

## Assets and Corporate Services Sub-Committee



Due to Scottish Government guidance relating to Covid-19, this meeting will be held remotely.

Thursday, 14<sup>th</sup> January 2021 - 10.00 a.m.

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### AGENDA

Page Nos.

1. **APOLOGIES**
2. **DECLARATIONS OF INTEREST** – In terms of Section 5 of the Code of Conduct Members of the Committee are asked to declare any interest(s) in particular items on the agenda and the nature of the interest(s) at this stage.
3. **MINUTE OF ASSETS AND CORPORATE SERVICES SUB COMMITTEE OF 29 OCTOBER 2020.** 3 – 5
4. **CHANGE TO MEMBERSHIP**
5. **2020/21 REVENUE MONITORING PROJECTED OUTTURN – FINANCE AND CORPORATE SERVICES DIRECTORATE** – Report by the Executive Director - Finance & Corporate Services 6- 11
6. **2020/21 CAPITAL MONITORING PROJECTED OUTTURN – FINANCE AND CORPORATE SERVICES DIRECTORATE** – Report by the Executive Director - Finance & Corporate Services 12 - 16
7. **2020/21 REVENUE MONITORING PROJECTED OUTTURN – ENTERPRISE AND ENVIRONMENT DIRECTORATE** – Joint Report by the Executive Director - Finance & Corporate Services and the Executive Director - Enterprise and Environment 17 - 22
8. **2020/21 CAPITAL MONITORING PROJECTED OUTTURN - ENTERPRISE AND ENVIRONMENT DIRECTORATE** – Joint Report by the Executive Director - Finance & Corporate Services and the Executive Director - Enterprise and Environment 23 - 27
9. **ASSETS AND CORPORATE SERVICES SUB COMMITTEE FORWARD WORK PROGRAMME** 28 - 29

**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.**

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7 January, 2021

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**THE FIFE COUNCIL - ASSETS AND CORPORATE SERVICES SUB-COMMITTEE –  
REMOTE MEETING**

29th October, 2020

10.00 a.m. – 11.25 a.m.

**PRESENT:** Councillors Craig Walker (Convener), David Alexander, Alistair Bain, Alex Campbell, Mick Green, Gary Guichan, David MacDiarmid, John O'Brien, Ross Paterson, Bill Porteous and Graham Ritchie.

**ATTENDING:** Ken Gourlay, Head of Assets, Transportation and Environment, Michael Ogorman, Service Manager (Estates), Gordon Strang, Estates Surveyor, Property Services, Assets Transportation and Environment; Anne-Marie Fleming, Corporate Development Officer, Communities and Neighbourhoods; Barbara Cooper, HR Service Manager, Susan Harris, Health and Safety Lead Officer, Human Resources; Michelle Hyslop, Committee Officer (minute taker), and Diane Barnet, Committee Officer (observer), Legal and Democratic Services.

**APOLOGIES FOR ABSENCE:** Councillors Garry Haldane, Kathleen Leslie and Andrew Verrecchia.

**156. DECLARATIONS OF INTEREST**

No declarations of interest were submitted in terms of Standing Order No. 7.1.

**157. MINUTE OF ASSETS AND CORPORATE SERVICES SUB-COMMITTEE OF  
20TH AUGUST, 2020**

The Committee considered the minute of the meeting of the Assets and Corporate Services Sub-Committee of 20th August, 2020.

**Decision**

The Committee agreed to approve the minute.

**158. CHANGE TO MEMBERSHIP**

**Decision**

The Committee noted that Councillor Ross Paterson had replaced Councillor Alistair Cameron as a member of the Assets and Corporate Services Sub-Committee.

**159. LESLIE TOWN HALL, HIGH STREET, LESLIE, PROPOSED DISPOSAL**

The Committee considered a report by the Head of Assets, Transportation and Environment seeking authority to arrange for the disposal of Leslie Town Hall, High Street, Leslie.

**Decision/**

**Decision**

The Committee: -

- (1) noted the current position; and
- (2) approved the disposal of Leslie Town Hall on the main terms outlined in the report, subject to the approval of the terms by the Sheriff and otherwise on terms to be agreed to the satisfaction of the Head of Assets, Transportation and Environment and the Head of Legal and Democratic Services.

**160. ENTERPRISE AND ENVIRONMENT DIRECTORATE SECTION/SERVICE PERFORMANCE REPORTS**

The Committee considered a report by the Executive Director, Enterprise and Environment presenting the performance scorecards for Property Services, Facilities Management, Building Services and Fleet operations for 2019/20.

**Decision**

The Committee: -

- (1) considered the performance information as detailed in Appendices 1,2 and 3 of the report;
- (2) considered if any further work or scrutiny was required for the scope of the review;
- (3) noted the arrangements set out in Section 1 of the report to fulfil the Council's obligation to comply with Audit Scotland's 2018 SPI direction; and
- (4) noted the information on the workforce profile data contained within Appendices 4 and 5 of the report.

**161. ANNUAL HEALTH & SAFETY REPORT**

The Committee considered a report by the Head of Human Resources detailing ongoing scrutiny of Health and Safety activity.

**Decision**

The Committee: -

- (1) acknowledged the current performance and activity;
- (2) noted the progress made to date regarding improving workforce practices and performance within the organisation; and
- (3) advised on further activity.

**162./**

**162. SECURITY ARRANGEMENTS FOR VACANT PROPERTY**

The Committee considered a report by the Head of Assets, Transportation and Environment advising of arrangements relating to the security of vacant property.

**Decision**

The Committee: -

- (1) noted the contents of the report; and
- (2) recommended that an update report be brought back to this Committee in 6-months' time for further scrutiny.

