



Revenue Budget 2020-23

Approved by Fife Council

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Introduction

Once again Fife Council faces a financial challenge in setting its revenue budget for the coming year. With a cut of 1.13% in our core grant from the Scottish Government, the costs of inflation and increased demand for services, the Council has to bridge a budget gap of £15.449m between its estimated income and the cost of continuing services at their current level, in order to produce a balanced budget.

The Council can do this by raising council tax, cutting services or increasing charges for services. In the past, the Council has also been able to call on its reserves, but these are now at the minimum level needed to meet any unexpected emergencies.

However, the Council has also been given ring-fenced resources amounting to £47m. This will see overall net spending in Fife increase by £7m. From August the additional 350 full time equivalent jobs will carry forward the increase in free child-care hours from 600 to 1140.

This year the difficulties faced by the Council in setting a balanced budget are compounded by the delays in production of the UK and Scottish Budgets following the General Election. Councils are normally notified of their funding levels in mid-December. This year Scottish councils weren't notified of their funding until the beginning of February.

Debate on the Scottish Budget in the Scottish Parliament has also been delayed so that while in past years local government has received additional funding following negotiation between the Scottish Government and opposition parties, this year negotiations on the budget are continuing and no agreement has yet been reached at the time of writing this report.

The Council has to set its council tax rate by the beginning of March, in time for council tax notifications to be sent out to households for the start of next financial year. So we have to produce our budget on the basis of the draft budget published by the Scottish Government at the start of February and can't assume there will be additional funding available as a result of negotiations in the Parliament.

Should additional funding become available at a later date, decisions on allocation of this funding will be referred to the Policy and Co-ordination Committee or the full Council as appropriate.

The two political groups forming the Council's Joint Administration have very different views on the approach taken by the Scottish Government and the adequacy and fairness of the funding settlement for local government. However, we are both agreed that the proposals set out in this budget are the best way of protecting our valuable local services in Fife in what are very difficult and challenging financial times.

Council Tax

The Scottish Government has announced that it will allow councils to raise council tax by 4.84% this year, based on an increase of 3% plus inflation. The council tax limit was set at 4.79% last year but Fife Council managed to contain its increase to just 3%. Unfortunately, the Council will have to increase the council tax this year by the full 4.84% in order to avoid a further £3m in cuts to services.

Health and Social Care

As in previous years, it is proposed that the initial annual allocation to the Health and Social Care Partnership is made with a pro-rata reduction based on the Council's core grant reduction (1.13%). An additional £100m for health and social care has been announced by the Scottish Government (although a proportion of this is to fund existing commitments such as payment of the living wage) and the Council will ensure that Fife's share of this funding is allocated in full to health and social care Services.

We estimate that the Health and Social Care Partnership will benefit from a net increase in funding of nearly £5m in the coming year, with around half this amount earmarked for existing commitments.

The Health and Social Care Partnership is jointly funded by Fife Council and NHS Fife. Should there be an overspend in services operated by the Partnership at the end of the year, this is covered by the two funding partners and the Council confirms its commitment to this 'risk-share' arrangement once again this year.

Trust Funding

The Council operates some services through four arms-length trusts (Fife Sports and Leisure Trust, Fife Cultural Trust, Fife Coast and Countryside Trust, and Fife Golf Trust). Last year the Council reached a 3 year funding agreement with these trusts and the Council will honour this agreement with no additional cuts in funding to the trusts this year.

Investment

Based on the current level of funding from the Scottish Government, the Council will be unable to make any investments in new or enhanced services this year with two small exceptions. Recognising the increases that have been made to charges for music tuition and the impact this has on families, the Joint Administration proposes to give a 50% reduction in the charges for music tuition for second and subsequent children in a family. We will also invest £75k to cover a shortfall in funding for Developing the Young Workforce.

Savings Proposals and Pressures

As in previous years Council officers have made a range of proposals for savings from Services in order to help meet the budget gap. From £15m worth of savings proposed, the Joint Administration has only agreed to take £5.9m in savings.

The £100k funding agreed last year for decentralised parking initiatives will remain and be distributed between the Area Committees on the same basis as last year.

Recognising the pressure on Parks, Streets and Open Spaces which has taken significant cuts in previous years, the Joint Administration has rejected the proposals for a further £1.7m cut in these services. There will be a reorganisation of these services which, together with a more robust approach to charging for work done on land which isn't owned by the Council, will result in savings of £500k without a significant impact on the frontline service.

