

Thursday, 24th February, 2022 - 10.00 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. HOUSING REVENUE ACCOUNT (HRA) BUDGET 2022-23 (INCLUDING OPTIONS FOR THE HRA & GENERAL FUND HOUSING ACCOUNT (GFHA) RENTS AND CHARGES)

- | | | |
|-----|---|--------|
| (a) | Joint report by the Head of Housing Services and Head of Finance in relation to the Housing Revenue Account Budget 2022/23; and | 3 – 15 |
| (b) | Administration's Motion on the Housing Revenue Account Budget 2022/23. | 16 |

4. HOUSING REVENUE ACCOUNT: CAPITAL INVESTMENT PLAN 2022-25

- | | | |
|-----|--|---------|
| (a) | Joint report by the Head of Housing Services and Head of Finance in relation to the Housing Revenue Account Capital Investment Plan 2022/25; and | 17 – 23 |
| (b) | Administration's Motion on the Housing Revenue Account Capital Investment Plan 2022/25. | 24 – 25 |

Note: Any members requiring further information or clarification on the HRA budget proposals are requested to contact John Mills, Head of Housing Services, in the first instance.

5. GENERAL FUND REVENUE BUDGET 2022-2025

The Council is requested to consider the revenue budget and levying of Council Tax for 2022/23. In this regard, there are submitted the following papers:-

- | | | |
|-----|---|---------|
| (a) | Council Tax and Community Charge: Provisions relating to voting by Elected Members - Report by the Executive Director - Finance and Corporate Services; | 26 - 27 |
| (b) | Local Government Settlement 2022/2023 - Local Government Finance Circular No. 09/2021. | 28 - 45 |
| (c) | / | |

- | | | |
|-----|---|---------|
| (c) | Report by the Executive Director - Finance and Corporate Services;
and | 46 – 65 |
| (d) | Administration's Motion and Revenue Budget Proposals 2022-2025. | 66 - 72 |

6. 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.

Lindsay Thomson
Head of Legal and Democratic Services
Finance and Corporate Services

Fife House
North Street
Glenrothes
Fife, KY7 5LT

17 February, 2022

If telephoning, please ask for:
Emma Whyte, Committee Officer, Fife House
Telephone: 03451 555555, ext. 442303; email: Emma.Whyte@fife.gov.uk

Agendas and papers for all Committee meetings can be accessed on
www.fife.gov.uk/committees

24th February 2022
Agenda Item No. 3(a)

Housing Revenue Account (HRA)

Budget 2022-23

(Including Options for the HRA and General Fund Housing Account [GFHA] Rents and Charges)

Report by: John Mills, Head of Housing Services and Elaine Muir, Head of Finance

Wards Affected: All Fife

Purpose

The report presents budget proposals for the HRA within the context of the HRA Business Plan 2021 and the updated risks of the HRA Medium Term Financial Strategy agreed by the Policy and Coordination Committee (4th November 2021). It includes recommendations for an increase in HRA rent and charges for 2022-23, informed by consultation with Council tenants. As in previous years, proposals for GFHA homelessness temporary accommodation charges are also brought forward, aligned to any decision around the HRA rent increase.

Recommendation(s)

It is recommended that Fife Council:

1. Approves the Housing Revenue Account (HRA) Budget 2022-23 report by the Head of Housing Services and the Head of Finance and agrees the following recommendations: -
 - (a) Approves a rental increase of 2.5% for HRA rents and charges for 2022-23.
 - (b) Approves a rental increase of 2.5% on Homelessness Temporary Accommodation to keep rental increase on the General Fund Housing Account in line with increases on HRA rents and charges for 2022-23.

Resource Implications

Providing the Council works within the parameters set by the 30-year HRA Business Plan, there will be no significant resource implications over and above those previously identified.

Legal & Risk Implications

The HRA Business Plan is designed to support the Council in meeting statutory requirements and there will be no additional legal and risk implications providing the model is preserved.

Impact Assessment

An EqIA has been completed and the summary form is provided in Appendix 3. A Fife Environmental Impact Assessment has been completed with a mix of 'no impacts' and 'positive impacts', the latter applying where HRA funding is made available for investment in housing quality and housing services.

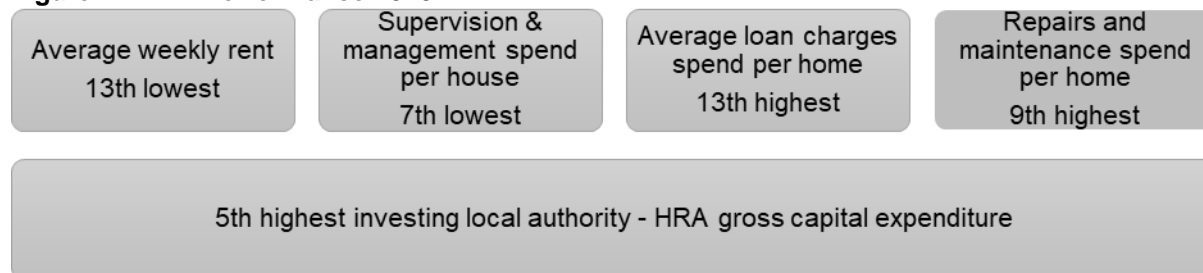
Consultation

The Housing (Scotland) Act 2001 requires the Council to consult with tenants affected by any proposal to increase rents and charges and have due regard to the views expressed by those consulted. Feedback from consultation with tenants is detailed in this report.

1.0 Background

- 1.1 The Housing Revenue Account (HRA) provides the financial framework for the Council's role as housing landlord. The HRA is required by legislation to be a ring-fenced account used for the sole benefit of Council tenants. It is financed almost entirely by rents and other charges with no contribution made from Council Tax revenues.
- 1.2 **HRA Performance** - the latest Scottish Government HRA financial statistics indicate Fife's average weekly Council rent of £75.45 in 2020-21 remained below the average of £75.84 for Scotland. The Council performs well in terms of supervision and management costs per property, while spend on loan charges is closer to, but still below, the average for Scotland. Repairs and maintenance spend per property has increased from average to ninth highest in one year. The Council was the fifth highest investor in new house building and housing improvements.

Figure 1: HRA Performance 2020-21



Scottish Government Housing Statistics / Based on estimates of Local Authorities Operating HRAs 2020-21

- 1.3 Fife Council's average weekly rent of £76.58 in the current year 2021-22, is between £4.75-£17.17 (6%-18%) lower than the average rents charged by the Fife-based Registered Social Landlords (Table 1).

Table 1: Average Weekly Rents (2021-22)

Organisation	Average Weekly Rent 2021-22	Difference / Comparison with Fife Council
Fife Housing Association	£93.75	£17.17
Glen Housing Association	£83.93	£7.35
Kingdom Housing Association	£85.50	£8.92
Ore Valley Housing Association	£81.33	£4.75
Fife Council	£76.58	-

Source: Fife-based social landlords 2021

- 1.4 **HRA Business Plan** – the HRA Business Plan is updated annually to provide the financial framework for decisions within the HRA. The plan assumes that rents will increase by the Retail Price Index inflation plus one percent (RPI+1%) each year over 30-years. Fife Council uses the September RPI rate to inform rent setting for the year ahead. The RPI rate for September 2021 was 4.9%, with RPI+1% therefore being 5.9%.
- 1.5 **HRA Medium Term Financial Strategy** – the updated risks considered by the Policy and Coordination Committee (4th November 2021), included the sustainability of rent increases of RPI+1%; the commitment to new-build Council housing; and the financial impacts of new housing standards such as the Energy Efficiency Standard for Social Housing (ESSH2).
- 1.6 The financial strategy highlighted a preference to keep the HRA below a specific borrowing threshold, this being up to 30% of HRA income servicing loan debt. A borrowing level of 30%-33% is deemed to be medium risk within the HRA business plan, and 34% to the prudential limit of 38% is high risk. The impact to the HRA Business Plan, affordability and risks associated with the proposed rent increase, are discussed further in Section 4.

2.0 HRA Options / Tenant Consultation

- 2.1 The trend in recent years has been for rent increases lower than the HRA Business Plan assumption of RPI+1%:

Table 2: Annual Rent Increases / Comparison with RPI+1%

Financial Year	Percentage Increase Applied	September RPI+1%	Percentage difference in relation to RPI+1%
2017-18	3.0%	3.0%	Balanced
2018-19	4.9%	4.9%	Balanced
2019-20	3.2%	4.3%	-1.1%
2020-21	3.0%	3.4%	-0.4%
2021-22	1.5%	2.1%	-0.6%

Source: Housing Services' Annual Rent Increases

- 2.2 Rent options of 2.5%, 3.0% and 3.5% were tested through the HRA Business Plan and, being significantly lower than the September RPI+1% rate, would continue to support households in a further year of economic challenge. The proposals would extend to rents, services, lock-ups, garage sites and temporary accommodation. The proposals would have the following impact on the average Council rent in 2022-23:

Table 3: Average Weekly Council Rent 2022-23

Year	Average Weekly Rent	Average Weekly Rent Increase
Baseline 2021-22	£76.58	-
2022-23 Option 1: 2.5%	£78.49	£1.91
2022-23 Option 2: 3.0%	£78.88	£2.30
2022-23 Option 3: 3.5%	£79.26	£2.68

- 2.3 On the 4th November 2021, the Policy and Coordination Committee agreed to survey all Council tenants around the rent proposals. Table 4 shows the results of the tenant survey with a total of 1,253 responses (excluding incomplete and spoiled returns). The majority of 771 respondents (62%) agree with a rent option of 2.5%.

Table 4: Results from the Annual Tenant Survey

Rent Proposal	Total Number of Respondents	% of Respondents
2022-23 Option 1: 2.5%	771	62%
2022-23 Option 2: 3.0%	233	19%
2022-23 Option 3: 3.5%	105	8%
Other option proposed by tenant	144	11%
Total	1,253	100%

Source: Fife Council Rent Survey for 2022-23/ issued Dec 2021 (spoiled responses excluded)

- 2.4 The details of the tenant survey are provided in Appendix 4, including feedback on tenants' preferred housing priorities of home energy efficiency, home improvements new Council houses, improved neighbourhoods / estates, disability adaptations and sheltered housing. As the results of the tenant survey show significant support for the lowest rent option, it is recommended that an increase of 2.5% be applied to rents, services, lock-ups, garage sites and temporary accommodation from April 2022.

3.0 Tenant Impact / Rent Affordability

- 3.1 **Housing benefits** - the affordability of housing rents will depend on the circumstances of individual tenants. Given the general profile of Council tenants, the uptake of benefits is of importance. In December 2021, 9,825 (35%) Council households were claiming Housing Benefit, with an estimated 7,500 (26%) now receiving Universal Credit. The total uptake of Housing Benefit throughout 2020-21 is shown in Table 5:




Table 5: Housing Benefit Uptake / Council Households 2020-21

Household Circumstances	Estimated Number (%) of Council Households	Comment
Total households claiming Housing Benefit in year	12,513 (48%)	Council households claiming Housing Benefit during year
- Receiving Passported Housing Benefit in year	8,623 (69%)	Rent increase covered by Housing Benefit
- Receiving Non-Passported Housing Benefit in year	3,890 (31%)	Rent increase covered by Housing Benefit

Source: Fife Council, 2021 / Estimates of Households and Housing Benefit Uptake in 2020-21

- 3.2 In 2020-21, 48% of Council households claimed Housing Benefit at some point during the year, however overall numbers are diminishing with the transition to Universal Credit. Tenants in receipt of Universal Credit are entitled to an increase in their housing costs in a similar way to those on Housing Benefit. However, the Department for Work & Pensions administers Universal Credit applications and holds data around claimants. This makes it difficult to predict with any accuracy the exact number of Council tenants claiming Universal Credit at any point in time, and how they will be impacted by a rent increase.
- 3.3 Based on the estimated uptake in benefits shown in paragraph 3.1, it can be assumed that around 12,000 (41%) Council households will not claim benefits in 2022-23 and will be required to fund any rent increase. These figures should be considered indicative in view of the element of unknown through Universal Credit.
- 3.4 **Fife Living Rent** - the introduction for a 'living rent' was recommended by the Fairer Fife Commission and an appropriate definition for social housing was agreed by the Fife Housing Partnership. A 'living rent' is defined as being affordable for a household with someone in full-time employment and not assisted through benefits. This is based on a calculation of charging a fixed percentage (28%) of net lower quartile earnings. In Fife, the current 'living rent' threshold for a single person is £105.53 per week. Housing costs below this threshold are affordable and above the threshold will be unaffordable.
- 3.5 The affordability of the recommended rent option averaging £78.49 per week can be tested against different types of Council households on low income and not in receipt of benefits.

Table 6: Affordability Scenarios

	Household / Income Scenario	28% of Weekly Earnings (net of tax)	Affordability of 2.5% Rent Option
	Single person household, in full-time employment with lower quartile earnings (i.e. 'Living Rent' scenario')	£105.53	Rent option affordable / below threshold
	Two-person household with a full-time and part-time employee, both with lower quartile earnings	£145.18	Rent option affordable / below threshold
	Single person household, in full-time employment with lower <u>decile</u> earnings	£91.88	Rent option affordable / below threshold

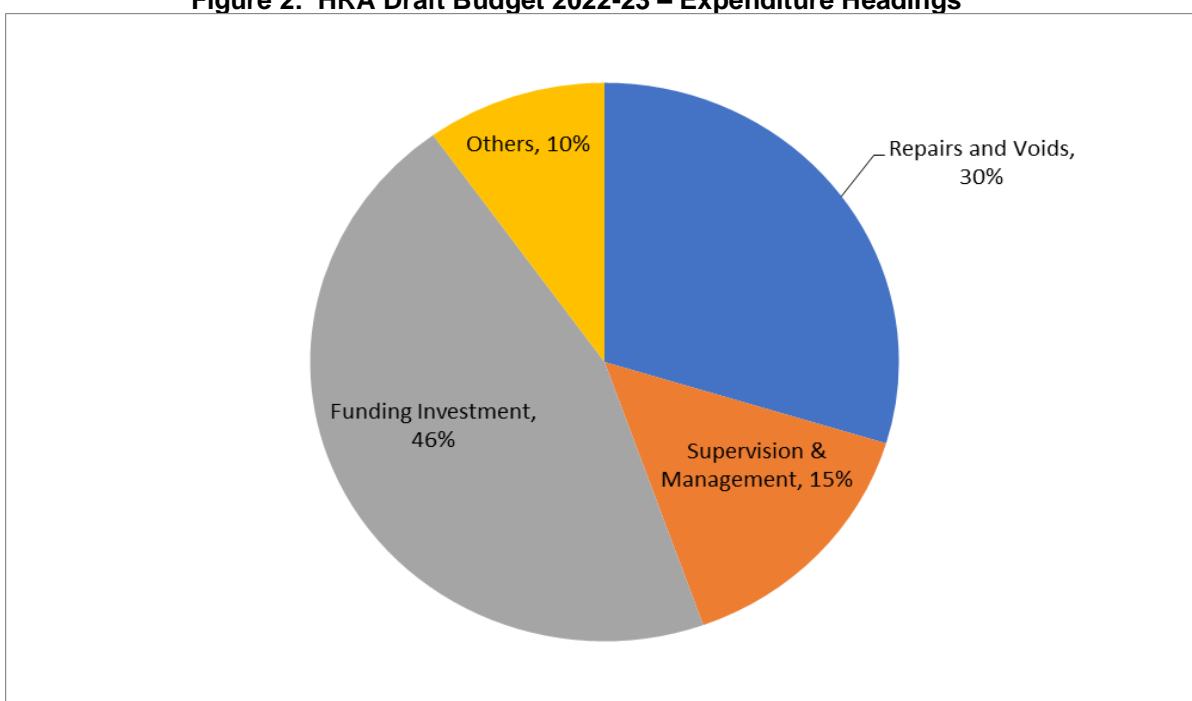
Source: Annual Survey of Hours and Earnings Released October 2021 / Fife Statistics

3.6 Table 6 indicates that single people and working couples on lower quartile earnings would be able to afford the recommended rent option without the assistance of benefits. Even if the 'living rent' definition is remodelled to assess lower decile earnings, reducing the living rent threshold, the average full-time employee could afford the recommended rent option. Therefore, the average Council rent would remain affordable to those on the lowest earnings and would continue to be classed as a 'living rent'.

4.0 HRA Budget 2022-23

4.1 **Investment** - after applying the 2.5% rent increase in 2022-23, the gross income to the HRA totals £128.086 million. A profile of spend for the draft HRA Budget for 2022-23, based on this rent increase indicates that over three-quarters (76%) of the budget will be focused on investment in repairs, maintenance, improvements and funding for new Council homes, as shown in Figure 2:

Figure 2: HRA Draft Budget 2022-23 – Expenditure Headings



4.2 The expenditure headings above reflect the following profile of investment in 2022-23:

- Repairs and voids – £34.777 million in property repair and change of tenancies.
- Funding investment – £60.535 million to fund investment in capital projects, supporting £100.152 million investment in component replacements, major projects, energy improvements, regeneration & estates action, specific needs housing, structural works and new Council house building. This is further detailed in the HRA Capital Investment Plan 2022-25, reported separately to Council.
- Supervision and management – £17.117 million in staffing costs.
- Other - £16.061 million in locality managed projects, Garden care, bad debts and other miscellaneous items.

