24. In light of these projections, members are advised to give full consideration to the longer-term consequences of any decisions made in setting the 2021-22 budget.

2.0 Finance Settlement

- 2.1 The Scottish Government published its provisional draft budget along with publication of the Local Government Finance Settlement for 2021-22 on 1st February 2021.
- 2.2 The provisional total funding allocations form the basis for the annual consultation between the Scottish Government and COSLA ahead of the Local Government Finance (Scotland) Order 2021, currently scheduled to be presented to the Scottish Parliament on 9th March 2021. It is important to note that any discrepancies in the Finance Circular will be addressed within the overall total settlement allocations and not through the provision of any additional resources by the Scottish Government.
- 2.3 The total allocation to local government in the 2021-22 Budget is £11,620m. This is mostly made up of General Revenue Grant (GRG) and Non-Domestic Rates Income (NDRI), with smaller allocations for specific (or ring-fenced) Revenue and Capital Grants. Fife's provisional share of total revenue funding excluding non-recurring COVID funding equates to £716.511m. This represents a cash increase to core funding of 1.17% excluding compensatory payment for Council Tax of £5.8m and specific grant funding for specific purposes (ELC) £3.747m.
- 2.4 The Cabinet Secretary for Finance also confirmed flexible non-recurring funding of £259m to support Local Authorities recover from the ongoing pandemic. Fife will receive approx. £17.600m of this funding.
- 2.5 As in previous years the settlement constitutes a package of measures in return for the provisional funding allocations set out in the circular. The overall draft settlement includes:-
 - An additional £90m available to compensate councils who choose to freeze their council tax at 2020-21 levels. The Council's allocation of this is £5.829m. The Council agreed to freeze council tax and in turn to agree to this condition at the Council meeting on the 25th February 2021;
 - An additional £59m revenue (ring-fenced) (£3.747m for Fife) to support the final tranche of the expansion in funded Early Learning and Childcare (ELC) entitlement to 1,140 hours;
 - The ongoing £88m to maintain the pupil:teacher ratio nationally and secure place for all probationers who require one under the teacher induction scheme;
 - Provision for Teachers Pay (£156m) and Pensions (£97m);
 - An allocation of £5.3m for (£0.039m for Fife) Barclay implementation costs;
 - A new capital £50m Heat Networks Early Adopters Challenge Fund to support local authorities who are ready to bring forward investment-ready heat networks; and
 - A further £72.6m transferred from the Health portfolio to Local Authorities in-year for investment in health & social care and mental health services that are delegated to Integration Authorities under the Public Bodies (Joint Working) (Scotland) Act 2014. This additional funding includes a contribution to continued delivery of the Living

Wage (£34m) (£2.436m for Fife); uprating of free personal and nursing care payments (£10.1m) (£0.695m for Fife) and implementation of Carers Act in line with the Financial Memorandum of the Carers Bill (£28.5m) (£1.964m for Fife).

3.0 Medium Term Forecast

- 3.1 In order to determine the core revenue budget gap for 2021-22 a comparison of the funding that the Council is expected to receive with the cost of continuing existing service provision has been made. The latter assumes that the Council continues to provide the range of services that it currently does in a similar manner. The cost of continuing is illustrative only as it assumes that the Council responds to demand and operates in the same way as it does currently. This comparison demonstrates an unsustainable position from 2022-23 onwards, presenting the Council with a significant financial challenge in the longer term.
- 3.2 Table 1 below outlines the core revenue budget gap increasing over the next 3 years. Consideration of the financial impact of the pandemic in 2021-22 and beyond follows later in the report as the strategy to address the increased costs and loss of income associated with this will be developed in the coming months. It should be noted that the figures below are indicative at this stage due to the delay in the UK Budget and the uncertainty around future years as the Scottish Government has produced a draft one-year budget for 2021-22. It is assumed that the compensatory funding for Council Tax received in the 2021-22 Settlement is baselined in future years. There is no other assumed increase in the Council Tax rate nor any assumed increase or reduction to Health and Social Care Partnership included within the calculation of the budget gap in any of the three years detailed in the table.

Table 1 – Budget Gap

	Provisional 2021-22 £m	Indicative	
		2022-23 £m	2023-24 £m
Net Expenditure	894.697	907.622	921.597
Net Funding	898.712	892.719	887.232
Cumulative Indicative Budget Gap/Surplus (Excluding the financial impact of COVID-19)	(4.015)	14.903	34.365

- 3.3 The estimated budget requirement reflects the cost of continuing current services and has been adjusted to reflect an increase in core funding as per the provisional Local Government Finance Settlement. This increase in funding is not contingent on the Council taking specific action and as such the cash uplift has significantly reduced the budget gap reported to the Policy and Coordination Committee in November 2020.
- 3.4 In line with the Councils Medium Term Financial Strategy (MTFS), there has been no provision included for demographic growth. Services are required to redesign services to meet the cost of additional pressures within the resources available to them. It is becoming increasingly difficult for Services to absorb such pressures as the opportunities to identify savings are reducing. A review of the MTFS has been delayed as a result of the pandemic and is scheduled to be progressed in the early part of 2021-22 and an update will be presented to members later in the year.

- 3.5 A public sector pay policy was announced as part of the Scottish Government's Budget on the 28th January. This sets out a clear policy for pay across the public sector in Scotland however it should be noted that the local government pay settlement is agreed in separate negotiations between COSLA and the trades unions which have not yet been concluded. For the purposes of financial planning the public sector pay policy would lead to an increase of approximately 1.6% of the overall pay budget. There is provision within the budgeted expenditure that is sufficient to cover a pay award equivalent to the public sector pay policy as well as possible future pension cost increases.
- 3.6 The triennial actuarial valuation of the Fife Pension Fund was carried out in 2020. As part of the actuarial valuation employer pension contribution rates for the subsequent 3 years are set. Owing to the positive performance of the fund the contribution rates for the Council will remain the at the same level as currently being paid (24.5% of pay), however there are a number of risks that could impact on the level of employer's pension contribution rates going forward.

Capital Financing Costs

- 3.7 Planned Capital expenditure is determined by what is considered by the Council to be affordable in terms of the prudential code. The fundamental objective in the consideration of the affordability of the Council's capital programme is to ensure that the total capital investment of the Council remains within sustainable limits. The CIPFA guidance requires Councils to approve a range of prudential indicators. The concurrent report on this agenda in relation to the Council's Capital Investment Plan 2021-31 seeks approval for the updated prudential indicators.
- 3.8 The estimate of capital financing costs (loan charges) is based on the assumption that capital spend will be in accordance with the Council's approved Capital Investment Plan. It is therefore assumed that efforts will be made to secure as far as possible the delivery of the capital investment plan throughout 2020-21 and beyond. Members will be aware that capital expenditure is primarily financed through borrowing, capital grants, capital receipts and revenue contributions. The underlying budget assumption is that borrowing in 2020-21 will be based on an interest rate of 2.5%. While interest rates remain low there may be opportunities to borrow shorter-term, but this is always be carefully considered and in accordance with the CIPFA Code of Practice on Treasury Management. This will be kept under review, but for the purpose of budget planning a rate of between 2.5% and 4.0% has been assumed. These rates impact on costs associated with future borrowing only.
- 3.9 Based on the current anticipated level of borrowing and interest rates, the estimated capital financing costs over the life of the Capital Investment Plans are affordable. However, based on the planned levels of expenditure and borrowing, a level of capacity exists within the revenue loan charges budget of £5.650m over the next two financial years. This capacity can be used for one off costs including CFCR contributions if desired.
- 3.10 Full details of the Council's borrowing strategies are contained in the Treasury Management and Investment Strategies which are approved on an annual basis by the Policy and Co-ordination Committee.

