

Cabinet Committee

Committee Room 2, Fife House, North Street, Glenrothes /
Blended Meeting



Thursday, 30 November 2023 - 10.00 am

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 in particular items on the agenda and the nature of the interest(s) at this stage.
3. **MINUTES**
 - (i) Cabinet Committee of 2 November 2023. 4 – 11
 - (ii) Minute of Appeals Sub-Committee of 6 November 2023. 12
4. **LOCAL HEAT AND ENERGY EFFICIENCY STRATEGY** – Report by the Head of Planning Services. 13 – 105
5. **HOUSING REVENUE ACCOUNT (HRA) CONSULTATIVE BUDGET 2024-25** – Joint report by the Head of Housing Services and the Head of Finance. 106 – 114
6. **STRATEGIC HOUSING INVESTMENT PLAN 2024-2029** – Report by the Head of Housing Services. 115 – 169
7. **COST OF LIVING CRISIS - HOUSEHOLD SUPPORT** – Report by the Executive Director (Communities). 170 – 175
8. **CHANGE PLANNING AND ORGANISATION CHANGE** – Report by the Executive Director (Communities). 176 – 242
9. **CHIEF OFFICER - RECRUITMENT - ORGANISATIONAL CHANGE** – Report by the Head of Human Resources. 243 – 245
10. **TEMPLEHALL COMMUNITY HUB - NEW BUILD PROJECT** – Report by the Head of Communities and Neighbourhoods Service. 246 – 265
11. **COMMUNITY ASSET TRANSFER APPLICATION BY WORMIT BOATING CLUB** – Joint report by the Head of Property Services and the Head of Communities and Neighbourhoods Service. 266 – 276
12. **FIFE'S AIR QUALITY STRATEGY 2021-2025 - REVOCATION OF BONNYGATE, CUPAR AND APPIN CRESCENT, DUNFERMLINE AIR QUALITY MANAGEMENT AREAS** – Report by the Head of Protective Services. 277 - 286
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13. LOCAL TRANSPORT STRATEGY FOR FIFE – Report by the Head of Roads and Transportation Services.	287 – 335
14. TREASURY MANAGEMENT ANNUAL REPORT 2022-23 AND UPDATE 2023-24 – Report by the Executive Director (Finance and Corporate Services).	336 – 350
15. PAY AWARD AND REAL LIVING WAGE – Report by the Head of Human Resources.	351 – 354

The Committee is asked to resolve, under Section 50(a)(4) of the Local Government (Scotland) Act 1973, as amended, to exclude the public and press from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraphs 11 and 12 of Part 1 of schedule 7A of the Act.

16. PAY STRATEGY AND JOB EVALUATION (PRIVATE REPORT) – Report by the Head of Human Resources.	355 - 359
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Members are reminded that should they have queries on the detail of a report they should, where possible, contact the report authors in advance of the meeting to seek clarification.

Lindsay Thomson
Head of Legal and Democratic Services
Finance and Corporate Services
Fife House
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23 November 2023

If telephoning, please ask for:
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BLENDED MEETING NOTICE

This is a formal meeting of the Committee and the required standards of behaviour and discussion are the same as in a face to face meeting. Unless otherwise agreed, Standing Orders will apply to the proceedings and the terms of the Councillors' Code of Conduct will apply in the normal way

For those members who have joined the meeting remotely, if they need to leave the meeting for any reason, they should use the Meeting Chat to advise of this. If a member loses their connection during the meeting, they should make every effort to rejoin the meeting but, if this is not possible, the Committee Officer will note their absence for the remainder of the meeting. If a member must leave the meeting due to a declaration of interest, they should remain out of the meeting until invited back in by the Committee Officer.

If a member wishes to ask a question, speak on any item or move a motion or amendment, they should indicate this by raising their hand at the appropriate time and will then be invited to speak. Those joining remotely should use the "Raise hand" function in Teams.

All decisions taken during this meeting, will be done so by means of a Roll Call vote.

Where items are for noting or where there has been no dissent or contrary view expressed during any debate, either verbally or by the member indicating they wish to speak, the Convener will assume the matter has been agreed.

There will be a short break in proceedings after approximately 90 minutes.

Members joining remotely are reminded to have cameras switched on during meetings and mute microphones when not speaking. During any breaks or adjournments please switch cameras off.

THE FIFE COUNCIL - CABINET COMMITTEE – BLENDED MEETING

Committee Room 2, Fife House, North Street, Glenrothes

2 November 2023

10.00 am – 2.35 pm

PRESENT: Councillors David Ross (Convener), David Alexander, Lesley Backhouse, David Barratt, John Beare, James Calder, Fiona Corps, Altany Craik, Graeme Downie, Linda Erskine, Derek Glen, Brian Goodall (substituting for Councillor Craig Walker), Peter Gulline, Judy Hamilton, Cara Hilton, Gary Holt, Kathleen Leslie (substituting for Councillor Dave Dempsey), Rosemary Liewald, Carol Lindsay, David Ross, Jonny Tepp, Ross Vettrano and Jan Wincott.

ATTENDING: Ken Gourlay, Chief Executive; Eileen Rowand, Executive Director (Finance and Corporate Services), Elaine Muir, Head of Finance, Lindsay Thomson, Head of Legal and Democratic Services, Helena Couperwhite, Democratic Services Manager and Michelle McDermott, Committee Officer, Legal and Democratic Services, Finance and Corporate Services; Pam Ewen, Head of Planning, Bill Lindsay, Service Manager and Shona Cargill, Lead Officer (Climate Change and Zero Waste, Planning Service); Alan Paul, Head of Property Services and Michael O’Gorman, Service Manager (Estates), Property Services; Shelagh McLean, Head of Education and Children’s Services, Avril Graham, Team Manager, Gavin Waterston, Quality Improvement Officer and Pamela Colburn, Quality Improvement Officer, Education and Children’s Services; John Mills, Head of Housing Services and Paul Short, Service Manager, Housing Service; Fiona McKay, Head of Strategic Planning, Performance and Commissioning and Viv Smith, Change Programme Manager, Health and Social Care.

APOLOGIES FOR ABSENCE: Councillors Dave Dempsey and Craig Walker.

On behalf of the Committee, the Convener wished to pay tribute to all those involved in dealing with the recent fire in Lochgelly and all also to those involved with the flooding issues due to the recent adverse weather and thanked them for their hard work and efforts.

161. DECLARATIONS OF INTEREST

No declarations of interest were submitted in terms of Standing Order No. 22.

162. MINUTES

- (i) Minute of the Cabinet Committee of 5 October 2023.

Decision

The committee agreed to approve the minute.

(ii) The following minutes were submitted for noting:-

Education Appointment Committee of 2 and 6 October 2023.

Decision

The minutes were noted.

163. REVENUE MONITORING 2023-24

The committee considered a report by the Executive Director (Finance and Corporate Services) providing a strategic overview of Fife Council's finances and reporting the current forecast position for 2023-24.

Motion

Councillor David Alexander, seconded by Councillor Brian Goodall, moved the recommendations contained in the report.

Amendment

Councillor David Ross, seconded by Councillor Altany Craik, moved the following:-

"Add recommendation 6:-

Note the forecast balances position set out in Appendix 5 and the financial risks and challenges for the medium and longer-term referenced in the report and the recent announcement by the First Minister regarding proposals for a council tax freeze and therefore:-

1. note that, following the council tax freeze announcement, public consultation on budget proposals will be taken forward as required in advance of setting the 2024/25 budget; and
2. agree to ask the Leader of the Council to write to the Scottish Government expressing the Council's anger and extreme disappointment at both the substance and the way in which this announcement was made by the First Minister with no prior discussion with local government, flying in the face of the recently signed Verity House Agreement and insisting that full funding for a council tax freeze should be in the context of the overall local government settlement which should allow councils to protect their local services and provide funding to cover inflation and a fair pay rise for local government workers."

Roll Call Vote

For the motion – 9 votes

Councillors David Alexander, Lesley Backhouse, David Barratt, John Beare, Derek Glen, Brian Goodall, Rosmeary Liewald, Carol Lindsay and Ross Vettrains.

For the Amendment – 13 votes

Councillors James Calder, Fiona Corps, Altany Craik, Graeme Downie, Linda Erskine, Peter Gulline, Judy Hamilton, Cara Hilton, Gary Holt, Kathleen Leslie, David Ross, Jonny Tepp and Jan Wincott.

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Having received a majority of votes, the amendment was accordingly carried.

Decision

The committee:-

- (1) noted the high-level financial position as detailed in the report;
- (2) noted that there were ongoing financial impacts arising from the current economic climate which continue to be managed by services with an element of protection from inflationary risk being accounted for centrally;
- (3) instructed services to mitigate overspends as far as possible and ensure strong financial management;
- (4) noted that detailed monitoring reports would be submitted to the relevant scrutiny committees;
- (5) requested that scrutiny committees ensure appropriate level of support and challenge in relation to financial reports; and
- (6) noted the forecast balances position set out in Appendix 5 and the financial risks and challenges for the medium and longer-term referenced in the report and the recent announcement by the First Minister regarding proposals for a council tax freeze and therefore:-
 - (i) noted that, following the council tax freeze announcement, public consultation on budget proposals would be taken forward as required in advance of setting the 2024/25 budget; and
 - (ii) agreed that the Leader of the Council would write to the Scottish Government expressing the council's anger and extreme disappointment at both the substance and the way in which this announcement was made by the First Minister with no prior discussion with local government, flying in the face of the recently signed Verity House Agreement and insisting that full funding for a council tax freeze should be in the context of the overall local government settlement which should allow councils to protect their local services and provide funding to cover inflation and a fair pay rise for local government workers.