**163. ASSETS & CORPORATE SERVICES WORK PROGRAMME**

**Decision**

The Committee noted the forward work programme for the Assets and Corporate Services Sub-Committee.

14<sup>th</sup> January, 2021

Agenda Item No. 05

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## 2020/21 Revenue Monitoring Projected Outturn – Finance and Corporate Services

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

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Wards Affected: All

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### Purpose

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The purpose of this report is to give members an update on the projected outturn financial position for 2020/21 for the Finance and Corporate Services Directorate.

### Recommendations

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Committee is asked to consider the current financial performance and activity as detailed in this report.

### Resource Implications

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None.

### Legal & Risk Implications

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There are no direct legal implications arising from this report.

### Impact Assessment

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An EqIA has not been completed and is not necessary as no change or revision to existing policies and practices is proposed.

### Consultation

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None.

## 1.0 Background

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- 1.1 The report summarises the projected outturn position for 2020/21, taking into account the actual expenditure incurred, and provides an explanation of the main budget variances at section 3.

## 2.0 Issues

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### 2.1 Projected Outturn

- 2.1.1 Based on current information for the Finance and Corporate Services Directorate, of a service managed net expenditure budget of £42.448m the position across all Services is a projected expenditure of £44.397m resulting in a projected net overspend of £1.949m (4.59%). This projected overspend includes COVID-19 financial pressures of £1.504m.
- 2.1.2 Also, within the Finance and Corporate Services Directorate, there is a net expenditure budget of £1.220m for Benefits & Council Tax and Miscellaneous Service, which is currently forecasting an underspend of £0.100m (8.20%). This budget sits within the Directorate but is managed corporately. Therefore, the Services within Finance and Corporate Services do not have a direct influence on these budgets.
- 2.1.3 Appendix 1 shows projected expenditure against budget across the various Services within the Finance and Corporate Services Directorate. Section 3 provides a brief explanation of the main areas where there are significant variances (+/-£0.250m) between planned and projected expenditure and income across service managed budgets.
- 2.1.4 The estimated financial impact of the COVID-19 pandemic has been reported to Policy and Co-ordination Committee previously. An additional column has been included in Appendix 1 in relation to specific COVID-19 financial pressures.

## 3.0 Major Variances

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- 3.1 Directorate position – Variance £1.849m overspend, movement (£0.018m)
- 3.1.1 Of the total overspend, £1.504m relates to the impact of COVID-19. This includes BTS costs of £0.605m for remote working and IT equipment to enable home working. There is also a projected increase of £0.180m for greater use of Employee Counselling and Occupational Health services. Lost income from liquor licencing is expected to be £0.085m for bars, restaurants and events, £0.050m for costs of flu vaccinations, a reduction in demand for childcare vouchers £0.066m, and there is a likely delay in savings from projects that were delayed resulting in a projected overspend of £0.408m. COVID-19 pressures are partially mitigated by £0.414m from reduced staff travel due to home working.

Non-COVID-19 overspends of £0.758m are due to underlying pressures linked to the delivery of savings, mitigated by reduced costs related to pay and training. The underlying pressures relate to unachieved savings for an Early Payment Solution within Revenue & Commercial Services and a reduction in IT Maintenance Contracts for Fife Council in BTS.

## 4.0 Progress on Budget Savings

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- 4.1 Appendix 2 provides details of revenue budget savings for the areas falling under the scope of the Finance and Corporate Services Directorate, detailing achievements against the current year approved budget savings as at Quarter 2. The appendix details:
- the 3 year budget period for which the savings were approved
  - the title of each saving
  - the savings target relevant to the current financial year
  - the value of saving forecast as deliverable for the financial year
  - a Red/Amber/Green Status for each saving
  - details of any substitute savings
- 4.2 All savings have been categorised using a Red/Amber/Green status and these are described as follows:
- Green – No issues and saving is on track to be delivered  
Amber – There are minor issues or minor reduction in the value of saving, or delivery of the saving is delayed  
Red – Major issues should be addressed before any saving can be realised
- 4.3 Where a saving is no longer deliverable in the current year it is expected that substitute savings are identified to ensure that costs remain within budget overall. Where this is the case, the original saving will be categorised red or amber and a substitute saving will be identified. The substitute saving will be categorised as green and identified in the tracker as a substitute.
- 4.4 The areas in scope for the Finance & Corporate Services Directorate have a significant level of savings to manage within the financial year 2020/21. Overall, the savings to be delivered are £1.608m. Whilst the delivery of savings is becoming more challenging, the relevant Services are looking to minimise the financial impact of any amber or red savings by determining mitigating actions as soon as possible. Across all areas, £0.151m has been identified as Red status, with £0.556m identified as being Amber status.
- 4.5 The full year saving amounts are detailed along with annual forecast information detailed in Appendix 2.

## 5.0 Conclusions

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- 5.1 The projected outturn position for the service managed budget within the Finance and Corporate Services Directorate is a net overspend of £1.949m (4.59%), which includes COVID-19 financial pressures of £1.504m. The projected outturn position for Benefits & Council Tax and Miscellaneous Services is a net underspend of £0.100m (8.20%).