4.0 Financial Impact of COVID-19 and Recovery

- 4.1 The uncertainty brought about by the Pandemic has made financial planning incredibly difficult over the last year and is expected to continue into 2021-22 and beyond. The financial impact of COVID-19 has been significant for both expenditure and income. Substantial additional funding has been received from the Scottish Government throughout 2020-21 and into 2021-22. This includes £259m non-recurring funding for 2021-22 to address the financial impact of the pandemic.
- 4.2 The financial implications of COVID-19 for 2021-22 were estimated back in November 2020 to be around £15.080m. However, this estimate was produced before the current lockdown was implemented on 26th December 2020 and was based on the estimated direct and reactive financial consequences of COVID-19, for example, loss of income, cost of PPE etc. It is becoming clear that as we move forward that there will be significant activity around reform and recovery therefore costs will significantly exceed this level. An analysis will be carried out to evaluate the likely costs that will arise from reform and recovery. It is certain that the financial implications of reform and recovery will be far greater than the original estimate of £15.080m. This is partly due to the scope to deliver savings from reform work is now restricted and it is anticipated the Council will need to invest heavily over the medium term in order to support economic recovery, tackle inequalities including poverty and to build back communities
- 4.3 There are a number of options available to the Council in terms of meeting the future costs of COVID-19 and these are detailed as follows:
- Use of additional grant monies;
 - Use of corporate solutions, including, use of increased level of balances as detailed in Section 6 of this report; and
 - Use of Fiscal Flexibilities (explained below)

Fiscal Flexibilities

- 4.4 In response to the COVID-19 pandemic the Scottish Government agreed to a package of measures known as Fiscal Flexibilities. These were aimed at providing Local Authorities additional flexible means of dealing with the financial impacts brought about by the pandemic. These proposed measures consist of 3 mechanisms which can be utilised to create capacity in the revenue budget to fund COVID-19 costs. The flexibilities offered are:
- Capital receipts – statutory guidance to allow Councils to place receipts in the Capital Grants and Receipts unapplied account then use the funds to finance COVID-19 related financial consequences arising in 2020-21 and 2021-22 - This option will not deliver any significant funding for Fife due to the low level of anticipated capital receipts and decision already taken to commit capital receipts to finance transformational projects.
 - Credit Arrangements - At present Councils are required by statutory guidance to charge the debt element of service concession arrangements (PPP/PFI) to their accounts over the contract period. A change to the accounting treatment will allow the debt to be repaid over the life of the asset rather than the contract period, applying proper accounting practices. Councils will have the flexibility to apply this change in either 2020-21 or 2021-22. The application of changes to the accounting treatment for

service concessions could relate to PPP1, PPP2 and NPD. Discussions are ongoing at a national level to finalise how this flexibility can be applied.

- Loans Fund Principal Repayment Holiday - the flexibility being offered is a loans fund repayment holiday which will permit a council to defer loans fund repayments due to be repaid in either 2020-21 or 2021-22 (but not both). The amount will be required to be paid over the next 20 years.

4.5 As such, it is proposed to come forward with a revised Medium-Term Financial Strategy around September time. By this time the final outturn position for 2020-21 for the Council will be known, the level of funding carried forward will be clear and the overall level of Council balances will be confirmed. In addition, there will be more certainty and more detailed financial evaluation of the likely reform and recovery arrangements as well as an agreed position surrounding the technicalities of available fiscal flexibilities. There will be scope to agree investment prior to September through either Full Council or the Policy and Coordination Committee as long as financial due diligence has been completed.

4.6 It is proposed, due to the technical nature of the fiscal flexibilities, that authority be given to the Section 95 officer to determine the most appropriate use of fiscal flexibilities as they relate to the Councils financial position going forward. An assessment of what fiscal flexibilities are required will be reported to the Policy and Coordination Committee later in the year.

5.0 Taxation

5.1 As previously mentioned, Council Tax rates for 2021-22 have been frozen at 2020-21 levels and a marginal increase for buoyancy has been assumed for future years in arriving at the levels of funding detailed within Section 3.

5.2 The 2021-22 Non-Domestic Rate poundage rate has been provisionally set at 49p, a reduction of 0.8p in the draft budget. However, the draft Scottish Budget also introduces the following policies:

- The rateable value upper threshold in order to qualify for Fresh Start Relief will be increased from £65,000 to £95,000 to match the Higher Property Rate threshold. This relief encourages the re-use of empty property by offering 100% relief for up to twelve months to properties that have been empty for six months or more;
- 100% relief for at least three months for properties in the retail, hospitality, leisure (RHL) and aviation sectors. This will be application-based in order to ensure that this support goes only to those who need it;
- Business Growth Accelerator (BGA) relief will be expanded to property improvements where there has been a concurrent change of use to incentivise the re-use of existing assets. This component of BGA ensures that any increases in NDR due to improvements to or the expansion of existing properties will not take effect until 12 months after those changes are made to the property;
- 100% BGA relief in relation to unoccupied new-builds, which is currently available until 12 months after the property is first occupied regardless of how long it is

unoccupied, will continue to be available for up to three years on those properties from the point at which it is first received;

- 100% Day Nursery Relief for all standalone nurseries in the public, private and charitable sectors will be extended to 30 June 2023;
- The current 60% hydro relief, in order to provide investor certainty and respond to the findings of the Tretton Review of Small Scale Hydro Plant and Machinery will be time limited to 31 March 2032 as will the 50% District heating Relief; and
- Where district heating networks are powered by renewables, as part of the Heat in Building Strategy, the District Heating Relief will be expanded to offer 90% relief instead of 50% for new District Heating networks. This will be available to 31 March 2024.