164. CAPITAL INVESTMENT PLAN UPDATE 2023-24

The committee considered a report by the Executive Director (Finance and Corporate Services) providing a strategic financial overview of the Capital Investment Plan and advising on the provisional outturn for the 2023-24 financial year.

Decision

The committee noted:-

- (1) the projected outturn position and that the level of financial risk continued to be heightened due to high levels of inflation and supply chain challenges;

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- (2) that more detailed capital outturn reports for 2023-24 would be submitted to relevant scrutiny committees of the council;
- (3) that budget variances would be managed by the appropriate Directorate in conjunction with the Investment Strategy Group; and
- (4) the updated prudential indicators provided and that these would be reported on a quarterly basis.

165. FIFE DEVELOPMENT PLAN SCHEME 13

The committee considered a report by the Head of Planning Services seeking approval of the Fife Development Plan Scheme, thirteenth edition for publication.

Decision

The committee:-

- (1) approved, for adoption, the 2023 Fife Development Plan Scheme (thirteenth edition) for publication, deposit and copying to Scottish Ministers (Appendix 1); and
- (2) delegated non-substantive edits to the Head of Planning.

The meeting adjourned at 11.25 am and reconvened at 11.40 am.

166. CLIMATE CHANGE - PUBLIC BODIES DUTIES REPORT

The committee considered a report by the Head of Planning seeking approval of the Council's annual submission of Fife Council's 'Public Bodies (Climate Change) Duties Report' for financial year 2022-23.

Decision

The committee:-

- (1) approved the draft Public Bodies Duties Report appended to the report and instructed officers to submit to the Scottish Government by 30 November 2023; and
- (2) noted the refresh of the Delivery Plan for Climate Fife would be presented to Cabinet Committee on 30 November 2023.

167. ROTHESAY HOUSE, GLENROTHES

The committee considered a report by the Head of Property Services outlining proposals to demolish Rothesay House.

Decision

The committee:-

- (1) considered the proposals outlined;
- (2) noted that approval of the recommendation would reduce revenue costs and have the potential to support economic recovery through future redevelopment of the cleared site, potentially increasing access to housing and assist with community wealth building thus providing benefits across several key Plan for Fife themes; and

- (3) authorised the Head of Property Services to arrange for the demolition of the property.

168. SCHOOL TERM AND HOLIDAY DATES 2025/26, 2026/27 AND 2027/28

The committee considered a report by the Head of Education and Children's Services outlining the proposed schedule of terms, holidays and in-service training days for school sessions 2025/26, 2026/27 and 2027/28.

Decision

The committee approved the schedules recommended for school terms, holidays and in-service training days as detailed in Appendices 2, 3 and 4 of the report.

169. ANTIBULLYING POLICY

The committee considered a report by the Head of Education and Children's Services presenting the revised Anti-bullying Policy for the Education and Children's Services Directorate and seeking comment on the content and amendments to the Policy which had been developed via the Relationships and Behaviour Strategy group.

The meeting adjourned at 1.05 pm and reconvened at 1.40 pm.

Decision

The committee:-

- (1) noted the work carried out in relation to the development of the policy;
- (2) approved the content of the Anti-bullying policy;
- (3) authorised officers to make such amendments to the Policy as may be necessary;
- (4) agreed to implementation of the approved final policy across all educational establishments;
- (5) agreed to formally review the policy in August 2024 to ensure that it remained current and that a report be brought back to the Cabinet Committee in November 2024 and that a progress report be brought back to the appropriate committee in six month's time; and
- (6) agreed to establish a Working Group – as per the guidance in Appendix 3 of the Anti-Bullying Policy – to review and improve the draft policy with a view to ensuring:-
 - (i) it included more explicit and comprehensive anti-racism training for all teaching and education support staff across Fife, incorporating the National Anti-Racism Framework for ITE launched nationally in July 2023;
 - (ii) it explicitly supported and kept The Promise, adopted in February 2020 by the Scottish Government, in order to better equip teachers and Education Support staff to support care-experienced young people; and
 - (iii) effective consultation with both Parent Councils and pupil representative bodies on the draft policy was carried out and taken into account.

Councillor Carol Lindsay left the meeting on conclusion of the above item.

170. MOBILE TECHNOLOGIES AND ELECTRONIC MEDIA POLICY FOR FIFE EDUCATIONAL ESTABLISHMENTS

The committee considered a report by the Head of Education and Children's Services presenting the revised Mobile Technologies and Electronic Media Policy for the Education and Children's Services Directorate which had been developed via the Relationships and Behaviour working group and the Education Child Protection Strategic Oversight Group.

Motion

Councillor David Ross, seconded by Councillor Cara Hilton, moved the recommendations contained in the report.

Amendment

Councillor Derek Glen, seconded by Councillor David Barratt, moved as follows:-

"That the recommendations contained in the report not be accepted, requested that further work be undertaken on the Mobile Technologies and Electronic Media Policy and that a further report be brought back to the Cabinet Committee in due course".

Roll Call Vote

For the Motion – 13 votes

Councillors James Calder, Fiona Corps, Altany Craik, Graeme Downie, Linda Erskine, Peter Gulline, Judy Hamilton, Cara Hilton, Gary Holt, Kathleen Leslie, David Ross, Jonny Tepp and Jan Wincott.

For the Amendment – 8 votes

Councillors David Alexander, Lesley Backhouse, David Barratt, John Beare, Derek Glen, Brian Goodall, Rosemary Liewald and Ross Vettraino.

Having received a majority of votes, the motion was accordingly carried.

Decision

The committee:-

- (1) noted the work carried out in relation to the development of the policy;
- (2) approved the content of the Mobile Technologies and Electronic Media Policy;
- (3) authorised officers to make such non-substantive amendments to the policy as may be necessary;
- (4) agreed to implementation of the approved final policy across all educational establishments;

- (5) agreed to a review of the policy in August 2024 to ensure that it remained current; and
- (6) agreed that the Head of Education and Children's Services consult with Councillors on the format and language contained in the Policy prior to it being formally issued.

171. FIFE YOUNG PEOPLE HEALTH AND WELLBEING SURVEY - RESULTS

The committee considered a report by the Head of Education and Children's Service informing on the results of the Fife Young People's Health and Wellbeing Survey carried out in March 2023.

Decision

The committee:-

- (1) noted and commented on the survey results as provided through the Fife Young People's Health and Wellbeing Survey; and
- (2) endorsed the next steps outlined in response to the survey results and agreed that reports be submitted to Area Committees in due course.

Councillor Ross Vettraino left the meeting during consideration of the above item and Councillor Rosemary Liewald left the meeting following consideration of the above item.

172. CUPAR CARE VILLAGE - UPDATE

The committee considered a joint report by the Director of Health and Social Care and the Head of Housing Services providing an update on the revised costs and timescales for the work towards delivering the Cupar Care Village on the site of the former Dalgairn Centre at Bank Street, Cupar.

Decision

The committee:-

- (1) noted the content of the report, including the revised timescales and increase in costs of £2.137m; and
- (2) agreed the revised business case.

173. HOUSING DOMESTIC ABUSE POLICY

The committee considered a report by the Head of Housing Services seeking approval for the new Domestic and Sexual Abuse Policy. The policy had been to the Domestic Abuse Intervention Board, chaired by Councillor Hamilton, and was recommended to move forward to the Cabinet Committee for discussion and approval.

Decision

The committee:-

- (1) noted the new Domestic and Sexual Abuse Policy; and

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- (2) agreed the Domestic and Sexual Abuse Policy and that a report be brought back to the Cabinet Committee in a year's time.

Councillor Graeme Downie left the meeting during consideration of the above item.

THE FIFE COUNCIL - APPEALS SUB-COMMITTEE – REMOTE MEETING

06 November, 2023

2.00pm – 5.30pm

PRESENT: Councillors Derek Glen (Convener), David Alexander and Alycia Hayes.

ATTENDING: Jacqui Cameron, Service Manager - Human Resources Service and Alison Higgins, Solicitor, Litigation & Advice, Legal and Democratic Services.

Representing the Authority - Shelagh McLean, Head of Education & Children's Services (Early Years and Directorate Support), Education and Children's Services and Kirsty McElroy, HR Business Partner Human Resources Service.

Representing the Appellant – Selina Graham, EIS Area Officer, Trade Union Representative and the Appellant.

5. EDUCATION & CHILDREN SERVICES - DISMISSAL APPEAL

The Sub-Committee, under Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 1 of Part 1 of Schedule 7A to the Act.

The Sub-Committee considered the written submissions by both parties and also heard both parties' oral representations, following which the Authority's representatives and the appellant and their representative withdrew from the meeting.

Decision

The Sub-Committee agreed that the grounds of the appeal had not been substantiated, and therefore the appeal was not upheld.

Local Heat and Energy Efficiency Strategy

Report by: Pam Ewen, Head of Planning Services

Wards Affected: All

Purpose

The purpose of this report is to seek approval of the first Local Heat and Energy Efficiency Strategy and high-level delivery plan as required under [The Local Heat & Energy Efficiency Strategies \(Scotland\) Order 2022](#).

Recommendation(s)

Members are requested to:

1. approve the Local Heat & Energy Efficiency Strategy (as set out in Appendix 1) and high-level Delivery Plan (Appendix 2) and publish; and
2. note the detailed Delivery Plan will be reported to Cabinet by March 2025.

Resource Implications

The council has been provided funding from Scottish Government for the development and supporting implementation of a Local Heat & Energy Efficiency Strategy. Funding from 2021/22 to the current year is £0.218m, with a further £0.075m being provided annually from 2024/25 to 2027/28. Existing staff resources have and will also be required to support this.

Implementing the strategy will be financially challenging without significant funding from the Scottish Government. Further work is required to define more detailed actions and the role which the Council could have in these actions, but without Scottish Government funding the Council's actions could be limited. Any new related Council projects would be subject to a business case and further approval.