- 4.3 **Tenant support** - it should be noted that the 2.5% rent increase will allow financial support to vulnerable tenants to be continued. The existing Universal Credit rent support fund will be increased from £1 million to £1.500 million and the criteria for the scheme will be reviewed to allow support to be provided in a broader range of circumstances. In addition, a new fuel poverty support fund of £0.500 million will be put in place from April 2022 to support vulnerable households facing rising energy costs.
- 4.4 **Pressures** – the HRA Business Plan assesses emerging pressures each year to ensure that a balance of efficiencies can be created to maintain HRA services and keep the HRA within a low to medium risk position. The level of efficiencies depends on the pressures identified, projected rent income, inflation levels and commitments to fund capital expenditure. In 2022-23, budgetary pressures, including those arising from previous policy decisions, and unavoidable costs such as salary increases and increments, can be accommodated within the rent option recommended to Committee.
- 4.5 **Reserves** – at the start of 2021-22, the HRA held reserves of £8.005 million due to delays in programmes during the Covid-19 pandemic and supported by a policy to add £0.500 million to reserves each year. Committee agreed to the use of reserves to support the Transitional Affordable Housing Programme, to mitigate the impact of construction and supply chain issues, and to kick-start a revised estates management approach. The HRA reserves policy retains a minimum level of balances equivalent to 2% of the mainstream annual rent income and, under the 2.5% rent option, the minimum reserves position would be £2.562 million in 2022-23.
- 4.6 **Borrowing** - the key impact of a low rent increase is a change in borrowing levels within the HRA. As previously indicated, the Policy and Co-ordination Committee through the HRA Medium Term Financial Strategy, agreed that changes in the debt level above 30% should be reported back to Committee. It is expected that the rent increase of 2.5% would result in a debt level not higher than 33%, including an additional £45 million borrowing being requested to Council through the HRA Capital Investment Programme. This continues to place the HRA within medium risk.

5.0 General Fund Housing Account (GFHA) 2022-23

- 5.1 As in previous years, members are asked to consider proposals for increasing rents for GFHA homelessness temporary accommodation alongside those of the HRA. The GFHA has been under significant pressure from welfare changes through the removal of the management fee for homelessness temporary accommodation. Parts of the Council's stock of temporary accommodation, including homeless hostels are being remodelled into supported housing as part of the Rapid Rehousing Transition Plan (RRTP). The transformation of the Council's approach to the prevention of homelessness is being supported by Scottish Government external grant funding to accelerate the process.
- 5.2 It is proposed to continue to align the rent increase for GFHA-funded accommodation to that of the HRA in 2022-23 to allow wider work to be progressed nationally and locally through RRTPs, including developing the sustainable financial framework for temporary accommodation. It is anticipated that the outcomes of this work will be further reported to Committee during 2022-23.

5.3 In the meantime, it is a recognised nationally that rent levels for general needs temporary accommodation are unaffordable to the average homeless customer if not fully covered through welfare benefits. However, where a person currently living in temporary accommodation is in employment or further education, a reasonable contribution to rent is agreed to maintain employability and educational achievement.

6.0 Conclusion

6.1 The HRA Business Plan assumes a policy based on RPI +1% to increase rents and other charges to maintain the viability of the plan. There is flexibility within that policy to allow a lower rent increase for a limited term. The recommended rent increase of 2.5% is below the HRA Business Plan assumption but has been tested as affordable in the plan and would continue to provide a living rent for Fife. Agreement on the increase in rents and charges will allow the HRA budget to be set for programmes from April 2022.

Report Contacts:

Vania Kennedy Service Manager (Income, Poverty and Private Housing) Housing Services Vania.kennedy@fife.gov.uk	Emma Lennon Accountant Financial Services Emma.lennon@fife.gov.uk
---	--

Appendices:

Appendix 1: Housing Revenue Account Budget 2022-23 / Rent Increase Option

Appendix 2: Housing Revenue Account Proposed Budget 2022-23

Appendix 3: Equality Impact Assessment Summary Report

Appendix 4: Tenant Survey

Appendix 1: Housing Revenue Account Budget 2022-23 / Rent Increase Options

	CURRENT SCENARIO	CURRENT SCENARIO	CURRENT SCENARIO
Option 1	2022-23	2023-24	2024-25
Rent Increase of 2.5%	£000	£000	£000
NET EXPENDITURE	(131,102)	(135,566)	(140,184)
RENT INCOME			
Income from House Rents	123,910	128,251	132,734
Income from Lockups/Garage Sites	2,881	2,977	3,082
Other Income	4,311	4,338	4,367
	131,102	135,566	140,184
TOTAL TO BE FINANCED FROM HOUSE RENTS	123,910	128,251	132,734
Average Weekly Standard Rent (£)	78.49	81.24	84.08
Increase/(Decrease) In Rent in Rent (£)	1.91	2.75	2.84
Percentage Increase/(Decrease)	2.50%	3.50%	3.50%
Option 2	2022-23	2023-24	2024-25
Rent Increase of 3.0%	£000	£000	£000
NET EXPENDITURE	(131,735)	(136,216)	(140,866)
RENT INCOME			
Income from House Rents	124,525	128,882	133,397
Income from Lockups/Garage Sites	2,895	2,991	3,096
Other Income	4,315	4,343	4,372
	131,735	136,216	140,866
TOTAL TO BE FINANCED FROM HOUSE RENTS	124,525	128,882	133,397
Average Weekly Standard Rent (£)	78.88	81.64	84.50
Increase/(Decrease) In Rent in Rent (£)	2.30	2.76	2.86
Percentage Increase/(Decrease)	3.00%	3.50%	3.50%
Option 3	2022-23	2023-24	2024-25
Rent Increase of 3.5%	£000	£000	£000
NET EXPENDITURE	(132,352)	(136,849)	(141,515)
RENT INCOME			
Income from House Rents	125,125	129,498	134,029
Income from Lockups/Garage Sites	2,909	3,005	3,111
Other Income	4,318	4,346	4,375
	132,352	136,849	141,515
TOTAL TO BE FINANCED FROM HOUSE RENTS	125,125	129,498	134,029
Average Weekly Standard Rent (£)	79.26	82.03	84.90
Increase in Rent (£)	2.68	2.77	2.87
Percentage increase	3.00%	3.50%	3.50%

**Appendix 2: Housing Revenue Account Proposed Budget 2022-23
(Rent Increase 2.5%)**

	ANNUAL BUDGET	PROPOSED BUDGET	PROVISIONAL BUDGET	PROVISIONAL BUDGET
	2021-22	2022-23	2023-24	2024-25
Division of Service	£000s	£000s	£000s	£000s
Repairs and Maintenance	32,644	33,527	34,383	35,260
Locality Managed Expenditure	3,092	3,103	3,115	3,127
Supervision & Management	17,117	19,456	19,158	19,363
Funding Investment	60,535	60,072	63,749	67,051
Voids	2,134	2,187	2,264	2,343
Housing Support Costs (Supporting People)	(405)	(405)	(405)	(405)
Garden Care	385	395	405	416
Bad or Doubtful Debts	2,944	3,000	3,000	3,000
Other Expenses	9,640	9,767	9,897	10,029
	128,086	131,102	135,566	140,184
RENT INCOME				
Income from House Rents	(120,954)	(123,910)	(128,251)	(132,734)
Income from Lockups/Garage Sites	(2,841)	(2,881)	(2,977)	(3,082)
Other Income	(4,291)	(4,311)	(4,338)	(4,367)
	(128,086)	(131,102)	(135,566)	(140,184)

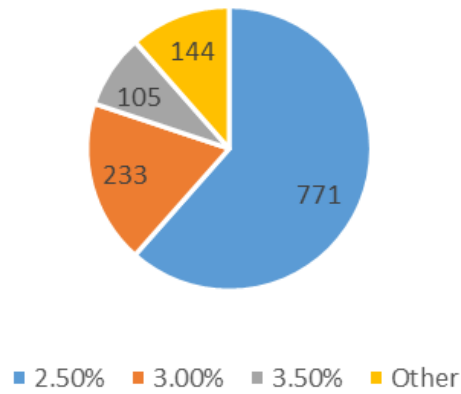
Appendix 3: Equality Impact Assessment Summary Report

<p>Which Committee report does this IA relate to (specify meeting date)?</p> <p>Fife Council 24th February 2022</p>
<p>What are the main impacts on equality?</p> <p>While tenants within the protected characteristics living in Fife Council housing will be affected by the proposal to increase rents, there will be no difference in the treatment of tenants who share a protected characteristic and those who do not.</p>
<p>What are the main recommendations to enhance or mitigate the impacts identified?</p> <p>The use of the agreed HRA budget has the potential to benefit those tenants with a protected characteristic, subject to agreement of investment priorities through Housing Services' planning framework.</p>
<p>If there are no equality impacts on any of the protected characteristics, please explain.</p> <p>See above – specific policy proposals will be impact-assessed through the planning and policy framework.</p>
<p>Further information is available from: Name / position / contact details:</p> <p>John Mills, Head of Housing Services</p>

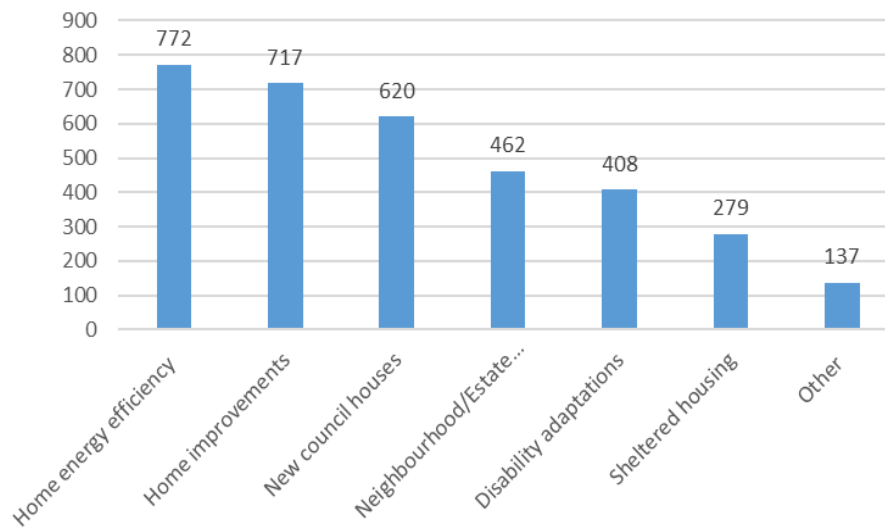
Appendix 4: Tenant Survey

Survey Responses 2022-23 Rent Increase

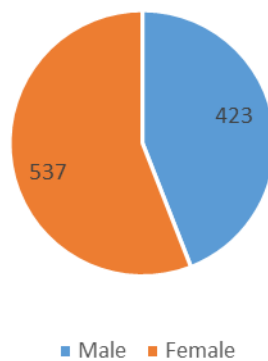
Which option do you prefer for the annual rent increase from April 2022?



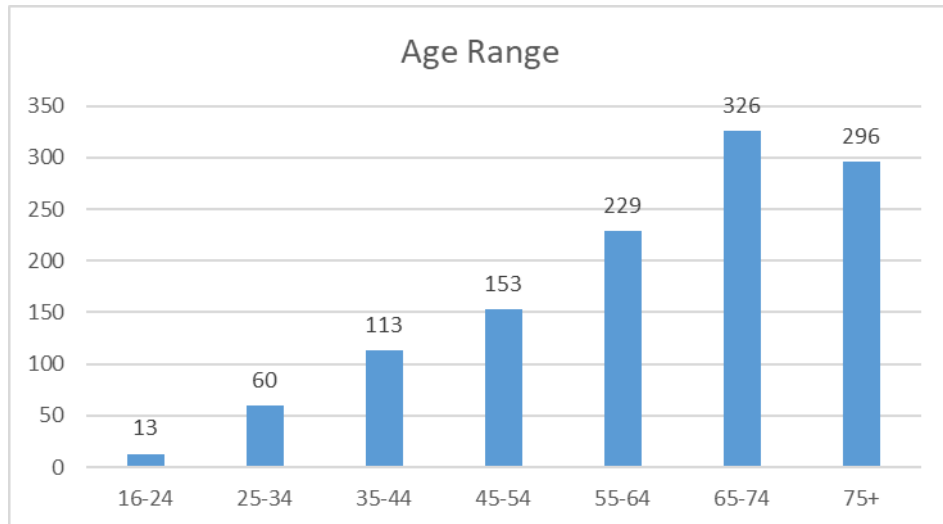
What are your top 3 housing priorities?



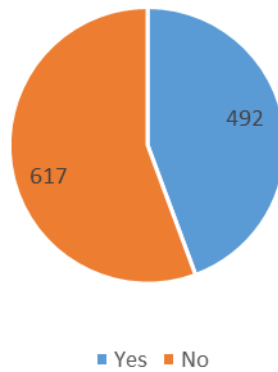
Are you male or female?



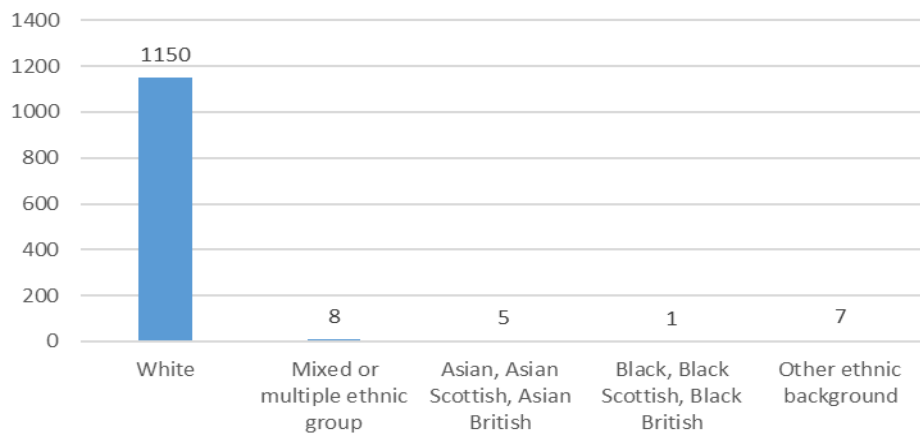
Survey Responses 2022-23 Rent Increase



Do you consider yourself to have a disability?



What is your ethnic origin?





FIFE COUNCIL MEETING

THURSDAY, 24 FEBRUARY 2022

**AGENDA ITEM NO. 3(b) – HOUSING REVENUE ACCOUNT (HRA) BUDGET
2022-23**

MOTION ON BEHALF OF THE ADMINISTRATION

“That the Council: -

1. Approves the Housing Revenue Account (HRA) Budget 2022-23 report by the Head of Housing Services and the Head of Finance and agrees the following recommendations: -
 - (a) Approves a rental increase of 2.5% for HRA rents and charges for 2022-23.
 - (b) Approves a rental increase of 2.5% on Homelessness Temporary Accommodation to keep rental increase on the General Fund Housing Account in line with increases on HRA rents and charges for 2022-23.

Proposed by Councillor Judy Hamilton

Seconded by Councillor Lesley Backhouse

24th February, 2022

Agenda Item No. 4(a)

Housing Revenue Account: Capital Investment Plan 2022-25

Report by: John Mills, Head of Housing Services, Elaine Muir, Head of Finance and Ken Gourlay, Head of Assets, Transportation and Environment

Wards Affected: All

Purpose

The report proposes a Housing Revenue Account (HRA) Capital investment programme 2022-25, aligned to Council priorities for investment in component replacements, wider works and new affordable housing.

Recommendations

It is recommended 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 £312.286m over the three years 2022-2025 across the component replacement, wider works and affordable housing programmes.
 - b) Additional new borrowing of £45m for the Transitional Affordable Housing Programme (TAHP) in 2022-2024.
 - c) A commitment to review the longer term (10 year) capital plan as part of the 2022 Business Plan review. A review of the investment requirements to meet ESSH2 and the council's non-traditional housing stock will form part of the 10-year review and will inform future investment levels.
2. Agrees to the apportionment of funding as recommended in appendix 1 of the report.

Resource Implications

The resource requirements set out in this report have been accounted for in the HRA Business Plan review completed in 2021 and reflect HRA Medium Term Financial Strategy agreed at the Policy & Coordination Committee (P&C) on 24th January 2019. The current risks to the HRA Medium Term Financial Strategy have been noted by

P&CC as part of the Housing Revenue Account (HRA) Consultative Budget 2022-23 on 4th November 2021. The affordability of the additional £45m requirement for the TAHP has been assessed as part of the 2021 HRA Business Plan Review.

Legal & Risk Implications

Relevant legal requirements and risk implications have been considered in providing the HRA Business Plan 2021 and in determining the HRA Medium Term Financial Strategy agreed by P&CC on 24th January 2019 and further noted by P&CC on 4th November 2021.

Impact Assessment

An Environmental Assessment has been carried out using the Fife Environmental Assessment Tool (FEAT) for the delivery of affordable housing 2022-2025. No negative environmental impacts were assessed. A range of beneficial and mixed impacts were identified. There is a potential short-term impact due to construction process and activities. Long term benefits resulting from the provision of high quality, energy efficient affordable homes result in lower carbon emissions and increased health & wellbeing of tenants. The FEAT was reported to the Community & Housing Services Sub-Committee on 29 October 2021 as part of the new build Transitional Affordable Housing Programme (TAHP) (2022-24) paper.

Consultation

HRA investment proposals are subject to regular consultation with local Members and Area Housing Managers. Tenants are invited to review investment priorities through tenant surveys and through discussion with their representative organisations. Fife Council on the 25th February 2021 agreed priorities for housing investment for 2021-24 informed by the HRA Business Plan update of 2021.

