

THE FIFE COUNCIL - FIFE COUNCIL – BLENDED MEETING

Council Chamber, 6th Floor, Fife House, North Street, Glenrothes

23rd February, 2023

**10.00 a.m. – 1.15 p.m.
and 2.00 p.m. – 3.00 p.m.**

PRESENT: Councillors Jim Leishman (Convener), Tom Adams, David Alexander, Blair Allan, Lesley Backhouse, Alistair Bain, Lynn Ballantyne-Wardlaw, David Barratt, Auxi Barrera, John Beare, Aude Boubaker-Calder, Patrick Browne, John Caffrey, James Calder, Ken Caldwell, Alistair Cameron, Ian Cameron, Alex Campbell, Rod Cavanagh, Al Clark, Eugene Clarke, Fiona Corps, Altany Craik, Colin Davidson, Dave Dempsey, Sean Dillon, Graeme Downie, Gavin Ellis, Linda Erskine, Julie Ford, Derek Glen, Brian Goodall, David Graham, Peter Gulline, Jean Hall-Muir, Judy Hamilton, Alycia Hayes, Cara Hilton, Stefan Hoggan-Radu, Gary Holt, Andy Jackson, Margaret Kennedy, Allan Knox, Robin Lawson, James Leslie, Kathleen Leslie, Rosemary Liewald, Carol Lindsay, Jane Ann Liston, Mary Lockhart, Donald Lothian, David MacDiarmid, Lea McLelland, Lynn Mowatt, Sarah Neal, Derek Noble, John O'Brien, Nicola Patrick, Gordon Pryde, Bailey-Lee Robb, David Ross, Sam Steele, Alistair Suttie, Jonny Tepp, Ann Verner, Andrew Verrecchia, Ross Vettraino, Craig Walker, Darren Watt, Daniel Wilson, Jan Wincott and Conner Young.

APOLOGY FOR ABSENCE: Councillor Julie MacDougall.

48. DECLARATIONS OF INTEREST

No Declarations of Interest were submitted in terms of Standing Order 7.1.

49. SERVICE CONCESSIONS

The Council considered a report by the Executive Director (Finance and Corporate Services) which outlined changes to statutory guidance for accounting for the repayment of debt on "Service Concessions", or Public Private Partnerships (PPP) and Non-Profit Distribution (NPD) Contracts.

Decision

The Council:-

- (1) considered the report and the implications of adopting the revised accounting arrangements for Service Concessions;
- (2) agreed the proposed use of the benefits generated from adopting the revised arrangements; and
- (3)/

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- (3) approved the use of Service Concessions arrangements as outlined in the report.

50. GENERAL FUND REVENUE BUDGET 2023 - 2026

In connection with the consideration of the General Fund Revenue Budget 2023-26, 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 also referred 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;
- (b) Local Government Finance Circular No. 11/2022 providing details of the provisional total funding allocations for each Council for the financial year 2023/24;
- (c) report by the Executive Director (Finance and Corporate Services) which provided members with sufficient information to enable the Council to approve a budget for 2023-26 as required by statute;
- (d) Administration's motion and Revenue Budget Proposals 2023-26; and
- (e) SNP's motion and Revenue Budget Proposals 2023-26.

Administration Motion

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

“That the Council:-

1. Approves the report by the Executive Director (Finance & Corporate Services) and the resolution for the levying and collection of council tax and rates for the year 2023-26 as detailed below and specifically:-
 - a. notes the details of the provisional settlement announced by the Scottish Government as outlined in Finance Circular 11/2022, and the terms of the settlement as outlined in the letter from Cabinet Minister for Finance and Economy, dated 20th December 2022;
 - b. agrees a rise of 5% council tax to be levied for the financial year 2023-24 at Band D equivalent and the revenue budget which can be sustained by this level of income;
 - c. notes the indicative levels of expenditure, subject to further detailed analysis in respect of the financial years 2024-25 and 2025-26;
 - d./

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- d. approves the prudential indicators;
 - e. approves the commitment from balances of £8m to support the revenue budget;
 - f. agrees an additional contribution of £8.1m to the Fife Health and Social Care Partnership;
 - g. agrees that the Council set for 2023-24 the Council Tax at £1,385.18 for valuation Band D properties and proportionately for other Bands; and
 - h. approves the terms of the Administration's Budget Statement and the attached investment proposals (set out in Appendix 1 to the minute).
2. Agrees that early work commences in relation to the development of options for the preparation of the 2024-25 and 2025-26 revenue budgets.