Legal & Risk Implications

The Local Heat & Energy Efficiency Strategies (Scotland) Order 2022 came into force on 21 May 2022. This places a statutory duty on local authorities to: prepare, publish and update a Local Heat and Energy Efficiency Strategy and Delivery Plan; and publish the first of these on or before 31 December 2023. An updated strategy and delivery plan must be published at intervals of no more than five years after the date of publication of the previous documents. The accompanying [guidance](#) specifies these should be published on the local authority's website. An updated strategy and delivery plan must be published at intervals of no more than five years after the date of publication of the previous documents.

Local Heat & Energy Efficiency Strategies support other council responsibilities, including the Local Development Plan; Energy Efficiency in Social Housing 2 plan; and [Heat Network \(Scotland\) Act 2021](#) duties. It will help the council meet its duties under the [Climate Change \(Scotland\) Act 2009](#) and the [Climate Change \(Emissions Reduction Targets\) \(Scotland\) Act 2019](#) 2045 Net Zero target, and help tackle the climate emergency.

Specific risks and challenges for the retrofit and decarbonised heating transition are considered in the strategy. This states actions will only be recommended where there is a high certainty of success and positive impacts for Fife communities.

Impact Assessment

A Strategic Environmental Assessment was screened out. It was determined under Schedule 2 of [Environmental Assessment \(Scotland\) Act 2005](#) there are unlikely to be any significant environmental effects. This is due to some impacts already being known as they relate to existing commitments in national strategies which have previously been subject to Strategic Environmental Assessment. In addition, this first iteration will not present detailed proposals. Therefore, it will not have a sufficient level of granularity to differentiate it from existing Strategic Environmental Assessments. Future building level actions may be subject to planning and other consenting regimes. The screening determination letter is available [here](#).

An Equalities Impact Assessment template was completed and approved. This determined there is likely to be no impact on any of the equality groups and/or businesses. Any identified actions will not single out specific groups/business sectors, rather they will focus on improving all buildings across Fife. The equality impact assessment can be found [here](#).

A [Fife Environmental Assessment Tool](#) was completed with a range of beneficial impacts, no impact, and one mixed impact for the criteria identified.

Consultation

Multiple stakeholders have been consulted with during development of the Local Heat & Energy Efficiency Strategy. Consultation with Fife Council officers across directorates has been undertaken.

Meetings and workshops with key officers and teams also occurred throughout. Additional engagement also took place with Legal Services; Data Protection Team; Communications and Customer Insight; and Procurement.

External stakeholders include national bodies; energy and utility providers; registered social landlords; developers; public and third sector partners; skill and supply chain development sector; and retrofit experts. A full list of stakeholders is set out in Appendix 2, section 2, page 4.

A six-week public engagement exercise occurred between 18th September and 29th October 2023. This took the form of an online survey, public information session, and presentations at stakeholder forums. The public engagement was advertised via local press; social media; and stakeholder networks. A summary of responses is presented in Appendix 3.

1.0 Background

- 1.1 All councils have a statutory duty to prepare and publish a Local Heat and Energy Efficiency Strategy by 31 December 2023. This report is to approve Fife Council's Local Heat & Energy Efficiency Strategy. It details a vision and priorities (see 1.4 below) for improving the energy efficiency of buildings and switching to climate change friendly heating systems. This will help Fife and Scotland tackle the climate emergency, reduce greenhouse gas emissions, and help meet net zero.

Scottish Government defines these strategies as being at the heart of a place based, locally led, and tailored approach to the heat transition.

2.0 Issues and Options

- 2.1 Members are being asked to approve the Local Heat & Energy Efficiency Strategy and high-level delivery plan for publication on Fife Council's website by 31 December 2023. Publication of the strategy and delivery plan is a requirement of the Local Heat & Energy Efficiency Strategies (Scotland) Order 2022.

- 2.2 The documents to approve for publication are:

- **Local Heat & Energy Efficiency Strategy (Appendix 1)** – details Fife's long-term vision and priorities for improving energy efficiency of buildings and decarbonising their heat sources.
- **Local Heat & Energy Efficiency Strategy Delivery Plan and Appendices (Appendix 2)** – contains a high-level delivery plan, and details next steps to develop the detailed 5-year plan, as well as appendices for the main strategy document.
- **Local Heat & Energy Efficiency Strategy Public Engagement Report (Appendix 3)** – a summary of key findings from the public engagement exercise.

Local Heat & Energy Efficiency Strategy

- 2.3 Fife's strategy (Appendix 1) was produced to be a long-term and flexible document, with an iterative delivery plan. This is to ensure improvements to technology and modelling can be incorporated at a later date. The strategy also includes:

- The national and local policy influencing the document.
- Opportunities for Fife including the chance to lower energy bills; internalise spend to build community wealth; green jobs and skills; and utilising waste heat.
- Key challenges which need to be considered when recommended energy efficiency/heat decarbonisation measures. It was agreed measures will only be included where they are most likely to be possible, minimising potential damage to buildings, rising energy costs, or fuel poverty.
- Baseline information for domestic and non-domestic properties, and initial opportunities for prioritisation of areas (strategic zones) – available via a [web-map](#).
- Opportunities for areas where potential district heat networks could offer a solution – available via a [web-map](#).

- 2.4 The high-level delivery plan (Appendix 2) includes actions to take forward in the detailed delivery plan, and the process for identifying these. The detailed delivery plan will be reported to Cabinet by March 2025. It will include specific opportunities for buildings/areas where energy efficiency measures and other decarbonised heating systems would be appropriate, and timescales, delivery partners and indicators.

Vision and Priorities

- 2.5 The vision is to: Provide a focus for Fife to improve the energy efficiency and decarbonise heat sources of buildings in a climate friendly, ready, and just manner to meet targets.
- 2.6 The strategy has eight priorities. They help ensure the strategy improves energy efficiency, decarbonises heat, and accounts for other important considerations.
1. Being Climate Friendly and Ready
 2. Tackling Fuel Poverty, Health, and the Just Transition
 3. Supporting an Inclusive Economy, Jobs, and Skills
 4. Maximising Knowledge and Awareness
 5. Ensuring Certainty of Success
 6. Transitioning the Energy System
 7. Improving the Energy Efficiency of Buildings
 8. Decarbonising Heat Sources.

Local Policy Context

- 2.7 To ensure the Local Heat & Energy Efficiency Strategy aligns with Fife's priorities, local policies and strategies were reviewed. Key local policies this strategy aligns with are:
- **Climate Emergency** – this strategy will help Fife tackle the Climate Emergency by suggesting actions to improve the energy efficiency of buildings and decarbonise heat sources.
 - **Climate Fife** – The three core principles of Climate Fife (Climate Friendly, Ready, and Just) are incorporated throughout the Local Heat & Energy Efficiency Strategy and are included in the vision and the priorities. It will also form the basis of action within the refreshed Climate Fife Delivery Plan – Buildings theme (See Agenda Item 12).
 - **Plan4Fife** – the priorities in the Local Heat & Energy Efficiency Strategy, were influenced by the Plan4Fife's new recovery and renewal priorities (Community wealth building; Leading economic recovery; Tackling poverty and preventing crisis; Addressing the climate emergency).

Public Engagement Exercise

- 2.8 A six-week public engagement exercise took place between 18 September and 29 October 2023. This sought feedback on the draft strategy and high-level delivery plan. Responses were captured using an online survey. A public information session also took place on 5 October. These were advertised in the local press, council and officer social media channels and stakeholder networks. Presentations were also delivered to interested groups. Forty responses were received from the survey. The attendance for each presentation were:
- Councillor workshop – 12 attendees
 - Continuous Professional Development (CPD) Event: A Just Energy Transition - Local Heat & Energy Efficiency - 68 attendees
 - Public Information Session – 6 attendees
 - Fife Voluntary Action Lunchtime Learning – 11 attendees
 - Fife Communities Climate Action Network – 8 attendees
 - Cosy Kingdom Partnership Meeting – 14 attendees

Key findings were:

- 60% of respondents agreed with the vision.
- Most respondents agreed with all of the priorities and outcomes of the strategy, and thought the titles were clear and easy to understand.
- Common feedback included: requests for definitions of certain terms; how retrofits will be funded and cost implications for property owners; issues with improving historic buildings; heat pumps; and district heat networks.

A short summary report of the public engagement exercise is set out in Appendix 3.

3.0 Conclusions

- 3.1 To summarise, the production and publication of a Local Heat & Energy Efficiency Strategy is a legal duty under The Local Heat & Energy Efficiency Strategies (Scotland) Order 2022. The first iteration is required to be published on or before 31 December 2023.
- 3.2 Improving the energy efficiency of buildings and switching to climate friendly heating systems will be critical in Fife's approach to addressing the climate emergency. As a key component of the Climate Fife Delivery Plan (See Agenda Item 12) this strategy will provide the basis for significant ongoing and future action, both helping the council meet its 2045 Net Zero target and achieving Fife's vision to be climate friendly, ready and just.
- 3.3 Not only will the Local Heat & Energy Efficiency Strategy help guide energy efficiency and heat decarbonisation action across Fife, but will also support the wider energy transition and Plan4Fife ambitions to reduce fuel poverty, increase green skills and jobs and support community wealth building.
- 3.4 We are asking for members to approve Fife's first iteration of the Local Heat & Energy Efficiency and high-level delivery plan for publication on Fife Council's website.