6.0 Review of Reserves, Balances and Risk

- 6.1 The Section 95 Officer has a fiduciary duty to local taxpayers and the Council to ensure that the decisions taken on balances and reserves represent proper stewardship of public funds.
- 6.2 The CIPFA guidance on Reserves and Balances makes it clear that individual Local Authorities should make their own judgements on such matters and take into account all relevant local circumstances. There is no statutory minimum of reserves. It is up to the Section 95 Officer to take into account all relevant factors in providing advice to the Council.
- 6.3 It is important to consider the overall adequacy of the General Fund reserve when making spending decisions. Considering the level of General Fund reserves is just one of several related decisions in the formulation of the Medium-Term Financial Strategy and the General Fund revenue budget for a particular year. The following factors are taken into account:
 - The treatment of inflation and interest rate movements;
 - Estimates and timing of capital receipts;
 - The treatment of demand led pressures;
 - The treatment of planned efficiency savings/productivity gains;
 - The financial risks inherent in any significant new funding partnerships, etc;
 - The availability of other funds to deal with unforeseen exceptional events;
 - The adequacy of provisions within the annual accounts; and
 - The level of known financial risk.

In terms of budget setting, reserves and balances should not be relied upon to fund recurring expenditure as this would be unsustainable in the medium term. Reserves are more appropriate to fund one off investment or deal with financial shocks that occur.
- 6.5 There are a number of financial risks that the Council will need to mitigate against in the coming years. The main purpose of holding balances is to manage risk, smooth uneven cash flow and provide flexibility for unforeseen circumstances. A financial risk register is in place for the Council which provides an indication of the scale of potential financial risks.

The financial risk register provides transparency to members and informs members of the level of balances against the level of financial risk going forward.

- 6.6 The current policy in relation to General Fund balances is to maintain a minimum of uncommitted General Fund balances of 2% of budgeted expenditure (approximately £15.500m) over a 3-year period. This, in conjunction with a review of the risk register, allows a judgement to be made on the use of balances. The projected level of balances detailed in a report considered by the Policy and Coordination Committee in February 2021 was £17.008m at 31 March 2022. The report went on to advise of one-off accounting entries which are now estimated to result in a positive contribution to balances of approximately £17.456m, taking the projected level of balances to £34.464m at 31 March 2022. This level of reserves would cover approx. 54.9% of the identified risks over the next year. It is not expected that the all of the risks highlighted in the risk register (Appendix 2) will come to fruition as mitigating action will be taken to reduce the risk.
- 6.7 In addition, significant additional funding was announced by the Scottish Government in respect of the costs of COVID-19. The funding will form part of the final grant payment in 2020-21. The impact of this additional funding will reduce the need to fund any overspend in the current financial year from balances and all remaining unused funding will be available to carry forward, increasing the level of balances further. As a result of this additional funding, the level of balances as at 31 March 2021 will increase significantly beyond the £34.464m referred to in section 6.6. As Section 95 Officer I am conscious we will be carrying an artificially high level of balances at the end of the financial year as a consequence of the level of funding that has been provided in the last quarter of 2020-21. My report to the Policy and Coordination Committee in September will make recommendations on the level of balances and any commitments that will be required over the medium term to respond to reform and recovery. Therefore, at this stage I am not making any specific recommendations about the level of reserves.
- 6.8 The current financial year, 2020-21, has been exceptional as the Council has responded to the COVID-19 pandemic. Part of that response involved the development of a Short-Term Financial Strategy and more frequent financial reporting to Policy and Co-ordination Committee. The strategy remained in place throughout the year and adapted to varying restrictions, recovery arrangements and the associated financial consequences. As a result of the overall response to COVID-19 some previously identified risks have now been mitigated. For example, the risk of an increase in numbers of looked after children in Fife has now been reduced as the pandemic has accelerated changes to the way the service is delivered and this is set to continue.
- 6.9 As a result of the increased level of reserves as detailed in paragraph 6.7, reserves are projected to be 3.8% of the Council's revenue budget but it should be noted that there will be a requirement to use these reserves to offset the continuing costs of COVID-19 and recovery and reform in future financial years. It is anticipated that the level of General Fund reserves will return to lower levels within the rolling 3-year period as balances are committed to known and emerging COVID-19 related costs.
- 6.10 The economic outlook will have a direct impact on the level of public sector funding in the future. The level of uncertainty regarding future resources available has increased dramatically as a consequence of the pandemic and associated recovery and also as a result of Brexit. It is too early at this stage to determine what the full impact will be and this key risk will continue to be monitored.

7.0 Capital Receipts Flexibility

- 7.1 Approval was given by the Policy and Co-ordination Committee in August 2019 for the ring fencing of capital receipts to fund two legacy replacement systems, SWIFT and COMIS, previously approved in the Capital Investment Plan. This is in line with Scottish Government offering enhanced financial flexibility in relation to capital receipts to enable Councils to fund transformational projects of this nature.
- 7.2 As these are cloud based systems, the associated costs of £6.970m are revenue in nature rather than capital as originally planned. The impact of this transition from capital expenditure to revenue expenditure is cost neutral as the capital receipts have been removed from capital plan and transferred to fund this revenue expenditure.
- 7.3 The scheme proposed by the Scottish Government requires accountability and transparency in the use of capital receipts. This will involve: -
- Presenting the projects which will be funded, or part funded through the capital receipts to full Council;
 - Publishing their approved plans on the Council's website; and
 - Reporting on projects approved in previous years, including a commentary on whether the planned savings or service transformation have been/are being realised in line with the initial analysis.
- 7.4 In relation to the COMIS Project, during the financial year 2019-20 the costs incurred were £0.264m which were fully funded by capital receipts. Costs for 2020-21 are expected to be in the region of £0.400m. Implementation of the programme has experienced delays due to COVID19 pandemic with the costs expected to be incurred to date being less than initially expected. However, the total cost of the programme is still anticipated to be £4.670m over the three year period, with the aim to implement before the end of the 2021-22 financial year. Despite the delay in implementation, the programme is still expected to achieve in excess of £1.200m benefits from improved processes and a reduced level of duplication.
- 7.5 The SWIFT programme has experienced delays in implementation following a protracted legal challenge which has now been resolved. Work is now gathering pace following a successful tender process. The total cost remains within the original estimates of £2.200m with implementation scheduled to be completed by July 2022.
- 7.6 The replacement of SWIFT is an opportunity to enable services to operate more efficiently, improve data migration and provide a modern solution. The benefits from implementation are being revised and an update will follow in due course.
- 7.7 In line with Scottish Government guidance further progress and updates on the cost and benefits for these projects will be provided to Full Council at future meetings.

8.0 Conclusions

- 8.1 The budget beyond 2021-22 and into the future, will continue to be challenging for the Council. The indicative Local Government Finance Settlement provides provisional grant figures for the next year only. The delayed UK Budget means that these figures and those for future years are subject to change and further refinement.
- 8.2 Based on the assumptions contained in this report there is a provisional budget surplus on the core budget of £4.015m in 2021-22 however by 2023-24 this translates to a budget gap of £34.365m. In setting the budget for 2021-22 it is important that members have regard to the implications of any decisions on future years' budgets.
- 8.3 In recognition of the uncertainty around the continuing response to the Pandemic, an updated financial plan will be presented to Members later in the financial year, around September time, once the final outturn position for the Council is known, alongside improved estimates of the likely recovery and reform arrangements.