1.0 Introduction

- 1.1 This report provides the overall budget requirements over the next 3 years to deliver the HRA Capital Investment Programme including the component replacement, wider works and affordable housing programmes. These programmes are aligned to the assumptions of the 30-year HRA Business Plan and their affordability is tested annually within that framework.
- 1.2 The update of the HRA Business Plan in 2021 included assumptions for £1.3bn capital investment in existing Council housing over 30-years (excluding fees and inflation) with average annual investment of £43m in component replacements and wider works. The plan also accounted for the completion of the Phase 3 affordable housing programme by May 2022.
- 1.3 This continued scale of investment depends on the delivery of the HRA Business Plan assumptions, including the level of annual rent increases. The Policy & Coordination Committee on the 4th November 2021 agreed to consult with tenants on rent increase options of 2.5%, 3.0% and 3.5% from April 2022. The recommended rental increase included in the Housing Revenue Account (HRA) Budget 2022-23

paper is an increase of 2.5%. Combined with investment commitments this is considered affordable and within the limits of medium risk to the HRA.

- 1.4 The Policy and Co-ordination Committee through the HRA Medium Term Financial Strategy (24th January 2019), agreed that any business plan scenarios which led to a prudential borrowing level above 30% would be reported back to this committee.
- 1.5 It is expected that the rental increase proposals and investment proposals outlined in this paper would result in a maximum debt affordability level of 33%. This would take the HRA's borrowing limit into medium risk. Any further changes to the risk and debt position will be considered through the HRA Business Plan review in 2022.

2.0 HRA Capital Investment Programme – Existing Housing

- 2.1 **Component Replacement** - programmes are developed to ensure compliance with Energy Efficiency Standards for Social Housing (EESH) and other current and emerging legislation. Roofs and roughcast are replaced under a responsive schedule of works when warranted by condition, as previously agreed by Committee e.g. flat roof replacement due to condition. The planned budget for the component replacement programme is £31m in each year across 2022-2025.
- 2.2 **Wider Works** - the current planned budget for the wider works programme and property and land acquisitions is £24.007m in 2022-23, £19.798m in 2023-24 and £17.940m in 2024-25. The programme includes:
 - Major projects – Projects for improvement / replacement works.
 - EESH2 and fuel poverty measures – support of energy innovation which contributes to the Climate Fife Plan, addresses fuel poverty and meets the requirements of EESH2. Also, delivery of the HEEPS programme and delivery of a ten- year plan to address non-traditional stock.
 - Regeneration/estates action - regeneration projects including town centre regeneration in line with the Plan4Fife.
 - Specific needs – including improvements to older persons housing, enhancement of Gypsy Traveller sites and accommodation, and homeless hostel upgrades.
 - Safety & structural - ensuring the highest levels of safety in Council housing.
 - Property acquisition – acquiring properties to provide permanent affordable homes for tenants and other housing applicants, those with specific requirements and to address areas of high demand, including for homeless families.
 - Land acquisition- investment in land assets to rebuild the HRA land bank suitable for future new build programmes
- 2.3 HRA Capital Investment Programme - the total existing commitment through the HRA Capital Investment Programme for component replacement and wider works is £55.007m in 2022-23, £50.798m in 2023-24 and £48.940m in 2024-25. (Appendix 1).

3.0 HRA Affordable Housing Investment Programme

- 3.1 The proposed HRA Capital Investment for 2022-25 includes £157.541m for Affordable Housing. This includes existing capital budget of £57.541m for the completion of the Phase 3 Programme and an additional £100m for a Transitional Affordable Housing Programme (TAHP). The TAHP will require additional borrowing of £45m which is outlined further below.

- 3.2 Over the last year the average cost per affordable home has increased significantly from the £175k per unit to £200k per unit. This is due to factors including the direct and widespread impact COVID-19 has had on construction costs. The Affordable Housing Programme board continues to closely monitor the average unit costs to ensure the affordability of the ongoing Affordable Housing Programme.
- 3.3 The anticipated subsidy received from the Scottish Government has recently been increased from £59k per unit to up to £75k per unit through the revised housing subsidy benchmarks. The increased level of subsidy will be available for both the remaining Phase 3 units and the TAHP.
- 3.4 The Phase 3 Affordable Housing Programme is continuing to progress and aims to provide 3,500 affordable houses by May 2022, including 1,500 new Council houses. Despite the rising unit costs noted in para 3.2 it is currently expected that Phase 3 can be completed within the existing capital budget of £57.541m.
- 3.5 There is a recognised need for a 2-year transitional programme to bridge the end of the Phase 3 and the start of a future Phase 4 Affordable Housing Programme from 2024-27. The new political Administration post-May 2022 will determine the priorities for the potential Phase 4 Affordable Housing Programme. A report outlining proposals for the delivery of a TAHP (2022-24) was approved in principle by Policy & Co-ordination Committee on 24 June 2021.
- 3.6 The TAHP will aim to deliver 500 additional Council and has been assessed as part of the 2021 HRA Business Plan. Based on the average cost of £200k per unit the proposal to develop an additional 500 units will require a total investment of £100m. Several funding streams will be utilised to fund the additional cost of £100m resulting in an additional borrowing requirement of £45m. The various funding streams are noted in the table below:

TAHP FUNDING STRATEGY	£m
Total Estimated Cost - 500 units at £200k per unit	£100m
Funding Streams:	
Scottish Government Subsidy at £75k per unit	£37.5m
Contribution From HRA Balances	£2.5m
Existing HRA Capital Budget	£15m
Additional HRA Capital Borrowing Required	£45m
Total Funding	£100m

- 3.7 The HRA reserves grew significantly at the end of 2020-21 with a contribution of £5m, taking the total reserves to the current balance of £8.005m. At Policy & Coordination Committee on the 4th November 2021 it was agreed that £2.5m of these reserves would be used to assist the overall funding of the TAHP.
- 3.8 Existing Capital Budget of £15m will be used to fund the TAHP. As a result of lockdowns during 2020-21 spend across the HRA Capital Investment Programme was significantly delayed. As a result of this, £15m slippage from 2020-21 is available to fund the TAHP. It should be noted that the use of this £15m has not reduced the existing capital budgets available across 2022-25 for rolling programmes such as the

Component Replacement or any site-specific projects such as estates across Fife which have been earmarked for regeneration.

- 3.9 The additional borrowing of £45m has been tested as part of the HRA 2021 Business Plan in conjunction with the proposed rental increase for 2022-23 and the known financial risks to the HRA which were outlined to P&CC in the Housing Revenue Account (HRA) Consultative Budget 2022-23 on the 4th November 2021. Financial testing carried out has confirmed that the additional borrowing of £45m will see the prudential borrowing level peaking at no higher than 33% which is considered medium risk.
- 3.10 Officers are satisfied that the TAHP and the additional borrowing required is affordable. The HRA will continue to assess the current financial positions and affordability of the HRA as part of the annual HRA Business Plan Review.

4.0 Impact of Covid-19 on HRA Capital Investment Plan

- 4.1 The Covid-19 pandemic had an immediate and widespread impact on the construction and property maintenance sectors nationally. Many workstreams were halted and others were subject to additional rigorous health and safety measures which elongated delivery timescales.
- 4.2 A reprofiled Capital plan facilitated the delivery of Component replacement across all workstreams as Covid-19 restrictions began to ease. Through the HRA Capital Board, partner services within the housing function continue to regularly review the operational ability to deliver programmes and to identify the potential to enhance deliver across all workstreams.
- 4.3 The Capital Investment Plan for 2022-25 supports continued delivery of those projects impacted by Covid-19, the continuation of component replacement works, EESSH2 and fuel poverty measures, and compliance with health and safety and other legislative requirements. The needs of specific groups will continue to be met through targeted projects and the affordable housing programme and property acquisition policy.
- 4.4 The cost of meeting EESSH2 may vary by property type with some requiring bespoke solutions. A review of EESSH2 and non-traditional stock will form part of a 10-year review which will be tested as part of the HRA 2022 Business Plan and will inform future investment levels. Due to the scale of the programme of works required a Functional Board of senior managers and experts has been established to develop the delivery plan to meet EESSH2. The plan will be presented to Committee by the end of 2022-23.

5.0 Conclusions

- 5.1 Whilst the Covid-19 situation, had an impact on operational capacity and timescales, 2022-25 is envisaged as a period of continued recovery with a return to full delivery of component replacement, wider works and affordable housing programmes.
- 5.2 The HRA capital programme 2022-25 is designed to meet a range of housing needs. The overall HRA capital commitment of £312.286m confirms the Council's policy to

continue to improve existing council house condition, but also to continue to build much needed new council houses to meet growing housing needs in Fife.

- 5.3 There is a requirement for additional borrowing of £45m to fund the TAHP and support the continued delivery the Affordable Housing Programme.
- 5.4 A 10-year programme for improving the non-traditional property types is being developed. A Functional Board of senior managers has been established to pull together a delivery plan for EESSH2 and present it to Committee by the end of 2022-23.

John Mills, Head of Housing
Elaine Muir, Head of Finance
Ken Gourlay, Head of Assets, Transportation and Environment

List of Appendices

1. HRA Capital Investment Programme / Summary of Proposals 2022-2025

Report Contacts

Helen Wilkie
Service Manager (Housing Condition & Supply)
Rothesay House, Glenrothes
Tel: 03451 555555 Ext. 450436

Emma Lennon
Housing Accountant, Finance Services
Fife House, Glenrothes
Tel: 03451 555555 Ext. 443036

Appendix 1

HRA Capital Investment Programme / Summary of Proposals 2022-2025

	2022-23	2023-24	2024-25	TOTAL INVESTMENT 2022-25
	£m	£m	£m	£m
Component Replacement	31.000	31.000	31.000	93.000
Wider Works				
Major Projects	1.884	1.000	1.000	3.884
EESSH 2 & Fuel Poverty	5.400	6.400	6.205	18.005
Regeneration/ Estates Action	5.051	3.460	2.400	10.911
Specific Needs	2.817	1.030	0.380	4.227
Safety & Structural Works	2.650	1.708	1.755	6.113
Land Acquisitions	1.205	1.200	1.200	3.605
Property Acquisitions	5.000	5.000	5.000	15.000
Total Wider Works	24.007	19.798	17.940	61.745
Affordable Housing Programme	45.145	54.792	57.604	157.541
Total Investment Programme	100.152	105.590	106.544	312.286



FIFE COUNCIL MEETING

THURSDAY, 24TH FEBRUARY 2022

**AGENDA ITEM 4(b) – HOUSING REVENUE ACCOUNT: CAPITAL INVESTMENT
PLAN 2022-25**

MOTION ON BEHALF OF THE ADMINISTRATION

“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 £312.286m over the three years 2022-2025 across the component replacement, wider works and affordable housing programmes.
 - b) Additional new borrowing of £45m for the Transitional Affordable Housing Programme (TAHP) in 2022-2024
 - c) A commitment to review the longer term (10 year) capital plan as part of the 2022 Business Plan review. A review of the investment requirements to meet EESSH2 and the council’s non-traditional housing stock will form part of the 10-year review and will inform future investment levels

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:

	2022-23	2023-24	2024-25	TOTAL INVESTMENT 2022-25
	£m	£m	£m	£
Component Replacement	31.000	31.000	31.000	93.000
Wider Works				
Major Projects	1.884	1.000	1.000	3.884
EESSH 2 & Fuel Poverty	5.400	6.400	6.205	18.005
Regeneration/ Estates Action	5.051	3.460	2.400	10.911
Specific Needs	2.817	1.030	0.380	4.227
Safety & Structural Works	2.650	1.708	1.755	6.113
Land Acquisitions	1.205	1.200	1.200	3.605
Property Acquisitions	5.000	5.000	5.000	15.000
Total Wider Works	24.007	19.798	17.940	61.745
Affordable Housing Programme	45.145	54.792	57.604	157.541
Total Investment Programme	100.152	105.590	106.544	312.286

Proposed by Councillor Judy Hamilton

Seconded by Councillor Lesley Backhouse

24th February, 2022

Agenda Item No. 5(a)

COUNCIL TAX AND COMMUNITY CHARGE: PROVISIONS RELATING TO VOTING BY ELECTED MEMBERS

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

Wards Affected: All

Purpose

To remind members of:

- the provisions restricting voting rights of elected members in relation to arrears of Council Tax and Community Charge; and
- the provisions in the Councillors' Code of Conduct relating to the setting of the Council Tax.

Recommendation(s)

Members are asked to note the report and to take action as required. If the terms of Section 112 of the Local Government Finance Act 1992 apply to a member, the member must, at the meeting and as soon as practicable after its commencement, disclose the fact that the section applies, and then that member must not vote on any question in relation to the setting of the Council Tax.

Resource Implications

None

Legal & Risk Implications

If a member fails to comply with the provisions of Section 112 of the 1992 Act outlined in this report, he or she will be guilty of an offence.

Impact Assessment

An impact assessment is not required.

Consultation

None

1.0 Background

Local Government Finance Act 1992

- 1.1 The Local Government Finance Act 1992, which introduced the council tax, also introduced other provisions restricting voting rights of elected members.
- 1.2 In terms of Section 112 of the 1992 Act if, at any time:-
- (a) a sum relating to council tax has become payable by an elected member and has remained unpaid for at least two months; or
 - (b) a sum relating to community charge has become payable by an elected member and has remained unpaid for at least three months;

then, in a number of specific instances – including the matter of the setting of the council tax – the member must, at any meeting considering the matter as soon as practicable after its commencement, disclose the fact that Section 112 applies to him or her. Section 112 also provides that the member must not vote on any question with respect to the matter.

Councillors' Code of Conduct

- 1.3 Members should also note that paragraph 5.4 of the revised Councillors' Code of Conduct (2021) provides that a member does not have a connection that has to be considered in term of –

- (a) being a Council Tax or rate payer ... including [for] the setting of budgets...;

The result of which is that no interest needs to be declared.

- 1.4 The revised Code also provides, at paragraph 3.29, that members will not participate in certain decisions concerning Council Tax if they are in arrears of two months or more in respect of the payment of Council Tax.

2.0 Conclusions

- 2.1 If a member fails to comply, he or she will be guilty of an offence and will, for each offence, be liable on summary conviction to a fine not exceeding level 3 on the standard scale (unless the member proves that he or she did not know (a) that Section 112 applied to him or her at the time of the meeting, or (b) that the matter in question was the subject of consideration at the meeting). In addition, members may also be referred to the Ethical Standards Commissioner for investigation in terms of the provisions in the Code of Conduct.

Report Contact

Lindsay Thomson
Head of Legal and Democratic Services
Fife House, Glenrothes.
Telephone: 03451 55 55 55 + 430 141
Email – lindsay.thomson@fife.gov.uk



Email: Ellen.Leaver@gov.scot

Local Government Finance Circular No. 9/2021

Chief Executives and Directors of Finance of
Scottish Local Authorities

Chief Executive, Convention of Scottish Local
Authorities (COSLA)

Our ref: A35918518
20 December 2021

Dear Chief Executive/Director of Finance

1. LOCAL GOVERNMENT FINANCE SETTLEMENT 2022-23 **2. NON-DOMESTIC RATES**

1. This Local Government Finance Circular provides details of the provisional total revenue and capital funding allocations for 2022-23, as well as the latest information on current known redeterminations for 2021-22. This Circular also provides details on a range of Non-Domestic Rates measures, including the proposed 2022-23 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 2022 being presented to the Scottish Parliament. This is currently scheduled for early February 2022.
3. We expect local authorities to inform COSLA, and for COSLA in turn to inform the Scottish Government by no later than 21 January 2022, 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 provisional only 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 2022.
4. The Cabinet Secretary for Finance and Economy wrote to the COSLA President, copied to all Council Leaders on 9 December 2021, confirming the package of measures that make up the settlement to be provided to local government. This Circular should be read in conjunction with that letter. The terms of this settlement have been discussed with 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 over £12.5 billion and includes:
- £174.5 million for continued delivery of the real Living Wage within Health and Social Care;
 - £15 million for uprating of free personal and nursing care payments;
 - £20.4 million for implementation of the Carers Act;
 - Additional investment of £124 million to provide care at home;
 - £20 million to support Interim Care;
 - An additional £200 million to support investment in health and social care;
 - £145 million for Additional Teachers and Support Staff;
 - Maintained funding for 100 day commitments including the removal of curriculum and music tuition charges and expanded School Clothing Grant; and
 - An additional £64 million revenue that was not identified on the face of the budget as well as the £30 million of capital funding already identified to facilitate the expansion of Free School Meals.
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 deliver on shared priorities and benefit local government services. Table 5.17 in the Scottish Government's "Budget Document: 2022-23", which was published on 9 December 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. Any undistributed sums will be allocated in the standard way following consideration by the Settlement and Distribution Group. We have shared a separate note with COSLA providing a full reconciliation of the changes between the 2021-22 and 2022-23 Budgets and between the 2022-23 Budget and the figures in this Circular. We have also provided full details of all the revenue and capital 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: 2022-23 and changes in 2021-22;
Part B: Local Government Finance Settlement – Capital: 2022-23;
Part C: Non-Domestic Rates for 2022-23.

The various Annexes included in this Circular are as follows:

- Annex A: All Scotland Aggregated Funding Totals 2021-23;
Annex B: Individual Revenue Allocations for 2022-23;
Annex C: Revised Individual Revenue Allocations for 2021-22;
Annex D: Explanatory Notes on the Revenue Distribution;
Annex E: Estimates of Ring-Fenced Grant Revenue Funding for 2022-23;
Annex F: Floor calculation for 2022-23;
Annex G: Redeterminations of Individual Revenue funding for 2021-22;
Annex H: 2008-23 Changes Column;
Annex I: General Capital Grant and Specific Capital Grants 2022-23;
Annex J: General Capital Grant – Flood Allocations Per Local Authority 2022-23; and
Annex K: Total Local Government Funding Settlement 2022-23.

