

Please note this meeting will be held remotely.

Thursday, 8th September, 2022 - 10.00 a.m.

AGENDA

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1. APOLOGIES FOR ABSENCE	
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 – Minute of the meeting of the Finance, Economy and Corporate Services Scrutiny Committee of 15th June, 2022.	3 – 4
4. SCRUTINY AT FIFE COUNCIL – Report by the Head of Legal and Democratic Services.	5 – 11
5. SERVICE PROFILES – Report by the Executive Director Finance and Corporate Services.	12 – 27
6. LOCAL GOVERNMENT BENCHMARKING FRAMEWORK PERFORMANCE INDICATORS – Report by the Executive Director – Communities.	28 – 30
7. 2022/23 REVENUE MONITORING PROJECTED OUTTURN – Joint Report by the Executive Director Finance and Corporate Services and the Executive Director – Enterprise and Environment.	31 – 34
8. 2022/23 CAPITAL MONITORING PROJECTED OUTTURN – Joint Report by the Executive Director Finance and Corporate Services and the Executive Director – Enterprise and Environment.	35 – 39
9. 2022/23 REVENUE MONITORING PROJECTED OUTTURN - FINANCE AND CORPORATE SERVICES DIRECTORATE – Report by the Executive Director Finance and Corporate Services	40 – 45
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11. FINANCE, ECONOMY AND CORPORATE SERVICES SCRUTINY COMMITTEE FORWARD WORK PROGRAMME	51 – 54

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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1st September, 2022

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2022 FECSS 1

THE FIFE COUNCIL - FINANCE, ECONOMY AND CORPORATE SERVICES SCRUTINY COMMITTEE – REMOTE MEETING

15th June, 2022

2.00 p.m. – 2.11 p.m.

PRESENT: Councillors Allan Knox (Convener), Robin Lawson (Depute Convener), Alistair Bain, Lynn Ballantyne-Wardlaw, Auxi Barrera, Ian Cameron, Rod Cavanagh, Eugene Clarke, Colin Davidson, Sean Dillon, Graeme Downie, Stefan Hoggan-Radu, James Leslie, Gordon Pryde, Alistair Suttie and Ann Verner.

ATTENDING: Eileen Rowand, Executive Director - Finance and Corporate Services, Helena Couperwhite, Manager - Committee Services, and Wendy MacGregor, Committee Officer, Legal and Democratic Services, Finance and Corporate Services.

1. MEMBERSHIP OF THE COMMITTEE

Decision

The Committee noted its membership as detailed on the Agenda.

2. APPOINTMENT OF THE CONVENER

Motion

Councillor Auxi Barrera, seconded by Councillor Stefan Hoggan-Radu, moved that Councillor Ann Verner be appointed as Convener.

Amendment

Councillor Eugene Clarke, seconded by Councillor Sean Dillon, moved as an amendment that Councillor Allan Knox be appointed as Convener.

Roll Call

For the Motion - 7 votes

Councillors Alistair Bain, Lynn Ballantyne-Wardlaw, Auxi Barrera, Rod Cavanagh, Stefan Hoggan-Radu, Alistair Suttie and Ann Verner.

For the Amendment - 9 votes

Councillors Ian Cameron, Eugene Clarke, Colin Davidson, Sean Dillon, Graeme Downie, Allan Knox, Robin Lawson, James Leslie and Gordon Pryde.

Decision/

Decision

Councillor Knox was duly appointed as Convener of the Finance, Economy and Corporate Services Scrutiny Committee.

3. APPOINTMENT OF THE DEPUTE CONVENER

Motion

Councillor James Leslie, seconded by Councillor Allan Knox, moved that Councillor Robin Lawson be appointed as Depute Convener.

Amendment

Councillor Auxi Barrera, seconded by Councillor Lynn Ballantyne-Wardlaw, moved as an amendment that Councillor Stefan Hoggan-Radu be appointed as Depute Convener.

Roll Call

For the Motion - 9 votes

Councillors Ian Cameron, Eugene Clarke, Colin Davidson, Sean Dillon, Graeme Downie, Allan Knox, Robin Lawson, James Leslie and Gordon Pryde.

For the Amendment - 7 votes

Councillors Alistair Bain, Lynn Ballantyne-Wardlaw, Auxi Barrera, Rod Cavanagh, Stefan Hoggan-Radu, Alistair Suttie and Ann Verner.

Decision

Councillor Robin Lawson was duly appointed as Depute Convener of the Finance, Economy and Corporate Services Scrutiny Committee.

8th September, 2022

Agenda Item No. 4

Scrutiny at Fife Council

Report by: Lindsay Thomson, Head of Legal and Democratic Services.

Wards Affected: All

Purpose

This report summarises the scrutiny framework at Fife Council. It provides information to members about the purpose of scrutiny activity and the approaches that could be adopted when carrying out scrutiny. It builds on introductory training which has been held for chairs and members of the scrutiny committees.

Recommendation(s)

It is recommended that Committee consider, comment on and challenge the content of the report.

Resource Implications

There are no direct resource implications arising from this report. Scrutiny activity is an essential part of the governance framework, and the costs of this activity should be met from existing budgets.

Legal & Risk Implications

There are no direct legal implications from the paper. The benefits that good scrutiny brings to the organisation will mitigate risk and drive improvement.

Impact Assessment

No impact assessment has been carried out as part of this report.

Consultation

This report has been considered by the Council's Executive Team.

1.0 Background

- 1.1 Scrutiny is a critical part of the role of elected members and is part of the formal governance structure at Fife Council. The structure of formal elected member scrutiny was agreed at the Council meeting on 9 June 2022, when four scrutiny committees were constituted in the Committee Powers document. Convenors and Vice Convenors have been appointed and Lead Officers identified as set out below. Appendix 1 contains the full list of members of all scrutiny committees.

Scrutiny Committee	Convenor	Vice Convenor	Lead Officer
People and Communities	Cllr Clarke	Cllr Watt	Mike Enston
Finance, Economy & Corporate Services	Cllr Knox	Cllr Lawson	Eileen Rowand
Education	Cllr K Leslie	Cllr Boubaker-Calder	Carrie Lindsay
Environment, Transportation and Climate Change	Cllr Liston	Cllr Ellis	Ken Gourlay

- 1.2 Scrutiny committees will meet approximately every two months and each scrutiny committee will have a workplan which will create some structure for their meetings. Training and discussion sessions have been held for lead officers, chairs and all members nominated to sit on scrutiny committees. This report summarises some of the content of those sessions.
- 1.3 In the previous administration there were only two formal scrutiny committees – Environment, Finance and Communities Scrutiny Committee and Education and Children’s Services, Health and Social Care Scrutiny Committee. At the end of the administration elected members and officers were surveyed about the role and performance of the committee and only 72% of members who completed the survey felt that current scrutiny arrangements were effective in allowing members to scrutinise performance. Members expressed concerns about the lack of express power to properly investigate matters which may indicate a lack of protocol in this area rather than a lack of power. These concerns were amplified in committee effectiveness sessions held in April 2022, when members were clear on the need to have more engagement with the process of scrutiny and a clearer articulation of what is in the scope of the scrutiny committee, particularly with reference to partnership working.
- 1.4 This new Council administration provides an opportunity for a refresh of Fife Council’s approach to scrutiny in order to make the most out of the new structure and to ensure a consistent approach to scrutiny activity across all four committees.

This paper sets out a brief introduction to the theory of scrutiny and moves on to summarise approaches, options and considerations that the committee will have to engage with in “doing scrutiny”. It then identifies some further work that will be carried out to support scrutiny activity. Finally, a list of additional resources for members to draw on is provided at the end of the paper.

2.0 Approach

2.1 Scrutiny in theory

Scrutiny provides an opportunity for councillors to hold decision-makers to account for their actions. This includes questioning decisions which are being planned – as well as those that have already been made. Although scrutiny committees do not have the power to change decisions their remit extends to referring recommendations to the Cabinet Committee and full Council if it is considered necessary.