List of Appendices

1. Local Heat & Energy Efficiency Strategy – Fife Council 2023
2. Local Heat & Energy Efficiency Strategy Delivery Plan and Appendices – Fife Council 2023
3. Local Heat & Energy Efficiency Strategy Public Engagement Summary Report – Fife Council 2023

Background Papers

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

- [The Local Heat & Energy Efficiency Strategies \(Scotland\) Order 2022](#)
- [Heat Network \(Scotland\) Act 2021](#)
- [Local heat and energy efficiency strategies and delivery plans: guidance](#)

Report Contact

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Local Heat and Energy Efficiency Strategy (LHEES)

November 2023



Foreword

I am delighted to introduce Fife Council's first Local Heat & Energy Efficiency Strategy. This strategy and accompanying 5-year delivery plan¹ detail our approach to improve the energy efficiency and decarbonise heat sources of Fife buildings in a climate friendly, ready, and just manner.

Improving our buildings is a core part of the energy transition to net zero by 2045 and tackling the climate emergency. To achieve this means all building owners in Fife will need to do their part to cut building emissions and improve sustainability. This strategy details how we as a Council area will approach this challenge.

Our ambition for Fife's buildings is reflected across eight priorities and multiple actions. These focus on identifying, prioritising, and delivering high certainty of success measures to improve buildings, and where this is not possible to make a commitment to complete further research.

For a successful transition, our strategy also emphasises the need for a just transition to net zero. This includes actions focussing on tackling fuel poverty by aiming to reduce fuel bills; community wealth building; an inclusive economy with green skills and jobs; and ensuring all communities and stakeholders are aware of the green heat transition to low and zero emissions heating.

This strategy was informed through working with Council officers and partners across Fife. Ongoing collaboration, including sharing of knowledge, data, and innovations will be pivotal to the success of Fife's Local Heat & Energy Efficiency Strategy. It will also improve our buildings, help overcome challenges, and help Fife achieve national targets.

With over half of Scottish energy demand in 2020 being for heating purposes, everyone in Fife will either help support and deliver the strategy and delivery plan through improving their homes and businesses; or experience the benefits of these measures by having more energy efficient homes and workplaces with low or zero emissions heating.



Cllr. Jan Wincott

Spokesperson - Environment & Climate Change

¹ To be published by early 2025.

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Glossary

ABS	Area-Based Schemes
ASHP	Air Source Heat Pump
BGS	British Geological Survey
CCZW	Climate Change and Zero Waste Team
DNO	Distribution Network Operator
ECO	Energy Company Obligation
EES:ABS	Energy Efficient Scotland: Area Based Schemes
EESSH	Energy Efficiency Standard for Social Housing
EPC	Energy Performance Certificate
ESP	Energy Skills Partnership
EST	Energy Saving Trust
FVA	Fife Voluntary Action
GIS	Geographic Information System
GSHP	Ground Source Heat Pump
HEEPS:ABS	Home Energy Efficiency Programmes for Scotland: Area Based Schemes
HES	Historic Environment Scotland
HiBS	Heat in Buildings Strategy
HNZ	Heat Network Zones
LA	Local Authority
LAEP	Local Area Energy Plan
LDP	Local Development Plan
LEAR	Local Energy Asset Representation
LHEES	Local Heat and Energy Efficiency Strategy
LPG	Liquefied Petroleum Gas
LTS	Local Transmission System
MoD	Ministry of Defence
NPF4	National Planning Framework 4
OVHA	Ore Valley Housing Association
PEAT	Portfolio Energy Analysis Tool
RIIO ED (2/3)	Revenue = Incentives + Innovation + Outputs – Electricity Distribution
RSL	Registered Social Landlord
SAP	Standard Assessment Procedure
SDS	Skills Development Scotland
SRUC	Scotland's Rural College
SME	Small, Medium Enterprise
Solar PV	Solar Photovoltaic
STEM	Science, technology, engineering, and mathematics
TAHP	Transitional Affordable Housing Programme
UoSA	University of St Andrews
UPRN	Unique Property Reference Number

Overview

<p>What is a Local Heat and Energy Efficiency Strategy?</p>	<p>A long-term, flexible strategy providing a local, tailored approach for where we live, to improve energy efficiency and change to climate friendly heating in buildings.</p>
<p>Why are the Council preparing a Local Heat and Energy Efficiency Strategy?</p>	<p>Increasing buildings’ energy efficiency and changing to climate friendly heating will help Fife and Scotland tackle the climate emergency and reduce greenhouse gas emissions.</p> <p>The Scottish Government’s Local Heat and Energy Efficiency Strategies (Scotland) Order 2022 requires local authorities to publish a strategy and delivery plan by 31st December 2023.</p>
<p>Focus of this Local Heat and Energy Efficiency Strategy?</p>	<p>This strategy needs to start delivering quickly, flexibly, and to a high standard. This will allow Fife to meet the pace and scale appropriate to tackle climate change. It will also allow for new policies, targets, and data to be added when required.</p> <p>The strategy and delivery plan will have actions which can be delivered in the first few years to tackle climate change. It will also identify where further work is needed. This includes actions on tackling key challenges to ensure we have a successful document which benefits Fife.</p>
<p>Call to Action</p>	<p>Making buildings greener and more environmentally friendly will help reduce greenhouse gas emissions and meet national targets.</p> <p>To achieve this means everyone in Fife will need to do their part to reduce greenhouse gases from buildings and improve energy efficiency. The Council, businesses, organisations, communities, and householders will all need to work together to act.</p>
<p>What is meant by climate friendly, ready, and just?</p>	<p>Climate Fife: Sustainable Energy and Climate Action Plan² is underpinned by three core principles, that by 2045 Fife will be:</p> <ul style="list-style-type: none"> • Climate friendly having transformed the economy, infrastructure, land use and energy system to decarbonise how we live. • Climate ready with plans/projects increasing resilience of Fife communities and economy to help minimise impacts of unavoidable climate change. • Climate just ensuring everyone and the environment benefit from this transition.
<p>What is meant by a just transition?</p>	<p>Scottish Government defines a just transition as <i>“both the outcome – a fairer, greener future for all – and the process that must be undertaken in partnership with those impacted by the transition to net zero. Just transition is how we get to a net zero and climate resilient economy, in a way that delivers fairness and tackles inequality and injustice.”</i>³</p>
<p>Who are stakeholders?</p>	<p>Stakeholders include all public, private and third sector organisations in Fife, as well as people who live in Fife and their communities.</p>
<p>Where can I view the web map?</p>	<p>A web map showcasing baseline information for Fife and our strategic and heat network zones, is available here.</p>

² [Microsoft Word - Climate Fife FINAL](#)

³ [National Just Transition Planning Framework - Just Transition - A Fairer, Greener Scotland: Scottish Government response - gov.scot \(www.gov.scot\)](#)

Executive Summary

Introduction

In 2022, the Scottish Parliament passed The Local Heat and Energy Efficiency Strategies (Scotland) Order 2022⁴. This placed a statutory duty on local authorities to:

- Prepare, publish, and update a Local Heat and Energy Efficiency Strategy and Delivery Plan.
- Publish its first strategy and delivery plan on or before 31st December 2023.

Local Heat and Energy Efficiency Strategies are at the heart of a place based, locally led, and tailored approach to the heat transition. They underpin an area-based approach to heat and energy efficiency planning and delivery. For Fife, this was developed in partnership with key stakeholders, and:

- provides a long-term, flexible strategy, and iterative delivery plan, to decarbonise heat and improve energy efficiency, considering wider priorities and targets,
- details how segments of building stock must change to meet national and local targets,
- identifies opportunities for heat decarbonisation and energy efficiency⁵, and
- uses an optioneering process to prioritise actions.

The 5-year delivery plan⁶ provides a strong basis for action for stakeholders and communities. It identifies early, low-regrets measures; and where ongoing analysis is required. It also provides direction and informs wider energy planning with our regional city region deal partners.

This strategy will play a crucial role in helping the Council meet its 2045 net zero target, and help Fife be climate friendly, ready, and just by 2045. It will also contribute to meeting fuel poverty targets and the Council's duties under the Heat Network (Scotland) Act 2021.

Strategic Vision

Fife Council supports the Heat in Buildings Strategy's⁷ vision "*that by 2045 our buildings are cleaner, greener, and easy to heat, and no longer contributing to climate change, as part of the wider just transition to net zero.*" The vision for Fife's first Local Heat and Energy Efficiency Strategy is to:

Provide a focus for Fife to improve the energy efficiency and decarbonise heat sources of buildings in a climate friendly, ready, and just manner to meet targets.

Drivers

Chapter 3 details the key policies and drivers for this strategy. Heating is a significant contributor to Scotland's energy demands and greenhouse gas emissions. In 2020, ~53% of Scottish energy demand was for heating and responsible for ~20% of energy related greenhouse gas emissions⁸.

Furthermore, the energy crisis is adding costs pressures to everyone. Fife's domestic gas and electricity costs alone rose to an estimated £500 million/year in 2022/23⁹. Higher fuel costs increase fuel poverty and costs for businesses. The likely cost for all energy in Fife is expected to be over £1Bn¹⁰ - a sizeable proportion of Fife's total GDP which is mostly lost to the local economy.

By making recommendations to improve buildings' energy efficiency and switch to climate change friendly heating, this strategy will help reduce greenhouse gas emissions, and help keep money in Fife.

⁴ [The Local Heat and Energy Efficiency Strategies \(Scotland\) Order 2022 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

⁵ Strategic zones, potential heat network zones, and delivery areas (to be identified in the detailed delivery plan).

⁶ To be published by early 2025.

⁷ [Heat in Buildings Strategy - achieving net zero emissions in Scotland's buildings - gov.scot \(www.gov.scot\)](https://www.gov.scot)

⁸ [Scottish Energy Statistics Hub \(shinyapps.io\)](https://shinyapps.io)

⁹ Calculation based on the UK Government October 2022 price cap figures.

¹⁰ Estimation based on previous figures from Climate Fife and analysis on the UK Government Price Cap October 2022.