## List of Appendices

- 1 Projected Outturn 2020/21 - Detail
- 2 Approved 2020/21 Savings

## Background Papers

None

## Report Contact

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**BUDGET MONITORING REPORT SUMMARY**
**Appendix 1**
**2020-21**
**FINANCE & CORPORATE SERVICES**

SERVICE	CURRENT	NON-COVID	COVID	FORECAST	FORECAST	FORECAST	PREVIOUS	MOVEMENT
	BUDGET 2020-21	PROJECTION	PROJECTION	2020-21	VARIANCE	VARIANCE	REPORTED	FROM
	£m	2020-21	2020-21	2020-21	£m	%	VARIANCE	PREVIOUS
		£m	£m	£m			£m	REPORTED
								VARIANCE
								£m
<b>TOTAL COST OF SERVICE</b>	<b>51.550</b>	<b>51.895</b>	<b>1.504</b>	<b>53.399</b>	<b>1.849</b>	<b>3.59%</b>	<b>1.867</b>	<b>(0.018)</b>
<b>LESS: CORPORATELY MANAGED ITEMS</b>	<b>7.882</b>	<b>7.882</b>	<b>0.000</b>	<b>7.882</b>	<b>0.000</b>	<b>0.00%</b>	<b>0.000</b>	<b>0.000</b>
<b>SERVICE MANAGED NET BUDGET</b>	<b>43.668</b>	<b>44.013</b>	<b>1.504</b>	<b>45.517</b>	<b>1.849</b>	<b>4.23%</b>	<b>1.867</b>	<b>(0.018)</b>
<b>ANALYSIS OF SERVICE MANAGED BUDGET</b>								
ASSESSORS SERVICE	1.156	1.149	0.069	1.218	0.062	5.36%	0.060	0.002
AUDIT & RISK MANAGEMENT SERVICE	0.560	0.465	0.000	0.465	(0.095)	-16.96%	(0.103)	0.008
FINANCE	2.860	3.077	0.257	3.334	0.474	16.57%	0.352	0.122
REVENUE & COMMERCIAL SERVICES	14.225	13.949	0.111	14.060	(0.165)	-1.16%	(0.100)	(0.065)
HUMAN RESOURCES	5.672	5.522	0.312	5.834	0.162	2.86%	0.250	(0.088)
BUSINESS TECHNOLOGY SOLUTIONS	12.920	13.553	0.616	14.169	1.249	9.67%	1.239	0.010
LEGAL & DEMOCRATIC SERVICES	3.731	3.664	0.088	3.752	0.021	0.56%	0.028	(0.007)
FINANCE & CORPORATE SERVICES MANAGEMENT	1.324	1.514	0.051	1.565	0.241	18.20%	0.241	0.000
	<b>42.448</b>	<b>42.893</b>	<b>1.504</b>	<b>44.397</b>	<b>1.949</b>	<b>4.59%</b>	<b>1.967</b>	<b>(0.018)</b>
BENEFITS & COUNCIL TAX	2.402	2.302	0.000	2.302	(0.100)	-4.16%	(0.100)	0.000
MISCELLANEOUS SERVICES	(1.182)	(1.182)	0.000	(1.182)	0.000	0.00%	0.000	0.000
	<b>1.220</b>	<b>1.120</b>	<b>0.000</b>	<b>1.120</b>	<b>(0.100)</b>	<b>-8.20%</b>	<b>(0.100)</b>	<b>0.000</b>
<b>FINANCE &amp; CORPORATE SERVICES</b>	<b>43.668</b>	<b>44.013</b>	<b>1.504</b>	<b>45.517</b>	<b>1.849</b>	<b>4.23%</b>	<b>1.867</b>	<b>(0.018)</b>

FIFE COUNCIL  
TRACKING APPROVED 2020-21 SAVINGS  
FINANCE & CORPORATE SERVICES  
OCTOBER 2020

Area	Approved Budget Year	Title of Savings Proposal	Savings Target £m	Overall Forecast £m	(Under) / Over £m	Rag Status
Finance & Corporate Services Management	2020-23	Improve Customer contact and experience	0.051	0.000	(0.051)	Red
Revenue & Commercial Services	2020-23	Procurement -Review Buying Team	0.100	0.000	(0.100)	Red
Business Technology Solutions	2019-22	Review of Software Licences	0.100	0.000	(0.100)	Amber
Legal & Democratic Services	2019-22	Review of Licensing - Automation	0.027	0.000	(0.027)	Amber
Revenue & Commercial Services	2018-21	Channel Shift - review of manual processes in Business Support	0.429	0.000	(0.429)	Amber
Business Technology Solutions	2018-21	Centralise and reduce project, analysis and change resources	0.150	0.150	0.00	Green
Business Technology Solutions	2019-22	Reduction in hosting costs by moving new solutions to Cloud	0.014	0.014	0.00	Green
Business Technology Solutions	2019-22	Transfer of Council Phone lines to internet based telephony (SIP)	0.030	0.030	0.00	Green
Business Technology Solutions	2019-22	Analysis and retirement of analogue phone lines provided as emergency backup	0.070	0.070	0.00	Green
Finance	2018-21	Restructure of Internal Audit	0.023	0.023	0.00	Green
Finance	2020-23	Audit Services - Stop all project assurance work	0.022	0.022	0.00	Green
Finance & Corporate Services Management	2020-23	Buy Leave Scheme	0.320	0.320	0.00	Green
Finance & Corporate Services Management	2020-23	Business Travel	0.030	0.030	0.00	Green
Human Resources	2020-23	Reduce Printing/Stationery	0.010	0.010	0.00	Green
Human Resources	2020-23	Reduce Miscellaneous Expenses budget	0.005	0.005	0.00	Green
Human Resources	2020-23	Buy Leave Scheme - National Insurance Savings	0.010	0.010	0.00	Green
Legal & Democratic Services	2019-22	Review of Electoral Services staffing structure	0.015	0.015	0.00	Green
Revenue & Commercial Services	2018-21	Organisational Redesign – Business Support	0.042	0.042	0.00	Green
Revenue & Commercial Services	2019-22	Standardisation for processes within Business Support (supporting Health and Social Care)	0.100	0.100	0.00	Green
Revenue & Commercial Services	2020-23	Business Management Innovation Unit - Reduce Staff	0.050	0.050	0.00	Green
Revenue & Commercial Services	2020-23	Business Support - Reduce Internal Recharges	0.010	0.010	0.00	Green
<b>Grand Total</b>			<b>1.608</b>	<b>0.901</b>	<b>(0.707)</b>	