2.1.1 Principles of scrutiny

There is no one accepted definition of scrutiny. Its perhaps easier to define the role that scrutiny activity performs. This list has been adapted from the Local Government Information Unit (LGIU) publication on the role of elected members undertaking scrutiny.

1. To be a “critical friend”
2. To actively explore ways for the council to improve the decisions it makes (take the lead)
3. To identify how the council can prevent mistakes from being repeated.
4. To find ways to enhance the council’s performance
5. To influence positive change and
6. not to allocate blame. The Centre for Public Scrutiny (CfPS) adds amplifying the voice and concerns of the public to the list.

There are a number of ways in which these activities can be undertaken, including holding committee decisions to account, (both before implementation and after), undertaking policy implementation reviews, taking on topics identified by external scrutineers, considering performance monitoring reports and identifying assurance tasks, particularly in relation to topics of public concern.

2.1.2 What scrutiny is not

It is also important when undertaking a scrutiny role to also be clear about what scrutiny is not. The LGIU is clear that the role of scrutiny is to be as much as “friend” as it is to be critical. It is also distinct from the Audit Committee function. All best practice guides suggest that prioritising party political considerations in the scrutiny setting do not support good scrutiny arrangements. A positive culture supporting scrutiny activity is inherent to its success.

2.1.3 Why scrutinise?

In many instances of significant organisational failure, the lack of effectively scrutiny has been identified in the subsequent reviews into those failures. Examples include Mid Staffordshire, where death rates were significantly higher than the national average but went unchallenged and Rotherham where a culture of child sexual exploitation was prevalent but not addressed.

Scrutiny committees should always consider the impact that they wish to make, identifying when planning and undertaking work the improvements to performance or policy enhancements that it anticipates by carrying out the scrutiny role. The focus needs to be on improving outcomes rather than reviewing activity. Indeed, some guides to scrutiny, including that of the Improvement Service, describe the process of scrutiny as creative, innovative and purposeful, in addition the more traditionally understood concepts of performance and improvement monitoring. Consideration must also be given to what is proportionate and what activity will derive the biggest benefit given resource considerations.

There are other activities which are closely aligned with scrutiny, benchmarking is a good example and is covered in more detail further in the agenda.

Finally, the committee should be aware of any external planned scrutiny. This does not just relate to the internal and external audit function but to the national scrutiny plan including bodies such as the Care Inspectorate, Education Scotland, the Accounts Commission and Audit Scotland.

2.2 Scrutiny in practice

2.2.1 Fife Council framework

In carrying out a scrutiny function it is important to be clear that the activity undertaken is within the approved Fife Council framework. The Council approved the Committee powers document which sets out the role and remit of the scrutiny committees, so all scrutiny activity should be in accordance with the remit and powers set out in that document. Standing Orders also set out important processes for the scrutiny committees including the operation of the “call in” function. Fife Council has agreed an approach of using a work plan to set out and focus the work of the committee and it’s important that committees use this plan to drive their agenda. Each Scrutiny committee will have a lead officer who will work with the chair and wider committee to support the scrutiny role. Finally, scrutiny committees will be expected to report back to full Council on their activities periodically.

2.2.2 Doing scrutiny

Who

Every elected member has a responsibility to engage with scrutiny even if not formally nominated to the scrutiny committees. However, the scrutiny committees are often the focus for this kind of work. The Convenor of the committee will be required to provide leadership and direction to the committee, create a constructive culture for scrutiny activities and maintain a non- party political, activity-focussed environment. There are a number of roles that support the scrutiny function, including the lead officer and committee officer. In addition, when undertaking scrutiny activity, committees will be able to take advantage of the powers available to it to invite and request attendance at the committee.

What

The importance of a workplan cannot be overstated and the committee will begin to develop its workplan from the first meeting of the committee. There will be items of regular business on the workplan but it will be development of the agenda driven by members that will add real value to the work of the committees. In this regard horizon scanning and reviewing and monitoring the work of the Cabinet Committee should contribute to the development of the agenda.

How

Committee members will be required to gather and use evidence in their scrutiny activity. Asking questions and listening will be keys skills that can be development and enhanced with further training, if required.

2.3 Scrutiny Improvements

There are a few local authorities who have developed a Protocol on scrutiny which sets some of the practical considerations when committees are carrying out investigative scrutiny in particular. This will a useful addition to Fife Council’s governance, and it is proposed to include criteria to assist the committee to select topics for scrutiny, information on how to conduct a policy review and scrutiny techniques.

In addition, a programme of regular training and personal reflection and development sessions to support members undertaking the scrutiny should be scheduled.

3.0 Conclusions

- 3.1 This brief paper provides an introduction to scrutiny for members newly appointed to the Council's four scrutiny committees. It is hoped that it will prompt some discussion and reflection on the role and approach of the committees. There are two area of work that will also be taken forward; the development of a protocol and ongoing training, that should be considered in discussion.

List of Appendices

1. Scrutiny Committee membership

Background Papers

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act, 1973:-

Audit Scotland Local Government in Scotland; Overview 2022 Supplement 1

LGIU An Introduction to Overview and Scrutiny June 2021

Briefing : CLG Select Commitete report on the eeffectiveness of local authoity overview and scrutiny committees February 2018

CfPS Good Scrutiny Guide 2019

Improvement Service – Elected Member Notebook – Scrutiny 2018

Report Contact

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Appendix 1 Committee membership

Fife Council Scrutiny Committees	Membership
Education Scrutiny Committee	<ol style="list-style-type: none"> 1. Naz Anis-Miah (SNP) 2. Lynn Ballantyne-Wardlaw (SNP) 3. Aude Boubaker-Calder (LIB DEM) 4. Patrick Browne (LAB) 5. John Caffrey (LIB DEM) 6. Ian Cameron (LAB) 7. Colin Davidson (LAB) 8. Dave Dempsey (CONS) 9. Sean Dillon (LIB DEM) 10. Linda Erskine (LAB) 11. Alycia Hayes (SNP) 12. Louise Kennedy-Dalby (SNP) 13. Kathleen Leslie (CONS) 14. Lynn Mowatt (SNP) 15. Sarah Neal (SNP) 16. Daniel Wilson (SNP)
Environment, Transportation & Climate Change Scrutiny Committee	<ol style="list-style-type: none"> 1. Tom Adams (LAB) 2. Naz Anis-Miah (SNP) 3. Aude Boubaker-Calder (LIB DEM) 4. Rod Cavanagh (SNP) 5. Al Clark (LIB DEM) 6. Graeme Downie (LAB) 7. Gavin Ellis (CONS) 8. David Graham (LAB) 9. Jean Hall-Muir (SNP) 10. Stefan Hoggan-Radu (SNP) 11. Andy Jackson (SNP) 12. Jane-Ann Liston (LIB DEM) 13. Derek Noble (LAB) 14. Nicola Patrick (SNP) 15. Darren Watt (CONS) 16. Daniel Wilson (SNP)
Finance, Economy & Corporate Services Scrutiny Committee	<ol style="list-style-type: none"> 1. Alie Bain (SNP) 2. Lynn Ballantyne-Wardlaw (SNP) 3. Auxi Barrera (SNP) 4. Ian Cameron (LAB) 5. Rod Cavanagh (SNP) 6. Eugene Clarke (LIB DEM) 7. Colin Davidson (LAB) 8. Sean Dillon (LIB DEM) 9. Graeme Downie (LAB) 10. Stefan Hoggan-Radu (SNP) 11. Allan Knox (LIB DEM) 12. Robin Lawson (CONS) 13. James Leslie (CONS) 14. Gordon Pryde (LAB) 15. Alistair Suttie (SNP) 16. Ann Verner (SNP)

People & Communities Scrutiny Committee

1. Blair Allan (SNP)
2. Ken Caldwell (SNP)
3. Alistair Cameron (LAB)
4. Alex Campbell (LAB)
5. Eugene Clarke (LIB DEM)
6. Brian Goodall (SNP)
7. Peter Gulline (CONS)
8. Allan Knox (LIB DEM)
9. Donald Lothian (LIB DEM)
10. Julie MacDougall (LAB)
11. Lynn Mowatt (SNP)
12. Bailey-Lee Robb (SNP)
13. Sam Steele (SNP)
14. Ann Verner (SNP)
15. Darren Watt (CONS)
16. Jan Wincott (LAB)

8th September, 2022

Agenda Item No. 5

Service Profiles

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

Wards Affected: N/A

Purpose

This report provides information for elected members on the roles and functions of the Council services that are most relevant to remit of the Scrutiny Committee

Recommendation(s)

It is recommended that members note the information provided on the aims and functions of these services and consider the key challenges listed as part of their scrutiny role.