List of Appendices

- Appendix 1 – Letter from Kate Forbes, Cabinet Secretary for Finance, 28th January 2021;
- Appendix 2 - Risk Register

Background Papers

- The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act, 1973:
- Local Government Finance Circular No 1/2021 – February 2021
- Office for Budget Responsibility (OBR) - Economic Forecasts
- CIPFA Directors of Finance Briefings prepared by Professor John McLaren
- General Fund Revenue Budget Report 2021-24 – November 2020

Report Contact

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Councillor Alison Evison
COSLA President
Verity House
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EH12 5BH

Copy to: The Leaders of all Scottish local authorities

28 January 2021

Dear Alison,

Today I set out the Scottish Government's proposed Budget, including tax and public sector pay policies for 2021-22 and introduced the associated Budget Bill to Parliament. Further to the announcement I write now to confirm the details of the local government finance settlement.

The intention is that details of the indicative allocations to individual local authorities for 2021-22 will be published on Monday 1 February in a Local Government Finance Circular which will begin the statutory consultation period on the settlement.

COVID-19 has taken a heavy toll on our society, communities and lives. While the local impacts have undoubtedly been severe in many areas, our communities have also shown an enduring resolve in a time of great crisis. I am indebted to local authorities in continuing to support their communities and to deliver vital public services and for the central role in administering financial support to our businesses under the most significant of pressures.

The physical and mental ill-health caused by COVID-19, together with the economic impacts, including loss of businesses and jobs, have in turn impacted people's standards of living and put many more on the cusp of financial insecurity, with the risks of poverty and homelessness that brings. There have been significant consequences for education and our communities have felt the economic impacts sharply in how we travel, live, work, and shop. Our Budget responds to those challenges.

The total non-COVID-19 revenue funding to be provided through the settlement for 2021-22 will be £11,003.4 million, which includes distributable non-domestic rates incomes of £2,631 million.

The Capital settlement has been set at £617 million.

The total funding which the Scottish Government will provide to local government in 2021 -22 through the settlement is therefore £11,620.4 million, and includes;

- £59 million revenue to support the final tranche of increased funding for the expansion in funded Early Learning and Childcare entitlement to 1,140 hours;
- In addition to the £100 million available in 2020-21, a further £72.6 million to be transferred from the health portfolio to the Local Authorities in-year for investment in adult health and social care and mental health services that are delegated to Integration Authorities under the Public Bodies (Joint Working) (Scotland) Act 2014. This brings the total transferred from the health portfolio to support health and social care integration to £883.6 million in 2021-22. The additional £72.6 million for local government includes a contribution to continued delivery of the real Living Wage (£34 million), uprating of free personal and nursing care payments (£10.1 million), continued implementation of the Carers Act in line with the Financial Memorandum of the Carers Bill (£28.5 million);
- The ongoing £88 million to maintain the pupil:teacher ratio nationally and secure places for all probationers who require one under the teacher induction scheme;
- Continued provision in support of Teachers Pay (£156 million) and Pensions (£97 million);
- An increase of £7.7 million in the specific grant support for Inter-Island Ferries bringing the total to £19.2 million;
- £5.3 million for Barclay implementation costs; and
- The capital settlement includes an uplift in provision for flood risk schemes of £10 million.

In recognition of the unique pressures created by the pandemic the settlement also includes an additional £90 million available to compensate councils who choose to freeze their council tax at 2020-21 levels, helping to protect household incomes. This additional allocation provides compensation to support services and equates to an increase in council tax of around 3%.

Including the additional funding to compensate for a council tax freeze the revenue allocation delivers an increase for local government for 2021-22 compared to 2020-21 of £335.6 million or 3.1% to support services.

I can also confirm local government will be allocated a further £259 million of non-recurring COVID-19 funding for 2021-22. The distribution of this funding, which will be provided as general revenue grant, will be discussed and agreed with COSLA.

Local authorities will again, in return for this settlement, be expected to deliver further certain specific commitments.

This year, we will again work with local government to agree a small number of deliverable outcomes to help ensure Integration Authorities use total resources to focus on delivery of key areas for improvement, including: reducing delayed discharges; improving availability of, and access to, community-based health and social care services; and ensuring more people are

supported to stay at home. We will also wish to ensure that the social care workforce is supported and sustained during and following the challenges of the Covid pandemic. We will provide support and challenge by working with local government to agree a shared national and local approach to accountability for delivery, building upon existing shared mechanisms for routine reporting of expenditure, activity and outcomes across Scotland.

The funding allocated to Integration Authorities should be additional and not substitutional to each Council's 2020-21 recurring budgets for adult social care services that are delegated. This means that, when taken together, Local Authority adult social care budgets for allocation to Integration Authorities must be £72.6 million greater than 2020-21 recurring budgets.

The Scottish Government, in partnership with local authorities, retains the ambition of empowering schools to make key decisions over areas such as the curriculum, budgets and staffing while continuing to deepen collaboration across the education sector. In recognising that teachers are central to achieving our ambition of delivering excellence and equity in Scottish education we will continue to commit an overall funding package of £88 million in the local government finance settlement to support both maintaining the pupil teacher ratio at a national level and ensuring that places are provided for all probationers who require one under the teacher induction scheme.

We will continue to invest in the Attainment Scotland Fund to deliver the Scottish Attainment Challenge. This will see each local authority area continue to benefit from over £120 million in Pupil Equity Funding (PEF), which will go directly to headteachers to provide additional support to help close the poverty-related attainment gap and overcome barriers to learning linked to poverty. This is in addition to the £62 million in Attainment Scotland Funding allocated to LAs outwith the local government finance settlement. This funding will continue to provide authorities and schools with additional means to provide targeted literacy, numeracy and health and wellbeing support for children and young people most impacted by poverty.

On non-domestic rates, the Scottish Budget commits, within the fiscal limitations of the devolved settlement, to extending the 100% Retail, Hospitality and Leisure (RHL) and aviation relief for at least three months. We hope that this interim measure will provide a degree of certainty in the absence of any clarity from UK Government over both the future of their equivalent RHL relief and other macroeconomic support measures such as the furlough scheme. Should the UK Government bring forward an extension to their equivalent RHL relief that generates consequential funding, Ministers will match the extension period as part of a tailored package of business support measures. In addition, our decision to reduce the Basic Property Rate ('poundage') to 49 pence, the same as in 2019-20, will deliver savings for Scottish businesses compared with previously published plans. Notwithstanding the limitations of the devolved settlement we are fully committed to doing all we can to prioritise support for businesses and this unprecedented step will ensure that properties' gross rates liabilities are no higher than they were prior to the pandemic, all else being equal.

In coming to the decisions announced in the Scottish Budget I have listened carefully to the representations that COSLA made on behalf of local government over the unprecedented pressures and challenges they are facing and this is recognised in the decisions taken on the level of funding to be delivered through the local government finance settlement.