Opportunities

Several technologies and measures exist which will reduce energy consumption and decarbonise heat, detailed in Chapter 4.1. These include insulation, heat networks, and heat pumps, as well as other emerging technologies. Other opportunities were identified (Chapter 4.2) and include:

- economic benefits,
- supporting wider energy planning,
- green jobs and skills,
- utilising waste heat and natural assets,
- smart energy solutions, and
- improving stakeholder connections.

Challenges

During development, challenges were identified which need to be overcome to ensure the success of the strategy and delivery plan. These are detailed in Chapter 4.3, and focus on uncertainties with retrofit measures, heat pump data, the skills and funding gaps, amongst others.

Some challenges increase uncertainty of achieving a robust delivery or cause undesired impacts. These could potentially damage confidence in the strategy and early actions. To address this, **we will only include measures where there is a high certainty of success and positive impacts**. There are actions focussing on research and analysis to support this.

What is meant by high certainty of success and positive impacts?

Once published our detailed delivery plan will focus on measures where they are most likely to be possible, minimising potential damage to buildings, rising energy costs, or fuel poverty.

Priorities

This strategy focuses around eight priorities (Chapter 6), where areas of work will be focussed around. All priorities are equally reliant on each other to drive forward change, with some helping build strong foundations before any building level actions can be implemented.

1. **Being Climate Friendly & Ready** – an overarching priority focussing on meeting net zero and addressing the climate emergency, as well as adapting to a changing climate.
2. **Tackling Fuel Poverty, Health, and the Just Transition** – this focuses on the work required to help meet fuel poverty targets and to ensure health is not impacted by changes to indoor air quality. It also sets out the importance of ensuring everyone benefits from the heat transition.
3. **Supporting an Inclusive Economy, Jobs, and Skills** – this details the need for green skills and jobs (and supporting roles) to support the heat transition, as well as the funding gap. Both challenges will need addressed if the strategy is to be successful.
4. **Maximising Knowledge and Awareness** – a priority focussed on behavioural change and communications to ensure all stakeholders and communities understand the heat transition.
5. **Ensuring Certainty of Success** – this priority sets out how the Council will approach some of the key challenges, which is explored in more detail in Chapter 7.1.
6. **Transitioning the Energy System** – a priority tailored around working with utility providers to determine grid capacity, decarbonise utilities, and consider how this strategy fits within the wider energy system.
7. **Improving the Energy Efficiency of Buildings** – a priority supporting the identification of actions around installing energy efficiency measures for domestic and non-domestic buildings.
8. **Decarbonising Heat Sources** - a priority supporting the identification of actions around installing decarbonised heating for domestic and non-domestic buildings and identify potential opportunities for district heat networks.

1. Introduction

1.1. Purpose

In 2022, the Scottish Parliament passed The Local Heat and Energy Efficiency Strategies (Scotland) Order 2022¹¹. This placed a statutory duty on local authorities to:

- Prepare, publish, and update a Local Heat and Energy Efficiency Strategy and delivery plan.
- Publish its first strategy and delivery plan on or before 31st December 2023.

Local Heat and Energy Efficiency Strategies are at the heart of a place based, locally led, and tailored approach to the heat transition. They underpin an area-based approach to heat and energy efficiency planning and delivery. For Fife, this was developed in partnership with key stakeholders, and:

- provides a long-term, flexible strategy, and iterative delivery plan, to decarbonise heat and improve energy efficiency, considering wider priorities and targets,
- details how segments of building stock must change to meet national and local targets,
- identifies opportunities for heat decarbonisation and energy efficiency¹², and
- uses an optioneering process to prioritise actions.

The 5-year delivery plan¹³ provides a strong basis for action for stakeholders. It identifies early, low-regrets measures; and where ongoing analysis is required. It also provides direction and informs wider energy planning with our regional city region deal partners.

This strategy will play a crucial role in helping the Council meet its 2045 net zero target, and help Fife be climate friendly, ready, and just by 2045.

1.2. Strategic Vision and Priority Areas

Fife Council supports the Heat in Buildings Strategy's¹⁴ vision "that by 2045 our buildings are cleaner, greener, and easy to heat, and no longer contributing to climate change, as part of the wider just transition to net zero." The vision for Fife's first Local Heat and Energy Efficiency Strategy is to:

Provide a focus for Fife to improve the energy efficiency and decarbonise heat sources of buildings in a climate friendly, ready, and just manner to meet targets.

Eight priorities (Table 1) form the basis of this strategy and delivery plan. These were developed from national and local strategies; engaging stakeholders; and analysis. They help ensure this strategy improves energy efficiency and decarbonises heat of buildings, and other important considerations such as fuel poverty and community wealth building. These are further explored in Chapter 6.

Table 1: Priorities

1		Being Climate Friendly and Ready
2		Tackling Fuel Poverty, Health, and the Just Transition
3		Supporting an Inclusive Economy, Jobs, and Skills
4		Maximising Knowledge and Awareness
5		Ensuring Certainty of Success
6		Transitioning the Energy System
7		Improving the Energy Efficiency of Buildings
8		Decarbonising Heat Sources

¹¹ [The Local Heat and Energy Efficiency Strategies \(Scotland\) Order 2022 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

¹² Strategic zones, potential heat network zones, and delivery areas (to be identified in the detailed delivery plan).

¹³ To be published by early 2025.

¹⁴ [Heat in Buildings Strategy - achieving net zero emissions in Scotland's buildings - gov.scot \(www.gov.scot\)](https://www.gov.scot)

2. Structure and Function

2.1. Structure

The Local Heat and Energy Efficiency Strategies (Scotland) Order 2022, establishes a two-part structure:

- **Strategy** - a long-term strategic framework for the improvement of the energy efficiency of buildings; and the reduction of greenhouse gas emissions from the heating of such buildings.
- **Delivery plan** - sets out how Fife will implement its strategy.

2.2. Function

National guidance frames the strategy around six considerations¹⁵. These helped inform the development of our priorities:

- **Heat Decarbonisation considerations:**
 1. Off-gas grid buildings – transitioning from heating oil and liquefied petroleum gas in off-gas areas.
 2. On-gas grid buildings – on-gas grid heat decarbonisation.
 3. Heat networks – decarbonisation with heat networks.
- **Energy Efficiency consideration:**
 4. Poor building energy efficiency
 5. Poor building energy efficiency as a driver for fuel poverty
 6. Mixed-tenure, mixed-use and historic buildings

The guidance requires Local Heat and Energy Efficiency Strategies to:

- be evidence based,
- cover a local authority's full building stock as far as reasonably possible,
- be developed in collaboration with stakeholders and use extensive consultation,
- be linked to any previous iteration to show progress achieved against outcomes and carry forward outstanding actions,
- demonstrate how it supports equality and addresses inequality,
- be forward looking and delivery focussed, working towards local and national targets,
- be open and transparent regarding data used, its associated limitations in terms of scope, accuracy, and coverage, and be continuously reviewed with progress monitored.

Analysis and grouping of opportunities have been used to identify and prioritise actions:

- **Strategic zones** – visualisation of potential ways to decarbonise buildings at the strategic level¹⁶. These provide a mechanism to understand buildings' baseline performance; scale of potential; and prioritise initial areas of focus.
- **Delivery areas**¹⁷ – a more granular level identification of opportunities. These present clusters of buildings within the same geographical area (area-based) or those with comparable characteristics with similar opportunities (theme-based).

This analysis will help the Council, Scottish Government, and partners develop new policy and actions.

¹⁵ [Local heat and energy efficiency strategies and delivery plans: guidance - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/local-heat-and-energy-efficiency-strategies-and-delivery-plans-guidance/pages/12.aspx)

¹⁶ Strategic zones are based on Data Zones - the key geography for the dissemination of small area statistics in Scotland. Fife has 494 data zones, with on average 376 households in each.

¹⁷ To be included in the detailed delivery plan published by early 2025.

3. Policy and Drivers

3.1. Policy & Strategy Drivers

Many national, regional, and local policies and strategies have directed this document. It is primarily driven by Scotland’s statutory targets for greenhouse gas emissions reduction; the Heat in Buildings Strategy; the Heat Network (Scotland) Act 2021; and fuel poverty targets. A list of all policies is in Appendix 2, and key targets in Appendix 3.

3.1.1. National Policy Drivers

The main national policies are detailed below (Table 2), and in Appendix 2. These will be regularly reviewed to highlight any changes, and how they influence ongoing delivery.

Table 2: National Policy Summary

Policy	Details
Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 ¹⁸	Sets a 2045 net zero emissions target and interim targets: 75% by 2030; and 90% by 2040.
Securing A Green Recovery on a Path to Net Zero: Climate Change Plan 2018 32 ¹⁹	Contains proposals/policies for meeting greenhouse gas emissions reduction targets up to 2032. Details a vision by 2032 a substantial majority of homes will have achieved a good energy efficiency rating.
Heat in Buildings Strategy ²⁰ (2021)	Presents the pathway to meet 2045 net zero emissions from buildings, alongside ensuring poor energy performance is removed as a driver for fuel poverty. Contains several national targets ²¹ (Table 3).
Energy Efficiency Standard for Social Housing 2 (EESH2) ²²	Aims to improve the energy efficiency of social housing, based on a minimum energy performance certificate ²³ rating. All social housing must meet, or be treated as meeting, energy performance certificate band B, or is as energy efficient as practically possible, by December 2032.
Heat Networks (Scotland) Act 2021 ²⁴	Regulates heat networks, supporting objectives in the Heat in Buildings Strategy to grow heat network opportunities. This strategy helps Fife Council meet part of its duty within the Act by identifying potential heat network zones. Other duties excluded from this strategy are identifying non-domestic building connections; designating zones; setting up permitting, regulation, and licencing processes; and developing a cost strategy.
Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019 ²⁵	Sets targets for 2040 focussed on eradicating fuel poverty; defines fuel poverty; requires production of fuel poverty strategies and makes provision about reporting. Targets include: <ul style="list-style-type: none"> • < 5% of households in Scotland are in fuel poverty. • < 1% of households in Scotland are in extreme fuel poverty. • Median fuel poverty gap of households in fuel poverty is < £250.