Resource Implications

None

Legal & Risk Implications

There are no legal and risk implications.

Impact Assessment

An EqlA is not required as this report does not propose any changes to policies or services.

Consultation

Heads of service were consulted on the relevant profile.

1.0 Profiles

The attached service profiles provide a broad overview of the services relevant to the scrutiny committee. This includes a summary of the aims of the service and the key functions it undertakes. A key challenges sections provides information on significant change and major issues that should be considered as part of the scrutiny process.

APPENDICES.

Appendix 1. Service Overviews

REPORT CONTACTS:

Lindsay Thomson

Head of Legal & Democratic Services

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Service Overview – Assessor Service

14,726 entries on the Valuation Roll at 1st April 2022.

193,887 entries on the Council Tax Valuation List at 1st April 2022.

Total Rateable Value of £407,452,818 at 1st April 2022.

Service Aim

- To deliver Revaluation 2023.
- Producing a draft Revaluation 2023 Valuation Roll on 30th November 2022 and issuing draft valuation notices.
- To deliver Rating Reform.
- To dispose of Rating appeal work within the statutory deadlines.
- To progress appeal cases referred to the Lands Tribunal for Scotland.
- To dispose of Council Tax proposals and appeals within the statutory deadlines.
- To implement a new Service IT system by April 2023.
- To have the Service's property files digitised by Summer 2023.
- To support the transition of Valuation Appeal Committees to the Scottish Courts and Tribunals Service on the 1st January 2023.

Service Functions

- To deliver the statutory function of compiling and maintaining the Valuation Roll.
- To deliver the statutory function of compiling and maintaining the Council Tax Valuation List.

Key Challenges

- Delivering the notably increased workload introduced by the Non -Domestic Rates (S) Act 2020 and subsequent regulations.
- Delivering Revaluation 2023 with limited IT development resource.
- Progressing the significant number of Running Roll- Material Change of Circumstances appeals received on the basis of the Covid 19 pandemic.
- Delivering Portal Rented Property Lists for the subject properties laid out in the Non- Domestic Rates (Valuation Notices) (Scotland) Regulations 2022.
- Recruiting suitably qualified and experienced staff.

Service Overview – Business & Employability

603 new business start-ups supported in 2021-22, creating 778 new jobs

1,219 existing businesses helped to grow in 2021-22

1,455 people helped into employment in 2021-22

£106m in Covid-19 support grants paid out to Fife businesses in 2020-22

Service Aim

We aim to drive positive, sustainable change in Fife's economy over the short, medium and long term. We do this by developing long-term **Economic Policy** to grow Fife's economy, and by delivering **actions** to secure short and medium-term "wins". These actions include capital projects, inward investment support and sector initiatives. The service also manages Fife's Business Gateway contract, providing support to small and growing local businesses.

We seek to ensure that all of Fife's communities benefit from growth in the local economy. The Service delivers and commissions employability initiatives to help disadvantaged residents into jobs or improve their skills, with a particular focus young people and the long-term unemployed.

Our remit includes helping to regenerate Fife's built and natural heritage; working with others to find new uses for vacant and derelict land and buildings, delivering urban design projects, and leading the regeneration of Fife's town centres.

Service Functions

- **Economic Policy & Strategy**
- **Economic Intelligence**
- **Economic Development**
- **Support to New & Existing Businesses, including through Business Gateway Fife**
- **Business Property Services**
- **InvestFife** support for inward investment
- **Regional Collaboration, including Strategic Growth & City Region Deals**
- **Employability**
- **Matrix Fife Supported Business**
- **Tourism & Events**
- **Town Centre Development**
- **Property, Planning, Research & Information**
- **Securing key sources of funding, including from Scottish Government, national agencies, the UK Shared Prosperity Fund & UK Levelling Up Fund**

Key Challenges

- Global pressures on the UK economy, including inflation, particularly energy and materials costs, will continue to put significant pressures on businesses and the local economy following the economic impact of the Covid-19 pandemic and EU Exit, with a continued focus on Mid Fife.
- Supporting new business start-ups, business investment in innovation and research and development, with a particular focus on digital delivery, data driven innovation, and advanced manufacturing and construction processes.
- Supporting indigenous growth of businesses across a range of sectors, with investment in business infrastructure and regeneration. Assisting businesses to transition to Net Zero.
- Re-purposing and revitalising our key town centres.
- Providing employability support to those most disadvantaged and furthest from the labour market.
- Using a Community Wealth Building approach to increase local benefits from public sector procurement, encourage fair employment, and promote shared ownership.

Service Overview – Business Technology Solutions

Supporting 44,800 end-user devices, both at home locations, mobile/field-based and in over 475 Council networked sites

Project Order book of 116 current digital/ICT projects

Delivering for 20,500 Council user accounts and 50,000 pupils

331 Major Business Solutions supported

18,776 calls resolved in the last 12 months

Managing £9.5m in software, supplies and technology services

1000+ School software packages supported

Service Aim

We aim to ensure the Council successfully deploys and utilises technology solutions to support and improve Service delivery and improve the outcomes for Fife.

We have the following key roles:

- Ensuring systems are available, appropriately protected and updated.
- Ensure issues and incidents are quickly and effectively dealt with.
- Ensuring that technology investments and their benefits are maximised.
- Ensuring our use of technology is sustainable.
- Supporting Services in technology-enabled improvement.

Service Functions

- Infrastructure and device delivery and support
- Systems management and operations
- Delivery and support of Council-wide ICT platforms and solutions
- Delivery and co-ordination of ICT projects and major changes
- Analysis, design and systems architecture services
- Risk, Security and Assurance, including regulatory compliance and cyber security

Key Challenges

- Technology and ways of working changing increasingly rapidly – difficult to develop and maintain skills across all solutions.
- Technology investment shifting away from capital to “cloud-based” revenue services presenting funding challenges.
- Council adoption of technology still too fragmented and “specialist” leading to sustainability issues.
- Too many projects and investments initiated from a “solution first” approach, rather than conversations on the outcomes required or problems in scope.

- Too many projects initiated or pursued on the basis of “one-off funding” meaning that issues of sustainability and support are not addressed.
- Demand for delivery significantly outstripping in-house capacity to support.
- Difficulties in recruitment and retention caused by significant salary discrepancies in Local Government as compared to other private and public sectors.

Service Overview – Finance Service

Revenue
Expenditure £900m

Capital Expenditure
£163m

Pension Fund value
- £3.5bn

Pension Fund
members - 38000

External debt levels
£1bn

Financing costs
6.39%

Service Aim

We aim to provide a full, professional Finance service to the Council.