Proposals for cuts to school transport, subsidised transport, demand responsive transport and the concessionary rail scheme have been rejected this year and any changes to these services will be dependent on the outcome of the continuing participatory budgeting initiative 'Transporting Fife' that is currently underway and due to conclude next Autumn.

Children and Families Services are under significant pressure and are predicting an overspend of around £10m this year. The current 5 year strategy for these services is at an end and a new 3 year strategy is being prepared. These services would be a priority for any additional funding that becomes available from the Scottish Government.

Conclusion

Making continued cuts to vital local services is not what any of us want to do and the debate about how we ensure adequate and fair funding for local services will continue across Scotland.

In the context of what continue to be very difficult financial circumstances, this budget represents the Joint Administration's best efforts to protect our essential local services and the jobs that provide them.

FIFE COUNCIL
GENERAL FUND REVENUE BUDGET 2020-23

	2020-21 £m	2021-22 £m	2022-23 £m
Estimated Budget Reduction Required per report by Executive Director Finance & Corporate Services (February 2020)	(15.449)	(31.819)	(49.461)
Council Tax 4.84% increase	7.943	7.943	7.943
Health & Social Care - grant reduction	1.736	1.736	1.736
Revised Budget Reduction Required	(5.770)	(22.140)	(39.782)
Savings Approved by Fife Council (appendix 2)	5.872	6.428	6.993
Revised Budget Gap	0.102	(15.712)	(32.789)
Approved Additional Investment by Fife Council			
Investment (appendix 3)	0.102	0.102	0.102
Total Additional Investment	0.102	0.102	0.102
Revised Budget Gap	0.000	(15.814)	(32.891)
Note:- Total Council Tax, savings, investments and contribution to balances approved as per Indicative 2020-23 Budget (appendix 1)	(15.449)	(16.005)	(16.570)

FIFE COUNCIL
COUNCIL TAX LEVELS

By law, properties subject to council tax have to be related to Band D property valuation level, (referred to as council tax base). Band D refers to properties valued at between £45,001 and £58,000 at April 1991 prices.

	Property Valuation Band	2019-20	Weighting	2020-21
		£		Increased
				by 4.84%
				£
A	Up to £27,000	814.45	240/360	853.87
B	£27,000 to £35,000	950.19	280/360	996.18
C	£35,001 to £45,000	1,085.93	320/360	1,138.49
D	£45,001 to £58,000	1,221.67	360/360	1,280.80
E	£58,001 to £80,000	1,605.14	473/360	1,682.83
F	£80,001 to £106,000	1,985.21	585/360	2,081.30
G	£106,001 to £212,000	2,392.43	705/360	2,508.23
H	Over £212,000	2,993.09	882/360	3,137.95

Legislation requires the Council to determine the level of council tax at Band D. The relationship between Band D and the other bands are fixed and cannot be adjusted.

Note: These figures do not include water rates determined by Scottish Water but collected on their behalf by the Council.

**FIFE COUNCIL
INDICATIVE 2020-23 BUDGET**

2019-20 Annual Estimate £m		2020-21 Annual Estimate £m	2020-21 Savings & Investment £m	Indicative Estimate £m	PROVISIONAL	
					2021-22 Indicative Estimate £m	2022-23 Indicative Estimate £m
369.163	Education & Children's Services	378.179	(3.484)	374.695	384.798	393.869
154.010	Health & Social Care	160.446	(1.736)	158.710	153.414	153.414
83.490	Enterprise & Environment	83.514	(1.266)	82.248	85.355	87.960
14.534	Property Repairs & Maintenance	15.081	0.000	15.081	15.434	15.434
58.243	Communities	61.762	(0.487)	61.275	61.486	62.845
47.795	Finance & Corporate Services	44.891	(0.533)	44.358	44.877	46.022
2.494	Chief Executive	2.495	0.000	2.495	2.501	2.508
729.729	SERVICE TOTALS	746.368	(7.506)	738.862	747.865	762.052
83.008	ADDITIONAL ITEMS	80.679	0.000	80.679	82.275	79.938
812.737	TOTAL NET EXPENDITURE	827.047	(7.506)	819.541	830.140	841.990
	FINANCED BY:					
(475.656)	General Revenue Grant	(481.679)	0.000	(481.679)	(474.889)	(469.662)
(165.717)	Non Domestic Rates	(166.844)	0.000	(166.844)	(166.844)	(166.844)
(162.941)	Council Tax Income	(163.075)	(7.943)	(171.018)	(172.593)	(172.593)
(8.423)	Budgets Funded (from)/to Balances	0.000	0.000	0.000	0.000	0.000
(812.737)	TOTAL INCOME	(811.598)	(7.943)	(819.541)	(814.326)	(809.099)
0.000	BUDGET GAP	15.449	(15.449)	0.000	15.814	32.891

The estimates above are only provisional at this stage and final budgets will not be confirmed until receipt of the Local Government Finance (Scotland) Order 2020.