## Rag Status Key:-

Green - No issues and saving is on track to be delivered

Amber - There are minor issues or minor reduction in the value of saving, or delivery of the saving is delayed

Red - Major issues should be addressed before any saving can be realised

Summary			
Rag Status	Savings Target £m	Overall Forecast £m	(Under)/ Over £m
Green	0.901	0.901	0.000
Amber	0.556	0.000	(0.556)
Red	0.151	0.000	(0.151)
Total	1.608	0.901	(0.707)

14<sup>th</sup> January 2021

Agenda Item No. 06

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## **2020/21 Capital Monitoring Projected Outturn – Finance and Corporate Services Directorate**

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

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Wards Affected: All

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### **Purpose**

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The purpose of this report is to provide an update on the Capital Investment Plan and advise on the Projected financial position for the 2020/21 financial year for the Finance and Corporate Services Directorate.

### **Recommendation(s)**

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Committee is asked to consider the current performance and activity across the 2020/21 Financial Monitoring as detailed in this report.

### **Resource Implications**

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None.

### **Legal & Risk Implications**

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None.

### **Impact Assessment**

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An EqIA has not been completed and is not necessary as no change or revision to existing policies and practices is proposed.

### **Consultation**

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None.

## 1.0 Background

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- 1.1 Based on current information, this report summarises the Projected capital outturn for the Finance and Corporate Services Directorate for 2020/21. At this stage, it is forecast that expenditure will be £1.694m against a budget of £4.183m, representing 40% of the approved capital programme for 2020/21.
- 1.2 Appendix 1 shows an analysis of specific projects in the current capital investment plan which have a budget greater than £1m and analyses total project cost rather than only in year spend.
- 1.3 Appendix 2 details the forecast expenditure against budget for each project. A brief explanation of any significant forecast variances is provided at section 2 within this report.

## 2.0 Issues, Achievements & Financial Performance

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### 2.1 Key Issues / Risks

- 2.1.1 Appendix 1 details the total cost forecast position for all capital projects within the Finance and Corporate Services Directorate with an overall value of £1m and over. The key risks associated with the major projects are noted below.

### 2.2 Major Projects – Potential Risks and Actions

- 2.2.1 There are no additional or new risks arising in the current reporting period from any of the major projects being progressed. There are two major projects with a budget of over £5m and 5 major projects with a budget of over £1m for Finance and Corporate Services. These projects are detailed in Appendix 1. The total budget is £39.594m over the life of the projects. In respect of all these projects, the projected spend is on budget.

### 2.3 Financial Performance – 2020/21 Projected Outturn

- 2.3.1 Appendix 2 provides a summary of the Projected outturn for each project for the financial year 2020/21.
- 2.3.2 Slippage is the term used to describe projects that are expected to spend less than the budget allocation in a particular year due to a delay in timing on the delivery of the project. This is not uncommon in the capital programme and the reasons for this can be wide and varied. Advancement is the term used to describe projects that are expected to spend more than the budget allocation in a particular year due to an acceleration of the budget from future years.
- 2.3.3 The reasons for significant variances (+/-£0.500m) are detailed below.

The underspend of (£2.489m) within the Finance & Corporate Services Directorate relates to projects in the IT Capital Programme. The main areas of slippage (delay) are Servers/Storage £0.370m, Telephony £0.220m and Local Area Network (LAN) £1.6m. In respect of Servers/Storage there is a change in the technology available

and BTS are reviewing the options. Due to COVID-19 the current Telephony contract has been extended. In light of this and the current circumstances the timescales for a replacement system have changed. The new LAN contract is currently being procured, but the contract will not be in place until April 2021.

## 3.0 Conclusions

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- 3.1 The total 2020/21 approved programme for the Finance and Corporate Services Directorate is £4.183m, with a forecasted level of expenditure of £1.694m, therefore there is a projected variance of £2.489m on the projects within the approved programme.
- 3.2 The management of capital resources require us to look across financial years, as well as within individual years. The current year performance is only a snapshot of the existing plan and the Directorate will adjust expenditure levels within future years of the plan to accommodate the advancement or slippage of projects.

### List of Appendices

1. Total Cost Monitor
2. Capital Monitoring Report

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FIFE COUNCIL  
 ASSETS AND CORPORATE SERVICES COMMITTEE  
 CAPITAL INVESTMENT PLAN 2020-29  
 TOTAL COST MONITOR - MAJOR CAPITAL PROJECTS

Project	Service	Total Project Budget £m	Total Projected Outturn £m	Variance £m	Variance %	Current Project Status	Expected Project Completion Date
Mobile and Flexible Working	Maintaining Our Assets	5.379	5.379	-	0.00%	Current Project	2027-28
Local Area Network	Maintaining Our Assets	7.800	7.800	-	0.00%	Future Project	2027-28
<b>Total Major Projects over £5.000m</b>		<b>13.179</b>	<b>13.179</b>	<b>-</b>	<b>0.00%</b>		
Server - Storage	Maintaining Our Assets	3.007	3.007	-	0.00%		
Telephony	Maintaining Our Assets	1.938	1.938	-	0.00%		
Windows 10 Roll Out	Maintaining Our Assets	2.962	2.962	-	0.00%	Current Project	
Wifi Corporate	Maintaining Our Assets	1.523	1.523	-	0.00%		
PC - Laptop Refersh	Maintaining Our Assets	3.808	3.808	-	0.00%		
<b>Total Major Projects over £1.000m</b>		<b>26.415</b>	<b>26.415</b>	<b>-</b>	<b>0.00%</b>		
<b>Total Major Projects</b>		<b>39.594</b>	<b>39.594</b>	<b>-</b>	<b>0.00%</b>		