As well as providing a finance service, we also administer pensions on behalf of the Pension Fund

Service Functions

- Finance Business Partnering
- Finance Operations including statutory functions
- Income management
- Internal Audit
- Corporate Fraud
- Corporate Risk Management
- Insurance administration and claim handling
- Pensions including Administration, Governance and Investments

Key Challenges

- Increased demand for financial support from Directorates.
- Planning to react to significant financial challenges for the Council, brought about by the global economic situation, rapidly increasing inflation and uncertainty around the level of government funding.
- Age profile of the service.
- Availability of technical ICT Audit Resource is a current challenge. We need to ensure the structure, composition and skills base of the internal audit team adapts and can address ongoing challenges/developments especially around digital (including cyber security).
- Raising the profile of the Corporate Fraud Team both internally and externally.
- Increased level of governance and regulations associated with Pensions.
- Automation of processes to increase efficiency and effectiveness.
- Resilience of teams.
- Ensuring that services are working to, and aware of, the statutory requirements and tight timescales.

- Insurance Contracts tender is being undertaken in a hard and restricted local authority insurance market, creating difficulties obtaining affordable and suitable insurance cover, particularly property insurance.
- Supporting the delivery of the revised Risk Management Policy and Strategy, including defining the Council's risk appetite, improving risk management procedures, the Council's risk information system (Pentana) and developing a risk management e-learning package.
- Supporting Council Services to develop and maintain their operational risk registers.

Service Overview – HR Service

As at 1st April 2022
Headcount 17,471
Full Time Equivalent
(FTE) 15,354

As at 1st April 2022
Percentage Female;
73% Percentage
permanent; 61%

As at 1st April 2022
Turnover; 10% Gender
Pay Gap; 1.27%
Percentage females in
top 5% earners; 61%

Service Aim

The Human Resources Service has the following key roles:

- Provision of workforce policies and strategies to meet statutory employment and H&S requirements and to establish Fife Council as an employer of choice.
- Delivery of an operational HR advice and support service.
- Ensuring the availability of a safe and compliant recruitment approach.
- Delivery of a corporate and service-based workforce planning approach.
- Delivery of people-based recording tools and reporting systems.
- Management of the corporate consultation and negotiation framework with recognised trade unions.
- Provision of H&S expertise across the organisation.
- Delivery of a range of wellbeing interventions to support staff.
- Regularly review arrangements for pay & related terms and conditions.
- Deliver accessible learning and development frameworks.
- Develop essential digital skills for all.

Service Functions

These are arranged under 4 teams:

HR People Solutions & Systems

- Directorate business partnering
- Managing workforce change
- Case, helpline & project support
- Resourcing & systems

Health Safety and Wellbeing

- Council H&S and Attendance policy, procedure and monitoring
- Operational H&S
- Moving & Handling assessment and training
- Wellbeing & support

HR Policy & Reward

- Corporate employee relations
- Pay & grading including equal pay
- Statutory and regulatory framework and monitoring including Equalities
- Policy development & review

Workforce Strategy & Organisational Development

- Workforce Development & OD (corporate & business partnering)
- Workforce Development & OD (E&CS and HSCP)
- Digital skills & learning

- | | |
|---|--|
| <ul style="list-style-type: none">• Development and delivery of organisational development (OD) tools and approaches. | |
|---|--|

Challenges

- Driving culture change - primarily through the workforce strategy (OPM) and behavioural framework (HWWM).
- Responding to service demand for operational manager support, particularly in the management of absence, discipline and performance where there are also backlogs; as well as change management and increasing need for support with new approaches to recruitment advertising.
- Provision of a corporate approach to the management of absence and prioritising support to help deliver improvements in absence levels.
- Responding to increased service demand for operational manager support, particularly in relation to responsibilities linked to H&S support and with some backlogs exacerbated by Covid pressures.
- Preparing for the possibility of industrial action in relation to pay.
- Providing accurate and timely workforce information as work continues on the development of the Oracle HR system.
- Managing expectations around new ways of working.
- Addressing recruitment challenges and hard to recruit roles.
- Resource challenges and competing priorities across teams and workstreams with demand outstripping capacity.

Service Overview – Legal and Democratic Service

287,245 people on Fife's Electoral Register

89 Active Community councils covered by Scheme of Establishment

20 qualified Solicitors

Service Aim

The Legal & Democratic Service has the following key roles:

- Delivery of elections to the Electoral Commission performance standard.
- Maintenance of the Electoral Register for Fife.
- Delivery of the committee/ members and civic services and maintenance of the Council's code of corporate governance.
- Timely and accurate legal advice, representation and transactions.
- Ensuring corporate systems are in place to support compliance with data protection obligations.

Service Functions

- Legal advice and representation across litigation, planning, contracts, and property law
- Licensing (alcohol and civic) applications and policy
- Data protection advice
- Delivery of elections
- Electoral registration
- Committee services
- Member services
- Civic services
- Monitoring officer role

Key Challenges

- Preparing for, and delivering, a short notice electoral event such as a by-election or "snap" general election. The Returning Officer is accountable for this function.
- Preparing for the possibility of a second Independence Referendum given potential high level of turn-out.
- Implementing the changes introduced by the Elections Act 2022 including voter ID and postal voting changes.
- Supporting the new governance structure for Fife Council and delivering a training and development programme for members.
- Responding to service demand changes for legal advice and representation and conducting legal case work.
- Developing our strategy for legal services.
- Improving our licensing systems and process to ensure that they are fit for purpose and efficient.
- Responding to anticipated changes within data protection legislation following UK government consultation.

Service Overview – Planning

2,200 planning applications determined in 2021-22

79% customer service satisfaction

Achieving Service Gold level Carbon Literate

Temporary planning restrictions lifted to assist

Service Aim

(Italics denotes Aims relating to Environment, Transportation & Climate Change Scrutiny Committee).

We aim to help deliver the Plan4Fife outcomes through addressing the climate emergency, protecting and enhancing Fife’s environment, and sustainable change in Fife’s economy. Our remit largely includes **statutory functions**.

We do this by developing long-term **climate strategy**, and **land use strategy and policy**. This is **actioned** through *Addressing the Climate Emergency Action Plan*, the Local Development Plan, climate and built heritage projects, planning applications, strategic development growth areas, and a range of policy guidance to inform how places across Fife should change.

We seek to ensure that the **statutory functions** of the Service are delivered efficiently and effectively and have embedded learning from customer feedback to support continuous improvement. We maintain the **landuse strategy** through the **Local Development Plan** and seek to ensure a 5-year effective supply of housing land as well as an effective supply of employment land to meet the housing needs across Fife and create employment opportunities.

We determine approx. 2,200 applications annually, with 97% approved in 2021/22. We continue to develop and embed Place Leadership approaches.

The Service will work **collaboratively to help deliver climate and environmental projects**.

Service Functions

(Italics denotes functions relating to Environment, Transportation & Climate Change Scrutiny Committee).

- **Local Development Plan (the spatial expression of The Local Outcome Improvement Plan ‘Plan4Fife’)**
- *Sustainable Energy & Climate Action Plan ‘Climate Fife’*
- *Climate Change, including lead for Addressing the Climate Emergency theme of the Plan4Fife*
- *Local Heat & Energy Efficiency Strategy*
- *Climate Fife*
- **Development Management:**
 - **Major Development & Strategic Infrastructure**
 - **Environmental Impact Assessment screening and scoping**
 - **Priority Developments**
 - **Local and Minor applications**
 - **Transportation inc. Road Construction Consents**
 - **Planning appeals**
 - **Mineral planning**
 - **Planning Enforcement**
- **Built & Natural Heritage**
- **Archaeology & Urban Design**
- **Tree Protection**
- **Regional Collaboration, including Strategic Growth & City Region Deals**
- *Climate Literacy Training*
- *Climate Change Public Bodies Duty Reporting*
- *Zero Waste Fife strategy*
- *Fife Environmental Partnership*

	<ul style="list-style-type: none"> • National collaboration on national policy and legislation relating to planning, <i>climate change, and zero waste</i> • Securing key sources of funding, including from Scottish Government, national agencies, environmental organisations, the UK Shared Prosperity Fund & UK Levelling Up Fund.
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Key Challenges (*Italics denotes functions relating to Environment, Transportation & Climate Change Scrutiny Committee*).