The above figures include savings and investments agreed in previous budget rounds. These equate to (£5.330m) in 2020-21 rising to (£6.809m) in 2021-22.

FIFE COUNCIL
GENERAL FUND REVENUE BUDGET 2020-23
BUDGET SAVINGS

Saving Reference		Cumulative Saving		
		2020-21 £m	2021-22 £m	2022-23 £m
	Education & Children Services			
	Educational Services			
2021-EC-01	Review of Attendance Officer posts	0.085	0.085	0.085
2021-EC-02	Transition planning for young people with lifelong additional needs	0.110	0.110	0.110
2021-EC-03	Review the financial model of Headteacher allocation	0.300	0.300	0.450
2021-EC-04	Realign budget for Assessment for Excellence	0.050	0.050	0.050
2021-EC-05	Review of Early Years Officers posts	0.700	0.700	0.700
2021-EC-06	Review management structure across Family Nurture Centres and early years provisions	0.290	0.435	0.435
2021-EC-07	Special Education – contributions to/from other local authorities	0.325	0.325	0.325
2021-EC-08	Review of the Devolved School Management (DSM), to include a review of the secondary school week	1.400	1.400	1.600
2021-EC-09	Customer Programme – Develop and Deliver process improvements to high-volume admin and clerical processes e.g. Pupil Data Capture, Primary 1 Enrolment and the My Fife Card	0.200	0.200	0.200
2021-EC-10	Commercialisation Programme - Procurement General stationery contract saving	0.051	0.051	0.051
	Total Education & Childrens Services	3.511	3.656	4.006
	Enterprise & Environment			
	Assets, Transportation & Environment			
	Environment & Building Services			
2021-EE-01	PSOS Savings	0.500	0.500	0.500
	Facilities Management Service			
2021-EE-02	Communities Programme – Integrate and unify the FMS and cleaning responsibility for Community Centres to E & E Directorate	0.150	0.150	0.150
2021-EE-03	Review the costs of security provision at Bankhead depot	0.050	0.050	0.050
	Roads & Transportation Service			
2021-EE-04	Increase permit charges for private development applications	0.025	0.025	0.025
2021-EE-05	Procurement Saving - South Fife Local Bus Tender	0.128	0.128	0.128
	ATE - Management			
2021-EE-06	Procurement savings anticipated as a result of the Procurement Programme	0.200	0.350	0.500
2021-EE-07	Fleet – grey mileage	0.075	0.075	0.100
	Economy, Planning & Employability			
	Business & Employability			
2021-EE-08	Commercialisation of Employability function	0.025	0.025	0.025

FIFE COUNCIL
GENERAL FUND REVENUE BUDGET 2020-23
BUDGET SAVINGS

Saving Reference		Cumulative Saving		
		2020-21 £m	2021-22 £m	2022-23 £m
	Protective Services			
2021-EE-09	Full review of Public Analyst Services/Charges, Private Water Supply Charging and National Assistance Funerals	0.058	0.058	0.058
	E&E Directorate			
2021-EE-10	Confirmed Contract Savings	0.055	0.055	0.055
	Total Enterprise & Environment Services	1.266	1.416	1.591
	Communities			
	Housing & Neighbourhood Services			
2021-C-01	Housing and Safer Communities	0.100	0.200	0.200
2021-C-02	Private Sector Housing - Adaptations	0.100	0.100	0.100
2021-C-03	Commissioned Housing Support Services (non-Public Social Partnership)	0.090	0.090	0.090
2021-C-04	Customer Programme – Online Housing Information, Advice & guidance	0.026	0.026	0.026
	Communities & Neighbourhoods			
2021-C-05	Active Communities review	0.040	0.040	0.040
2021-C-06	Customer Programme - Process improvements related to online digital forms and assess and decide functions for Grants process	0.081	0.081	0.081
2021-C-07	Equalities and Diversity	0.050	0.050	0.050
	Communities & Neighbourhoods			
	Total Communities	0.487	0.587	0.587
	Finance & Corporate Services			
	Human Resources			
2021-FC-01	Reduce Printing/Stationery	0.010	0.010	0.010
2021-FC-02	Reduce Miscellaneous Expenses budget	0.005	0.005	0.005
2021-FC-03	Buy Leave Scheme - National Insurance Savings	0.010	0.010	0.010
	Revenue & Commercial Services			
2021-FC-04	Business Management Innovation Unit - Reduce Staff	0.050	0.090	0.130
2021-FC-05	Procurement -Review Buying Team	0.100	0.160	0.160
2021-FC-06	Business Support - Reduce Internal Recharges	0.010	0.020	0.020
	Finance			
2021-FC-07	Audit Services - Stop all project assurance work	0.022	0.022	0.022
	F&CS Directorate			
2021-FC-08	Improve Customer contact and experience	0.051	0.102	0.102
2021-FC-09	Buy Leave Scheme	0.320	0.320	0.320
2021-FC-10	Business Travel	0.030	0.030	0.030
	Total Finance & Corporate Services	0.608	0.769	0.809
	Total Budget Savings	5.872	6.428	6.993