RESOLUTION FOR THE LEVYING AND COLLECTION OF COUNCIL TAX AND RATES FOR THE YEAR 2023-24

Fife Council resolves for the financial year from 1st April, 2023 to 31st March, 2024 as follows:-

- (i) in terms of Section 93 of the Local Government Finance Act 1992 and of all other powers enabling them in that behalf to set the amount of council tax to be paid in their area in respect of a chargeable dwelling listed in valuation Band D at £1,385.18 and to determine the amounts for all the valuation bands as follows:-

Valuation Band	Council Tax
A	£923.45
B	£1,077.36
C	£1,231.27
D	£1,385.18
E	£1,819.98
F	£2,250.92
G	£2,712.65
H	£3,393.69

- (ii) in terms of sections 7 and 7B of the Local Government (Scotland) Act 1975, to levy within their area the non-domestic rate as prescribed by the Scottish Ministers and in accordance with the relevant Non-Domestic Rates (Levy) (Scotland) Regulations.”

SNP/

SNP Motion

Councillor Alexander, seconded by Councillor Glen, moved as follows:-

“That the Council:-

1. Approves the report by the Executive Director (Finance & Corporate Services) to include the details of the provisional settlement, the levels of expenditure in future years and the prudential indicators;
2. Agrees a rise of 3% council tax to be levied for the financial year 2023-24 at Band D equivalent and the revenue budget which can be sustained by this level of income;
3. Agrees that the Council set the Council Tax for 2023/24 at £1,358.80 for valuation Band D properties and proportionately for other Bands;
4. Approves the resolution for the levying and collection of council tax and rates for the year 2023-24 as detailed below; and
5. Agrees the terms of the SNP’s budget proposal contained at appendix 1.

RESOLUTION FOR THE LEVYING AND COLLECTION OF COUNCIL TAX AND RATES FOR THE YEAR 2023-24

Fife Council resolves for the financial year from 1st April, 2023 to 31st March, 2024 as follows:-

- (i) in terms of Section 93 of the Local Government Finance Act 1992 and of all other powers enabling them in that behalf to set the amount of council tax to be paid in their area in respect of a chargeable dwelling listed in valuation Band D at £1,358.80 and to determine the amounts for all the valuation bands as follows:-

Valuation Band	Council Tax 2022/23	Council Tax 2023/24
A	£879.48	£905.86
B	£1,026.06	£1,056.84
C	£1,172.64	£1,207.82
D	£1,319.22	£1,358.80
E	£1,733.31	£1,785.31
F	£2,142.73	£2,207.01
G	£2,583.48	£2,660.98
H	£3,232.09	£3,329.05

- (ii) in terms of sections 7 and 7B of the Local Government (Scotland) Act 1975, to levy within their area the non-domestic rate as prescribed by the Scottish Ministers and in accordance with the relevant Non-Domestic Rates (Levying) (Scotland) Regulations.

Fife Council SNP Group General Fund Revenue Budget 2023-2024
Budget Details

The proposed SNP Budget shows that **Fife Council** for the **4th year in a row** can **avoid cuts and job losses** and can invest **£3.9 million** in vital services that are under the most stress.

Our Proposals for additions investment:

1. **250 additional homeless packs** are included to help those caught up in the current housing crisis.
2. We are increasing funding to the **welfare fund**, support for **foodbanks and community larders**, and writing off unrecoverable **school meal debt**.
3. We are also increasing infrastructure budgets to combat the scourge of **flooding and potholes**.
4. In addition, given the funding from the Scottish Government last year to **end music tuition charges** we are providing funding to schools to purchase **additional musical instruments**.

Council Tax

We are asking people to pay a **3% increase** in Council tax which is in line with the minimum assumption in the Council's Medium-Term Finance Strategy (MTFS). The monthly and weekly **impact by band** is as follows:

Valuation Band	2022/23 (£)	23/24 (£)	Annual increase (£)	Increase per month, based on 10 months (£)	Increase per week, based on 44 weeks (£)
A	879.48	905.86	26.38	2.64	0.60
B	1,026.06	1,056.84	30.78	3.08	0.70
C	1,172.64	1,207.82	35.18	3.52	0.80
D	1,319.22	1,358.80	39.58	3.96	0.90
E	1,733.31	1,785.31	52.00	5.20	1.18
F	2,142.73	2,207.01	64.28	6.43	1.46
G	2,583.48	2,660.98	77.50	7.75	1.76
H	3,232.09	3,329.05	96.96	9.70	2.20

In setting a 3% Council Tax rate we are balancing the need to minimise the impact on Council Taxpayers and to protect the services the Council provides.