The Scottish Government and COSLA worked together to agree the details of a lost income scheme to compensate councils for the loss of income from sales, fees and charges due to the pandemic in 2020-21. The scheme was worth an estimated £90 million for 2020-21 but was subject to confirmation of the consequentials from the UK Government. While that confirmation is still awaited, I can also confirm that I am increasing the allocation to £200

million, which when added to the previously committed £49 million of consequential that could also be used to support lost income for council Arm's Length Organisations will provide an extra £249 million of allocated funding to support councils losses due to the pandemic. While I appreciate that confirmation of this additional funding is coming late in the financial year it will allow councils to manage the costs of COVID-19 and subsequently support continued financial sustainability. I can reaffirm my commitment that if there are any further consequential that accrue to the Scottish Budget for this purpose in 2021-22, I will pass these on in full to Scottish local authorities.



KATE FORBES

Fife Council - Financial Risk Register

Appendix 2

No.	RISK Threat to achievement of business objective	Scope/potential consequences of risk	Assessment of Risk (likelihood x impact) Assume No Controls in Place			Risk Control Measures in Place	Are all Controls Operational? Y/N/ Partial	Potential Financial Risk Annual Basis £m	Assessment of Residual Risk (likelihood x impact) With Controls Measures		
			Likeli- hood	Impact	Risk Score				Likeli- hood	Impact	Risk Score
1	Future demographics	Additional revenue costs associated with increased demand from Services as a result of changing demographics.	5	5	25	Medium Term Finance Strategy requires that the Directorate should meet any recurring revenue costs	Y	5.0	3	5	15
2	Inability to achieve savings	Increased risk due to budget not being met, may result in overspend and future reduced service provision as a consequence. Implementation of savings has been delayed as a result of the lockdown restrictions in place following COVID-19 pandemic making it difficult for Services to progress.	5	4	20	Tracking through monitoring process. Monitoring indicates around 59% of savings are on target for delivery in 2020/21 (Revenue Monitoring Report). Services are required to substitute savings to contain expenditure within budget. Carry Forward scheme means that overspends can be recovered from future years service budgets. Government Funding made available for the costs of the pandemic could be utilised to offset the non-achievement of savings delayed due to COVID-19.	Y	4.0	2	4	8
3	Inflation costs due to economic factors	High inflationary increases resulting in increased service budget pressures could lead to overspend.	4	4	16	Limited non-pay inflationary costs included within budget model. Services to comply with Medium Term Finance strategy which assumes that Services manage costs within available resources.	Partial	4.8	2	4	8

Fife Council - Financial Risk Register

Appendix 2

No.	RISK Threat to achievement of business objective	Scope/potential consequences of risk	Assessment of Risk (likelihood x impact) Assume No Controls in Place			Risk Control Measures in Place	Are all Controls Operational? Y/N/ Partial	Potential Financial Risk Annual Basis £m	Assessment of Residual Risk (likelihood x impact) With Controls Measures		
			Likeli- hood	Impact	Risk Score				Likeli- hood	Impact	Risk Score
4	Increased costs of COVID-19 pandemic and recovery.	The costs associated with COVID-19 pandemic and recovery have fluctuated over the last year as new restrictions and recovery arrangements are put in place. Estimated costs for the future have been identified with a proposed funding strategy.	3	5	15	Additional Government funding provided for future years. Carry forward arrangements are in place for any unused funding. Application of fiscal flexibilities could also be used.	Y	15.0	3	2	6
5	Environmental Impacts for example flooding events, severe winter and oil spillage	Strain on budget and internal resources.	4	3	12	Bellwin Scheme available , but only when significantly high costs are incurred and within certain criteria. Not available to cover lower costs of adverse winter weather.	Y	1.7	4	1	4
6	Use of Capital Receipts to fund transformation projects	Capital receipts have been set aside to fund 2 transformation projects, namely COMIS and SWIFT. There is a time limit for using receipts as a funding stream and if this is not adhered to the receipts return to being capital.	4	3	12	Project Board and implementaion plans should focus on delivery and realisation of benefits in the financial year 2021-22,	Y	5.0	3	3	9
7	Revenue Consequences of Capital	Recurring revenue costs resulting from Capital Investment which are not fully resourced within Service's budgets.	5	2	10	Medium Term Finance Strategy requires that services should meet any recurring revenue costs. Business case process should identify revenue costs.	Y	2.0	3	2	6

Fife Council - Financial Risk Register

Appendix 2

No.	RISK Threat to achievement of business objective	Scope/potential consequences of risk	Assessment of Risk (likelihood x impact) Assume No Controls in Place			Risk Control Measures in Place	Are all Controls Operational? Y/N/ Partial	Potential Financial Risk Annual Basis £m	Assessment of Residual Risk (likelihood x impact) With Controls Measures		
			Likeli- hood	Impact	Risk Score				Likeli- hood	Impact	Risk Score
8	Health and Social Care Overspend	IJB overspends and the Council is currently liable for 28% of total overspend.	5	2	10	3 year Financial Strategy. Robust revenue monitoring and regular reporting to IJB. Risk share arrangement is the control to minimise the risk to the Council.	Y	1.7	4	2	8
9	Financial Guarantees	Two Financial Guarantees with Fife Resource Solutions in respect of defaults from Energy to Waste agreements.	2	5	10	Close monitoring of FRS and business plans and activities.	N	16.0	1	5	5
10	Increase in scale of bad debts owed to the Council (AR, Council Tax, NDR). Welfare Reform and COVID-19 pandemic compounding this issue.	Potential pressure on revenue budgets as greater amounts need to be written off.	5	2	10	Bad Debt provision in place, proved adequate for C/Tax and NDR historically. More robust policy framework now in place. Any debt written off is in line with policy. Debt recovery arrangements indicate this risk is being managed. COVID-19 funding provided by Scottish Government would offset some under recovery	Y	3.0	2	1	2
11	Insurance Renewals	Insurance market is hardening in the current climate and there is a risk that the costs to the Council may increase. Nationally other Councils are	5	2	10	Close working with Insurance brokers and procurement to secure the best outcomes but currently difficult to quantify	Partial	2.0	3	2	6
12	Debt Charges - Interest Rates rise at a faster rate than forecasted	Higher debt charges result in corporate overspend.	3	2	6	Effective Treasury Management Strategy.	N	0.5	2	1	2