FIFE COUNCIL
GENERAL FUND REVENUE BUDGET 2020-23
BUDGET INVESTMENT

	Cumulative Investment		
	2020-21	2021-22	2022-23
	£m	£m	£m
<u>Education & Children Services</u>			
Educational Services			
Music Tuition	0.027	0.027	0.027
Total Education & Children Services	0.027	0.027	0.027
<u>Finance & Corporate Services</u>			
Human Resources			
Developing the Young Workforce	0.075	0.075	0.075
Total Finance & Corporate Services	0.075	0.075	0.075
Total Budget Investment	0.102	0.102	0.102

FIFE COUNCIL
GENERAL FUND REVENUE BUDGET 2020-23
REJECTED BUDGET SAVINGS

	Cumulative Saving		
	2020-21 £m	2021-22 £m	2022-23 £m
Education & Children Services			
Educational Services			
Removing the need for Non-class contact cover in P1 and P2	0.667	1.000	1.000
Modernise the School Estate	0.000	0.000	0.750
Review of Community Education Worker posts	0.124	0.124	0.124
Commercialisation Programme - Procurement Review opportunities for contractual cost provision for schools	1.000	1.000	1.000
Revise the Pupil Support funding	1.000	1.500	1.500
Remove cluster budgets for Pupil Support Assistant contingency	0.165	0.250	0.250
Increase in Music Tuition Fees	0.100	0.100	0.100
Early Years – Play Resource Base	0.050	0.050	0.050
Service review of Specialist Support Services and Special Education	0.375	0.375	0.375
Commercialisation Programme - Income Generation Consideration of an alternative commercial model for parts of the Childcare Services. Review of the Professional Learning models of delivery from across the work of the Education Service.	0.488	0.488	0.488
Total Education & Childrens Services	3.969	4.887	5.637
Enterprise & Environment			
Assets, Transportation & Environment			
Environment & Building Services			
Garden Waste collection Charges	0.000	1.000	1.000
Assisted collection charges	0.035	0.035	0.035
PSOS Vacancy Management	0.100	0.100	0.100
Reduction of PSOS Supervisors	0.350	0.350	0.350
Reduction in Fife-wide grounds maintenance activities	0.300	0.300	0.300
PSOS – Review annual workforce demand requirement and work patterns	0.300	0.300	0.300
PSOS – stop maintaining private land without associated income/ payment	0.650	0.900	1.300
Facilities Management Service			
Increase the aggregate quantity of school meals sold in primary schools	0.000	0.050	0.050
Increase High school meals sales	0.000	0.050	0.050
Remove school cleaning on INSET days (teacher training days)	0.115	0.230	0.230
Introduction of charges in staff car parks	0.000	0.300	0.300
Property Services			
Review Property Services and requirements as Building Value Programme develops	0.200	0.250	0.300
Review of grounds maintenance resourcing within Bereavement Services undertaken as part of service redesign	0.050	0.075	0.100
Roads & Transportation Service			
Stop Rail Concessions	0.000	0.300	0.340