Part A: Local Government Finance Settlement - Revenue: 2022-23 and changes in 2021-22

9. This Finance Circular sets out the provisional distribution of revenue funding allocations for 2022-23. **Annex A** of this Circular sets out the all-Scotland aggregate totals for 2021-23.
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 2022-23 and 2021-22. The basis behind the grant distribution methodology is as recommended in the report from the Settlement and Distribution Group (SDG). 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 2022-23.
12. The calculation and effects of the main floor adjustment for 2022-23, which provided councils with a maximum decrease in the funding used in the calculation of the main floor of -0.42%, 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 2018.
13. This Circular confirms the continuation of the **85% funding floor** for 2022-23. The methodology compares total revenue funding plus local authorities' assumed 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 2021-22 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 2021-22 settlement set out in Annex A and Annex C. The COVID-19 related additional funding is a constantly changing position however the redetermination allocations for 2021-22 to be paid as General Revenue Grant as at the end of January will be included in the Local Government Finance (Scotland) Order 2022.
15. **Annex H** summarises the column within the settlement titled 2008-23 Changes Column.

Part B: Local Government Finance Settlement – Capital Grants 2022-23

16. In 2022-23 the Local Government Settlement provides capital grants totalling £679.6 million. This is made up of General Capital Grant totalling £540.5 million and Specific Capital Grants totalling £139.1 million.
17. **Annex I** sets out the provisional distribution of the Settlement for capital per local authority for 2022-23. The methodologies used to calculate these provisional allocations have been agreed with COSLA. Capital grants which remain undistributed are identified as such.
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 2022-23.

Part C: Non-Domestic Rates for 2022-23

20. The Distributable Amount of Non-Domestic Rates Income for 2022-23 has been provisionally set at £2,766 million. This figure uses the latest forecast of net income from non-domestic rates in 2022-23 and also draws on council estimates of the amounts they will contribute to the Non-Domestic Rating Account (the 'Pool') in 2021-22. 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 2022-23 has been based on the amount each Council estimates that it will collect (based on the 2021-22 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 2022-23 Non-Domestic Basic Property Rate ('poundage') is provisionally set at 49.8 pence. Two additional rates are levied on properties with a rateable value over £51,000 (51.1 pence) and £95,000 (52.4 pence) respectively.
22. The Scottish Budget 2022-23 also introduces the following policies:
- 50% Retail, Hospitality and Leisure relief for the first three months of 2022-23, capped at £27,500 per ratepayer
 - Business Growth Accelerator relief will be expanded by making increases in rateable value due to the installation of solar panels a qualifying improvement eligible for relief from 1 April 2022
 - Enterprise Areas relief will be extended for one year to 31 March 2023.
23. The Scottish Budget 2022-23 maintains the following reliefs which are set annually:
- Small Business Bonus Scheme relief, which lifts over 111,000 properties out of rates altogether as at 1 June 2021; 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: day nursery relief, disabled rates relief, district heating relief, empty property relief, Fresh Start relief, hardship relief, hydro relief, mobile masts relief, new fibre relief, renewable energy relief, renewable heat networks relief, reverse vending machine relief, rural relief, sports club relief and stud farms relief. Charitable rates relief will also be maintained, however from 1 April 2022 mainstream independent schools will no longer be eligible for this relief, as recommended by the independent Barclay Review of Non-Domestic Rates in 2017.
25. The Barclay Review also 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." This policy will be implemented 1 April 2022, from which point self-catering premises will be required to meet these criteria. Councils will have discretion in the event of exceptional circumstances, which lead to the criteria not being met, to determine that a property can continue to be treated as a self-catering premises.
26. We will lay legislation to help local authorities tackle a known avoidance tactic on empty non-domestic properties. This policy will provide local authorities with the discretion, in prescribed circumstances, to restrict the awarding of 100% empty property rates relief where the occupier

has entered insolvency, compulsorily (by the court) or voluntarily. This will deliver greater fiscal empowerment for councils in advance of the devolution of empty property relief in April 2023.

27. 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 £335,000) over any period of three fiscal years.

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

29. Information on the Business Rates Incentivisation Scheme (BRIS) will be set out later.

Enquiries relating to this Circular

30. It should be noted that figures in this Circular may be marginally different from final allocations 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:

Mirren Kelly
Mirren@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
Anouk Berthier Anouk.Berthier@gov.scot

31. 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

Ellen Leaver

Deputy Director, Local Government & Analytical Services Division

	2021-22	2022-23
	£ million	£ million
Revenue Funding		
General Resource Grant	8558.218	8307.650
Non Domestic Rate Income	2090.000	2766.000
Specific Revenue Grants	776.081	784.983
Total Revenue	11,424.299	11,858.633
<i>less</i> Redress Top-Slice	0.000	5.000
Net Total Revenue	11,424.299	11,853.633
<i>less</i> Teachers' Induction Scheme	0.000	37.600
<i>less</i> Discretionary Housing Payments	35.369	80.200
<i>less</i> Gaelic	0.163	0.103
<i>less</i> Pupil Equity Fund	0.000	10.000
<i>less</i> Customer First Top-up	0.446	1.410
<i>less</i> Support for Ferries	0.000	1.000
<i>less</i> SCP Bridging Payments	0.000	68.200
<i>less</i> New Health and Social Care	0.000	200.000
<i>less</i> Removal of Curriculum Charges	0.000	8.000
<i>less</i> Removal of Music Tuition Charges	0.000	12.000
<i>less</i> Free School Meals Revenue	0.000	42.200
<i>less</i> Free School Meals revenue Holiday Provision	0.000	21.750
<i>less</i> Educational Psychology Trainees	0.000	0.450
<i>Total Undistributed Revenue Funding</i>	<i>35.978</i>	<i>482.913</i>
Distributable Revenue Funding	11,388.321	11,370.720
Capital Funding		
General Capital Grant	509.931	540.537
Specific Capital Grants	123.777	123.777
Distributed to SPT	15.327	15.327
Total Capital	649.035	679.641
Total Funding	12,073.334	12,538.274

2021-22 RECONCILIATION FROM FINANCE CIRCULAR 5/2021

General Resource Grant Circular	8,177.311
In Year Additions - Annex G - General Total	460.071
Teachers Induction Scheme Distributed	-37.600
Customer First Distributed	-0.964
Funding for Pressures Distributed	-40.000
School Child Burials Distributed	-0.600
Revised General Resource Grant Circular 9/2021	8,558.218
General Capital Grant	489.937
Play Park Renewal	5.000
Nature Restoration Fund	5.000
Aberdeen City Deals	3.000
Co2 Monitors	7.000
Undistributed Local Bridge Maintenance Fund	-0.006
Revised General Capital Grant Circular 9/2021	509.931

£million	Expenditure					Funding						
	1	2	3	4	5	6	7	8	9	10	11	13
	Updated Service Provision	2008-23 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	454.146	18.816	17.891	-6.589	484.264	93.626	28.831	268.557	93.250	390.638	0.000	390.638
Aberdeenshire	578.711	23.971	18.838	-8.607	612.914	113.278	33.562	138.786	327.288	499.636	0.000	499.636
Angus	263.549	10.891	11.249	-3.376	282.313	44.383	15.010	26.160	196.760	237.930	0.000	237.930
Argyll & Bute	225.412	9.332	9.037	15.850	259.632	39.931	12.186	33.179	174.335	219.701	0.000	219.701
Clackmannanshire	121.973	5.053	4.595	-1.828	129.792	19.572	8.045	18.065	84.110	110.220	0.000	110.220
Dumfries & Galloway	361.823	14.950	15.126	-3.287	388.612	59.603	18.545	51.388	259.076	329.009	0.000	329.009
Dundee City	361.878	14.994	5.762	3.124	385.758	47.795	23.184	35.496	279.282	337.963	0.000	337.963
East Ayrshire	294.339	12.192	9.710	-4.582	311.659	42.949	18.810	23.226	226.674	268.710	0.000	268.710
East Dunbartonshire	257.788	10.674	3.961	-3.700	268.722	51.034	12.364	17.675	187.649	217.688	0.000	217.688
East Lothian	241.066	9.982	3.684	-3.451	251.280	47.700	13.605	28.686	161.290	203.580	0.000	203.580
East Renfrewshire	233.795	9.681	9.020	-3.271	249.225	43.756	9.951	9.574	185.944	205.469	0.000	205.469
Edinburgh, City of	1,012.919	41.960	23.165	9.231	1,087.276	224.483	56.739	249.861	556.192	862.793	10.116	872.909
Eilean Siar	85.022	3.520	6.824	17.984	113.349	9.602	4.346	8.149	91.253	103.747	0.000	103.747
Falkirk	358.738	14.853	19.163	-5.415	387.339	59.717	23.131	80.433	224.058	327.622	0.000	327.622
Fife	849.532	35.166	30.245	-13.035	901.908	141.061	52.847	179.675	528.325	760.847	0.000	760.847
Glasgow City	1,484.686	61.583	36.258	42.849	1,625.375	217.525	100.324	296.203	1,011.323	1,407.850	0.000	1,407.850
Highland	570.382	23.612	30.254	-2.212	622.036	98.460	32.673	141.565	349.338	523.576	0.000	523.576
Inverclyde	195.186	8.076	9.993	2.258	215.513	27.699	11.315	15.906	160.593	187.814	0.000	187.814
Midlothian	215.840	8.948	6.337	-3.088	228.037	37.780	14.835	24.895	150.527	190.257	0.000	190.257
Moray	210.060	8.683	8.194	-3.253	223.683	34.745	12.020	54.575	122.343	188.938	0.000	188.938
North Ayrshire	336.897	13.950	5.730	8.084	364.661	50.154	20.057	37.745	256.705	314.507	0.000	314.507
North Lanarkshire	806.019	33.418	9.853	-12.171	837.119	117.725	49.382	111.737	558.274	719.394	0.000	719.394
Orkney Islands	84.366	3.510	5.605	-1.330	92.151	8.243	15.527	12.954	55.426	83.908	0.000	83.908
Perth & Kinross	340.423	14.074	11.853	-4.793	361.557	66.803	17.194	46.141	231.418	294.754	0.000	294.754
Renfrewshire	417.825	17.310	7.705	-6.131	436.710	71.555	25.589	108.076	231.489	365.155	0.000	365.155
Scottish Borders	271.372	11.220	12.405	-3.539	291.459	48.476	15.017	35.294	192.672	242.983	0.000	242.983
Shetland Islands	92.654	3.861	5.943	4.690	107.148	8.300	20.722	35.322	42.804	98.848	0.000	98.848
South Ayrshire	268.116	11.085	8.904	-4.041	284.064	48.255	13.887	30.913	191.009	235.809	0.000	235.809
South Lanarkshire	739.475	30.614	9.939	-1.429	778.599	126.650	43.109	422.591	186.249	651.949	0.000	651.949
Stirling	218.750	9.060	10.795	-3.309	235.297	39.162	12.665	35.942	147.528	196.135	0.000	196.135
West Dunbartonshire	229.206	9.504	3.601	4.739	247.051	33.568	13.817	107.740	91.925	213.483	0.000	213.483
West Lothian	413.150	17.118	12.292	-6.375	436.186	66.492	24.590	79.491	265.613	369.694	0.000	369.694
Scotland	12,595.095	521.659	383.931	0.000	13,500.686	2,140.082	773.879	2,766.000	7,820.724	11,360.604	10.116	11,370.720

REVISED INDIVIDUAL REVENUE ALLOCATIONS 2021-22

ANNEX C

£million	Expenditure					Funding								Circular 5/2021 Non-Recurring Covid Consequential	Non Recurring Covid Funding £m
	1	2	3	4	5	6	7	8	9	10	11	12	13		
	Updated Service Provision £m	2008-22 Changes £m	Loan Charges/ PPP/ LPFS £m	Main Floor £m	Total Estimated Expenditure £m	Assumed Council Tax contribution £m	Total Ring- fenced Grants £m	Non Domestic Rates £m	General Revenue Funding £m	Total £m	85% floor £m	Council Tax Freeze	Revised Total £m		
Aberdeen City	447.187	15.667	18.624	-0.354	481.123	93.989	32.243	202.923	151.968	387.134	0.000	4.206	391.340	9.195	6.299
Aberdeenshire	571.356	21.301	19.474	-7.332	604.798	111.729	34.455	104.867	353.747	493.069	0.000	4.715	497.785	12.501	6.795
Angus	260.700	9.637	11.591	-3.419	278.509	43.972	13.854	19.766	200.916	234.537	0.000	1.727	236.264	5.656	3.731
Argyll & Bute	225.587	7.854	9.313	15.222	257.977	39.450	12.302	25.070	181.155	218.527	0.000	1.762	220.289	4.609	2.725
Clackmannanshire	121.045	4.088	4.747	-0.594	129.287	19.547	7.444	13.650	88.645	109.740	0.000	0.829	110.569	2.399	2.088
Dumfries & Galloway	358.934	12.974	15.653	-2.800	384.760	59.355	16.943	38.830	269.633	325.405	0.000	2.364	327.769	7.614	5.398
Dundee City	364.096	12.222	5.967	5.215	387.500	47.379	24.863	26.821	288.437	340.121	0.000	2.123	342.244	7.173	6.514
East Ayrshire	292.358	10.120	10.101	-3.872	308.707	42.537	18.747	17.550	229.873	266.170	0.000	1.903	268.074	5.939	4.972
East Dunbartonshire	258.023	9.176	4.100	-2.425	268.873	50.689	13.291	13.355	191.538	218.184	0.000	2.153	220.337	5.385	3.091
East Lothian	237.598	8.550	3.813	-1.947	248.014	46.349	14.743	21.675	165.246	201.665	0.000	1.948	203.613	5.018	3.240
East Renfrewshire	231.999	8.667	9.164	-1.799	248.032	43.195	8.506	7.234	189.097	204.837	0.000	1.802	206.639	5.087	2.641
Edinburgh, City of	1,001.090	34.955	23.755	10.499	1,070.299	222.915	61.959	188.796	596.629	847.384	8.409	9.615	865.408	20.515	14.520
Eilean Siar	86.541	3.383	7.071	16.347	113.341	9.544	4.497	6.157	93.143	103.797	0.000	0.372	104.169	1.985	0.868
Falkirk	359.156	12.761	19.582	-4.157	387.341	59.394	24.798	60.775	242.374	327.947	0.000	2.358	330.305	7.489	5.520
Fife	841.792	30.195	31.534	-11.004	892.517	140.079	51.131	135.763	565.544	752.438	0.000	5.829	758.267	17.721	13.286
Glasgow City	1,479.101	49.479	90.881	4.170	1,623.631	215.650	94.552	223.812	1,089.617	1,407.981	0.000	9.671	1,417.653	29.039	31.049
Highland	568.257	20.526	31.353	-1.010	619.127	97.845	33.620	106.967	380.695	521.282	0.000	4.231	525.513	12.047	7.573
Inverclyde	195.521	6.603	10.359	3.047	215.530	27.533	12.454	12.019	163.524	187.997	0.000	1.198	189.195	3.875	3.422
Midlothian	212.768	7.449	6.450	-0.001	226.665	36.786	16.548	18.811	154.521	189.879	0.000	1.663	191.542	4.372	2.906
Moray	208.057	7.609	8.484	-2.731	221.419	34.539	13.091	41.237	132.552	186.880	0.000	1.482	188.362	4.466	2.628
North Ayrshire	336.732	11.468	6.918	8.508	363.626	49.870	20.980	28.520	264.257	313.756	0.000	2.182	315.938	6.731	6.182
North Lanarkshire	806.019	28.097	10.197	-10.308	834.005	117.132	51.025	84.429	581.420	716.873	0.000	4.640	721.513	16.490	13.884
Orkney Islands	84.688	3.090	5.824	-1.204	92.397	8.146	10.593	9.788	63.870	84.251	0.000	0.319	84.571	1.813	0.637
Perth & Kinross	335.551	12.303	12.247	-4.225	355.877	65.922	16.920	34.864	238.171	289.955	0.000	2.817	292.772	7.220	4.016
Renfrewshire	416.831	14.284	7.979	-3.013	436.081	70.931	28.742	81.663	254.744	365.150	0.000	3.019	368.169	8.383	6.796
Scottish Borders	269.604	9.809	12.894	-3.539	288.768	47.999	15.168	26.668	198.933	240.769	0.000	1.955	242.724	5.757	3.679
Shetland Islands	91.616	3.347	7.162	4.984	107.109	8.234	14.307	26.690	57.878	98.875	0.000	0.323	99.198	1.964	0.643
South Ayrshire	264.891	9.373	9.199	-3.381	280.081	48.033	13.388	23.358	195.303	232.048	0.000	2.102	234.150	5.501	4.045
South Lanarkshire	732.365	26.119	10.285	3.745	772.514	125.178	43.734	319.312	284.289	647.336	0.000	4.882	652.217	15.329	12.388
Stirling	217.747	7.703	11.112	-2.572	233.990	38.914	14.233	27.158	153.685	195.076	0.000	1.690	196.765	4.521	2.669
West Dunbartonshire	230.836	7.648	3.726	5.350	247.560	33.812	14.097	81.408	118.242	213.748	0.000	1.423	215.171	4.488	4.161
West Lothian	410.495	14.854	12.669	-5.401	432.617	65.519	22.689	60.063	284.345	367.098	0.000	2.699	369.797	8.718	6.805
Scotland	12,518.540	441.310	452.228	0.000	13,412.078	2,122.166	775.918	2,090.000	8,423.994	11,289.912	8.409	90.000	11,388.321	259.000	195.171

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 - 2023 allocated pro-rata to each council's share of TEE as agreed with the Settlement and Distribution Group (SDG).