Fife Council - Financial Risk Register

Appendix 2

No.	RISK Threat to achievement of business objective	Scope/potential consequences of risk	Assessment of Risk (likelihood x impact) Assume No Controls in Place			Risk Control Measures in Place	Are all Controls Operational? Y/N/ Partial	Potential Financial Risk Annual Basis £m	Assessment of Residual Risk (likelihood x impact) With Controls Measures		
			Likeli- hood	Impact	Risk Score				Likeli- hood	Impact	Risk Score
13	Inability to achieve projected savings from previous years from Corporate Programmes	Increased risk of overspend due to savings not being met, may result in future reduced service provision as a consequence.	5	1	5	Robust financial monitoring arrangements are in place.	Partial	1.0	3	1	3
14	Major Capital projects which cannot progress	Potential need to move costs previously capitalised to revenue in	4	1	4	Robust Capital Strategy, Capital Monitoring. Investment Strategy	Y	1.0	3	1	3
15	Future Equal Pay Claims	Potential requirement to settle further Equal Pay claims.				Currently under review	N	TBC			
16	Historic Child Abuse Claims	Potential requirement to settle Historic Child Abuse claims				Currently under review.	N	TBC			
17	Brexit	Increased uncertainty around the future availability of resources as a consequence of Brexit including supply chain/price volatility				Currently under review by BREXIT IMT	N	TBC			

Projected General Fund balance as at 31 March 2022

Risk Per Risk Register

% of Risks per Risk Register covered by Unallocated Balances

£34.4m

£62.7m

54.9%

11th March, 2021

Agenda Item No. 8

Capital Investment Plan 2021-2031

Report by: Eileen Rowand, Executive Director, Finance and Corporate Services

Wards Affected: All

Purpose

The purpose of this report is to provide members with sufficient information to enable the council to approve a capital plan for the period 2021 – 2031. The report consolidates the information contained in an earlier report which was made available to all political groups in February 2021.

Recommendations

- a) Note the estimated additional resources available to fund the capital plan 2021-31.
- b) Note that current assumptions around future funding levels will be kept under review
- c) Agree that a further review of the capital plan will be carried out during 2022-23
- d) Approve the prudential indicators as outlined in Appendix 1 of this report.

Resource Implications

This report details the resource implications for the council including the risk that there is a significant dependency on levels of continuing funding from the Scottish Government and significant additional developers' contributions over the life of the Plan.

Legal & Risk Implications

The council is required to agree a capital plan which meets the criteria set by the 'prudential code'. There is a risk that the level of funding assumed in the plan are is not met, however affordability is continually reviewed.

Impact Assessment

Where appropriate detailed impact assessments will be carried out on individual projects within the plan

Consultation

The investment strategy group has consulted with services on the information presented to elected members

1.0 Background

- 1.1 The CIPFA Prudential Code 2017 (the code) requires Councils to demonstrate that capital expenditure and investment decisions are taken in line with service objectives and take account of stewardship, value for money, prudence, sustainability and affordability.
- 1.2 The code recommends that Councils should have in place a Capital Strategy that sets out the long-term context in which capital expenditure and investment decisions are made. The Capital Strategy should form part of the authority's integrated revenue, capital and balance sheet planning. It is intended to give a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the overall priorities of the Council and to the provision of services.
- 1.3 The last review of the capital plan was approved by the council in February 2019 and since that time many capital projects have been delivered across Fife. Many more projects are currently in the delivery phase despite the difficult circumstances presented by restrictions throughout the last year relating to COVID-19.
- 1.4 The review in February 2019 was based on funding assumptions relevant at that time. This more recent review uses current information from both the U.K. and Scottish Governments.

2.0 Capital Strategy

- 2.1 The Capital Strategy was approved by the Policy and Co-ordination Committee on 13 September 2018 and endorsed by the Council at its meeting on 21 February 2019.
- 2.2 In recognition of the Plan for Fife and the Council's ambitions, the strategy outlines the key investment priorities aimed at meeting those ambitions. In addition, the strategy recognises that investment in existing assets is key to realising the ambitions in the Plan for Fife and to continue to provide Services in a sustainable and affordable manner.
- 2.3 The biennial capital plan review has been undertaken in line with the Capital Strategy and continues to recognise the need to balance investment in enhancing and improving the existing asset base against investment in acquisition and creation of new assets.
- 2.4 The review continues to promote investment in the Council's priorities and ambitions in line with the Plan for Fife and builds on the strategy associated with investment in schools, infrastructure and housing.
- 2.5 The capital strategy will be kept under review and will be updated in line with any changes to the Council's overall priorities and objectives as set out in the refreshed Plan for Fife.

3.0 Biennial Capital Plan Review

- 3.1 The current review has extended the Plan by a further 2 years to 2030-31 and re-assessed available funding resources and any changes to priorities included in the existing Plan. Although the Council's Capital Investment Plan includes all services, this report deals only with General Fund because affordability of HRA investment is assessed separately through the HRA Business Plan.
- 3.2 In the period since the Capital Investment Plan was last reviewed in February 2019 the landscape in which we are all working has changed dramatically, most notably, as a result of the COVID-19 pandemic. Measures that have been put in place to reduce the spread of the virus have impacted on the way both Fife Council and its contractors operate, and this has led to increased costs in many of our capital projects. When considering the budget requirements for this review, Services were asked to mitigate any additional costs arising from COVID-19 and other inflationary increases from within existing budgets within the current plan and in most cases, this has been achieved.
- 3.3 Additional investment in new school provision was included in February 2019 review. The funding model at that time was assumed on the basis of the Scottish Government funding two thirds of the overall investment. Since the last review, the funding model being offered by the Scottish Government has changed, and funding will now take the form of revenue support, meaning that the full cost of these new schools has been included to reflect this change.
- 3.4 To ensure that our existing assets are maintained for the duration of the plan budgets for the Rolling Programmes have been extended for another 2 years bringing total investment in this theme to £314.722m
- 3.5 A number of new unavoidable pressures have arisen since February 2019 and these have been identified and it is estimated that these additional requirements total £32.724m. These new requirements are, in the main, for later years of the plan with the earliest significant budgets being required in 2025-26.
- 3.6 Affordability of the Capital Investment Plan is continually reviewed. During 2019-20 work was carried out in relation to the revised Loan Fund Regulations and Fife Council took the opportunity to reprofile the current loan charges in line with the asset lives. For General Fund assets this means that current borrowing will be written off over a period of 40 years. Estimated revenue funding levels expected from the Scottish Government in respect of the Dunfermline Learning Campus and Inverkeithing High School have been taken into consideration when assessing the overall affordability of the revised Capital Investment Plan.