¹⁸ [Climate Change \(Emissions Reduction Targets\) \(Scotland\) Act 2019 \(legislation.gov.uk\)](#)

¹⁹ [Executive Summary - Climate Change Plan: third report on proposals and policies 2018-2032 \(RPP3\) - gov.scot \(www.gov.scot\)](#)

²⁰ [Heat in Buildings Strategy - achieving net zero emissions in Scotland's buildings - gov.scot \(www.gov.scot\)](#)

²¹ These are yet to be put into legislation at the time of writing.

²² [Energy efficiency in social housing - Home energy and fuel poverty - gov.scot \(www.gov.scot\)](#)

²³ An energy performance certificate measures the energy efficiency of a buildings and provides them with a score ranging from A (most efficient) to G (least efficient).

²⁴ [Heat Networks \(Scotland\) Act 2021 \(legislation.gov.uk\)](#)

²⁵ [Fuel Poverty \(Targets, Definition and Strategy\) \(Scotland\) Act 2019 \(legislation.gov.uk\)](#)

Table 3: Key Heat in Buildings Strategy Targets

2028	2030	2033	2040	2045
<ul style="list-style-type: none"> Private rented homes to be energy performance certificate band C. 	<ul style="list-style-type: none"> Emissions from buildings must be 68% lower than 2020 levels. Zero emissions heating in the equivalent of 50,000 non-domestic buildings. 	<ul style="list-style-type: none"> All homes to be energy performance certificate band C. Zero emissions heating in 170,000 off-gas fossil fuel heated homes, and 1 million on-gas homes. 	<ul style="list-style-type: none"> All homes in fuel poverty to be energy performance certificate band B. 	<ul style="list-style-type: none"> Buildings no longer contribute to climate change.

3.1.1.1. National Planning Framework 4²⁶

Scotland’s national spatial strategy transforms the way planning and climate change are viewed together. It sets spatial principles, regional priorities, national developments, and planning policy. Spatial planning priorities have been developed to help guide the preparation of regional spatial strategies and local development plans²⁷ (Table 4).

Table 4: National Planning Framework 4 Central Region Priorities

Deliver <u>sustainable places</u>	Deliver <u>liveable places</u>	Deliver <u>productive places</u>
Regional Spatial Strategies and Local Development Plans in this area should support net zero energy solutions including extended heat networks and improved energy efficiency, together with urban greening and improved low carbon transport.	Regional Spatial Strategies and Local Development Plans in this area should pioneer low carbon, resilient urban living by rolling out networks of 20-minute neighbourhoods, future proofing city/town centres, accelerating urban greening, investing in net zero homes, and managing development on the edge of settlements.	Regional Spatial Strategies and Local Development Plans in this area should target economic investment and build community wealth to overcome disadvantage and support a greener wellbeing economy.

Across these priorities, there is a need for greater investment in, and development of, net zero homes and places supporting green jobs. Local Development Plans, and strategies like Local Heat and Energy Efficiency Strategies, will focus on decarbonising heat and energy networks, and the just transition to greener, low carbon heat generation.

Appendix 2 summarises where National Planning Framework 4 aligns against relevant priorities and outcomes in this strategy.

3.1.2. Local Policy Drivers

The main local policies this strategy aligns with/supports, and stakeholders each relates to, are detailed below (Table 5), and in Appendix 2. These will be regularly reviewed for future iterations to highlight any changes, and how these will influence ongoing delivery.

²⁶ [National Planning Framework 4 - gov.scot \(www.gov.scot\)](http://www.gov.scot)

²⁷ Fife is included in the Central Region which has three priorities.

Table 5: Local Policy Summary

Policy	Details	Stakeholders
Plan4Fife (Local Outcome Improvement Plan) 2017 ²⁷ ²⁸	<p>Details a vision by 2027 Fife will: <i>“be a place where all residents live good lives, make informed choices and have a sense of control so that they can reach their full potential, and where all children are safe, happy and healthy ... make best use of our assets and facilities, while sustaining them for future generations.”</i></p> <p>A post-COVID response was produced²⁹ with new recovery and renewal priorities up to 2024: Community wealth building; Leading economic recovery; Tackling poverty and preventing crisis; Addressing the climate emergency. The priorities in this strategy are closely aligned to these. The Local Heat and Energy Efficiency Strategy will be influenced by any future revisions to the Local Outcome Improvement Plan and will provide the context for Fife-wide action.</p>	<p>Communities</p>
FIFEplan³⁰ (Local Development Plan) 2017 (Low Carbon Fife³¹ and Making Fife's Places³² Supplementary Planning Guidance Documents)	<p>Details policies/proposals for land development and use, including:</p> <ul style="list-style-type: none"> • Policy 2: Homes – Increase availability of good quality homes to meet local needs. • Policy 3: Infrastructure and Services – Low carbon measures including local energy generation and heat networks must be addressed as part of development proposals. • Policy 10: Amenity – Places in which people feel their environment offers them a good quality of life. • Policy 11: Low Carbon Fife – Energy resources are harnessed in appropriate locations and in a manner where the environmental and cumulative impacts are within acceptable limits. <p>This strategy will support the development of Fife’s Local Development Plan 2.</p>	<p>All developments (domestic and non-domestic)</p>
Climate Fife: Sustainable Energy and Climate Action Plan³³ (2020)	<p>Details a Fife-wide approach to tackling the climate emergency, and actions to limit its most harmful impacts. It is underpinned by three core principles, which the Local Heat and Energy Efficiency Strategy takes forward, that by 2045 Fife will be:</p> <ul style="list-style-type: none"> • Climate friendly having transformed the economy, infrastructure, land use and energy system to decarbonise how we live. • Climate ready with plans and projects to increase resilience of Fife communities and economy to help minimise the impacts of unavoidable climate change. • Climate just ensuring everyone in Fife and the environment benefit from this transition. <p>It has multiple priorities and actions across eight themes, including: energy efficiency; low carbon energy; and move, store, and transform energy.</p>	<p>Fife-wide</p>
Local Housing Strategy 2022 ²⁷ ³⁴	<p>The strategic vision of Fife Housing Partnership. It lists five priorities of which “A Warm Low Carbon Home” is relevant to this strategy, with outcomes of ensuring people: do not live in fuel poverty, live in energy efficient homes, and reduce carbon emissions.</p>	<p>Domestic Properties</p>
Fife's Fuel Poverty Covid 19 Recovery Plan³⁵	<p>An interim plan addressing fuel poverty during the pandemic, with five objectives. This strategy supports the objective of considering long term recovery plans.</p>	<p>Fife residents</p>

²⁸ [A Plan for Fife | Our Fife - Creating a successful, confident, and fairer Fife](#)

²⁹ [Plan for Fife 2021-24 | Our Fife - Creating a successful, confident, and fairer Fife](#)

³⁰ [Local Development Plan \(FIFEplan\) | Fife Council](#)

³¹ [Adopted Low Carbon Fife SG Jan 2019](#)

³² [Making-Fifes-Places-Supplementary-Guidance-August-2018.pdf](#)

³³ [Microsoft Word - Climate Fife FINAL](#)

³⁴ [Local Housing Strategy | Fife Council](#)

³⁵ [Fifes-Fuel-Poverty-Covid-19-Recovery-Plan-2021-22-Final-1.pdf](#)

3.2. Other Drivers

In 2020, ~53% of Scottish energy demand was for heating and responsible for ~20% of energy related greenhouse gas emissions³⁶. Scotland set targets of 50% of energy from renewable sources by 2030,³⁷. To support this, the Scottish Government committed:

- £2.8 billion of investment over the current parliament³⁸ (to 2026).
- At least £200 million of investment in the public sector estate to improve and reduce energy use and install zero emissions heating systems³⁹.
- £479.6M for energy in the 2023-4 budget⁴⁰, of which £231.1 million is for tackling fuel poverty and improving energy efficiency.

The Scottish Government have also indicated Local Heat and Energy Efficiency Strategies will be a consideration when allocating funding.

Another driver is the energy crisis, with costs adding pressure to everyone. Fife's domestic gas and electricity costs alone rose to an estimated **£500 million/year** in 2022/23⁴¹. Higher fuel costs increase fuel poverty and costs for businesses. The likely cost for all energy (including transport) in Fife is expected to be **over £1 billion**⁴² - a sizeable proportion of Fife's total gross domestic product which is mostly lost to the local economy.

This strategy can bring potential benefits for Fife, and support the just transition to net zero, by helping reduce:

- Financial burdens of energy for buildings (domestic, business, public sector estate, and others including social enterprises and community organisations).
- "Loss" to Fife's gross domestic product and increasing retention as part of community wealth building.
- Energy demand and costs as a driver of fuel poverty.
- Energy demand in the cost of doing business.
- Energy as a driver of the climate emergency in Fife.
- Energy demand to increase energy resilience.

³⁶ [Scottish Energy Statistics Hub \(shinyapps.io\)](https://shinyapps.io)

³⁷ Scottish Energy Statistics hub.

³⁸ <https://www.gov.scot/publications/heat-buildings-strategy-achieving-net-zero-emissions-scotlands-buildings/documents/>

³⁹ <https://www.gov.scot/publications/heat-buildings-strategy-achieving-net-zero-emissions-scotlands-buildings/> &

<https://www.gov.scot/publications/heat-networks-delivery-plan/>

⁴⁰ <https://www.gov.scot/publications/scottish-budget-2023-24/pages/10/>

⁴¹ Calculation based on the UK Government October 2022 price cap figures.

⁴² Estimation based on previous figures from Climate Fife and analysis on the UK Government Price Cap October 2022.