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 (PEF), 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 2021-22 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 2022-23.

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.

Column 12 - is the revised total funding including all the changes and the 85% funding floor adjustments.

Local Authority	Gaelic	Pupil Equity Fund (PEF)	Criminal Justice Social Work	Early Learning and Childcare Expansion	ELC Deferral Pilots	Inter-Island Ferries
	£m	£m	£m	£m	£m	£m
Aberdeen City	0.092	3.049	3.953	20.537	1.200	0.000
Aberdeenshire	0.000	2.852	2.817	27.893	0.000	0.000
Angus	0.023	2.141	1.628	10.518	0.700	0.000
Argyll & Bute	0.365	1.304	0.984	7.964	0.300	1.269
Clackmannanshire	0.002	1.498	1.117	5.128	0.300	0.000
Dumfries & Galloway	0.000	2.813	2.521	13.212	0.000	0.000
Dundee City	0.000	4.968	3.551	14.665	0.000	0.000
East Ayrshire	0.144	3.434	2.108	13.124	0.000	0.000
East Dunbartonshire	0.077	1.631	0.791	9.865	0.000	0.000
East Lothian	0.008	1.582	1.068	10.946	0.000	0.000
East Renfrewshire	0.012	1.326	0.614	7.998	0.000	0.000
Edinburgh, City of	0.320	7.121	7.984	41.314	0.000	0.000
Eilean Siar	0.965	0.287	0.294	2.799	0.000	0.000
Falkirk	0.014	3.587	2.684	16.046	0.800	0.000
Fife	0.010	9.684	6.105	35.448	1.600	0.000
Glasgow City	0.560	21.760	15.519	59.685	2.800	0.000
Highland	0.910	3.928	3.239	23.906	0.000	0.690
Inverclyde	0.068	2.349	1.300	7.598	0.000	0.000
Midlothian	0.007	2.166	1.251	11.411	0.000	0.000
Moray	0.003	1.367	1.291	9.359	0.000	0.000
North Ayrshire	0.090	4.212	2.662	13.093	0.000	0.000
North Lanarkshire	0.265	8.930	5.345	34.842	0.000	0.000
Orkney Islands	0.000	0.233	0.235	2.213	0.000	12.847
Perth & Kinross	0.104	1.665	1.831	13.594	0.000	0.000
Renfrewshire	0.016	4.274	2.583	18.716	0.000	0.000
Scottish Borders	0.001	1.763	1.256	11.497	0.500	0.000
Shetland Islands	0.000	0.223	0.252	2.758	0.200	17.289
South Ayrshire	0.015	2.351	1.729	9.792	0.000	0.000
South Lanarkshire	0.170	8.098	4.412	30.428	0.000	0.000
Stirling	0.115	1.390	1.239	9.421	0.500	0.000
West Dunbartonshire	0.015	3.104	1.631	9.067	0.000	0.000
West Lothian	0.008	4.910	2.455	17.217	0.000	0.000
Scotland	4.379	120.000	86.450	522.056	8.900	32.095

Notes: These figures represent the best estimates used in the calculation of the 2022-23 local government finance settlement, including the calculation of the Floors. The actual sums payable will be notified to the relevant Policy Team.

PEF allocations for 2022-23 are still being prepared by the Scottish Government. The figures refer to local authority PEF allocations in the 2021-22 financial year, less the one-off Pupil Premium which will not be repeated in 2022-23.

The distribution of the Inter-Island Ferries has also necessarily used estimated figures and currently excludes £1 million previously paid in respect of Orkney Transport.

Local Authority	Grant Without Floor	Change Without Floor	Floor Change	Grant With Floor	Change With Floor
	£m	%	£m	£m	%
Moray	151.676	2.87%	-3.253	148.423	0.66%
Orkney Islands	61.991	2.59%	-1.330	60.661	0.39%
West Lothian	297.202	2.53%	-6.375	290.827	0.33%
South Ayrshire	188.393	2.52%	-4.041	184.352	0.32%
Fife	607.734	2.48%	-13.035	594.699	0.28%
North Lanarkshire	567.442	2.48%	-12.171	555.271	0.28%
East Ayrshire	213.609	2.47%	-4.582	209.027	0.27%
East Lothian	160.913	2.40%	-3.451	157.462	0.20%
Aberdeenshire	401.261	2.26%	-8.607	392.655	0.06%
Midlothian	143.954	2.21%	-3.088	140.866	0.02%
Aberdeen City	307.182	2.16%	-6.589	300.593	-0.03%
Stirling	154.279	2.13%	-3.309	150.970	-0.06%
Clackmannanshire	85.233	2.08%	-1.828	83.405	-0.11%
East Dunbartonshire	172.518	2.04%	-3.700	168.817	-0.15%
Renfrewshire	285.825	2.03%	-6.131	279.695	-0.16%
Falkirk	252.447	1.94%	-5.415	247.032	-0.25%
Angus	187.652	1.41%	-3.376	184.276	-0.42%
Argyll & Bute	156.808	-9.56%	15.850	172.659	-0.42%
Dumfries & Galloway	260.988	0.85%	-3.287	257.701	-0.42%
Dundee City	257.742	-1.61%	3.124	260.865	-0.42%
East Renfrewshire	165.053	1.59%	-3.271	161.783	-0.42%
Edinburgh (City of)	649.837	-1.81%	9.231	659.068	-0.42%
Eilean Siar	71.332	-20.47%	17.984	89.316	-0.42%
Glasgow City	1,059.501	-4.29%	42.849	1,102.350	-0.42%
Highland	416.878	0.11%	-2.212	414.666	-0.42%
Inverclyde	144.519	-1.95%	2.258	146.777	-0.42%
North Ayrshire	238.224	-3.69%	8.084	246.308	-0.42%
Perth & Kinross	232.646	1.68%	-4.793	227.854	-0.42%
Scottish Borders	193.898	1.43%	-3.539	190.359	-0.42%
Shetland Islands	66.893	-6.94%	4.690	71.583	-0.42%
South Lanarkshire	506.612	-0.14%	-1.429	505.183	-0.42%
West Dunbartonshire	158.153	-3.32%	4.739	162.893	-0.42%
Scotland	8,818.397	-0.17%	0.000	8,818.397	-0.17%

The annual change in the Grant for Floor Funding was -0.17% and as a result of the floor being set at -0.25 below this annual change the maximum decrease in the Grant for floor was set at -0.42%

REDETERMINATIONS OF INDIVIDUAL REVENUE FUNDING 2021-22 - GENERAL

ANNEX G

GENERAL FUNDING	Living Wage - Health and Social Care	Additional GRG Funding	Teacher Induction Scheme Amendment - Glasgow Only	Free Child Burials	Summer of Play: Activities for Children & Young People	Phase 1: Universal Free School Meals	Phase 2: Free School Meal Holiday Support	Correction Educational Psychologists	Teacher Induction Scheme - admin costs	School Clothing Grant	Removal of Fees for Instrumental Music Tuition	Removal of Core Curriculum Charges	Additional Funding to Increase Teacher Numbers and Pupil Support Assistants	*Scottish Child Payment Bridging Payments
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	1.132	1.420	0.000	0.011	0.418	1.043	0.585	0.000	-0.005	0.175	0.298	0.135	1.656	0.707
Aberdeenshire	1.250	1.931	0.000	0.016	0.562	1.653	0.573	-0.001	-0.007	0.176	0.351	0.207	2.644	0.674
Angus	0.723	0.873	0.000	0.006	0.335	0.620	0.372	0.000	-0.003	0.118	0.109	0.087	1.102	0.449
Argyll & Bute	0.553	0.712	0.000	0.004	0.232	0.425	0.205	0.000	-0.003	0.079	0.060	0.058	0.794	0.249
Clackmannanshire	0.281	0.371	0.000	0.003	0.162	0.267	0.245	0.000	-0.001	0.064	0.078	0.038	0.468	0.290
Dumfries & Galloway	1.004	1.176	0.000	0.007	0.529	0.714	0.529	0.000	-0.004	0.172	0.089	0.106	1.418	0.641
Dundee City	0.906	1.108	0.000	0.007	0.432	0.665	0.885	0.000	-0.004	0.176	0.087	0.104	1.287	0.973
East Ayrshire	0.728	0.917	0.000	0.007	0.405	0.619	0.583	0.000	-0.003	0.168	0.077	0.092	1.137	0.681
East Dunbartonshire	0.599	0.832	0.000	0.006	0.184	0.722	0.290	0.000	-0.003	0.072	0.142	0.099	1.222	0.460
East Lothian	0.582	0.775	0.000	0.006	0.277	0.654	0.294	0.000	-0.002	0.105	0.160	0.085	1.042	0.351
East Renfrewshire	0.508	0.786	0.000	0.006	0.187	0.777	0.231	0.000	-0.003	0.071	0.227	0.099	1.220	0.283
Edinburgh, City of	2.569	3.168	0.000	0.025	0.846	2.303	1.241	0.000	-0.010	0.346	0.247	0.296	3.628	1.386
Eilean Siar	0.201	0.307	0.000	0.002	0.078	0.139	0.063	0.000	-0.001	0.021	0.028	0.019	0.279	0.051
Falkirk	0.883	1.157	0.000	0.009	0.443	0.872	0.717	0.000	-0.004	0.175	0.104	0.125	1.544	0.821
Fife	2.116	2.737	0.000	0.020	1.160	1.956	1.679	-0.001	-0.010	0.458	0.370	0.286	3.540	1.980
Glasgow City	3.488	4.485	0.087	0.031	2.250	2.462	4.068	-0.001	-0.016	0.968	0.334	0.401	4.925	5.174
Highland	1.350	1.860	0.000	0.013	0.721	1.255	0.722	0.000	-0.006	0.232	0.732	0.176	2.306	0.807
Inverclyde	0.522	0.598	0.000	0.004	0.201	0.325	0.532	0.000	-0.002	0.081	0.047	0.056	0.696	0.459
Midlothian	0.457	0.675	0.000	0.005	0.252	0.594	0.295	0.000	-0.002	0.094	0.110	0.077	0.930	0.361
Moray	0.562	0.690	0.000	0.005	0.256	0.525	0.250	0.000	-0.002	0.090	0.073	0.069	0.870	0.285
North Ayrshire	0.861	1.039	0.000	0.007	0.452	0.651	0.704	0.000	-0.004	0.186	0.097	0.103	1.292	0.868
North Lanarkshire	1.832	2.547	0.000	0.020	1.104	1.873	1.577	0.000	-0.010	0.448	0.234	0.280	3.469	1.858
Orkney	0.139	0.280	0.000	0.001	0.068	0.120	0.035	0.000	-0.001	0.020	0.013	0.016	0.241	0.052
Perth & Kinross	0.924	1.115	0.000	0.008	0.397	0.775	0.307	0.000	-0.003	0.133	0.222	0.104	1.324	0.383
Renfrewshire	1.031	1.295	0.000	0.010	0.436	0.960	0.771	0.000	-0.005	0.178	0.113	0.136	1.672	0.862
Scottish Borders	0.706	0.889	0.000	0.006	0.353	0.587	0.333	0.000	-0.003	0.119	0.079	0.082	1.067	0.399
Shetland	0.119	0.303	0.000	0.002	0.053	0.150	0.042	-0.001	-0.001	0.013	0.051	0.019	0.269	0.053
South Ayrshire	0.753	0.850	0.000	0.005	0.295	0.556	0.406	0.000	-0.003	0.118	0.107	0.081	1.025	0.514
South Lanarkshire	1.821	2.367	0.000	0.017	0.882	1.716	1.516	0.000	-0.009	0.336	0.068	0.257	3.196	1.782
Stirling	0.489	0.698	0.000	0.005	0.213	0.493	0.256	0.000	-0.002	0.080	0.214	0.073	0.937	0.286
West Dunbartonshire	0.527	0.693	0.000	0.006	0.276	0.479	0.486	0.000	-0.003	0.118	0.059	0.071	0.881	0.600
West Lothian	0.884	1.346	0.000	0.011	0.541	1.050	0.958	0.000	-0.005	0.210	0.305	0.156	1.919	1.090
Scotland	30.500	40.000	0.087	0.290	15.000	28.000	21.750	-0.007	-0.140	5.800	5.285	3.993	50.000	25.830

REDETERMINATIONS OF INDIVIDUAL REVENUE FUNDING 2021-22 - GENERAL

ANNEX G (Continued)

GENERAL FUNDING	Implementation of National Trauma Training Programme	Unaccompanied Asylum Seeking Children (UASC)	Scottish Disability Assistance	Mental Health Recovery & Renewal	Care at Home Winter Planning	Interim Care Winter Planning	Funding for Pressures	Social Care workforce Uplift	Teacher Induction Scheme	Customer First	Dundee to Stansted	Educational Psychology Trainees	General Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	0.050	0.022	0.031	0.107	2.337	1.507	1.065	2.091	0.583	0.000	0.000	0.000	15.368
Aberdeenshire	0.050	0.044	0.037	0.149	2.632	1.698	1.448	1.633	0.841	0.000	0.000	0.000	18.562
Angus	0.050	0.022	0.024	0.063	1.479	0.954	0.655	0.912	0.374	0.000	0.000	0.014	9.339
Argyll & Bute	0.050	0.011	0.015	0.050	1.129	0.728	0.534	0.783	0.276	0.000	0.000	0.000	6.943
Clackmannanshire	0.050	0.011	0.011	0.025	0.556	0.359	0.278	0.528	0.739	0.000	0.000	0.014	4.837
Dumfries & Galloway	0.050	0.000	0.029	0.088	2.025	1.306	0.882	1.433	0.951	0.000	0.000	0.000	13.144
Dundee City	0.050	0.022	0.040	0.072	1.787	1.153	0.831	1.384	1.613	0.000	0.904	0.014	14.496
East Ayrshire	0.050	0.011	0.022	0.062	1.439	0.929	0.688	0.751	1.786	0.000	0.000	0.014	11.163
East Dunbartonshire	0.050	0.022	0.018	0.051	1.265	0.816	0.624	0.837	4.000	0.000	0.000	0.014	12.323
East Lothian	0.050	0.011	0.018	0.054	1.188	0.767	0.581	0.740	1.137	0.000	0.000	0.014	8.890
East Renfrewshire	0.050	0.022	0.018	0.045	1.089	0.703	0.589	0.741	2.900	0.000	0.000	0.014	10.563
Edinburgh, City of	0.050	0.000	0.029	0.245	5.530	3.567	2.376	4.260	1.426	0.000	0.000	0.029	33.556
Eilean Siar	0.050	0.000	0.010	0.019	0.384	0.248	0.230	0.056	0.382	0.000	0.000	0.000	2.565
Falkirk	0.050	0.022	0.033	0.078	1.758	1.134	0.867	1.243	2.587	0.000	0.000	0.014	14.632
Fife	0.050	0.044	0.083	0.186	4.291	2.768	2.053	2.869	4.291	0.000	0.000	0.029	32.955
Glasgow City	0.050	0.000	0.152	0.314	6.919	4.464	3.364	4.590	6.161	0.000	0.000	0.057	54.728
Highland	0.050	0.033	0.050	0.139	2.730	1.761	1.395	1.827	1.085	0.000	0.000	0.000	19.238
Inverclyde	0.050	0.011	0.020	0.038	1.039	0.670	0.449	0.567	0.946	0.000	0.000	0.014	7.323
Midlothian	0.050	0.011	0.024	0.046	0.934	0.603	0.506	0.751	1.052	0.000	0.000	0.014	7.839
Moray	0.050	0.011	0.015	0.051	1.137	0.734	0.517	0.450	1.565	0.000	0.000	0.000	8.204
North Ayrshire	0.050	0.011	0.028	0.068	1.719	1.109	0.780	0.866	1.158	0.000	0.000	0.014	12.060
North Lanarkshire	0.050	0.033	0.083	0.166	3.597	2.321	1.910	2.213	3.742	0.964	0.000	0.029	30.340
Orkney	0.050	0.000	0.010	0.015	0.271	0.175	0.210	0.112	0.078	0.000	0.000	0.000	1.904
Perth & Kinross	0.050	0.011	0.031	0.083	1.969	1.271	0.836	1.051	0.510	0.000	0.000	0.000	11.501
Renfrewshire	0.050	0.011	0.035	0.086	2.051	1.323	0.971	1.184	3.765	0.000	0.000	0.014	16.950
Scottish Borders	0.050	0.022	0.018	0.066	1.454	0.938	0.667	0.873	0.781	0.000	0.000	0.014	9.500
Shetland	0.050	0.000	0.010	0.015	0.234	0.151	0.227	0.084	0.083	0.000	0.000	0.000	1.926
South Ayrshire	0.050	0.011	0.018	0.057	1.554	1.002	0.637	0.964	1.455	0.000	0.000	0.029	10.484
South Lanarkshire	0.050	0.022	0.083	0.160	3.661	2.362	1.776	2.081	2.220	0.000	0.000	0.043	26.407
Stirling	0.050	0.011	0.013	0.049	1.032	0.666	0.524	0.702	1.276	0.000	0.000	0.014	8.078
West Dunbartonshire	0.050	0.011	0.020	0.044	1.043	0.673	0.520	0.580	0.631	0.000	0.000	0.014	7.780
West Lothian	0.050	0.022	0.044	0.089	1.767	1.140	1.010	1.044	2.825	0.000	0.000	0.014	16.471
Scotland	1.600	0.500	1.072	2.780	62.000	40.000	30.000	40.200	53.219	0.964	0.904	0.444	460.071

*Partial distribution only. The final distribution will be included in the LG Finance Order.