Fife Council will receive **£5.4 million** from a 3% Council tax increase but it is important to recognise that, apart from the £3.9 million mentioned above, Fife will benefit from a **further £49 million** from the ring-fenced projects funded by the Scottish Government.

Impact/

Impact of Inflation/demand for wage increases

Whilst Fife Council can balance the books this year inflationary pressures are feeding through into **all areas of public spending**. People across Fife are suffering from **financial hardship** and workers are **rightly demanding pay increases** to combat the Tory cost-of-living crisis.

Whatever inflation measure people choose to use the funding coming to the Scottish Government and Councils is **insufficient** to cover the impact. The average for RPI for the first 9 months of this year is **12.6%**. The average for CPI is **8.7%**.

The Westminster Government try to deflect their responsibility for creating crippling rates of inflation. However, it is certainly not the fault of Fife Council, neither is it the fault of the Scottish Government. It is also not the fault of the ordinary people who must deal with the consequences. The **Scottish Fiscal Commission (SFC)** forecasts that this year will see the **biggest fall (-3.3%) in living standards** since Scottish records began in 1998.

Westminster Underfunding and future years

The Scottish Government received an uplift of only **3.4%** from Westminster for the new financial year (23/24) whilst Westminster Government forecasts estimate that **inflation** will continue to significantly **exceed** that for the rest of this year.

By comparison the Scottish Government's Emergency Budget Review (EBR) last year **reallocated £1.2 billion** from within existing spending plans, primarily for **improved public sector pay deals and cost of living support**.

The estimated financial projections for Fife Council for **2024/2025** indicate a **potential £25 million** gap between income and expenditure (excluding a council tax increase). The Westminster Government uplift to Holyrood is estimated to be **as low as 1%**.

This is **unacceptable** and the Westminster Government has a **moral responsibility** to adequately recompense workers and also the devolved administrations which are struggling with underfunding from Westminster caused by **catastrophic Tory mismanagement** of the economy and public finances.

The financial details of our budget are provided in the following tables.

Fife Council SNP Group General Fund Revenue Budget Proposals 2023-2024

	2023-24 £m
Estimated Budget gap before Council Tax increase	-11.505
Council Tax increase (3%)	5.448
Estimated Budget Gap	-6.057
Transfer from Reserves	8.000
Additional £2 million – teachers	2.000
Proposed one-off investment (see below)	3.943
Revised Budget Gap	0.000

Proposed/

Proposed One-off Investment

One-off Investment/cost of living funding	£m
250 homeless starter packs	0.475
Additional contribution to Welfare Fund	0.600
Additional flooding prevention measures	0.800
Additional revenue support to pothole remediation	1.555
Support to foodbanks and community larders	0.300
Write off unrecoverable school meal debt	0.063
Increased provision to schools of musical instruments	0.150
Total One-off Investment	3.943

Ring-fenced cash spent in Fife (Scottish Government Funded)

	£m
Early Learning and Childcare expansion	36.267
Pupil Equity Fund	10.441
Whole Family Well-being (new)	2.288
Others	0.345
Total Ring-fenced funding	49.341

Roll Call**For the Administration Motion** – 40 votes

Councillors Tom Adams, Mary Bain-Lockhart, Aude Boubaker-Calder, Patrick Browne, John Caffrey, James Calder, Alistair Cameron, Ian Cameron, Alex Campbell, Al Clark, Eugene Clarke, Fiona Corps, Altany Craik, Colin Davidson, Dave Dempsey, Sean Dillon, Graeme Downie, Gavin Ellis, Linda Erskine, David Graham, Peter Gulline, Judy Hamilton, Cara Hilton, Gary Holt, Margaret Kennedy, Allan Knox, Robin Lawson, Jim Leishman, James Leslie, Kathleen Leslie, Jane Ann Liston, Donald Lothian, Derek Noble, Gordon Pryde, David Ross, Jonny Tepp, Andrew Verrecchia, Darren Watt, Jan Wincott and Conner Young.

For the SNP Motion – 32 votes

Councillors David Alexander, Blair Allan, Lesley Backhouse, Alistair Bain, Lynn Ballantyne-Wardlaw, David Barratt, Auxi Barrera, John Beare, Ken Caldwell, Rod Cavanagh, Julie Ford, Derek Glen, Brian Goodall, Jean Hall Muir, Alycia Hayes, Stefan Hoggan-Radu, Andy Jackson, Rosemary Liewald, Carol Lindsay, David MacDiarmid, Lea McLelland, Lynn Mowatt, Sarah Neal, John O'Brien, Nicola Patrick, Bailey-Lee Robb, Sam Steele, Alistair Suttie, Ann Verner, Ross Vettraino, Craig Walker and Daniel Wilson.