FIFE COUNCIL
GENERAL FUND REVENUE BUDGET 2020-23
REJECTED BUDGET SAVINGS

	Cumulative Saving		
	2020-21 £m	2021-22 £m	2022-23 £m
Stop providing grant to Fife Shopmobility Ltd	0.000	0.142	0.142
Stop Grants to Voluntary Services	0.000	0.043	0.043
DRT charging (Ring & Ride/ Dial a Ride)	0.000	0.150	0.150
Standardisation of charging periods in Fife car parks and on-street bays	0.030	0.060	0.060
Standardisation of residents parking permit charges	0.000	0.035	0.035
Car Parking Account - various opportunities to increase car parking income arising from PBB exercise - part 1	0.160	0.450	0.450
Car Parking Account - various opportunities to increase car parking income arising from PBB exercise - part 2	0.000	0.515	0.515
Reduce number of subsidised local bus routes/services	0.000	0.500	0.500
Withdrawal of non-entitled Pupil school transport	0.000	0.400	0.400
Reduce lighting energy usage across Fife by switching off a number of lights thereby reducing energy charges, maintenance and repairs	0.180	0.200	0.200
Introduce charging to recover costs associated with the provision of disabled parking bays	0.025	0.025	0.025
Economy, Planning & Employability			
Planning			
Planning staff reduction	0.024	0.060	0.060
Reduction in management staffing - Planning	0.000	0.000	0.060
Business & Employability			
Review of Employability - Staff reduction and greater use of external providers	0.060	0.125	0.125
Review of Staffing across Business & Employability Portfolio	0.044	0.044	0.113
Review of Business & Employability Management	0.060	0.060	0.060
Protective Services			
Review Protective Services Staffing	0.000	0.042	0.084
Reduction in management staffing within Protective Services	0.000	0.000	0.060
Full review of Public Analyst Services/Charges, Private Water Supply Charging and National Assistance Funerals	0.008	0.008	0.008
Total Enterprise & Environment Services	2.691	7.099	7.845
Communities			
Housing & Neighbourhood Services			
Homelessness RRTP – establishing a revised housing access frontline	0.120	0.240	0.240
Homelessness Savings associated with the implementation of the RRTP (non-staffing)	0.200	0.300	0.450
Communities & Neighbourhoods			
Improved targeting and coordination of funding and approaches for reducing inequalities across Council	0.780	0.780	0.780
Reduced provision of sports development, physical activity and countryside access	0.100	0.200	0.388

FIFE COUNCIL
GENERAL FUND REVENUE BUDGET 2020-23
REJECTED BUDGET SAVINGS

	Cumulative Saving		
	2020-21	2021-22	2022-23
	£m	£m	£m
Community Development	0.448	0.448	0.448
Credit Union Development	0.040	0.040	0.040
Libraries, Demand and Analytics review	0.000	0.000	0.600
Museums	0.000	0.000	0.150
Sports, Leisure and Golf Facilities	0.000	0.000	0.300
Crowd Funding	0.200	0.200	0.200
Customer Service Improvement			
Customer Programme - Consolidated contact centre aspect of customer contact re-design	0.000	0.350	0.350
Total Communities	1.888	2.558	3.946
Finance & Corporate Services			
Assessor Service			
Reduce staff numbers to meet budget envelope	0.080	0.124	0.146
Business Technology Solutions			
Consolidation of 5 Competency Centres to 3 – Strategic Platforms	0.000	0.090	0.135
Reduction in Head Count of 15 FTE - Directorate Solutions Teams (13%)	0.157	0.314	0.471
Reduction in Head Count of 9 FTE - Technical & Hosting (30%)	0.092	0.184	0.276
Reduction in Head Count of 3 FTE - Solutions & Service Assurance (13%)	0.033	0.066	0.099
Democratic & Legal Services			
Reduce number of committees requiring administrative support	0.040	0.040	0.040
Restructure/reduce Service Managers by one	0.000	0.000	0.074
Reduce solicitor posts by one FTE	0.052	0.052	0.052
Finance			
Audit Services - Outsource Computer Audit	0.022	0.022	0.022
Financial Operations - Reduce Staff Resources	0.000	0.000	0.132
Business Partnering - Reduce number of Business Partners	0.000	0.000	0.044
Business Partnering - Reduce the number of Business Partnering Accountants	0.000	0.000	0.088
Finance & Corporate Services Management			
Triage of Professional Services	0.050	0.100	0.200
Human Resources			
Vacancy management/turnover/NOI	0.174	0.278	0.396
Workforce Youth Investment	0.000	0.050	0.100
Revenue & Commercial Services			
Business Support - Review and reduce the levels of support to managers	0.075	0.150	0.150
Total Finance & Corporate Services	0.775	1.470	2.425
Total Rejected Budget Savings	9.323	16.014	19.853

FIFE COUNCIL
GENERAL FUND REVENUE BUDGET 2020-23
SPECIFIC REVENUE GRANTS

	2020-21 £m
Education & Children Services	
Educational Services	
Pupil Equity Fund	9.748
Gaelic	0.010
Early Learning & Childcare	31.512
Children and Families/CJS	
Criminal Justice Social Work	6.114
Total Education & Childrens Services	47.384
Total Specific Revenue Grants	47.384