REDETERMINATIONS OF INDIVIDUAL REVENUE FUNDING 2021-22 - COVID

ANNEX G (Continued)

2021-2022	Correction - Additional Free School Meals to cover Dec/Jan holidays	Education Recovery	*Family Pandemic Payments	*Low Income Pandemic Payments	Local Self-Isolation Assistance Service	Tenant Grant Fund	COVID-19 Business Support Administration Grant 2021-22	Co2 monitors	Financial Insecurity Flexible funding	COVID Total	GENERAL + COVID 19 TOTAL
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
COVID 19 FUNDING											
Aberdeen City	-0.166	1.943	0.653	2.179	0.300	0.414	0.157	0.101	0.718	6.299	21.667
Aberdeenshire	-0.224	2.853	0.623	1.790	0.364	0.293	0.213	0.156	0.727	6.795	25.357
Angus	-0.125	1.258	0.415	1.206	0.200	0.164	0.063	0.064	0.485	3.731	13.070
Argyll & Bute	-0.080	0.869	0.230	0.979	0.146	0.098	0.063	0.049	0.371	2.725	9.669
Clackmannanshire	-0.069	0.590	0.268	0.745	0.091	0.145	0.019	0.028	0.271	2.088	6.925
Dumfries & Galloway	-0.194	1.643	0.592	1.914	0.282	0.218	0.103	0.083	0.757	5.398	18.542
Dundee City	-0.288	1.722	0.900	2.472	0.300	0.377	0.063	0.081	0.886	6.514	21.010
East Ayrshire	-0.202	1.423	0.629	1.858	0.237	0.200	0.054	0.069	0.705	4.972	16.135
East Dunbartonshire	-0.093	1.319	0.423	0.795	0.137	0.111	0.047	0.069	0.284	3.091	15.414
East Lothian	-0.098	1.169	0.325	0.978	0.155	0.184	0.051	0.061	0.415	3.240	12.130
East Renfrewshire	-0.074	1.279	0.261	0.634	0.109	0.086	0.042	0.069	0.236	2.641	13.204
Edinburgh, City of	-0.333	4.239	1.282	4.940	0.637	1.578	0.336	0.220	1.622	14.520	48.076
Eilean Siar	-0.024	0.298	0.048	0.292	0.055	0.023	0.019	0.018	0.139	0.868	3.433
Falkirk	-0.212	1.868	0.759	1.794	0.255	0.229	0.065	0.090	0.672	5.520	20.152
Fife	-0.557	4.316	1.829	4.330	0.664	0.647	0.167	0.210	1.680	13.286	46.241
Glasgow City	-1.203	6.982	4.775	12.565	1.292	1.623	0.346	0.321	4.348	31.049	85.778
Highland	-0.255	2.608	0.746	2.428	0.391	0.312	0.183	0.140	1.019	7.573	26.810
Inverclyde	-0.162	0.951	0.427	1.370	0.155	0.098	0.028	0.043	0.512	3.422	10.745
Midlothian	-0.109	1.076	0.333	0.840	0.137	0.166	0.041	0.055	0.368	2.906	10.746
Moray	-0.088	0.981	0.264	0.792	0.146	0.092	0.055	0.052	0.335	2.628	10.832
North Ayrshire	-0.209	1.615	0.802	2.388	0.273	0.314	0.055	0.077	0.867	6.182	18.242
North Lanarkshire	-0.519	4.183	1.717	5.118	0.592	0.592	0.132	0.203	1.866	13.884	44.224
Orkney	-0.017	0.246	0.048	0.190	0.036	0.022	0.023	0.015	0.074	0.637	2.542
Perth & Kinross	-0.118	1.448	0.354	1.233	0.228	0.188	0.100	0.079	0.505	4.016	15.517
Renfrewshire	-0.243	2.041	0.798	2.637	0.309	0.225	0.082	0.099	0.848	6.796	23.746
Scottish Borders	-0.111	1.199	0.369	1.233	0.191	0.184	0.081	0.064	0.470	3.679	13.179
Shetland	-0.021	0.281	0.049	0.165	0.036	0.025	0.024	0.017	0.066	0.643	2.569
South Ayrshire	-0.135	1.204	0.474	1.450	0.200	0.199	0.059	0.060	0.533	4.045	14.529
South Lanarkshire	-0.470	3.897	1.647	4.410	0.564	0.462	0.150	0.187	1.541	12.388	38.795
Stirling	-0.086	1.028	0.264	0.771	0.137	0.111	0.065	0.054	0.325	2.669	10.747
West Dunbartonshire	-0.186	1.111	0.554	1.560	0.182	0.277	0.034	0.053	0.575	4.161	11.940
West Lothian	-0.279	2.360	1.008	2.097	0.300	0.343	0.082	0.113	0.780	6.805	23.276
Scotland	-6.950	60.000	23.867	68.154	9.100	10.000	3.000	3.000	25.000	195.171	655.242

*Partial distribution only. The final distribution will be included in the LG Finance Order.

Local Authority	2022-23 GAE plus SINA	Percentage Shares	2008-23 Changes	2008-22 Changes	Movement in Changes
	£m	£m	£m	£m	£m
Aberdeen City	347.294	3.62	18.816	15.667	3.149
Aberdeenshire	466.368	4.86	23.971	21.301	2.671
Angus	207.573	2.16	10.891	9.637	1.255
Argyll & Bute	167.313	1.74	9.332	7.854	1.478
Clackmannanshire	89.785	0.94	5.053	4.088	0.964
Dumfries & Galloway	277.990	2.90	14.950	12.974	1.976
Dundee City	265.393	2.77	14.994	12.222	2.772
East Ayrshire	222.421	2.32	12.192	10.120	2.072
East Dunbartonshire	198.890	2.07	10.674	9.176	1.498
East Lothian	189.132	1.97	9.982	8.550	1.432
East Renfrewshire	184.868	1.93	9.681	8.667	1.014
Edinburgh, City of	764.226	7.97	41.960	34.955	7.005
Eilean Siar	69.611	0.73	3.520	3.383	0.137
Falkirk	278.861	2.91	14.853	12.761	2.092
Fife	657.502	6.85	35.166	30.195	4.971
Glasgow City	1077.653	11.24	61.583	49.479	12.104
Highland	442.621	4.61	23.612	20.526	3.086
Inverclyde	143.039	1.49	8.076	6.603	1.473
Midlothian	168.336	1.76	8.948	7.449	1.499
Moray	166.958	1.74	8.683	7.609	1.074
North Ayrshire	248.247	2.59	13.950	11.468	2.481
North Lanarkshire	612.617	6.39	33.418	28.097	5.321
Orkney	59.594	0.62	3.510	3.090	0.420
Perth & Kinross	265.450	2.77	14.074	12.303	1.771
Renfrewshire	315.871	3.29	17.310	14.284	3.026
Scottish Borders	212.488	2.22	11.220	9.809	1.412
Shetland	64.395	0.67	3.861	3.347	0.515
South Ayrshire	202.998	2.12	11.085	9.373	1.712
South Lanarkshire	568.699	5.93	30.614	26.119	4.495
Stirling	168.274	1.75	9.060	7.703	1.357
West Dunbartonshire	164.539	1.72	9.504	7.648	1.856
West Lothian	322.619	3.36	17.118	14.854	2.264
Scotland	9591.627	100.000	521.659	441.310	80.350

2022-23 £m	Capital Settlement 2022-23			Specific grants to be paid in 2022-23				
	General Capital Grant	Specific Grants	Total Capital Grants	Strathclyde Partnership	Vacant and Derelict Land	T MDF	Cycling Walking & Safer Streets	Total
Aberdeen City	18.453	1.003	19.456	0.000	0.000	0.000	1.003	1.003
Aberdeenshire	27.577	1.142	28.719	0.000	0.000	0.000	1.142	1.142
Angus	10.982	0.507	11.489	0.000	0.000	0.000	0.507	0.507
Argyll & Bute	16.478	0.374	16.852	0.000	0.000	0.000	0.374	0.374
Clackmannanshire	4.309	0.225	4.534	0.000	0.000	0.000	0.225	0.225
Dumfries & Galloway	13.874	0.649	14.523	0.000	0.000	0.000	0.649	0.649
Dundee City	13.723	0.651	14.374	0.000	0.000	0.000	0.651	0.651
East Ayrshire	9.653	0.532	10.185	0.000	0.000	0.000	0.532	0.532
East Dunbartonshire	7.453	0.476	7.929	0.000	0.000	0.000	0.476	0.476
East Lothian	9.508	0.472	9.980	0.000	0.000	0.000	0.472	0.472
East Renfrewshire	6.374	0.420	6.794	0.000	0.000	0.000	0.420	0.420
Edinburgh, City of	40.221	30.260	70.481	0.000	0.000	27.950	2.310	30.260
Eilean Siar	8.834	0.116	8.950	0.000	0.000	0.000	0.116	0.116
Falkirk	15.860	0.703	16.563	0.000	0.000	0.000	0.703	0.703
Fife	24.806	3.089	27.895	0.000	1.451	0.000	1.638	3.089
Glasgow City	50.279	69.236	119.515	0.000	2.159	64.295	2.782	69.236
Highland	36.321	1.031	37.352	0.000	0.000	0.000	1.031	1.031
Inverclyde	6.353	0.337	6.690	0.000	0.000	0.000	0.337	0.337
Midlothian	7.221	0.408	7.629	0.000	0.000	0.000	0.408	0.408
Moray	8.543	0.419	8.962	0.000	0.000	0.000	0.419	0.419
North Ayrshire	13.150	1.908	15.058	0.000	1.320	0.000	0.588	1.908
North Lanarkshire	23.362	3.431	26.793	0.000	1.938	0.000	1.493	3.431
Orkney Islands	5.048	0.098	5.146	0.000	0.000	0.000	0.098	0.098
Perth & Kinross	11.872	0.665	12.537	0.000	0.000	0.000	0.665	0.665
Renfrewshire	12.075	0.785	12.860	0.000	0.000	0.000	0.785	0.785
Scottish Borders	20.664	0.504	21.168	0.000	0.000	0.000	0.504	0.504
Shetland Islands	5.623	0.100	5.723	0.000	0.000	0.000	0.100	0.100
South Ayrshire	8.557	0.491	9.048	0.000	0.000	0.000	0.491	0.491
South Lanarkshire	22.424	2.141	24.565	0.000	0.737	0.000	1.404	2.141
Stirling	10.801	0.412	11.213	0.000	0.000	0.000	0.412	0.412
West Dunbartonshire	5.982	0.387	6.369	0.000	0.000	0.000	0.387	0.387
West Lothian	11.556	0.805	12.361	0.000	0.000	0.000	0.805	0.805
Undistributed	52.601	0.000	52.601	0.000	0.000	0.000	0.000	0.000
Councils Total	540.537	123.777	664.314	0.000	7.605	92.245	23.927	123.777
Strathclyde Partnership for Transport	0.000	15.327	15.327	15.327	0.000	0.000	0.000	15.327
Grand Total	540.537	139.104	679.641	15.327	7.605	92.245	23.927	139.104

Council	Flood Scheme	Total 2022-23 £m
Aberdeenshire Council	Stonehaven	4.685
Aberdeenshire Council	Huntly	0.000
Angus Council	Arbroath	0.816
Argyll & Bute Council	Campbeltown	2.472
Comhairle nan Eilean Siar	South Fords	-0.820
Dumfries & Galloway Council	Dumfries/ River Nith/ Whitesands FPS	-1.185
Dumfries & Galloway Council	Stranraer work item 4 &6	0.000
Dumfries & Galloway Council	Langholm	0.048
Dumfries & Galloway Council	Newton Stewart/ River Cree	0.118
Dundee City Council	Broughty Ferry	0.004
Dundee City Council	Dundee	0.000
East Ayrshire Council	New Cumnock	0.720
East Dunbartonshire Council	Park Burn	0.000
East Lothian Council	Musselburgh	1.314
East Lothian Council	Haddington	-0.008
Falkirk Council	Grangemouth FPS	5.518
Fife Council	Kinness Burn	0.000
Glasgow City Council	White Cart Water Phase 3	0.000
Glasgow City Council	Camlachie Burn	0.000
Highland Council	Smithton and Culloden	-0.148
Highland Council	Caol and Lochyside	6.245
Highland Council	Drumnadrochit	1.789
Inverclyde Council	Inverclyde FPS - Glenmosston Burn	-0.024
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	0.478
North Ayrshire Council	Upper Garnock FPS	1.586
North Ayrshire Council	Mill Burn Millport	0.714
Orkney Islands Council	Kirkwall	0.000
Perth & Kinross Council	Comrie	-0.230
Perth & Kinross Council	Milnathort	-1.246
Perth & Kinross Council	South Kinross	0.159
Perth & Kinross Council	Scone	-0.442
Scottish Borders Council	Hawick	9.555
Stirling Council	Bridge of Allan	0.458
Stirling Council	Stirling	0.658
Stirling Council	Callander	1.365
West Dunbartonshire Council	Gruggies Burn	-1.000
	Total	33.600

TOTAL LOCAL GOVERNMENT FUNDING SETTLEMENT 2022-23

ANNEX K

Local Authority	Ring-Fenced Grants	Non Domestic Rates	General Revenue Funding	Total 2022-23 Revenue	General Capital Grant	Specific Grant	Total 2022-23 Capital	2022-23 Local Government Finance Settlement
	£m	£m	£m	£m	£m	£m	£m	£m
Aberdeen City	28.831	268.557	93.250	390.638	18.453	1.003	19.456	410.094
Aberdeenshire	33.562	138.786	327.288	499.636	27.577	1.142	28.719	528.355
Angus	15.010	26.160	196.760	237.930	10.982	0.507	11.489	249.419
Argyll & Bute	12.186	33.179	174.335	219.701	16.478	0.374	16.852	236.553
Clackmannanshire	8.045	18.065	84.110	110.220	4.309	0.225	4.534	114.754
Dumfries & Galloway	18.545	51.388	259.076	329.009	13.874	0.649	14.523	343.532
Dundee City	23.184	35.496	279.282	337.963	13.723	0.651	14.374	352.337
East Ayrshire	18.810	23.226	226.674	268.710	9.653	0.532	10.185	278.895
East Dunbartonshire	12.364	17.675	187.649	217.688	7.453	0.476	7.929	225.617
East Lothian	13.605	28.686	161.290	203.580	9.508	0.472	9.980	213.560
East Renfrewshire	9.951	9.574	185.944	205.469	6.374	0.420	6.794	212.263
Edinburgh, City of	56.739	249.861	566.309	872.909	40.221	30.260	70.481	943.390
Eilean Siar	4.346	8.149	91.253	103.747	8.834	0.116	8.950	112.697
Falkirk	23.131	80.433	224.058	327.622	15.860	0.703	16.563	344.185
Fife	52.847	179.675	528.325	760.847	24.806	3.089	27.895	788.742
Glasgow City	100.324	296.203	1,011.323	1,407.850	50.279	69.236	119.515	1,527.365
Highland	32.673	141.565	349.338	523.576	36.321	1.031	37.352	560.928
Inverclyde	11.315	15.906	160.593	187.814	6.353	0.337	6.690	194.504
Midlothian	14.835	24.895	150.527	190.257	7.221	0.408	7.629	197.886
Moray	12.020	54.575	122.343	188.938	8.543	0.419	8.962	197.900
North Ayrshire	20.057	37.745	256.705	314.507	13.150	1.908	15.058	329.565
North Lanarkshire	49.382	111.737	558.274	719.394	23.362	3.431	26.793	746.187
Orkney	15.527	12.954	55.426	83.908	5.048	0.098	5.146	89.054
Perth & Kinross	17.194	46.141	231.418	294.754	11.872	0.665	12.537	307.291
Renfrewshire	25.589	108.076	231.489	365.155	12.075	0.785	12.860	378.015
Scottish Borders	15.017	35.294	192.672	242.983	20.664	0.504	21.168	264.151
Shetland	20.722	35.322	42.804	98.848	5.623	0.100	5.723	104.571
South Ayrshire	13.887	30.913	191.009	235.809	8.557	0.491	9.048	244.857
South Lanarkshire	43.109	422.591	186.249	651.949	22.424	2.141	24.565	676.514
Stirling	12.665	35.942	147.528	196.135	10.801	0.412	11.213	207.348
West Dunbartonshire	13.817	107.740	91.925	213.483	5.982	0.387	6.369	219.852
West Lothian	24.590	79.491	265.613	369.694	11.556	0.805	12.361	382.055
Undistributed	11.103	0.000	471.810	482.913	52.601	0.000	52.601	535.514
Redress Top Slice	0.000	0.000	5.000	5.000	0.000	0.000	0.000	5.000
Strathclyde Passenger Transport	0.000	0.000	0.00	0.000	0.000	15.327	15.327	15.327
Scotland	784.982	2,766.000	8,307.651	11,858.633	540.537	139.104	679.641	12,538.274

24th February, 2022
Agenda Item No. 5(c)

General Fund Revenue Budget 2022-25

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 2022-25 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 9/2021, and the terms of the settlement as outlined in the letter from Cabinet Minister for Finance and Economy, dated 9th December, 2021;
- (b) in line with the medium term financial strategy, agree a rise of 3% council tax to be levied for the financial year 2022-23 at Band D equivalent and the revenue budget which can be sustained by this level of income;
- (c) note the indicative levels of expenditure, subject to further detailed analysis in respect of the financial years 2023-24 and 2024-25;
- (d) approve the prudential indicators as outlined in Appendix 2;
- (e) note the continued application of capital receipts to fund service transformation projects;
- (f) approve the commitment from balances of £10m to support necessary transformational change, and £18m to support increased demographic, pay and pension costs: and
- (g) authorise the section 95 Officer to consider the most appropriate use of fiscal flexibilities relative to the Council's financial position in year

Resource Implications

The report identifies significant resource implications that have to be considered in the determination of the budget for 2022-23 and future years.