- **Increase in planning applications and related activity throughout late 2020 through 2022. Additional staff resources currently being recruited.**
- **Supporting Fife’s economic recovery through Covid-19 pandemic.**
- **Demands created by Planning (Scotland) Act 2019; 49 new and unfunded duties.**
- **Delivering infrastructure, working with other Services identified in ESES City Region Deal and new schools to support growth.**
- **Review of National Planning Framework delayed through pandemic and impact on timescales to review Fife Local Development Plan.**
- **Local Place Plans – limited resource within Planning and Community Services to assist Community Groups seeking to prepare a place plan.**
- **Working collaboratively with other services to deliver on the Housing Infrastructure Fund allocation through South East Scotland City Region Deal for, and progressing delivery of, the strategic transport interventions at Dunfermline as part of strategic growth to ensure integrated delivery of infrastructure with new development consented.**
- **Progressing delivery solution for new Primary School at Wellwood, Dunfermline to facilitate development and unlock education capacity.**
- **Managing the number of planning applications and income, at the same time as an increase in the complexity of application assessment.**
- **Our staff are our most important asset, and we will continue to develop their knowledge, skills and experience, with a particular focus on growing our young workforce and supporting mental health and wellbeing. We have embedded hybrid working.**
- *Addressing the Climate Emergency actions and associated strategic risks if not delivered.*
- *Climate literacy – achieving Fife Council as a Bronze level Carbon Literate Organisation, Planning Service as a Gold.*

Service Overview – Revenue & Commercial Services

42% of our procurement spend is with Fife based businesses and recorded over £20m of financial benefits over last 3 years.

BMIU – 35 projects supported in last financial year

SSC over 61,000 enquiries answered by SSD, over 250,000 payroll payments made, over 4300 successful recruitments processed

Service Aim

Business Support

- To provide administrative support across the organisation in the most efficient and effective manner.

Procurement

- To ensure all regulated procurements are carried out legally and obtain best value for Fife Council whilst supporting major policy objectives such as Community Wealth Building, sustainable procurement, Fair Work First, Community Benefits, etc.

Business Management Innovation Unit

- Support change withing the directorate and across the organisation supporting the corporate change team.

Shared Service Centre -

- Ensure all staff are paid in an efficient and accurate manner (Payroll Services).
- Support recruitment across the organisation (Recruitment Services).
- Ensure suppliers are paid within contract terms and as quickly as possible (Accounts Payable).
- Act as first line support for all HR, Oracle and BTS enquiries

Service Functions

- Business Support
- Procurement
- Business Management Innovation Unit
- Shared Service Centre
- Oracle Cloud System
- Revenues

through operation of internal help desk.

Oracle Cloud

- Oversee the implementation of the system and transfer from project to business as usual. Champion the changes required to illicit most benefits from the investment in this product.

Revenues

- Oversee all policy development within Revenues Services including input into welfare reform changes and supporting vulnerable households and businesses

Key Challenges

- Working with limited and reducing resources across the service whilst demands for these services are increasing.
- Removing optionality regarding Shared Support Services and promote the uptake of self-service model across all Directorates.
- Working across support service to provide efficient back-office services and to modernise the way these services are delivered and overcome the resistance to doing things differently.
- Move internal customers to a self-service model.
- Working at a national level to ensure policy changes within Service Functions are implemented and are fit for purpose and benefit Fife Council and its residents and businesses.
- Cost of Living crisis both for employees of the service and our customers will result in increased demand for back-office services and Fife Council alike.

8th September, 2022

Agenda Item No. 6

LOCAL GOVERNMENT BENCHMARKING FRAMEWORK PERFORMANCE INDICATORS

Report by: Michael Enston, Executive Director, Communities Directorate

Wards Affected: N/A

Purpose

This report provides context for elected members on the Local Government Benchmarking Framework (LGBF), compiled by the Improvement Service, which will be a key element of service performance reporting.

Recommendation(s)

It is recommended that committee members note the context provided and the intention to use the Local Government Benchmarking Framework in future performance arrangements

Resource Implications

None

Legal & Risk Implications

There are no legal and risk implications.

Impact Assessment

An EqIA is not required as this report does not propose any changes to policies or services.

Consultation

Consultation is not required as the report does not propose a change to existing policies and practices.

1.0 Background

- 1.1 The Local Government Benchmarking Framework (LGBF) provides valuable comparisons with other local authorities across a range of indicators, including cost-based indicators. This includes trend-based insights as well as comparisons with other local authorities.
- 1.2 Each authority is allocated a family group of similar authorities based on factors such as deprivation and urban density so that each authority can compare its performance to that of similar authorities and seek performance improvement where appropriate.

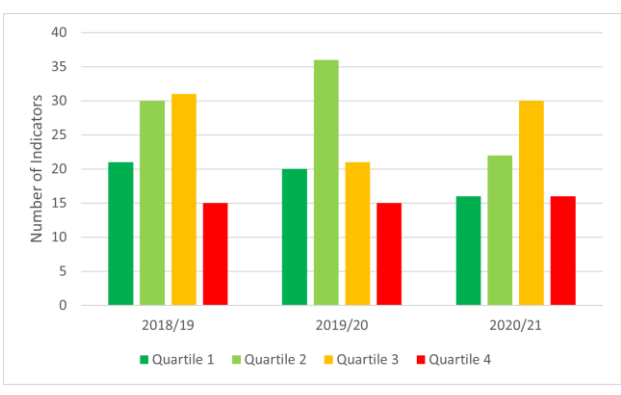
2.0 National Benchmarking Overview

- 2.1 The appended report (Appendix 1. National Benchmarking Overview Report 2020-21) provides some useful context and information about the LGBF.
- 2.2 As per Audit Scotland's SPI Guidance, members should be sighted on the LGBF Figures, and this report sets out data from 2020/21 and provides evidence on the impact of the first year of Covid-19 on local government services. Covid-19 has generated many new demands on local government service providers, and workforces have had to adapt quickly to meet these new demands, while maintaining essential services.
- 2.3 While the Covid-19 pandemic had a negative impact on communities and council services across Scotland, this impact was not felt equally across all areas, depending on an area's mix of demographics, levels of poverty and deprivation, and urban and rural makeup. The LGBF data highlights growing levels of poverty, financial hardship and inequalities, with the attainment gap widening for many primary school pupils, a fall in positive destinations for school leavers, increases in rent arrears and reductions in council tax payments, along with increasing numbers of benefit claimants.
- 2.4 The Local Government Benchmarking Framework (LGBF) report for 2020/21 was published in March 2022 and, out of the 75 indicators published, Fife has 13 indicators in the top quartile; nine which have moved up a quartile, and 19 which have moved down. For 15 of the indicators, Fife is in the bottom quartile (Table 1).

Fife currently has 53% of the indicators within the top two quartiles. However, it should be noted that 25 of the 102 indicators had no data collected in 2020/21. Some of these indicators related to customer satisfaction, data on schools, such as positive destinations and school attendance, and collection of this data was impacted by the Covid pandemic.

Table 1: Fife Indicators by Quartile

	2018/19	2019/20	2020/21
Quartile 1	21	20	16
Quartile 2	30	36	22
Quartile 3	31	21	30
Quartile 4	15	15	16
Publication Awaited			17
Total Number of Indicators where data has been supplied*	97	92	84



Distribution of Fife Indicators by quartile for the last 3 years (quartile 1 is the best performers)

* It should be noted that indicators have been added and removed from the suite annually, hence differences in the total indicators being published year on year.

3.0 Accessing the LGBF

- 3.1 The LGBF is published by the Improvement Service and the document is accessible directly from their website. It is a large document, therefore it is more appropriate to provide a link.