FIFE COUNCIL  
 ASSETS AND CORPORATE SERVICES COMMITTEE  
 CAPITAL INVESTMENT PLAN 2020-29  
 MONITORING REPORT

Expenditure	Current Budget £m	Actual to Date £m	Projected Outturn £m	Projected Variance £m	Projected Outturn as % of Plan
IT CAPITAL	4.183	0.365	1.694	(2.489)	40%
<b>TOTAL FINANCE &amp; CORPORATE SERVICES</b>	<b>4.183</b>	<b>0.365</b>	<b>1.694</b>	<b>(2.489)</b>	<b>40%</b>

14<sup>th</sup> January 2021

Agenda Item No. 07

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## 2020/21 Revenue Monitoring Projected Outturn – Enterprise and Environment Directorate

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Report by: Eileen Rowand, Executive Director, Finance and Corporate Services  
Keith Winter, Executive Director, Enterprise & Environment

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Wards Affected: All

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### Purpose

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The purpose of this report is to give members an update on the projected outturn financial position as at October for the 2020/21 financial year for the areas in scope of the Assets and Corporate Services Committee in relation to Assets only.

### Recommendations

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Committee is asked to consider the current financial performance and activity as detailed in this report.

### Resource Implications

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None.

### Legal & Risk Implications

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There are no direct legal implications arising from this report.

### Impact Assessment

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An EqIA has not been completed and is not necessary as no change or revision to existing policies and practices is proposed.

### Consultation

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None.

## 1.0 Background

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- 1.1 The report summarises the projected outturn position for 2020/21, taking into account the actual expenditure incurred, and provides an explanation of the main budget variances at section 3.
- 1.2 Section 4 of the report summarises the progress on delivery of approved budget savings and provides an explanation of any variances to the delivery of savings target.
- 1.3 Variances occur for a number of reasons and variances in budget are not always correlated to delivery of savings targets.

## 2.0 Issues

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### 2.1 Projected Outturn

- 2.1.1 The projected overspend for the areas falling under the scope of this committee is £20.571m. A summary of the 2020/21 projected out-turn for the areas under the scope of this committee is detailed in Appendix 1. This shows projected expenditure against budget across the service headings within the Directorate. It should be noted that the balances are extracted from the ledger system and are shown as rounded thousands. This may mean that there are some rounding differences contained within the appendices, but these are immaterial values that do not impact on the overall financial position. The following paragraphs provide a brief explanation of the main areas where there are significant variances (+/-£0.250m) to budgets.
- 2.1.2 The estimated financial impact of the Covid-19 pandemic has been reported to Policy and Co-ordination Committee previously. This report highlights the estimated costs in relation to areas falling under the scope of this committee, the E&E Directorate falls under three strategic committees, the Directorate is trying to mitigate the impact and absorb some costs, this will be captured under the relevant area, but the full Directorate position is only reported to Policy and Co-ordination committee. An additional column has been included in the appendix attached in relation to Covid costs.

## 3.0 Major Variances

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- 3.1 Client Catering under-recovery of £0.199m, and Commercial Catering under-recovery of £0.401m due to a net loss of income following the closure of all staff canteens and commercial establishments during the period of national lockdown due to the COVID-19 pandemic. Some establishments have now re-opened.
- 3.2 Building Services under-recovery £20.404m, movement of £15.308m – There is a projected loss of income of £20.404m within Building Services. This is due to the estimated impact of the COVID-19 pandemic on trading account income as the service was unable to progress work during the lockdown period, as well as the implementation of additional health and safety measures post lockdown. The forecast position has increased by £15.308m due to an adjustment being made in terms of technical accounting solutions for cost sharing with the HRA. The intention is now to review the cost sharing with the HRA towards the end of the financial year as per the

## 4.0 Progress on Budget Savings

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- 4.1 Appendix 2 provides details of revenue budget savings for the areas falling under the scope of the Assets and Corporate Services Committee, detailing achievements against the current year approved budget savings as at Quarter 2. The appendix details:
- the 3-year budget period for which the savings were approved
  - the title of each saving
  - the savings target relevant to the current financial year
  - the value of saving forecast as deliverable for the financial year
  - a Red/Amber/Green Status for each saving
  - details of any substitute savings
- 4.2 All savings have been categorised using a Red/Amber/Green status and these are described as follows:
- Green – No issues and saving is on track to be delivered  
Amber – There are minor issues or minor reduction in the value of saving, or delivery of the saving is delayed  
Red – Major issues should be addressed before any saving can be realised
- 4.3 Where a saving is no longer deliverable in the current year it is expected that substitute savings are identified to ensure that costs remain within budget overall. Where this is the case, the original saving will be categorised red or amber and a substitute saving will be identified. The substitute saving will be categorised as green and identified in the tracker as a substitute.
- 4.4 The areas in scope for the committee had a significant level of savings to manage within the financial year 2020/21. Overall the savings to be delivered are £2.247m and the projected delivery is £1.409m. Whilst the delivery of savings is becoming more challenging, the relevant areas are looking to minimise the financial impact of any amber or red savings by determining mitigating actions as soon as possible. Across all areas, there are no savings identified as Red status and £2.042m identified as being Amber status. The under delivery on amber savings is £0.980m and is partly offset by the over delivery on green savings of £0.142m.
- 4.5 The full year saving amounts are detailed along with annual forecast information detailed in appendix 2. The following paragraph provides a brief explanation of areas where there are variations at Service level (+/-£0.250m) between the Service savings target and the projected saving being delivered within the current financial year.
- 4.6 There is one saving with a variation (+/-£0.250m) between the savings target and the projected saving to report at this time. There is a potential shortfall on the Building Value saving of £0.603m. This is due to a delay in progression of the saving due to COVID. Work is ongoing in several areas to include realising energy and non-

domestic rates savings to maximise the level of saving that can be achieved in this financial year.