Legal & Risk Implications

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

Impact Assessment

An EqIA is not required for this report.

Consultation

All relevant Stakeholder groups have been kept informed of all pertinent developments during this budget process, including all political groups and P&C Committee.

1.0 Background

- 1.1 The Council continues to operate in a climate of unprecedented uncertainty, the enduring impacts of which remain unknown. Whilst the financial impacts from the pandemic have begun to ease, it is likely that it will take some years to fully recover. A review of the Council's budget assumptions has been undertaken and it is clear that the financial impacts of increased expenditure and reduced income could continue for some time to come.
- 1.2 The Council has been able to balance its budget in recent years despite challenging settlements, however the future financial sustainability of the Council is a concern given the combination of high and rising inflation along with the potential scale of core funding given the financial outlook. The Council's ability to take decisions to respond to these challenges is limited with the protection of a large part of Council resources as a result of policy decisions made by the Scottish Government.
- 1.3 Given the outlook for the future, there is a real need for more fundamental service change, improvement and prioritisation over the following years, guided by the overall principles of the Medium Term Financial Strategy (MTFS).
- 1.4 This report provides information on the estimated resources available to the Council over the 2022-25 period. Over this planning period and based on the assumptions in this report, there is scope for temporary one-off investment or a contribution to balances in financial year 2022-23 due to additional non-recurring funding becoming available during Stage 1 of the Parliamentary Budget Bill process. However, the estimates indicate a significant gap in funding over the following two financial years. The information in this report will enable decisions to be made on the level of the Council's expenditure for the financial year 2022-23 in order to set a balanced budget.
- 1.5 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 2022-23. Due to the technical nature of the fiscal flexibilities it is proposed that the Section 95 officer is given the authority to consider which, if any, of the flexibilities are most appropriate for the Council to make use of going forward.
- 1.6 The determination of the budget requirement is governed by statute, in particular, 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 difference between such expenditure and income being the balance of the budget to be met from council tax which will be divided by the council tax base to determine the Band D council tax. All other council tax bands being set with reference to Band D as required by legislation. The Council has recently been given full flexibility by the Scottish Government to increase council tax for 2022-23 and this is relevant to decision making in setting a balanced budget.
- 1.7 In setting the core revenue budget for 2022-23 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 2022-23, high-level projections point to a considerable budget gap in both 2023-24 and 2024-25. In light of these projections, members are advised to give full consideration to the longer-term consequences of any

decisions made in setting the 2022-23 budget.

- 1.8 Temporary budget provision has been made to cover the estimated continuing financial consequences of the COVID-19 pandemic. This will come from funding previously earmarked in balances having been allocated by the Scottish Government for this purpose. It is assumed that the financial impact should reduce over time, however, this funding will need to be managed wisely given the future is still uncertain in this regard.

2.0 Finance Settlement

- 2.1 The Scottish Government published its provisional draft budget on 9th December 2021, followed by publication of the Local Government Finance Settlement for 2022-23 on 22nd December 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 2022, currently scheduled to be presented to the Scottish Parliament on 24th February 2022. 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 2022-23 Budget is £11,853m. 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 equates to £760.847m. This includes £52.847m specific grant funding for specific purposes e.g ELC, PEF etc.
- 2.4 Since the publication of the Local Government Finance Settlement, at Stage 1 of Parliamentary Budget Bill on 27th January 2022, the Cabinet Secretary for Finance & Economy, announced a further £120m of flexible non-recurring funding for Councils. Fife will receive approx. £8.1m 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:-
 - £174.5m (£12.2m for Fife) for continued delivery of the real Living Wage within Health and Social Care;
 - £15m (£1.0m for Fife) for uprating of free personal and nursing care payments;
 - £20.4m (£1.4m for Fife) for implementation of the Carers Act;
 - Additional investment of £124m (£8.5m for Fife) to provide care at home;
 - £20m (£1.4m for Fife) to support Interim Care;
 - An additional £200m (£14.0m for Fife) to support investment in health and social care;
 - £145m (£10.2m for Fife) for Additional Teachers and Support Staff;
 - Maintained funding for 100 day commitments including the removal of curriculum and music tuition charges and expanded School Clothing Grant;
 - An additional £64m revenue that was not identified on the face of the budget as well as £30m of capital funding already identified to facilitate the expansion of Free School Meals; and
 - Fully autonomy for Councils to set Council Tax levels.

3.0 Medium Term Forecast

- 3.1 In order to determine the core revenue budget gap for 2022-23 a comparison of the recurring 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 extremely challenging position from 2023-24 onwards. Consideration of the temporary financial impact as a result of the pandemic in 2022-23 onwards, is considered later in this report.
- 3.2 Since the budget gap was last reported in September 2021, there has been movement from from £8.1m to £9.6m. This is mainly as a result of previous decisions, and in addition the publication of the Local Government Finance Settlement for 2022-23 confirmed the level of grant the Council will receive. Subsequently, further flexible non-recurring funding for Councils was announced and Fife will receive approximately £8.1m of this funding. Whilst this additional announcement is welcome, the non-recurring nature does not alleviate the challenge that the Council faces in terms of medium-term financial sustainability and leaves significant funding gaps and risk in future years.
- 3.3 As per the conditions of the Local Government Settlement, all additional funding associated with adult social care services delegated to H&SC Partnership will be passported in full, as additional to their 2021-22 recurring base budget.
- 3.4 April 2022 will also see the raising on National Insurance Contributions by 1.25%, thus increasing costs by approx. £3.6m for Fife Council, the ongoing impact is reflected in the planning assumptions.
- 3.5 Table 1 below outlines the core revenue budget gap, signifying that the gap is likely to be increasing over the 3 years modelled. It should be noted that the figures are indicative at this stage due to uncertainty around future years as the Scottish Government has produced a draft one-year budget for 2022-23. Budget assumptions will be refined as more robust financial intelligence becomes available. The Scottish Government is to publish its Medium Term Financial Strategy later in the year, which may provide a clearer indication of future funding for Local Government. Once the outcome is known, further scenario planning will be carried out to update and further refine the estimated budget gap over the summer months.

Table 1 – Budget Gap

	Provisional 2022-23 £m	Indicative	
		2023-24 £m	2024-25 £m
Net Expenditure	945.156	959.221	973.533
Net Funding	(935.507)	(929.947)	(924.523)
Budget Gap/(Surplus)	9.649	29.274	49.010
Additional Funding – (Non-Recurring) Stage 1 Budget Bill	(8.100)		
Cumulative Indicative Budget Gap/(Surplus)	1.549	29.274	49.010

3.6 The Council's medium term financial strategy assumes a 3% increase in Council Tax year on year and the Scottish Government has confirmed that Councils have full autonomy to set their own Council Tax levels in 2022-23. The income from Council Tax is recurring and is a means of protecting the ongoing level of services that can be provided to the community. The impact of setting Council Tax in line with the strategy is outlined in Table 2 below. The table also demonstrates that should Council Tax be set in line with the assumptions in the Medium Term Financial Strategy, there would be scope for one off investment, or contribution to balances of £3.691m.

Table 2

	Provisional 2022-23 £m	Indicative	
		2023-24 £m	2024-25 £m
Cumulative Indicative Budget Gap/(Surplus)	1.549	29.274	49.010
Assumed Council Tax Increase 3% Per Annum	(5.240)	(10.668)	(16.352)
Assumed H&SC Grant Reduction		(1.687)	(3.357)
Cumulative Indicative Budget Gap/(Surplus)	(3.691)	16.919	29.301

3.7 In line with the Councils Medium Term Financial Strategy (MTFS), demographic growth will be provided for on an evidenced basis. To date services have been 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 and this is likely to be an increasing pressure in the medium to long term.

3.8 Sensitivity analysis has been carried out on two scenarios where the likelihood of financial risk is high and the impact would also be high. Both are detailed below.

3.8.1 A public sector pay policy was announced as part of the Scottish Government's Budget on the 9th December 2021. 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 trade unions which have just commenced for 2022-23. For the purposes of financial planning the public sector pay policy would lead to an increase of approximately 2.2% 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 on the basis of pay parity across all of the bargaining groups. However, if the pay settlement was, say, 1% higher, the budget gap would increase by around £5.5m per annum.

3.8.2 In addition, the modelled assumption in Table 1 above, assumes that the core Government grant before new burdens in 2023-24 onwards, will reduce by 1%. There is a real possibility that this is an optimistic assumption given the indicative UK budget at flat cash and also the risk that the Scottish Government may wish to protect the Health budget. If the grant reduction was 1% higher, the budget gap would increase by around £7.5m per annum.

- 3.9 The overall impact of both a 1% increase in pay beyond that provided for, and a 1% reduction in government grant would increase the budget gap shown in Table 2 from £29.3m to around £42.0m in 2024-25. However, there are likely to be some corporate solutions that will assist in mitigating some of this heightened risk.

Capital Financing Costs

- 3.10 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. Prudential indicators are attached as Appendix 2.
- 3.11 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 2022-23 and beyond. Capital expenditure is primarily financed through borrowing, capital grants, capital receipts and revenue contributions. The underlying budget assumption is that borrowing in 2022-23 will be based on an interest rate of 2.6%. There continues to be opportunities to borrow shorter-term at lower rates, but this needs to 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 3.8% has been assumed. These rates impact on costs associated with future borrowing only.
- 3.12 Based on the current anticipated level of borrowing and interest rates, the estimated capital financing costs over the life of the Capital Investment Plan are affordable.
- 3.13 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 financial consequences resulting from the COVID-19 pandemic continue to impact on the Council and are likely to continue for some time to come. Net costs associated with the ongoing impact from COVID-19 for 2022-23 are estimated to be £12.3m. As the impact continues to be far-reaching costs are difficult to predict but there is evidence that some of the financial consequences will continue into future years and have been estimated at £8.2m and £4.1m for 2023-24 and 2024-25 respectively.
- 4.2 These costs will be fully funded using from the COVID-19 funding which has been committed in balances (around £48m) as a result of additional funding received but remained unused in previous financial years. Funding these pressures in this way, means there is no impact on the core budget gap in the immediate term. Updated phasing of these costs to reflect the likely timing will be presented to the Policy & Co-ordination Committee in March 2022 and any changes or updates will be recommended by the Section 95 Officer.

- 4.3 The recovery from both the pandemic and EU-Exit has had a significant impact on global economic conditions and resulted in supply chain disruption, increased costs and delays in the construction sector and increased financial pressures on the Council. There is scope within the level of committed balances set aside for recovery from COVID-19 to offset these pressures in the immediate term without increasing the budget gap.

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 flexibilities remain available to Councils in this and future financial years.
- 4.5 The flexibilities offered are:
- 4.5.1 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 costs has been extended to 2022-23 - 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.
 - 4.5.2 Credit Arrangements – extensive work has advanced over the last year in respect of the accounting treatment for the debt element of service concession arrangements (PPP/PFI). 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 might allow the debt to be repaid over the life of the asset rather than the contract period, applying proper accounting practices. The application of changes to the accounting treatment for service concessions could relate to PPP1, PPP2 and NPD. Discussions continue at a national level to assess how this flexibility might be applied.
 - 4.5.3 Loans Fund Principal Repayment Holiday – extend the repayment holiday for one further year. This would mean a holiday from principal repayments in 2021-22, creating a saving that must be used in the course of 2022-23. The impact would be higher principal repayments over the next 20 years. This is not an attractive proposition for the Council at this time.
- 4.6 Use of fiscal flexibilities has not been deemed necessary to close the budget gap for 2022-23, and any future use of these will be kept under review and recommendations made by the S95 Officer and approved by the Policy & Co-ordination Committee.

5.0 Taxation

- 5.1 Although ultimately a member decision, I have assumed a 3% increase in Council Tax per annum for the planning period 2022-23 to 2025-26 in arriving at the assumed level of funding within Section 3. Full flexibility has been afforded within the finance settlement to increase Council Tax levels.
- 5.2 The 2022-23 Non-Domestic Rate poundage rate has been provisionally set at 49.8p, an increase of 0.8p in the draft budget. Two additional rates are levied on properties with a rateable value over £51k (51.1p) £95k (52.4p).
- 5.3 The draft Scottish Budget also introduced the following policies:
- 50% Retail, Hospitality and Leisure relief for the first three months of 2022-23, capped at £27,500 per ratepayer;
 - Business Growth Accelerator relief will be expanded by making increases in rateable value due to the installation of solar panels a qualifying improvement eligible for relief from 1 April 2022;
 - Enterprise Areas relief will be extended for one year to 31 March 2023;
 - Small Business Bonus Scheme relief, which lifts over 111,000 properties out of rates altogether as at 1 June 2021; and
 - The following reliefs will also be maintained: day nursery relief, disabled rates relief, district heating relief, empty property relief, Fresh Start relief, hardship relief, hydro relief, mobile masts relief, new fibre relief, renewable energy relief, renewable heat networks relief, reverse vending machine relief, rural relief, sports club relief and stud farms relief. Charitable rates relief will also be maintained, however from 1 April 2022 mainstream independent schools will no longer be eligible for this relief, as recommended by the independent Barclay Review of Non-Domestic Rates in 2017.

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.

- 6.4 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 EU-Exit. It is too early at this stage to determine what the full impact will be and this key risk will continue to be monitored. The level of pressures the Council is likely to face in the next few years, is exceptional. The degree of change that will be needed, puts the Council in a challenging position going forward. In preparation for the scale and complexity of the changes required, it is necessary to provide funding to help services to transform and to and facilitate new ways of working. Funding of £10m over the next two years will be earmarked from general fund balances to provide resource and capacity to deliver the transformation that will be required.
- 6.5 As at December 2021, CPI was 5.4%, the highest rate in 30 years, most economists expect CPI to peak in April 2022 at over 6%, possibly nearing 7%. The main reason for this peak will be the introduction of a higher price cap for electricity and gas. It is currently unknown how long inflation will remain elevated, with energy price implications exacerbated by the on-going tensions between Ukraine and Russia.
- 6.6 The Council is currently holding an unusually high level of reserves, mainly due to large amounts of funding relating to the COVID-19 pandemic. However, the Council is also facing an unusually high level of risk and uncertainty. The financial consequences of COVID-19 are still being felt. It is estimated at this point that the earmarked COVID-19 funding will be sufficient to deal with the ongoing financial consequences. There is also capacity to cover some increases in costs relating to supply chain disruption and inflationary increases associated with, for example, food costs, fuel costs, energy and costs of winter maintenance. There is also scope to provide for a degree of increased costs relating to construction delays and inflation.
- 6.7 As mentioned earlier at para 3.7 demographic change has not been built in to the budget for a number of years. However, there is a known temporary pressure arising in the coming years within secondary school rolls which will be challenging to contain within the resources available. This, coupled with the fact that pay settlements have yet to be agreed leads to a recommendation that an additional £18m over the coming three years be committed from balances to cover demographics, pay and pensions. Services will be asked to assess mitigating actions where possible but it may not be possible for them to fully mitigate these costs.
- 6.8 There are a number of additional 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.

- 6.9 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 £18.5m) 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 Co-ordination Committee in January 2022 was £47.9m over a 3 year period. Approval of the additional commitments per paragraph 6.4 and 6.7 will take the projected level of reserves to around £20m. This level of reserves would cover approx. 31% of the identified risks over the next year. It is not expected that the all of the risks highlighted in the risk register (Appendix 1) will come to fruition as mitigating action will be taken to reduce the risk.
- 6.10 Given the temporarily high level of balances and also the degree of future uncertainty, commitments against balances will continually be kept under review and any further recommendations will be made by the Section 95 Officer in future reports to the Policy and Co-ordination Committee.
- 6.11 Importantly, it should be noted that it has not been necessary to balance the budget for 2022-23 using any funding from balances. This means there is more protection against short term risk, but will not alleviate the longer term challenges mentioned earlier in this report.

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 The use of capital receipts was to be time-limited with the last financial year being 2021-22, however, following the pandemic, the Scottish Government has extended this until 2022-23. Therefore any costs incurred on these projects in this coming financial year can be funded using this mechanism.
- 7.5 In relation to the COMIS Replacement Project, costs to date of £0.664m have been fully funded using capital receipts. Costs for 2021-22 are expected to be in the region of

£0.930m. 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. The project was recently considered at Policy and Co-ordination Committee and the total cost of the programme is still anticipated to be £4.67m over the three year period, with the aim to implement before the end of the 2023-24 financial year. Despite the delay in implementation, the programme is still expected to achieve in excess of £1.2m benefits from improved processes and a reduced level of duplication.

- 7.6 The SWIFT programme has experienced delays in implementation as a result of the continued response to COVID-19, and staff availability due to sickness absence and turnover. The approved cost of the project was £2.3m, however, delays in the implementation may result in increased costs being incurred and funding to be identified.
- 7.7 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
- 7.8. 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 2022-23 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. Figures for future years are subject to change following further refinement.
- 8.2 Given the significant future risk, the planning assumptions contained within this report include an increase in Council Tax of 3% in order to protect, to a degree, the financial sustainability of the Council.
- 8.3 Based on the assumptions contained in this report there is a non-recurring budget surplus on the core budget of £3.691m in 2022-23 however by 2023-24 this translates to a budget gap of £16.919m assuming the principles of the medium term financial strategy apply. It should be noted that there is a high risk that the current assumptions could be optimistic. In setting the budget for 2022-23 it is important that members have regard to the implications of any decisions on future years' budgets.
- 8.4 Whilst the Council currently holds a high level of balances, the Council also faces an unprecedented degree of financial uncertainty and risk. Balances are held to cover one off shocks or risks and are not a sustainable means of closing the future budget gap. Recommendations are being made to provide for transformational change, demographics and short term provision for potential pay and pensions shocks.