There are a range of data viewing tools and reports available from the LGBF homepage -

<https://www.improvementservice.org.uk/benchmarking/home>

While the report itself is accessible here -

https://www.improvementservice.org.uk/_data/assets/pdf_file/0/018/31338/Benchmarking-Overview-Report-2020-21-FINAL.pdf

4.0 Next Steps

- 4.1 The LGBF will be a key element of Fife Council's service performance reporting. Performance reporting templates are currently being developed and these will be presented to future committees.
- 4.2 The process for collecting these indicators is also being reviewed with the aim of providing more regular and timeous local results than those presented in the national report.

REPORT CONTACT:

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8th September, 2022
Agenda Item No. 7

2022/23 Revenue Monitoring Projected Outturn

Report by: Eileen Rowand, Executive Director, Finance and Corporate Services
Ken Gourlay, Executive Director, Enterprise & Environment

Wards Affected: All

Purpose

The purpose of this report is to give members an update on the projected outturn financial position for the 2022/23 financial year as at June, for the areas in scope of the Finance, Economy & Corporate Services Scrutiny Committee.

Recommendations

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

Resource Implications

None.

Legal & Risk Implications

There are no direct legal implications arising from this report.

Impact Assessment

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

Consultation

None.

1.0 Background

- 1.1 The report summarises the projected outturn position for 2022/23, 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

- 2.1 Projected Outturn
 - 2.1.1 The projected underspend for the areas falling under the scope of this committee is £0.497m. A summary of the 2022/23 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.

3.0 Major Variances

- 3.1 Planning underspend of £0.246m - The variance is due to part year vacancies and recruitment is ongoing to relieve pressure on the workforce of increased volume of Planning applications and related work.
- 3.2 Business & Employability underspend of £0.249m – The variance is mainly due to an underspend on Employability of £0.222m as a result of focussed delivery on short term externally funded projects.

4.0 Progress on Budget Savings

- 4.1 This section usually details revenue budget savings for the areas falling under the scope of the Finance, Economy and Corporate Services Scrutiny Committee, detailing achievements against the current year approved budget savings as at Quarter 1.
- 4.2 There are currently no service savings to manage within the financial year 2022/23.

5.0 Conclusions

- 5.1 The projected outturn position for the areas under the scope of the Finance, Economy and Corporate Services Scrutiny Committee is a net underspend of £0.497m (18.59%).

List of Appendices

- 1 Projected Outturn 2022/23 Summary

Background Papers

None

Report Contact

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BUDGET MONITORING REPORT SUMMARY				Appendix 1
2022-23				
FINANCE, ECONOMY & CORPORATE SERVICES				
	CURRENT BUDGET 2022-23 £m	FORECAST 2022-23 £m	FORECAST VARIANCE £m	FORECAST VARIANCE %
TOTAL COST OF SERVICES	19.438	18.941	(0.497)	-2.56%
LESS: CORPORATELY MANAGED ITEMS	9.117	9.117	0.000	0.00%
SERVICE MANAGED NET BUDGET	10.321	9.824	(0.497)	(0.000)
<u>ANALYSIS OF SERVICE MANAGED BUDGET</u>				
EE EXECUTIVE DIRECTOR	0.558	0.555	(0.002)	-0.40%
PLANNING	1.624	1.379	(0.246)	-15.12%
BUSINESS & EMPLOYABILITY SERVICE	8.139	7.890	(0.249)	-3.06%
	10.321	9.824	(0.497)	-18.59%

8th September, 2022

Agenda Item No. 8

2022/23 Capital Monitoring Projected Outturn

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

Ken Gourlay, Executive Director, Enterprise & Environment

Wards Affected: All

Purpose

The purpose of this report is to provide an update on the Capital Investment Plan and advise on the projected financial position for the 2022/23 financial year as at June, for the areas in scope of the Finance, Economy & Corporate Services Scrutiny Committee.

Recommendation(s)

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

Resource Implications

None.

Legal & Risk Implications

None.

Impact Assessment

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

Consultation

None.

1.0 Background

- 1.1 Based on current information, this report summarises the projected capital outturn for the areas falling under the scope of this Committee for 2022/23. At this stage projected expenditure is £9.093m, representing 98% of the approved capital programme for 2022/23.
- 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, along with any associated income.

2.0 Issues, Achievements & Financial Performance

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 There is a risk across the Capital Investment Plan that both the timing and the costs of projects continue to be adversely affected as a result of the current economic climate following the response to COVID-19, EU-Exit and current geo political risks in Europe. Throughout the programme issues are continuing to be identified in relation to the supply of construction materials which are resulting in delays to projects, which in turn could lead to increased slippage and increased costs. However, the overall future impact of this is difficult to predict with any degree of certainty and the projected outturn in this report for 2022-23 relate to projects that are currently in progress with contracts that are already agreed. That said, monitoring of the impact of any additional costs, impact on timescales and associated risks is ongoing. The known impact on timing of delivery of projects has been built in to the rephased plan and the overall scale of any additional costs or further delays will be kept under review in future reports and also through the upcoming review of the Capital Investment Plan.
- 2.1.3 COVID-19 restrictions have eased, however, there remains a risk that new variants emerge which could impact on project delivery in future years. These potential risks cover all aspects of the capital plan including both General Fund and the HRA.

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 – 2022/23 Projected Outturn

- 2.3.1 Appendix 2 provides a summary of the provisional outturn for each project for the financial year 2022/23. The appendix shows a projected outturn of £9.093m against a Capital Investment plan of £9.302m, a spending level of 98%.

2.3.2 Appendix 2 also provides a summary of the provisional outturn for each project for the financial year 2022/23 for capital income. The appendix shows a projected outturn of £4.754m against a capital income budget of £4.717m.

2.3.3 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.

2.4 Significant Variances

2.4.1 There are no projects with a variance of +/-£0.500m.

3.0 Conclusions

3.1 The total 2022/23 approved programme for the areas in scope of the Finance, Economy and Corporate Services Scrutiny Committee is £9.302m. The projected level of expenditure is £9.093m, which represents 98% of the total programme, resulting in slippage of £0.208m.

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

Report Contact

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FIFE COUNCIL
 FINANCE, ECONOMY AND CORPORATE SERVICES SCRUTINY COMMITTEE
 ENTERPRISE AND ENVIRONMENT
 CAPITAL INVESTMENT PLAN 2021-31
 TOTAL COST MONITOR - MAJOR CAPITAL PROJECTS

Project	Service	Original Approved Budget £m	Current Project Budget £m	Total Projected Outturn £m	Variance £m	Variance %	Current Project Status	Expected Project Completion Date
Fife Interchange Business Units - Phase 1 & 2	Inclusive Growth and Jobs	8.130	11.068	11.068	-	0.00%	Current Project	2024-25
John Smith Business Park Business Units	Inclusive Growth and Jobs	3.644	5.517	5.517	-	0.00%	Future Project	2026-27
Total Major Projects over £5.000m		11.774	16.585	16.585	-	0.00%		
Levenmouth Business Units - Phase 1	Inclusive Growth and Jobs	1.602	1.736	1.736	-	0.00%	Current Project	2023-24
Queensway Development Site	Inclusive Growth and Jobs	2.113	3.376	3.376	-	0.00%	Complete	2022-23
Dunnikier Business Units	Inclusive Growth and Jobs	2.140	2.268	2.268	-	0.00%	Complete	2022-23
Queensway Refurbishment	Inclusive Growth and Jobs	1.380	2.000	2.000	(0.000)	-0.01%	Current Project	2023-24
Fife Interchange North Site Servicing	Inclusive Growth and Jobs	3.046	1.453	1.453	-	0.00%	Current Project	2022-23
Levenmouth Business Units - Phase 2	Inclusive Growth and Jobs	2.898	4.310	4.310	-	0.00%	Current Project	2025-26
Dalgety Bay Business Units - Phase 2	Inclusive Growth and Jobs	2.853	4.410	4.410	-	0.00%	Current Project	2023-24
Kirkcaldy Esplanade Phase 2	Inclusive Growth and Jobs	1.500	1.843	1.843	-	0.00%	Current Project	2024.25
Total Major Projects over £1.000m		17.532	21.397	21.397	(0.000)	0.00%		
Total Major Projects		29.306	37.982	37.982	(0.000)	0.00%		