## 5.0 Conclusions

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- 5.1 The projected outturn position for the areas in scope of the Assets and Corporate Services Committee in relation to Assets only is a net overspend of £20.571m (112.24%).

### List of Appendices

- 1 Projected Outturn 2020/21 - Summary
- 2 Approved 2020/21 Savings

### Background Papers

None

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**BUDGET MONITORING REPORT SUMMARY**
**Appendix 1**
**2020-21**
**ASSETS AND CORPORATE SERVICES COMMITTEE**

SERVICE	CURRENT	NON-COVID	COVID	FORECAST	FORECAST	FORECAST	PREVIOUS	MOVEMENT
	BUDGET 2020-21	PROJECTION	PROJECTION	2020-21	VARIANCE	VARIANCE	REPORTED	FROM
	£m	2020-21	2020-21	£m	£m	%	VARIANCE	PREVIOUS
		£m	£m				£m	REPORTED
								VARIANCE
								£m
<b>TOTAL COST OF SERVICE</b>	<b>33.101</b>	<b>32.647</b>	<b>21.025</b>	<b>53.672</b>	<b>20.571</b>	<b>62.15%</b>	<b>5.898</b>	<b>14.673</b>
<b>LESS: CORPORATELY MANAGED ITEMS</b>	<b>14.773</b>	<b>14.773</b>	<b>0.000</b>	<b>14.773</b>	<b>0.000</b>	<b>0.00%</b>	<b>0.000</b>	<b>0.000</b>
<b>SERVICE MANAGED NET BUDGET</b>	<b>18.327</b>	<b>17.874</b>	<b>21.025</b>	<b>38.899</b>	<b>20.571</b>	<b>112.24%</b>	<b>5.898</b>	<b>14.673</b>
<b>ANALYSIS OF SERVICE MANAGED BUDGET</b>								
SERVICE MANAGEMENT & ADMINISTRATION	(0.038)	0.048	(0.177)	(0.129)	(0.091)	238.95%	0.028	(0.119)
PROPERTY SERVICES	(0.116)	(0.168)	0.093	(0.075)	0.041	-35.33%	0.114	(0.073)
CEMETERIES & CREMATORIA	(0.440)	(0.690)	0.433	(0.257)	0.183	-41.63%	0.089	0.094
BUILDING SERVICES	(11.113)	(11.113)	20.404	9.291	20.404	-183.60%	5.096	15.308
CORPORATE STORES & MPDS	(1.064)	(1.064)	0.000	(1.064)	0.000	0.00%	(0.060)	0.060
FACILITIES MANAGEMENT SERVICE	2.031	2.063	(0.004)	2.059	0.028	1.37%	0.075	(0.047)
CORPORATE BUILDINGS	5.559	5.394	(0.061)	5.333	(0.226)	-4.07%	(0.044)	(0.182)
CLEANING & JANITORIAL SERVICES	15.874	15.889	(0.173)	15.716	(0.158)	-1.00%	0.089	(0.247)
PUBLIC CONVENIENCES	0.267	0.237	0.000	0.237	(0.030)	-11.25%	(0.012)	(0.018)
SCHOOL CATERING	8.252	8.252	(0.180)	8.071	(0.180)	-2.18%	(0.126)	(0.054)
CATERING CLIENT	0.029	(0.039)	0.268	0.229	0.199	679.90%	0.241	(0.041)
COMMERCIAL CATERING	(0.011)	(0.009)	0.399	0.389	0.401	-3525.04%	0.408	(0.007)
CATERING - MEALS ON WHEELS	(0.000)	(0.000)	0.000	(0.000)	0.000	0.00%	0.000	0.000
CATERING - CARE HOMES	0.003	(0.020)	0.023	0.003	0.000	0.00%	0.000	0.000
FLEET SERVICES	(0.905)	(0.905)	0.000	(0.905)	0.000	0.00%	0.000	0.000
<b>ASSETS AND CORPORATE SERVICES COMMITTEE</b>	<b>18.327</b>	<b>17.874</b>	<b>21.025</b>	<b>38.899</b>	<b>20.571</b>	<b>112.24%</b>	<b>5.898</b>	<b>14.673</b>
<b>PROPERTY REPAIRS AND MAINTENANCE</b>	<b>15.081</b>	<b>15.081</b>	<b>0.106</b>	<b>15.187</b>	<b>0.106</b>	<b>0.70%</b>	<b>0.106</b>	<b>0.000</b>