4.0 Projected Available Resources

- 4.1 There are a number of sources of funding which are applied to the Council's Capital Investment Plan. Estimating available resources for a 10-year period means that a number of assumptions have to be made based on the best information available.
- 4.2 Capital grant is received direct from the Scottish Government and the Council has certainty on the level of grant for the next financial year only. It is assumed that the future levels of grant income will remain the same each year for the duration of the plan. The terms of the award of capital grant dictate that these amounts must be applied to projects in the year of award and cannot be brought forward to earlier years. The level of Scottish Government grant is assumed to remain consistent over the duration of the plan. There is a risk that funding levels may not remain consistent and this will be assessed bi-annually as part of the plan review process.
- 4.3 Capital receipts are used as part of the overall funding for the capital plan, capital receipts being income generated from the sale of assets. The ability of the council to generate receipts has been reviewed in light of current market uncertainty associated with the COVID-19 pandemic and a decrease of £4.524m is anticipated compared to the level assumed at the time of the 2019 review.
- 4.4 Developer Contributions are assumed to provide significant funding for increased school capacity requirements and infrastructure projects within the plan. Based on current assumptions it is estimated that £136.460m will be generated over the 10-year lifetime of the capital plan. There is risk of uncertainty related to this assumption and this will be carefully monitored over the life of the Plan. The phasing of contributions has been reviewed and it is anticipated that some will continue to be generated beyond the current lifetime of the plan.
- 4.5 Previous capital plans have contained a budget for on-lending to assist other landlords to contribute towards the Council's target of delivering 2,700 new affordable homes. This on-lending will be repaid in the period to 2025-26 and has been treated as additional income.
- 4.6 The balance of funding required to finance the capital plan is borrowed and the ongoing cost of this borrowing must be met from the council's revenue budget for loan charges. As highlighted in paragraph 2.6, the affordability is continually reviewed to ensure that Capital Investment Plans are affordable.
- 4.7 Assumptions have also been reviewed around the level of inflation and contingency held within the plan. It is important that the capital plan contains adequate provision for both inflation and unanticipated contingencies. Whilst the increased costs relating to COVID-19 have been built into the current project estimates there remains future cost uncertainty in relation to both COVID-19 and BREXIT.

5.0 Prudential Indicators

- 5.1 The Prudential Code requires Councils to demonstrate that capital expenditure and investment decisions are taken in line with service objectives and take account of stewardship, value for money, prudence, sustainability and affordability
- 5.2 To demonstrate that the Council has fulfilled these objectives, the code sets out a range of indicators that must be used and the factors which must be taken into account.
- 5.3 The updated indicators, based on the latest budgeted information are included in Appendix 1.

6.0 Conclusions

- 6.1 The assumptions made at the time of the last review in February 2019 have been updated for both expenditure and funding levels.
- 6.2 The COVID-19 pandemic has impacted on costs but in the main these have been mitigated from within existing budgets. The costs of new schools have increased significantly as a result of the revised funding model and this has been included within the affordability assessment which is undertaken in conjunction with this review and will continue on a regular basis thereafter.
- 6.3 It is an option to use revenue contributions /revenue savings to generate additional borrowing to part fund the 10-year capital plan. Any additional borrowing must meet the criteria set by the 'Prudential Code'.
- 6.4 Any additional investment proposed by political groups would require a funding mechanism agreed with the Executive Director, Finance and Corporate Services.

List of Appendices

Appendix 1 – Prudential Indicators

Report Contact

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FIFE COUNCIL
PRUDENTIAL INDICATORS 2021-24

2019-20	2020-21		2021-22	2022-23	2023-24
		Affordability Indicators			
		<u>Capital Expenditure</u>			
£m	£m	General Fund	£m	£m	£m
95.460	105.046		89.255	113.188	128.823
79.644	96.863	Housing Revenue Account	80.667	82.175	81.388
175.104	201.909		169.922	195.363	210.212
		<u>Financing Costs</u>			
£m	£m	General Fund	£m	£m	£m
63.187	62.456		60.123	57.990	61.338
25.464	27.525	Housing Revenue Account	27.340	29.657	31.968
88.650	89.981		87.464	87.647	93.306
		<u>Net Revenue Stream</u>			
£m	£m	General Fund	£m	£m	£m
810.969	811.598		846.536	840.542	835.056
118.223	120.926	Housing Revenue Account	123.716	126.975	130.463
929.192	932.524		970.252	967.517	965.519
		<u>Ratio of Financing Costs to Net Revenue Stream</u>			
7.79%	7.70%	General Fund	7.10%	6.90%	7.35%
21.54%	22.76%	Housing Revenue Account	22.10%	23.36%	24.50%
		<u>The Capital Financing Requirement</u>			
£m	£m	General Fund	£m	£m	£m
756.568	823.221		780.759	823.389	884.373
365.217	383.319	Housing Revenue Account	378.769	402.473	423.388
1,121.785	1,206.540		1,159.528	1,225.862	1,307.761
1,142.312	1,178.759	<u>External Debt</u>	1,117.580	1,207.949	1,301.011
1,339.618	1,411.288	<u>Authorised Limit for Total External Debt</u>	1,451.766	1,460.054	1,502.405
1,275.827	1,344.084	<u>Operational Boundary for Total External Debt</u>	1,382.634	1,390.528	1,430.862
		Prudence Indicators			
		<u>External Debt and the Capital Financing Requirement</u>			
£m	£m	Forecast External Debt	£m	£m	£m
1,142.312	1,178.759		1,117.580	1,207.949	1,301.011
1,121.785	1,206.540	Forecast Capital Financing Requirement	1,159.528	1,225.862	1,307.761
20.527	(27.781)		(41.948)	(17.912)	(6.750)
		<u>Adoption of the CIPFA Code on Treasury Management</u>			
		Code adopted in 1996 and compliance maintained through the Treasury Management Strategy			
100%	100%	<u>Fixed Interest Rate Exposure Upper Limit</u>	100%	100%	100%
75%	75%	<u>Variable Interest Rate Exposure Upper Limit</u>	75%	75%	75%
0%	0%	<u>Total Principal Sums Invested Beyond 364 days Upper Limit</u>	0%	0%	0%

**FIFE COUNCIL
PRUDENTIAL INDICATORS
EXPLANATORY NOTE**

As a requirement of the Prudential Code for Capital Finance in Local Authorities, members should be provided with an update of the Prudential Code Indicators. This ensures members are aware of the impact of decisions taken in relation to the capital plan to satisfy the requirement of the code that capital expenditure plans should be suitably prudent, affordable and sustainable. A brief explanation of some of the key indicators are as follows:-

Capital Expenditure

Actual expenditure is taken from the Councils audited accounts. Estimated capital expenditure reflects the Council's ten year Capital Investment Plan.

Financing Costs

These are the costs to the Council of borrowing money to pay for capital projects and include principal repayments and interest charges which are charged against the relevant revenue budgets.

Ratio Financing Costs to Revenue Stream

This is a key indicator and highlights how much the Council's annual income is used to meet the costs of the Council borrowing to fund Capital Expenditure Plans.

The Capital Financing Requirement

This indicator quantifies the Council's need to borrow to fund Capital Projects.

External Debt

This is the amount the Council borrows externally to fund Capital Projects

Authorised Limit / Operational Boundary for External Debt

These are approved limits which are used to monitor the total borrowings of the Council on a day to day basis. The Operational Boundary is set to reflect the estimated need to borrow for a capital purpose in the current and two following financial years as permitted by the CIPFA code on Treasury Management. It is not normally expected to be exceeded. The Authorised Limit is the upper limit of gross external debt which should not be exceeded. It reflects the level of external debt which could be afforded in the short term, but is not necessarily sustainable in the longer term. If any breach of either of these limits were to occur, members should be formally advised of the occasions and reason for the breach.