Expenditure	Current Budget £m	Actual to Date £m	Projected Outturn £m	Projected Variance £m	Projected Outturn as % of Plan
Regeneration - Town Centres	0.995	0.130	0.995	-	100%
Business Premises Refurbishment Programme	0.407	0.005	0.407	-	100%
Growing the Economy	1.250	0.049	1.250	-	100%
Place Based Investment Programme	1.540	-	1.540	-	100%
Vacant/Derelict Land	0.398	0.001	0.485	0.087	122%
Industrial Investment Programme	4.712	1.155	4.416	(0.296)	94%
TOTAL BUSINESS & EMPLOYABILITY SERVICES	9.302	1.340	9.093	(0.208)	98%
TOTAL EXPENDITURE	9.302	1.340	9.093	(0.208)	98%

Income	Current Budget £m	Actual to Date £m	Projected Outturn £m	Projected Variance £m	Projected Outturn as % of Plan
Regeneration - Town Centres	(0.382)	-	(0.382)	-	100%
Growing the Economy	-	0.150	-	-	0%
Place Based Investment Programme	(0.140)	(2.748)	(0.140)	-	0%
Industrial Investment Programme	(4.195)	0.001	(4.232)	(0.037)	101%
TOTAL BUSINESS & EMPLOYABILITY SERVICES	(4.717)	(2.597)	(4.754)	(0.037)	101%
TOTAL INCOME	(4.717)	(2.597)	(4.754)	(0.037)	101%

8th September 2022
Agenda Item No. 9

2022/23 Revenue Monitoring Projected Outturn – Finance and Corporate Services

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

Wards Affected: All

Purpose

The purpose of this report is to give members an update on the projected outturn financial position for 2022/23 for the Finance and Corporate Services Directorate.

Recommendations

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

Resource Implications

None.

Legal & Risk Implications

There are no direct legal implications arising from this report.

Impact Assessment

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

Consultation

None.

1.0 Background

The report summarises the projected outturn position for 2022/23, taking into account the actual expenditure incurred, and provides an explanation of the main budget variances at section 3.

2.0 Issues

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 £47.750m the position across all Services is a projected expenditure of £48.547m resulting in a projected net overspend of £0.797m (1.67%). This projected overspend includes COVID-19 financial pressures of £0.701m.

2.1.2 Also, within the Finance and Corporate Services Directorate, there is a net expenditure budget of £2.113m for Benefits & Council Tax and Miscellaneous Services, which is currently forecasting a net underspend of £0.969m (45.84%). 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.

3.0 Major Variances

3.1 Directorate position – Variance (£0.171) underspend

3.1.1 Directorate Service Managed position £0.797m overspend

Of the total projected overspend within the F&CS Directorate, £0.701m relates to the impact of COVID-19. Included in these COVID-19 pressures are estimated costs that relate to home and remote working and the workstyles project of £0.159m. The balance of this projected overspend is mainly due to additional staffing resources and delayed delivery of previously agreed savings and equates to £0.542m.

Within the service managed budget for the Finance and Corporate Services Directorate there is a net overspend of £0.096m. Business Technology Solutions (BTS) are projecting an overspend of £0.666m which is mainly due to the delayed delivery of previously agreed savings. There has been an increased demand on BTS and therefore a decision was made not to advance the planned reduction in staff. This was linked to the agreement of the new ICT Investment Strategy to allow new technology to be implemented across the Council. Actions are being taken at a Directorate level to address the financial impact of these delayed savings. Revenue and Commercial Services are projecting an underspend of (£0.542m) which mainly relates to staffing vacancies due to recruitment issues.

3.1.2 Housing Benefits (£0.969m) underspend

The underspend mainly relates to a projected reduction in Housing Benefit costs due to the incremental movement of benefit claimants nationally from Housing Benefits to Universal Credit.

4.0 Progress on Budget Savings

- 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. 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 There is one saving for Finance & Corporate Services which relates to Revenue & Commercial Services and is currently at green status (£0.040m).

5.0 Conclusions

- 5.1 The projected outturn position for the service managed budget within the Finance and Corporate Services Directorate is a net overspend of £0.797m (1.67%), which includes COVID-19 financial pressures of £0.701m. The projected outturn position for Benefits & Council Tax and Miscellaneous Services is a net underspend of £0.969m (45.84%).

List of Appendices

- 1 Projected Outturn 2022/23 - Detail
- 2 Approved 2022/23 Savings

Background Papers

None

Report Contact

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BUDGET MONITORING REPORT SUMMARY
2022-23
FINANCE, ECONOMY & CORPORATE SERVICES

Appendix 1

FINANCE AND COPORATE SERVICES	CURRENT BUDGET 2022-23 £m	FORECAST 2022- 23 £m	FORECAST VARIANCE £m	FORECAST VARIANCE %
TOTAL COST OF SERVICES	55.178	55.007	(0.171)	-0.31%
LESS: CORPORATELY MANAGED ITEMS	5.315	5.315	0.000	0.01%
SERVICE MANAGED NET BUDGET	49.863	49.691	(0.172)	(0.000)
<u>ANALYSIS OF SERVICE MANAGED BUDGET</u>				
FINANCE & CORPORATE SERVICES MANAGEMENT	1.080	1.222	0.141	13.08%
ASSESSORS SERVICE	1.758	1.779	0.021	1.21%
FINANCE	2.824	2.957	0.133	4.72%
AUDIT & RISK MANAGEMENT SERVICE	0.694	0.607	(0.087)	-12.50%
REVENUE & COMMERCIAL SERVICES	14.330	13.961	(0.369)	-2.58%
HUMAN RESOURCES	6.269	6.373	0.105	1.67%
BUSINESS TECHNOLOGY SOLUTIONS	15.995	16.755	0.760	4.75%
LEGAL & DEMOCRATIC SERVICES	4.800	4.893	0.093	1.94%
	47.750	48.547	0.797	1.67%
BENEFITS & COUNCIL TAX	1.986	1.018	(0.969)	-48.76%
MISCELLANEOUS SERVICES	0.127	0.127	0.000	0.00%
	2.113	1.144	(0.969)	-45.84%
FINANCE AND CORPORATE SERVICES	49.863	49.691	(0.171)	-0.34%

FIFE COUNCIL
TRACKING APPROVED 2022-23 SAVINGS
FINANCE & CORPORATE SERVICES
JUNE 2022

Area	Approved Budget Year	Savings Reference	Title of Savings Proposal	Savings Target £m	Forecast £m	(Under) / Over £m	Rag Status
Finance & Corporate Services	2021-24	2021-FC-04	Business Management Innovation Unit - Reduce Staff	0.040	0.040	0.00	Green
Grand Total				0.040	0.040	0.00	

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	Actual £m	(Under)/ Over £m
Green	0.040	0.040	0.000
Amber	0.000	0.000	0.000
Red	0.000	0.000	0.000
Total	0.040	0.040	0.000

8th September 2022
Agenda Item No. 10

2022/23 Capital Monitoring Projected Outturn – Finance and Corporate Services Directorate

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

Wards Affected: All

Purpose

The purpose of this report is to provide an update on the Capital Investment Plan and advise on the Projected financial position for the 2022/23 financial year for the Finance and Corporate Services Directorate.

Recommendation(s)

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

Resource Implications

None.

Legal & Risk Implications

None.

Impact Assessment

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

Consultation

None.