FIFE COUNCIL  
TRACKING APPROVED 2020-21 SAVINGS  
ASSETS, PROPERTY AND FACILITIES COMMITTEE  
OCTOBER 2020

Area	Approved Budget Year	Title of Savings Proposal	Savings Target £m	Overall Forecast £m	(Under)/Over £m	Rag Status
ATE - ATE Management	2019-22	Savings anticipated as a result of Customer Programme.	0.038	0.019	(0.019)	Amber
ATE - Property Services	2018-21	Building Value Programme.	1.345	0.742	(0.603)	Amber
ATE - Property Services	2019-22	Option 2 - Bereavement Services - move to full cost recovery for burial service over 5 years.	0.219	0.077	(0.142)	Amber
ATE - ATE Management	2020-23	Procurement savings anticipated as a result of the Procurement Programme.	0.200	0.114	(0.086)	Amber
ATE - Facilities Management	2018-21	1School Lunch Price.	0.040	0.010	(0.030)	Amber
ATE - Facilities Management	2020-23	Communities Programme – Integrate and unify the FMS and cleaning responsibility for Community Centres to E & E Directorate.	0.150	0.075	(0.075)	Amber
ATE - Facilities Management	2020-23	Review the costs of security provision at Bankhead depot.	0.050	0.025	(0.025)	Amber
ATE - ATE Management	2020-23	Fleet – grey mileage.	0.075	0.075	0.000	Green
ATE - Enviroment & Building Servies	2018-21	Managed Print Service - centralise Council printing budget and reduce printing volume.	0.025	0.025	0.000	Green
ATE - Facilities Management	2019-22	Further review of Janitorial provision.	0.090	0.090	0.000	Green
ATE - Property Services	2018-21	Office Rationalisation.	0.015	0.015	0.000	Green
ATE - Property Services	2019-22	Substitution- Option 2 - Bereavement Services - move to full cost recovery for burial service over 5 years.		0.142	0.142	Green
<b>Grand Total</b>			<b>2.247</b>	<b>1.409</b>	<b>(0.838)</b>	

## Rag Status Key:-

**Green - No issues and saving is on track to be delivered**

**Amber - There are minor issues or minor reduction in the value of saving, or delivery of the saving is delayed**

**Red - Major issues should be addressed before any saving can be realised**

Summary			
Rag Status	Savings Target £m	Overall Forecast £m	(Under)/Over £m
Green	0.205	0.347	0.142
Amber	2.042	1.062	(0.980)
Red	0.000	0.000	0.000
<b>Total</b>	<b>2.247</b>	<b>1.409</b>	<b>(0.838)</b>

14<sup>th</sup> January 2021

Agenda Item No. 08

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## **2020/21 Capital Monitoring Projected Outturn - Enterprise and Environment Directorate**

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

Keith Winter, Executive Director, Enterprise & Environment

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Wards Affected: All

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### **Purpose**

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The purpose of this report is to provide an update on the Capital Investment Plan and advise on the projected financial position as at October for the 2020/21 financial year for areas in scope of the Assets and Corporate Services Committee in relation to Assets only.

### **Recommendation(s)**

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Committee is asked to consider the current performance and activity across the 2020/21 Financial Monitoring as detailed in this report.

### **Resource Implications**

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None.

### **Legal & Risk Implications**

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None.

### **Impact Assessment**

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An EqIA has not been completed and is not necessary as no change or revision to existing policies and practices is proposed.

### **Consultation**

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None.

## 1.0 Background

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- 1.1 Based on current information, this report summarises the projected capital outturn for the areas falling under the scope of this Committee for 2020/21. At this stage projected expenditure is £5.965m, representing 100.0% of the approved capital programme for 2020/21.
- 1.2 Appendix 1 shows an analysis of specific projects in the current capital investment plan which have a budget greater than £1.000m and analyses total project cost rather than only in year spend.
- 1.3 Appendix 2 details the forecast expenditure against budget for each project.

## 2.0 Issues, Achievements & Financial Performance

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### 2.1 Key Issues / Risks

- 2.1.1 Appendix 1 details the total cost forecast position for all capital projects within the areas under the scope of the Committee with an overall value of £1.000m and over. The key risks associated with the major projects are noted below.
- 2.1.2 Due to the impact of Covid-19, on site construction work has been on hold since 23 March 2020, construction work has commenced again in accordance with Phase 3 of the Scottish Government's Route Map, however, it is likely that Covid-19 will impact on project costs and will extend all project delivery dates as contractors will require to make adjustments to working arrangements to accommodate new requirements, such as social distancing. Some claims from contractors have already been received in relation to closing down, maintaining and re-opening sites and also in relation to preparation for work on site recommencing. Monitoring of the impact of these additional costs and timescales is ongoing and it is likely that the overall scale of these additional costs will be clearer in the coming months

### 2.2 Major Projects – Potential Risks and Actions

- 2.2.1 There are no additional or new risks arising in the current reporting period from any of the major projects being progressed.

### 2.3 Financial Performance – 2020/21 Projected Outturn

- 2.3.1 Appendix 2 provides a summary of the projected outturn for each project for the financial year 2020/21. The appendix shows a projected outturn of £5.965m against a Capital Investment plan of £5.963m, a spending level of 100.0%.
- 2.3.2 There is a capital income budget for 2020/21 of £1.335m and projected outturn is £1.229m, representing 92.0% of the budgeted income.
- 2.3.3 There are no projects with significant variances (+/- £0.500m).

2.3.4 Slippage is the term used to describe projects that are expected to spend less than the budget allocation in a particular year due to a delay in timing on the delivery of the project. This is not uncommon in the capital programme and the reasons for this can be wide and varied. Advancement is the term used to describe projects that are expected to spend more than the budget allocation in a particular year due to an acceleration of the budget from future years.

## 3.0 Conclusions

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- 3.1 The total 2020/21 approved programme for the areas in scope of the Assets and Corporate Services Committee in relation to Assets only is £5.963m. The projected level of expenditure is £5.965m, which represents 100.0% of the total programme, resulting in a variance of £0.002m.
- 3.2 The management of capital resources require us to look across financial years, as well as within individual years. The current year performance is only a snapshot of the existing plan and the Directorate will adjust expenditure levels within future years of the plan to accommodate the advancement or slippage of projects.