4. Opportunities and Challenges

4.1. Technology Opportunities

What can help make these changes? Several technologies and measures exist which will reduce energy consumption and decarbonise heat (Table 6).

Table 6: Heat decarbonisation and energy efficiency technologies

Insulation ⁴³	Heat Networks ⁴⁴	Air ⁴⁵ and Ground ⁴⁶ Source Heat Pumps
<p>All types of insulation reduce heat and energy loss:</p> <ul style="list-style-type: none"> • cavity wall and solid wall, • floor, roof, and loft, • draught proofing, • double and triple glazing, • energy efficient doors, and • tanks, pipes, and radiators. 	<p>Supplies heat (or cooling) to buildings, by taking excess heat from a central source. By supplying multiple buildings, this removes the need for individual boilers or heaters.</p> <p>Sources of excess heat include combined heat & power plants, landfills, mine water, wastewater treatment works.</p>	<p>Transfers heat from air, ground, or water, outside of a building to radiators, underfloor heating, and hot water cylinders. Heat is absorbed into a thermal transfer fluid, passed through a heat exchanger into the pump. This raises the temperature of the fluid and transfers heat to water.</p>
New Energy Sources	Energy Storage	Other
<p>New energy sources could expand existing electricity supply to meet demand.</p> <p>New energy options are being explored such as hydrogen – e.g. H100 Fife⁴⁷ project in Levenmouth (Chapter 6.6.2.2).</p>	<p>For the energy transition it is expected the value of energy storage will increase.</p> <p>Thermal storage for buildings ensures efficient operation of zero emission heating systems. It usually consists of hot water storage tanks or compact heat batteries. Thermal storage may also support heat networks.</p>	<p>Other decarbonised heat sources include infra-red /electric heaters combined with solar photovoltaic; and solar water heating⁴⁸.</p>

⁴³ [Measures to help reduce home heat loss - Energy Saving Trust](#)

⁴⁴ [Heat networks - GOV.UK \(www.gov.uk\)](#)

⁴⁵ [A guide to air source heat pumps - Energy Saving Trust](#)

⁴⁶ [A guide to ground source heat pumps - Energy Saving Trust](#)

⁴⁷ [H100 Fife | Fife Council](#)

⁴⁸ [Advice on installing solar water heating - Energy Saving Trust](#)

4.2. Other Opportunities

4.2.1. Just Energy Transition

Local Heat and Energy Efficiency Strategies focus on decarbonising heat in buildings and improving energy efficiency. However, as well as heating homes, energy is required for other uses such as transport, business, and industry⁴⁹. To change a whole energy system – the transition can be an economic opportunity. Energy prices are a key factor in the cost of doing business, however, a just energy transition brings significant supply chain opportunities, requiring jobs, skills, and knowledge transfer⁵⁰. The benefits for Fife are potentially huge:

1. If on average two measures are undertaken by all homes below energy performance certificate band B, this would equal **~20,000 interventions per year** from now to 2040.
2. The opportunity for internalising even **10%** of Fife’s energy spend could equal an additional **~£100 million/year** circulating Fife’s economy, building community wealth.
3. For every **1% reduction** in energy demand through efficiency measures, Fife’s energy cost would reduce by **~£10 million/year**.

4.2.2. Wider Energy Planning

This strategy recognises energy is unconstrained by council properties and borders. Use of energy for heating needs to be balanced against other purposes such as regional plans and electric vehicle charging. This strategy and delivery plan will help provide direction and inform wider energy planning with our city region deal partners. It will also support the development of Fife’s Local Development Plan 2. This will include consideration via the site selection process (where future development will be most capable of benefitting from heat sources); and identifying local policy priorities and opportunities for heat networks. To leverage commercial investment in the just transition, the scale of wider energy planning is a necessity. Ensuring this strategy and delivery plan feed into wider energy planning will help support this.

4.2.3. Green Jobs

The level of investment required to improve Fife’s building stock is significant. To retrofit Fife’s **domestic buildings** alone could cost upwards of **£3 billion**⁵¹. Though undoubtedly a challenge, this level of investment offers an opportunity to further develop the green jobs and skills sector in Fife (Chapter 6.3).

4.2.4. Use of Fife’s natural assets and waste heat

Development of heat networks (Chapter 6.8.2.5), provides an opportunity to utilise heat which is going to waste, to benefit local communities. This may be from local industry and businesses, or natural resources. These include:

- Water source heat pumps utilising heat from the Rivers Tay and Forth.
- Ground source heat pumps taking heat from up to 200m underground.
- Extracting heat from flooded disused coal mines and mine water treatment schemes (Pitfirrane and Frances schemes in particular).
- Heat pumps on wastewater treatment works (e.g. Dunfermline) and sewer pipes.
- Opportunities to use business and industrial waste heat.

⁴⁹ Energy requirements for these sectors are covered in documents such as the Local Transport Strategy, and regional energy plans.

⁵⁰ <https://www.gov.scot/publications/heat-buildings-supply-chains-delivery-plan-towards-industry-green-heat/>

⁵¹ Estimated costs based on Energy Saving Trust, Portfolio Energy Analysis Tool – High Ambition Scenario. Figures exclude recent price rises.

4.2.5. Smart Energy Solutions

As Fife, and Scotland, move forwards with the heat transition, opportunities will be presented from digital and flexible energy solutions. These may provide benefits such as:

- More detailed data insights to inform modelling and roll-out of decarbonised heat sources.
- Provide tools and software which can help manage energy assets.
- Help understand and plan for competing energy demands.
- Smart buildings and energy systems to help save/optimize energy use and reduce costs.

It is important, this strategy and delivery plan are viewed as live and flexible documents. This will allow smart energy solutions to be considered and incorporated at later dates once they become available.

4.2.6. Stakeholder Connections

As this strategy, and future iterations, will cover all buildings in Fife, it is critical all property owners are brought with us in this just transition. To ensure ongoing success, and evolution, we will continue to understand stakeholders' wants and needs– and align outcomes to these. We will forge new partnerships. identifying new projects. Due to the size of Fife's building stock, we will look to leverage in investment and innovative technologies to help meet targets.

Table 7: Examples of Wants and Needs

Stakeholder example	Examples of wants and needs
Registered Social Landlords	<ul style="list-style-type: none">• Alignment to Energy Efficiency Standard for Social Housing 2 targets• Certainty of measures
Owners of large building estates	<ul style="list-style-type: none">• Alignment to organisational strategies• Support to achieve net zero
Third sector organisations	<ul style="list-style-type: none">• Information and funding support
Utility providers	<ul style="list-style-type: none">• Long-term planning to support future energy projects
Public	<ul style="list-style-type: none">• Advice• Lower energy bills

4.3. Challenges

Stakeholders identified challenges which will be addressed, otherwise they may impact the success of this strategy and delivery plan. Short term actions will look for opportunities to work collaboratively to find solutions to these challenges. The main challenges are below and in Table 8:

- uncertainty of measures,
- energy performance certificates,
- heat pumps,
- Skills, knowledge & supply chain, and
- ongoing funding and delivery.

Some challenges increase uncertainty of achieving a robust delivery or cause undesired short- and long-term impacts. These could potentially damage confidence in the strategy and early actions.

Potential impacts, if not correctly addressed, may include:

- higher energy costs,
- increasing or not reducing fuel poverty,
- damp/mould, and
- interstitial (inter-wall) condensation leading to degradation over decades.

To address this, **we will only include measures where there is a high certainty of success and positive impacts** (Chapters 6.5 and 7.1). There are also actions focussing on research and analysis to help identify high certainty building level measures. We will raise nationally significant challenges to the Scottish Government to allow for a centrally coordinated response and action (Chapter 7.2).

What is meant by high certainty of success and positive impacts?

Once published our detailed delivery plan will focus on measures where they are most likely to be possible, minimising potential damage to buildings, rising energy costs, or fuel poverty. This may mean focussing on early wins and easy to implement measures (e.g. double glazing).

During workshops other potential challenges were raised. Solutions for these will be addressed either as delivery plan actions or during project delivery. Examples of challenges and their solutions include:

- 1. Minimal time to meet national targets** - Actions to increase certainty allowing building level actions to be identified.
- 2. Changes in national policy decisions** - Regular reviews of strategy to ensure it aligns with national policy.
- 3. Failure to adapt historic & traditional buildings** - Development of retrofit guidance.
- 4. Manage grid capacity to ensure future projects are not blocked** - Engagement with SPEN and use of the Local Heat and Energy Efficiency Strategy Portal.
- 5. How to encourage owners to improve their buildings** - Engage Scottish Government to develop national communications/ behavioural change campaign.