1.0 Background

- 1.1 Based on current information, this report summarises the Projected capital outturn for the Finance and Corporate Services Directorate for 2022/23. At this stage, it is forecast that expenditure will be £3.323m against a budget of £3.323m, representing 100% of the approved capital programme for 2022/23.
- 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

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 is a risk across the Capital Investment Plan that both the timing and the costs of projects continue to be adversely affected as a result of the current economic climate following the response to COVID-19, EU-Exit and current geo political risks in Europe. Throughout the programme issues are continuing to be identified in relation to the supply of construction materials which are resulting in delays to projects, which in turn could lead to increased slippage and increased costs. However, the overall future impact of this is difficult to predict with any degree of certainty and the projected outturn in this report for 2022-23 relate to projects that are currently in progress with contracts that are already agreed. That said, monitoring of the impact of any additional costs, impact on timescales and associated risks is ongoing. The known impact on timing of delivery of projects has been built in to the rephased plan and the overall scale of any additional costs or further delays will be kept under review in future reports and also through the upcoming review of the Capital Investment Plan.
- 2.2.2 COVID-19 restrictions have eased, however, there remains a risk that new variants emerge which could impact on project delivery in future years. These potential risks cover all aspects of the capital plan including both General Fund and the HRA.

2.3 Financial Performance – 2022/23 Projected Outturn

- 2.3.1 Appendix 2 provides a summary of the Projected outturn for each project for the financial year 2022/23.

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 There are no variances to report at this stage.

3.0 Conclusions

3.1 The total 2022/23 approved programme for the Finance and Corporate Services Directorate is £3.323m, with a forecasted level of expenditure of £3.323m.

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

Report Contact

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FIFE COUNCIL
 FINANCE, ECONOMY AND CORPORATE SERVICES SCRUTINY COMMITTEE
 FINANCE & CORPORATE SERVICES
 CAPITAL INVESTMENT PLAN 2021-31
 TOTAL COST MONITOR - MAJOR CAPITAL PROJECTS

Project	Service	Original Approved Budget £m	Current Project Budget £m	Total Projected Outturn £m	Variance £m	Variance %	Current Project Status	Expected Project Completion Date
Local Area Network	Maintaining Our Assets		7.308	7.308	-	0.00%	Current Project	2022-23
Total Major Projects over £5.000m		-	7.308	7.308	-	0.00%		
Windows 10 Roll Out	Maintaining Our Assets		2.829	2.829	-	0.00%	Current Project	2021-22
Total Major Projects over £1.000m		-	2.829	2.829	-	0.00%		
Total Major Projects		-	10.136	10.136	-	0.00%		

Expenditure	Current Budget £m	Actual to Date £m	Projected Outturn £m	Projected Variance £m	Projected Outturn as % of Plan
BTS Capital	2.000	0.279	2.000	-	100%
BTS Rolling Programme	1.323	0.051	1.323	-	100%
TOTAL FINANCE & CORPORATE SERVICES	3.323	0.331	3.323	-	100%
TOTAL EXPENDITURE	3.323	0.331	3.323	-	100%

Income	Current Budget £m	Actual to Date £m	Projected Outturn £m	Projected Variance £m	Projected Outturn as % of Plan
BTS Capital	-	-	-	-	0%
BTS Rolling Programme	-	-	-	-	0%
TOTAL FINANCE & CORPORATE SERVICES	-	-	-	-	0%
TOTAL INCOME	-	-	-	-	0%

8th September, 2022

Agenda Item No. 11

Workplan

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

Wards Affected: All

Purpose

This report supports the Committee's consideration of the workplan for future meetings of the Committee.

Recommendation(s)

It is recommended that the Committee review the workplan in accordance with the information and guidance provided in this covering report.

Resource Implications

Committee should consider the resource implication for Council staff of any request for future reports.

Legal & Risk Implications

Committee should consider seeking inclusion of future items on the workplan by prioritising those which have the biggest impact and those which seek to deal with the highest level of risk.

Impact Assessment

None required for this paper.

Consultation*

The purpose of the paper is to support the Committee's discussion so no consultation has been necessary.

1.0 Background

1.1 Workplan process

- 1.1.1 Each Scrutiny Committee will operate a workplan. The workplan will contain items which fall under three broad headings: performance reporting, planning and improvement work. At this early stage it is most likely that the workplan will contain only items relating to performance reporting and planning and that those items will have been brought forward by officers. These items will often relate to reactive scrutiny activity rather proactive. However, it must be recognised that there is a need for this type of scrutiny activity and indeed, for some items, there is a statutory requirement for reports to be prepared. The discussion on the workplan agenda item will be the chance for members to begin carry out the horizon scanning activity informed by the service profiles and to shape, as a committee, the agenda with future items of business it wishes to review in more detail.
- 1.1.2 The earlier agenda item on scrutiny indicated that a protocol will be developed to support the work of the scrutiny committees. This protocol will include the process for inclusion of items onto the workplan agenda. Members who attended the training will also have seen the draft guidance for scrutiny committees on factors to consider for future meetings. The guidance recommends that the committee are selective in the topics they review to ensure sufficient time and consideration can be given to each item. It is recommended that the process the committee adopt is to raise the proposed topic for inclusion with the Convenor in advance of the meeting, or, if this is not possible, during discussion at the committee. The Convenor will then seek advice from the Lead Officer and a revised workplan will be brought back to the next cycle of the Committee. At the time of writing the Convenor has received requests for further scrutiny of procurement, reserves and energy costs and purchasing. These will need some further shaping to ensure that the remit of the scrutiny activity is not too broad. In addition, the Committee should consider and determine its approach to budget scrutiny.

2.0 Conclusions

- 2.1 The current workplan is included as Appendix one and should be reviewed by the committee in light of the information and guidance provided by this paper.

List of Appendices

1. Workplan

Background Papers

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act, 1973:-

None

Report Contact

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Finance, Economy and Corporate Services Scrutiny Committee of 3 November 2022			
Title	Service(s)	Contact(s)	Comments
Business Gateway Fife Annual Performance 2021-22 – Business and Employability –	Economy, Planning and Employability	Pamela Stevenson	annual report last presented to ETSP&T Nov 21 -
Fife Industrial Innovation programme Annual Report (Edinburgh South East Scotland City Region Deal)	Business and Employability	Morag Millar, Gordon Mole	From Policy & Co-ordination Committee.
Finance and Corporate Services Performance Report	Finance and Corporate Services	Eileen Rowand	Annual
Health and Safety Annual Report	Human Resources	Sharon McKenzie	
Revenue Monitoring Report	Finance and Corporate Services	Jackie Johnstone, Donna Grieve, Ashleigh Allan	
Capital Monitoring Report	Finance and Corporate Services	Jackie Johnstone, Donna Grieve	

Finance, Economy and Corporate Services Scrutiny Committee of 26 January 2023			
Title	Service(s)	Contact(s)	Comments
Planning Performance Framework (2021-2022): Ministers Feedback – Planning - - annual report – last presented to ETSP&T March 22 –	Planning	Pam Ewen	Annual report – last presented to ETSP&T March 22 -
Revenue Monitoring Report	Finance and Corporate Services	Jackie Johnstone, Donna Grieve	
Capital Monitoring Report	Finance and Corporate Services	Jackie Johnstone, Donna Grieve, Ashleigh Allan	

Finance, Economy and Corporate Services Scrutiny Committee of 30 March 2023			
Title	Service(s)	Contact(s)	Comments
Revenue Monitoring Report	Finance and Corporate Services		
Capital Monitoring Report	Finance and Corporate Services	Jackie Johnstone, Donna Grieve, Ashleigh Allan	

Finance, Economy and Corporate Services Scrutiny Committee of 15 June 2023			
Title	Service(s)	Contact(s)	Comments
Revenue Monitoring Report	Finance and Corporate Services	Jackie Johnstone, Ashleigh Allan, Donna Grieve	
Capital Monitoring Report	Finance and Corporate Services	Jackie Johnstone, Donna Grieve, Ashleigh Allan	

Unallocated			
Title	Service(s)	Contact(s)	Comments
Digital Progress in Local Government - Update on Fife Position	Business Technology Solutions	Charlie Anderson	Update report - c/f from Environment, Finance and Communities Scrutiny
Tayside City Region Deal		Ken Gourlay	Update report for Committee when available.