### List of Appendices

1. Total Cost Monitor
2. Capital Monitoring Report by Service

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FIFE COUNCIL  
 ASSETS AND CORPORATE SERVICES COMMITTEE  
 CAPITAL INVESTMENT PLAN 2020-29  
 TOTAL COST MONITOR - MAJOR CAPITAL PROJECTS

Appendix 1

Project	Service	Total Project Budget £m	Total Projected Outturn £m	Variance £m	Variance %	Current Project Status	Expected Project Completion Date
Glenrothes District Heat	Thriving Places	10.449	10.449	-	0.00%	Current Project	2020-21
West Fife Depot	Maintaining Our Assets	8.308	8.308	-	0.00%	Current Project	2019-20
Burial Provision	Maintaining Our Assets	6.700	6.700	-	0.00%	Future Project	2027-28
<b>Total Major Projects over £5.000m</b>		<b>25.456</b>	<b>25.456</b>	<b>-</b>	<b>0.00%</b>		

Expenditure	Current Budget £m	Actual to Date £m	Projected Outturn £m	Projected Variance £m	Projected Outturn as % of Plan
BUILDING SERVICES EQUIP/OTHER	-	-	-	-	0%
PUBLIC CONVENIENCES	0.030	-	0.030	-	100%
PURCHASE OF VEHICLES & EQUIPMENT	2.718	0.057	2.718	-	100%
DEPOTS & BUILDINGS	0.010	0.005	0.010	-	100%
DISABLED ACCESS - COUNCIL BUILDINGS	0.072	-	0.072	-	100%
DEPOT RATIONALISATION PROGRAMME	-	0.000	-	-	0%
OFFICE RATIONALISATION PROGRAMME	(0.001)	-	(0.001)	-	100%
PROPERTY MAINTENANCE	1.789	0.118	1.789	-	100%
CAFETERIA REFURBISHMENTS	0.258	0.023	0.258	-	100%
CREMATORIA/CEMETERIES PROGRAMME	1.035	0.025	1.035	-	100%
ATE PLANT & MACHINERY	0.134	-	0.136	0.002	101%
HOUSING DEVELOPMENTS	(0.083)	-	(0.083)	-	100%
GLENROTHES DISTRICT HEAT	-	0.009	-	-	0%
BURIAL PROVISION	-	-	-	-	0%
<b>TOTAL ASSETS, TRANSPORTATION &amp; ENVIRONMENT</b>	<b>5.963</b>	<b>0.237</b>	<b>5.965</b>	<b>0.002</b>	<b>100%</b>

Income	Current Budget £m	Actual to Date £m	Projected Outturn £m	Projected Variance £m	Projected Outturn as % of Plan
BUILDING SERVICES EQUIP/OTHER	-	-	-	-	0%
PUBLIC CONVENIENCES	-	-	-	-	0%
PURCHASE OF VEHICLES & EQUIPMENT	-	-	-	-	0%
DEPOTS & BUILDINGS	-	-	-	-	0%
DISABLED ACCESS - COUNCIL BUILDINGS	-	-	-	-	0%
DEPOT RATIONALISATION PROGRAMME	(0.320)	-	(0.214)	0.106	67%
OFFICE RATIONALISATION PROGRAMME	-	-	-	-	0%
PROPERTY MAINTENANCE	-	-	-	-	0%
CAFETERIA REFURBISHMENTS	-	-	-	-	0%
CREMATORIA/CEMETERIES PROGRAMME	-	-	-	-	0%
ATE PLANT & MACHINERY	-	-	-	-	0%
HOUSING DEVELOPMENTS	(1.015)	0.000	(1.015)	-	100%
GLENROTHES DISTRICT HEAT	-	-	-	-	0%
BURIAL PROVISION	-	-	-	-	0%
<b>TOTAL ASSETS, TRANSPORTATION &amp; ENVIRONMENT</b>	<b>(1.335)</b>	<b>0.000</b>	<b>(1.229)</b>	<b>0.106</b>	<b>92%</b>

<b>Assets and Corporate Services Sub-Committee of 4 March 2021</b>			
<b>Title</b>	<b>Service(s)</b>	<b>Contact(s)</b>	<b>Comments</b>
Refurbishment of property on Queensway Industrial Estate, Glenrothes		Ronnie Hair	Added to WP as per Kirstin Marsh Email November 2020.
Capital Projected Outturn - Finance and Corporate Services Directorate		Ashleigh Allan	Added to WP as per email November 2020.
Revenue Projected Outturn - Finance and Corporate Services Directorate		Ashleigh Allan	Added to WP as per email November 2020.
Capital Projected Outturn - Enterprise and Environment Directorate		Ashleigh Allan	Added to WP as per email November 2020.
Revenue Projected Outturn - Enterprise and Environment Directorate		Ashleigh Allan	Added to WP as per email November 2020.

<b>Unallocated</b>			
<b>Title</b>	<b>Service(s)</b>	<b>Contact(s)</b>	<b>Comments</b>
Greenspace Strategy	Communities and Neighbourhoods Service	Paul Vaughan	
Dunfermline Flood Prevention Scheme - Compensation Claims	Assets, Transportation and Environment	Michael Mcardle	
Area Property Plans	Assets, Transportation and Environment	Alan Paul	
Headstones & Crematoria - Briefing  Note	Assets, Transportation and Environment	Alan Paul	Briefing note issued
Review of CAT Transfer Process	Communities	Tim Kendrick	
Briefing Note - School Estate Strategy	Assets, Transportation and Environment	Bill Lindsay	18/10/19 - Briefing note to be issued shortly.

<b>Unallocated</b>			
<b>Title</b>	<b>Service(s)</b>	<b>Contact(s)</b>	<b>Comments</b>
Building Value Programme (inc. Halls Review)		Paul Vaughan	Removed from March 2020 as per P Vaughan email 18.02.20.
Annual Health and Safety Report 2020/21		Barbara Cooper, Susan Harris	Annual Update Report due Oct-Nov 2021