8.5 A combination of high and rising inflation combined with potential reductions in core funding going forward provides a significant challenge to the future financial sustainability of the Council. The Council's ability to take decisions to respond to these challenges is limited with the protection of a large part of Council resources as a result of policy decisions made by the Scottish Government. In recognition of this risk, an updated budget gap for future years will be presented to Members later in the financial year, following publication and analysis of Scottish Government's Medium Term Financial Strategy.

List of Appendices

- Appendix 1 – Risk Register
- Appendix 2 – Prudential Indicators

Background Papers

- The following papers were relied on in the preparation of this report-
- Local Government Finance Circular No 9/2021 – December 2022
- Office for Budget Responsibility (OBR) - Economic Forecasts
- CIPFA Directors of Finance Briefings prepared by Professor John McLaren
- General Fund Revenue Budget Report 2022-25 – November 2021

Report Contact

Eileen Rowand
Executive Director (Finance and Corporate Services)
Fife House
Glenrothes
Telephone: 03451 55 55 55 Ext. No. 440971
Email: Eileen.Rowand@fife.gov.uk

Fife Council - Financial Risk Register

APPENDIX 1

No.	RISK <i>Threat to achievement of business objective</i>	Scope/potential consequences of risk	Assessment of Risk (likelihood x impact) <i>Assume No Controls in Place</i>			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		
			Likelihood	Impact	Risk Score				Likelihood	Impact	Risk Score
1	Reduction in Government funding to Local Authorities in cash and real terms, is greater than anticipated.	Less funding from Government inhibits ability to deliver current level of service.	5	5	25	Long Term budget model is updated on an annual basis which estimates the impact of reducing resources over a 10 year period.	Y	7.5	4	5	20
2	Local Government Pay Award	Increased costs to the Council due to higher negotiated pay award than that planned.	4	5	20	Sensitivity analysis is used to demonstrate any potential increase in cost. Options and analysis prepared and submitted to COSLA. Participation in national modelling of pay costs and impact on Council budget	Y	5.5	4	4	16
3	Inflation costs due to economic factors including Supply Chain disruption and Energy Costs.	High inflationary increases resulting in increased service budget pressures could lead to overspend.	4	5	20	Limited non-pay inflationary costs included within budget model. Medium Term Finance strategy requires Services to manage costs within available resources although it is recognised there is reduced capacity for them to do so. The Procurement Team continue to monitor supply chain and negotiate contracts to achieve the best price. Available funding may not be sufficient.	Partial	5.0	4	4	16

Fife Council - Financial Risk Register

APPENDIX 1

No.	RISK <i>Threat to achievement of business objective</i>	Scope/potential consequences of risk	Assessment of Risk (likelihood x impact) <i>Assume No Controls in Place</i>			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) <i>With Controls Measures</i>		
			Likelihood	Impact	Risk Score				Likelihood	Impact	Risk Score
4	Construction Costs (capital)	Delay in supply of materials and increased cost of construction materials as a result of COVID-19 and EU-Exit	5	5	25	Capital plan review factored in additional costs associated with COVID-19. Rephasing has also taken place. Continued capital plan monitoring and reporting to the Investment strategy group. A number of projects already have contracts in place. Continued monitoring of supply chain by Procurement Team. Funding set aside which may not be sufficient.	Y	5.7	5	3	15
5	Future demographics	Additional revenue costs associated with increased demand from Services as a result of changing demographics.	5	5	25	Medium Term Financial Strategy requires an evidence based approach to identifying additional costs pressures.	Y	5.0	3	5	15
6	Service pressures	Services continue to face cost pressures where no funding solution has been identified to date	5	5	25	Medium Term Finance strategy requires that Services should meet the costs of pressures and requires an evidence based approach. This risk exists because Services may not achieve sufficient mitigation	Partial	5.0	3	5	15

Fife Council - Financial Risk Register

APPENDIX 1

No.	RISK <i>Threat to achievement of business objective</i>	Scope/potential consequences of risk	Assessment of Risk (likelihood x impact) <i>Assume No Controls in Place</i>			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) <i>With Controls Measures</i>		
			Likelihood	Impact	Risk Score				Likelihood	Impact	Risk Score
7	Future Equal Pay Claims	Potential requirement to settle further Equal Pay claims.	5	5	25	Legal defence of cases.	N	TBC	3	5	15
8	Historic Child Abuse Claims	Potential requirement to settle Historic Child Abuse claims	5	5	25	Legal defence of cases and redress scheme	N	TBC	3	5	15
9	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 experiencing significant increases in premiums and it is unlikely that Fife will be any different. There is a likelihood the renewal of the insurance premium will require a tender process.	5	2	10	Close working with Insurance brokers and procurement to secure the best outcomes but currently difficult to quantify. Services mitigating, in particular, property related risks	Partial	2.0	5	2	10
10	Emergency response to Climate Change and environmental impacts for example flooding events, severe winter and oil spillage	Strain on budget and internal resources.	4	5	20	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	2	8

Fife Council - Financial Risk Register

APPENDIX 1

No.	RISK <i>Threat to achievement of business objective</i>	Scope/potential consequences of risk	Assessment of Risk (likelihood x impact) <i>Assume No Controls in Place</i>			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) <i>With Controls Measures</i>		
			Likelihood	Impact	Risk Score				Likelihood	Impact	Risk Score
11	Health and Social Care Overspend	IJB overspends and the Council is currently liable for a share of the total overspend and contribution to the partnership.	5	2	10	3 year Financial Strategy in place. Robust revenue monitoring and regular reporting to IJB. Risk share arrangement is the control to minimise the risk to the Council. IJB have retained a level of reserves which could be utilised to cover overspends.	Y	1.9	4	2	8
12	Inability to achieve savings	Increased risk of delivering budget savings being delayed, may result in overspend and future reduced service provision as a consequence. Implementation of savings has been delayed as a result of the impact on services as a result of the COVID-19 pandemic, delaying Service progress.	5	2	10	Tracking through monitoring process. 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.	Y	2.0	4	2	8
13	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 and account for revenue costs.	Y	2.0	3	2	6

Fife Council - Financial Risk Register

APPENDIX 1

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
14	Common Good	Common Good properties require investment in order to carry out emergency repair and remedial works and have insufficient funds to do so. In some instances work is required for public safety reasons	3	2	6	Review of Common Good to take place. Services requested to source funds from within existing resources but have limited capacity to do so.	Partial	1.0	3	2	6
15	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
16	Debt Charges - Interest Rates rise at a faster rate than forecasted	Higher debt charges result in corporate overspend.	5	2	10	Effective Treasury Management Strategy.	N	1.0	4	1	4
17	Major Capital projects which cannot progress	Potential need to move costs previously capitalised to revenue in circumstances where the project can no longer progress as planned.	4	2	8	Robust Capital Strategy, Capital Monitoring. Investment Strategy Group and Investment Accountant provide support and challenge in this area	Y	1.0	3	1	3
18	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 may 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.	Y	2.0	2	1	2

Fife Council - Financial Risk Register

APPENDIX 1

No.	RISK <i>Threat to achievement of business objective</i>	Scope/potential consequences of risk	Assessment of Risk (likelihood x impact) <i>Assume No Controls in Place</i>			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 <i>Controls Measures</i>		
			Likelihood	Impact	Risk Score				Likelihood	Impact	Risk Score
19	Landfill Aftercare Provision	Potential need to increase provision due to triennial revaluation in 2021. Extending the Landfill Aftercare from 30 to 60 years.				Currently under review.	TBC				

Projected General Fund uncommitted balance as at 31 March 2025

£47.9m

Commitments to be approved

£28.0m

Revised Projected General Fund uncommitted balance as at 31 March 2025

£19.9m

Risk Per Risk Register

£64.3m

% of Risks per Risk Register covered by Unallocated Balances

31%

FIFE COUNCIL
PRUDENTIAL INDICATORS 2022-25

ACTUAL 2020-21	APPROVED 2021-22		APPROVED 2022-23	APPROVED 2023-24	APPROVED 2024-25
		Affordability Indicators			
		<u>Capital Expenditure</u>			
£m	£m	General Fund	£m	£m	£m
81.272	89.255		122.646	148.171	123.895
57.201	80.667	Housing Revenue Account	82.251	80.867	47.099
138.473	169.922		204.898	229.038	170.994
		<u>Financing Costs</u>			
£m	£m	General Fund	£m	£m	£m
55.242	60.123		57.702	61.216	63.213
26.771	27.340	Housing Revenue Account	30.196	32.332	34.599
82.014	87.464		87.898	93.548	97.812
		<u>Net Revenue Stream</u>			
£m	£m	General Fund	£m	£m	£m
904.808	846.536		882.515	879.926	874.695
122.337	123.716	Housing Revenue Account	127.092	130.669	135.017
1,027.144	970.252		1,009.607	1,010.595	1,009.712
		<u>Ratio of Financing Costs to Net Revenue Stream</u>			
6.11%	7.10%	General Fund	6.54%	6.96%	7.23%
21.88%	22.10%	Housing Revenue Account	23.76%	24.74%	25.63%
		<u>The Capital Financing Requirement</u>			
£m	£m	General Fund	£m	£m	£m
752.738	780.759		809.930	889.694	941.247
365.516	378.769	Housing Revenue Account	403.259	422.912	417.374
1,118.254	1,159.528		1,213.189	1,312.606	1,358.622
		<u>External Debt</u>			
1,059.937	1,117.580		1,111.582	1,240.644	1,280.508
1,411.288	1,451.766	<u>Authorised Limit for Total External Debt</u>	1,489.036	1,519.548	1,491.636
1,344.084	1,382.634	<u>Operational Boundary for Total External Debt</u>	1,418.129	1,447.189	1,420.606
		Prudence Indicators			
		<u>External Debt and the Capital Financing Requirement</u>			
£m	£m	Forecast External Debt	£m	£m	£m
1,059.937	1,117.580		1,111.582	1,240.644	1,280.508
1,118.254	1,159.528	Forecast Capital Financing Requirement	1,213.189	1,312.606	1,358.622
(58.317)	(41.948)		(101.607)	(71.962)	(78.114)
		<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 MEETING

THURSDAY, 24 FEBRUARY 2022

AGENDA ITEM NO. 5(d) - GENERAL FUND REVENUE BUDGET 2022-25

MOTION ON BEHALF OF THE ADMINISTRATION

“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 2022-23 as detailed below and specifically:-
 - (a) notes the details of the provisional settlement announced by the Scottish Government as outlined in Finance Circular 9/2021, and the terms of the settlement as outlined in the letter from Cabinet Minister for Finance and Economy, dated 9th December, 2021;
 - (b) in line with the medium term financial strategy, agree a rise of 3% council tax to be levied for the financial year 2022-23 at Band D equivalent and the revenue budget which can be sustained by this level of income;
 - (c) note the indicative levels of expenditure, subject to further detailed analysis in respect of the financial years 2023-24 and 2024-25;
 - (d) approve the prudential indicators;
 - (e) note the continued application of capital receipts to fund service transformation projects;
 - (f) approve the commitment from balances of £10m to support necessary transformational change, and £18m to support increased demographic, pay and pension costs
 - (g) authorise the section 95 Officer to consider the most appropriate use of fiscal flexibilities relative to the Council’s financial position in year
 - (h) agrees that the Council set for 2022-23 the Council Tax at £1,319.22 for valuation Band D properties and proportionately for other Bands; and
 - (i) approve the terms of the Administration’s Budget Statement.

2. Agrees that early work commences in relation to the development of options for the preparation of the 2023-24 and 2024-25 revenue budgets.

RESOLUTION FOR THE LEVYING AND COLLECTION OF COUNCIL TAX AND RATES FOR THE YEAR 2022-23

Fife Council resolves for the financial year from 1st April, 2022 to 31st March, 2023 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 £1,319.22 and to determine the amounts for all the valuation bands as follows:-

Valuation Band	Council Tax
A	£879.48
B	£1,026.06
C	£1,172.64
D	£1,319.22
E	£1,733.31
F	£2,143.73
G	£2,583.48
H	£3,232.09

- (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.

Proposed by Councillor David Ross

Seconded by Councillor David Alexander



Revenue Budget 2022-25

Proposed by Joint Administration

Contents

Page	Description
1-2	Joint Administration Statement and Budget Proposal
3	Revenue Budget Gap 2022-25
Appendix	
4	Appendix 1 – One-Off Investment proposed by Joint Administration

Introduction

Once again, the Council faces the fortunate position of avoiding making any cuts to services in the coming year, thanks to one off funding and good financial management, but the prospects for the following years are challenging with a projected budget gap of £16.9m in 2023/24 rising to £29.3m in 2024/25 assuming a 3% increase in council tax each year.

Without this council tax increase of 3% for the coming year, we would face the need to make over £5m cuts to services. The Scottish Government has recently allocated a further £120m one-off funding from consequential to Scottish local government for the coming year, of which Fife's share is around £8.1m. However this will only cover increases in the cost of National Insurance, the Council Tax Reduction Scheme and additional costs of early learning and childcare.

The Council will receive nothing extra to cover the costs of inflation, pay settlements or demographic growth and will have to fund these increases from its core grant. However, over and above core grant, an additional £39 million of additional funding has been provided for health and social care and over £10 million for additional teachers and support staff.

The Council will be paying the £150 cost of living allowance to those in council tax bands A to D and those on the council tax reduction scheme on behalf of the Scottish Government and this money will go directly to households

Investment Proposals

The Joint Administration recognises the importance of making investment to aid the recovery from the pandemic and as set out in the report by the Executive Director of Finance and Corporate Services, £3.691m is available in the coming year for one-off investment. This is in addition to the £2.777 million recurring investments made last year.

Given the uncertainty of finance in future years and the local government elections in May, the Joint Administration proposes to allocate this funding on a non-recurring basis for one year only. We recommend that the new Council reviews these investments early in its term to consider whether some of these should be committed as recurring expenditure in future years, in particular where these might entail the recruitment of staff.

The Joint Administration therefore proposes to fund the following investments for 2022-23 only:

Parks, Streets and Open Spaces – Street Cleaning - £0.750m

We recognise the importance of maintaining our local environment and that this deteriorated over the period of pandemic restrictions. Investment was made in tackling the backlog of environmental maintenance last year and this further investment will help to maintain and improve standards. It will enable the recruitment of the equivalent of 20 full time staff for the coming year and enable the service to obtain new equipment.

Road Maintenance - £1.325m

We recognise the level of public concern about the condition of Fife's roads and propose to add to the significant additional investment in roads maintenance that was made last year. This new investment will assist in our aim to reach a steady state of roads maintenance. It will be for the new Council to review the capital programme in parallel with next year's budget and determine the level of future investment required and available for improvement of Fife's roads in future years.

Area Budgets - £0.700m

Additional investment of £100k for each Area Committee to assist with local recovery and to re-emphasize our commitment to decentralisation.

Café Inc - £0.150m

Investment to boost our innovative and inclusive provision of food and activities over the school holidays for children and families. This will continue to assist many families who are struggling with increases in the cost of living.

Community Growing Initiatives - £0.250m

Support for a range of community food and growing initiatives including the expansion of allotments, to assist communities and individuals to produce local sources of healthy food.

Community Recovery Initiatives - £0.300m

We recognise the impact the pandemic has had on all of us but in particular our children and young people have missed opportunities for experiences they would have enjoyed but for the pandemic. Similarly many older people suffered from the closure of day care and other social activities.

This investment will go towards enhancing the summer programme for children, young people and families across Fife, and for activities for older people, to go, in some small way, towards making up for these lost opportunities.

Tourism and Environmental Management - £0.216m

The past two years has seen a renewed and increasing interest in the outdoors and countryside activities. Whilst some of this has been driven by pandemic restrictions on other activities, all the evidence points to increasing interest and pressures on Fife's coast and countryside. This investment in additional staffing for Fife Coast and Countryside Trust will assist in managing these pressures and enhancing Fife's tourism and environmental management offering,

Conclusion

In conclusion this budget aims to support the recovery and maintain the high standard of local services in Fife. It recognises the financial pressures faced by the Council and uses the small amount available for investment this year in a prudent manner designed to support some of those most affected by the pandemic. It sustains services for the coming year and provides a foundation for the new Council to set out its medium and longer term priorities following the local government elections in May.

FIFE COUNCIL
GENERAL FUND REVENUE BUDGET 2022-25

	2022-23	2023-24	2024-25
	£m	£m	£m
Estimated Budget Surplus/(Reduction) as per report by Executive Director Finance & Corporate Services	3.691	(16.919)	(29.301)
Proposed Additional Investment by Administration			
Investment (Appendix 1)	3.691	0.000	0.000
Revised Budget Gap	0.000	(16.919)	(29.301)

FIFE COUNCIL
GENERAL FUND REVENUE BUDGET 2022-25
TEMPORARY BUDGET INVESTMENT

	2022-23 £m
<u>Enterprise & Environment</u>	
Assets, Transportation & Environment	
Environment & Building Services	
PSOS - Street Cleaning	0.750
Roads & Transportation Service	
Roads Maintenance	1.325
Catering	
Café Inc	0.150
Total Enterprise & Environment	2.225
<u>Communities</u>	
Communities & Neighbourhoods	
Community Growing Initiaives	0.250
Community Recovery Initiatives	0.300
Local Community Areas	
Area Budgets	0.700
FCCT	
Enhanced Tourism and Environment Management	0.216
Total Communities	1.466
Total Temporary Budget Investment	
	3.691