External Debt and the Capital Financing Requirement

This is a key indicator which highlights whether the Council has borrowed to meet its needs or not. If the limit has been exceeded it may indicate that the Council has borrowed in advance of its needs. This indicator requires to be closely monitored to ensure premature borrowing does not happen.

CIPFA Code on Treasury Management / Treasury Indicators

The Council has adopted the CIPFA Code on Treasury Management and complies with all aspects of the Code. The various Treasury Indicators are important in setting parameters that ensure the Council is not exposed to interest rate movements which could impact significantly on the Council's finances.

Upper limit for the maturity of borrowing

This indicator limits the exposure of the maturity of borrowing and is set at an upper limit of 15%.

Review of Changes to Governance Arrangements

Report by: Executive Director, Finance & Corporate Services

Wards Affected: All

Purpose

The purpose of the report is to review the Governance Arrangements implemented following the Council decision of 6th August 2020, as required in terms of that decision and the changes to Financial Regulations agreed by Policy & Co-Ordination Committee on 19th November 2020.

Recommendation(s)

It is recommended that the Council:

- (1) Agree that Council and Committee meetings will continue to be held remotely for the time being, subject to the exclusions set out in para 2.3 of this report;
- (2) Agree to delegate authority to the Chief Executive and the Group Leaders to review and, if necessary, alter the requirement to hold Council and Committee meetings remotely after the summer recess; and
- (3) Agree that the departures from the Financial Regulations set out in para 2.5 and 2.6 of this report will continue to be effective until September 2021;

Resource Implications

There are no resource implications arising from this report.

Legal & Risk Implications

The Council is obliged, in terms of local government legislation, to ensure that appropriate decision-making structures are in place. The Governance Scheme, as amended, is designed to comply with all legal requirements.

Impact Assessment

An EqIA is not required as this report does not propose a change or revision to existing policies and practices. However, Members will note that Standing Order 7.2 specifically addresses the issue of ensuring that meetings are conducted in such a way that equalities issues are addressed, and reasonable adjustments made to ensure full participation in meetings.

Consultation

None

1.0 Background

- 1.1 The social distancing rules introduced as a consequence of the Covid 19 pandemic required the introduction of remote Committee meetings. At its meeting of 6th August 2020, Council agreed a number of changes to the governance arrangements, and, specifically, that meetings would continue to be held remotely until at least the end of 2020. It was also agreed that the governance arrangements would be reviewed in Spring 2021. This report constitutes that review.
- 1.2 As part of the immediate response to the Covid 19 pandemic, the Council agreed a number of departures from its normal Financial Regulations. These were last considered at a meeting of the Policy & Co-ordination Committee on 19th November 2020, where it was agreed that they would continue in place for a further period of six months. This report constitutes that review.

2.0 Issues and Options

- 2.1 The social distancing restrictions introduced as a consequence of the Covid 19 pandemic make it impossible to hold Council and Committee meetings in the traditional manner. With some specific exceptions, most Committee meetings are now being held remotely using Microsoft Teams technology. This has enabled Elected Members to participate from their home locations and many of these meetings have been live streamed to allow the public to view proceedings. Generally, these meetings have been successful in demonstrating transparent and democratic decision making.
- 2.2 It had been hoped that the restrictions on social distancing would begin to be eased and that this would allow a return to face to face meetings early in 2021. However, the national public health position requires that the restrictions remain in place. As a result, it is proposed that Council and Committee meetings should continue to be held on a remote basis for the time being and until at least the 2021 summer recess.

As part of the New Ways of Working project, officers are exploring options for blended meetings, with some Members in a central location with others joining remotely. As these options are developed, and taking account of any changing social distancing restrictions, it may be possible to alter the format of meetings by the summer. To this end, it is proposed that the Chief Executive and the Group Leaders review the position during the recess and, if they consider it is safe and efficient to do so, alter the means of holding meetings after the recess. If it is not safe to do so, remote meetings will continue until the position changes.

- 2.3 There are two Committees that have not been able to meet remotely – the Regulation and Licensing Committee and the Licensing Board. There is a high level of public participation in the proceedings of both these committees and it has not been considered possible to efficiently and effectively manage that in a remote setting. As the numbers involved in these meetings are relatively small, a protocol has been developed to allow safe, socially distanced meetings to take place in the Council Chamber in Fife House. However, these meetings have not taken place during the stricter lockdown period starting at the beginning of 2021. It is proposed

that the business of these Committees will be managed to minimise the requirement for meetings so far as possible and that the socially distanced face to face meetings will restart as soon as it is safe to do so.

- 2.4 It is not proposed that there should be any further changes to the Committee structure agreed by Council at its meeting on 6th August 2020, including the expansion of the remit of the Policy & Co-ordination Committee and the establishment of its attendant Sub-Committees. However, Members should note that the informal working groups established at that time have now discharged the work remitted to them by the Policy & Co-ordination Committee and are not currently meeting. It is not proposed to formally disband these working groups as they may be called upon in the future to consider further workstreams.
- 2.5 As part of the immediate response to the Covid 19 pandemic, a temporary variation to the Financial Regulations was agreed for a period of six months to allow the implementation and operation of the supplier relief scheme. This scheme is designed to assist suppliers who are critical to the operation of the Council when business as usual returns. The variation permits payment to be made to suppliers for services that are not delivered. A set of criteria and a clear decision-making process is already in place to deal with this. The temporary departure from the Financial Regulations was then extended for a further six months by a decision of the Policy & Co-ordination Committee on 19th November 2020, at which time a review was to take place to assess whether any further extension was required. It is proposed that this departure continue until September 2021, when it will be further reviewed.
- 2.6 It was also recognised that in some cases where money is due to the Council, some individuals or businesses are finding it difficult to pay the money due. A temporary measure was agreed which allowed those who could afford to pay, to pay and allowed a deferral of money due from those who cannot afford to pay. This policy of deferral rather than abatement of debt does bring some financial risk to the Council, particularly where businesses may not survive the pandemic. However, debt recovery processes continue to be in place to ensure that debt is recovered where possible. Again, it is proposed that this policy continues and is extended until September 2021, when it will be reviewed again to assess the need for any further extension.

3.0 Conclusions

- 3.1 Continuing social distancing restrictions mean that it is not yet possible to hold physical meetings of the Council and its Committees. Therefore, a further period of remote meetings is proposed, subject to review by the Group Leaders and the Chief Executive.
- 3.2 While the financial impacts of the pandemic continue to be felt by our communities and the Council's suppliers, it is proposed that the current departures from the Financial Regulations remain in place until September 2021, when these will be further reviewed.

Background Papers

No background papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act, 1973:

Report Author

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