Decision

Accordingly, the Administration motion was carried.

51. HOUSING REVENUE ACCOUNT (HRA) BUDGET 2023 – 2024

In connection with the consideration of the Housing Revenue Account (HRA) Budget 2023-24, the Council considered the following papers:-

- (a) Joint report 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 2023-2024;
- (b) Administration's Motion on the Housing Revenue Account Budget 2023-2024; and
- (c) SNP's Motion on the Housing Revenue Account Budget 2023-2024.

Administration Motion

Councillor Hamilton, seconded by Councillor Graham, moved as follows:-

"That the Council: -

- 1. Approves the Housing Revenue Account (HRA) Budget 2023-24 report by the Head of Housing Services and the Head of Finance and agrees the following:
 - (a) Approves a rental increase of 5% for 2023-24 HRA rents and charges for 2023-24.
 - (b) Approves a rental increase of 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 2023-24.
 - (c) Approves the use of uncommitted HRA Reserves of £0.500m for use on reducing the current waiting time for Disability Adaptations in HRA properties to ensure that more individuals can live independently at home.
 - (d) Approves the terms of the Administration's HRA budget statement attached".

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HRA REVENUE BUDGET 2023-24

	2023-24
	£m
Estimated Budget Gap in Year as per report by Executive Director Finance & Corporate Services	8.333
Increased income generated by 5% Rental Increase	(6.459)
Revised Budget Gap	<u>1.874</u>
Proposed Reduction in Budget by Administration	
Reduction in CFCR budget	(1.874)
Revised Budget Gap	<u>0.000</u>

SNP Motion

Councillor Backhouse, seconded by Councillor Goodall, moved as follows:-

“That the Council: -

- (a) Approves a rental increase of 3% for HRA rents and charges for 2023-24;
- (b) Approves a rental increase of 3% on Homelessness Temporary Accommodation to keep rental increase on the General Fund Housing Account in line with increases on HRA rents and charges for 2023-24;
- (c) Approves the HRA gap to be funded from CFCR in the short term (see below)

HRA Funding Gap £8.333m
3% Rent Increase (£3.932)m
Reduction in CFCR (£4.401)m

- (d) Agrees that **all departments** which have a part to play in reducing Council house voids work together with void reduction as a top priority. The target is to reduce the financial impact of voids to 9% or less of net rental income to reduce financial pressure on the Housing Revenue account and to alleviate the housing crisis by making more Council houses available for allocation as soon as possible".

Roll/

Roll Call

For the Administration Motion – 40 votes

Councillors Tom Adams, Mary Bain-Lockhart, Aude Boubaker-Calder, Patrick Browne, John Caffrey, James Calder, Alistair Cameron, Ian Cameron, Alex Campbell, Al Clark, Eugene Clarke, Fiona Corps, Altany Craik, Colin Davidson, Dave Dempsey, Sean Dillon, Graeme Downie, Gavin Ellis, Linda Erskine, David Graham, Peter Gulline, Judy Hamilton, Cara Hilton, Gary Holt, Margaret Kennedy, Allan Knox, Robin Lawson, Jim Leishman, James Leslie, Kathleen Leslie, Jane Ann Liston, Donald Lothian, Derek Noble, Gordon Pryde, David Ross, Jonny Tepp, Andrew Verrecchia, Darren Watt, Jan Wincott and Conner Young.

For the SNP Motion – 31 votes

Councillors David Alexander, Blair Allan, Lesley Backhouse, Alistair Bain, Lynn Ballantyne-Wardlaw, David Barratt, Auxi Barrera, John Beare, Ken Caldwell, Rod Cavanagh, Derek Glen, Brian Goodall, Jean Hall Muir, Alycia Hayes, Stefan Hoggan-Radu, Andy Jackson, Rosemary Liewald, Carol Lindsay, David MacDiarmid, Lea McLelland, Lynn Mowatt, Sarah Neal, John O'Brien, Nicola Patrick, Bailey-Lee Robb, Sam Steele, Alistair Suttie, Ann Verner, Ross Vettraino, Craig Walker and Daniel Wilson.

Decision

Accordingly, the Administration motion was carried.

52. 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.