Table 8: Key Challenges and Solutions

Topic	Challenges raised	Solutions raised
Uncertainty of measures	<ul style="list-style-type: none"> • The basic measures are known, but how these should combine in different building types is still not understood in a way we can roll out across Fife, or Scotland. • The wrong combination may increase fuel cost, fuel poverty, in building damp, and inter wall damp. Future building damage across most buildings is unknown. • Existing models (e.g. building energy models), were not designed for the energy transition - generating uncertainty on the exact measures required. • Some measures may have fewer challenges; however, understanding is still mixed. 	<ul style="list-style-type: none"> • Focus on early wins where data is accurate. • Early actions to undertake more detailed analysis of certain aspects/archetypes of building stock, providing accurate and reliable data to identify “high certainty” actions.
Energy performance certificates	<ul style="list-style-type: none"> • Some may lack accuracy and not accurately consider several energy transition actions. 	<ul style="list-style-type: none"> • No immediate solution. • The system is likely to change necessitating revisions to the strategy.
Heat pumps	<ul style="list-style-type: none"> • Strategy methodology does not account for a range of factors which may impact effectiveness of heat pumps. • Improper categorisation of buildings suitable for heat pumps, coupled with gaps in sector knowledge on their effective installation and use, may result in inefficient performances – possibly leading to higher utility bills, increasing fuel poverty levels. • Noise from air source heat pumps is a consideration, and how heat pumps impact homes with pre-paid meters will also need to be considered. 	<ul style="list-style-type: none"> • Early actions on analysis of heat pump suitability at the building level. • Skills development on installation, maintenance, coordination. • Communications on heat pump use.
Skills, knowledge & supply chain	<ul style="list-style-type: none"> • There is a significant skills gap for the installation of energy efficiency and heat decarbonisation measures, potentially delaying implementation of delivery plan actions. • Incorrect installation may cause severe problems in the future, such as systems not working as expected, or rising damp and black mould. • There is also a potential market capacity cap due to delayed action in installing heat pumps resulting in an increased workload in the later years of the programme. 	<ul style="list-style-type: none"> • Upskill the supply chain. • Strategy and delivery plan provide job certainty. • Development of skills baseline. • Nationally coordinated action on the skills gap.
Ongoing funding and delivery	<ul style="list-style-type: none"> • The strategy and delivery plan will provide the framework for delivery of capital projects across Fife. However, delivery of the actions and ongoing analysis will require significant levels of additional funding and support. There is a possibility of revenue and capital grants being unavailable to support this. • The cost for building owners is also potentially significant and needs to be recognised when considering future funding streams. 	<ul style="list-style-type: none"> • Use of in-house expertise. • Engage with funders to source revenue and capital funds. • Engage with Scottish Government on funding need.

5. Building Stock

5.1. Domestic⁵²

Fife has a domestic building stock of over 180,000 homes⁵³. The majority (73%) were built pre-1984 (similar to the national average - 70%⁵⁴) (Figure 1) – with older housing located in areas such as the North-East and older town centres. 8% of homes are in conservation areas, with 3% listed⁵⁵ (Table 9), comparable with national figures⁵⁶.

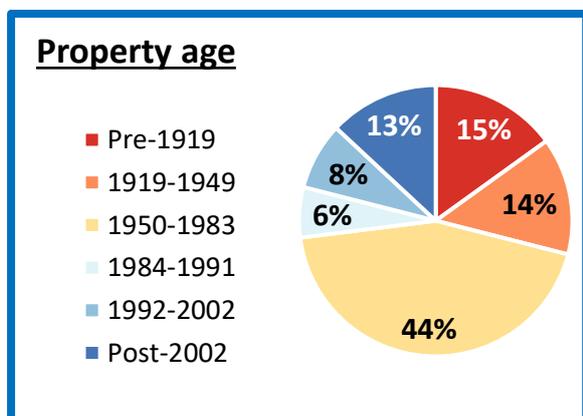


Figure 1: Property Age (Domestic)

Table 9: Listed Status (Domestic)

Category	Percentage

Over half (54%) are either detached, semi-detached or end of terraced, with 30% flats (lower than national average - 40%) (Table 10). The tenure profile shows 65% of homes are owner-occupied, a 22% social housing, and 13% privately rented, similar to the national average⁵⁷ (Figure 2). 15% of homes are mixed tenure.

Table 10: Building Type (Domestic)

Category	Percentage

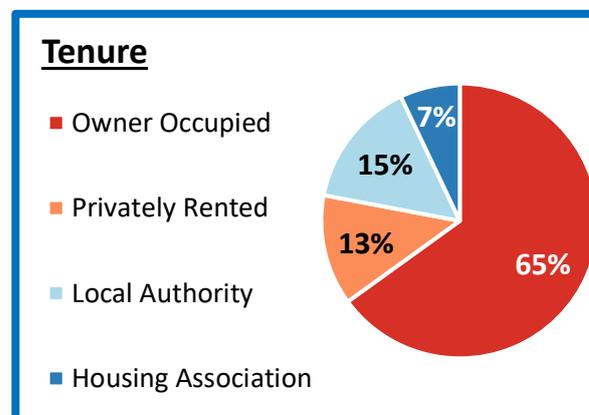


Figure 2: Tenure (Domestic)

⁵² From Home Analytics data.

⁵³ 184,517 listed in Local Heat & Energy Efficiency Strategy Domestic Baseline Tool.

⁵⁴ National averages provided by Energy Savings Trust and are taken from Home Analytics v3.8 aggregated to a national level.

⁵⁵ Historic Scotland categorises listed buildings based on their level of importance; Category A is assigned to buildings of national importance, Category B for buildings of regional importance, and Category C for buildings of local importance.

⁵⁶ [Heat In Buildings Strategy: Achieving Net Zero Emissions in Scotland's Buildings \(www.gov.scot\)](http://www.gov.scot/Heat-In-Buildings-Strategy-Achieving-Net-Zero-Emissions-in-Scotland's-Buildings)

⁵⁷ National tenure figures – 63% owner occupied; 11% housing association; 12% local authority; 13% privately rented; 1% unknown.

5.2. Non-Domestic⁵⁸

There are ~15,000 non-domestic buildings in Fife⁵⁹. The most common types being retail (32%), offices (18%) and light manufacturing, industry & workshops (18%) (Table 11). There is a relatively even split between those built before 1949 (47%) and those after (53%) (Figure 3) – with (40%) built pre-1919. A large proportion of pre-1919 properties are hotels, retail, and clubs & community centres.

Table 11: Business Type (Non-Domestic)

Business type	%
Retail	32%
Offices	18%
Light manufacturing/industry/workshops	18%
Clubs & community centres	6%
Residential	5%
Cafes, pubs, restaurants & takeaways	4%
Hotels	3%
Storage / distribution	3%
Education	3%
General sports & leisure	3%
Health	1%
Other	2%
Screened out	2%

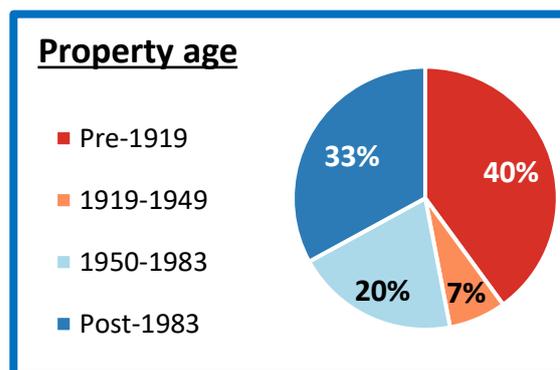


Figure 3: Property Age (Non-Domestic)

64% of properties are in urban areas, with the rest divided between accessible rural and accessible small towns⁶⁰ (Table 12). Retail, offices, and light manufacturing have the highest proportion of properties in 'Other Urban Areas.' These may benefit from better developed infrastructure and access to skilled labour but have more diverse stakeholders requiring engagement. A large proportion of hotels and residential properties are in Accessible Rural and Small-Town areas. Most properties have a floor area size 0-100 m² and 100-500 m²⁶¹ (Figure 4).

Table 12: Urban Rural Classification (Non-Domestic)

Urban rural classification	%
Other Urban Area	64%
Accessible Rural	24%
Accessible Small Town	12%

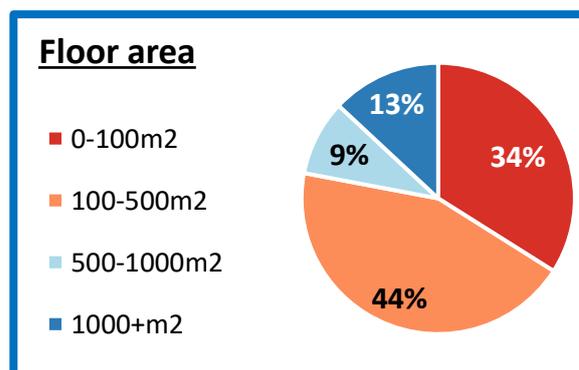


Figure 4: Floor Area (Non-Domestic)

⁵⁸ From Non-Domestic Analytics data, certain buildings like utilities are not included for consideration as demands attributed are likely to be erroneous.

⁵⁹ 14,779 properties, based on Non-Domestic Analytics and Non-Domestic Baseline Tool.

⁶⁰ As per urban rural classification definitions - [Scottish Government Urban Rural Classification 2020 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/urban-rural-classification-2020/pages/introduction.aspx).

⁶¹ Floor area refers to the total useful floor area (m²) of all enclosed spaces measured to the internal face of the external walls.

6. Priorities and Outcomes

For each priority, outcomes have been identified (Table 13). The following pages explore each priority in detail. It is critical each priority is not viewed in isolation. All priorities are equally reliant on each other to drive forward change and the order below does not signify level of importance.

Table 13: Priorities and Outcomes

1		Being Climate Friendly and Ready	<ul style="list-style-type: none"> • 1.1 Net Zero & Climate Emergency - Fife buildings contribute towards the national net zero target and help address the climate emergency. • 1.2 Adaptation - The resilience of Fife's buildings, communities and economy is supported to adapt to the impacts of climate change.
2		Tackling Fuel Poverty, Health, and the Just Transition	<ul style="list-style-type: none"> • 2.1 Tackling Fuel Poverty, Health, and the Just Transition - All communities experience a just transition to net zero, with fuel poor homes becoming more energy efficient, and actions only implemented where there will be no detrimental impact.
3		Supporting an Inclusive Economy, Jobs, and Skills	<ul style="list-style-type: none"> • 3.1 Skills & Jobs - The skills and jobs required to support retrofit actions across Fife are identified and supported, as part of the just transition. • 3.2 Community Wealth Building - Actions will continue to support recovery, focus on place and work in partnership with our communities, as part of the just transition. • 3.3 Finance - Fife actions are identified where local, regional, and national expenditure and funding could support the just energy transition.
4		Maximising Knowledge & Awareness	<ul style="list-style-type: none"> • 4.1 Awareness & Knowledge - Everyone in Fife is aware of how to improve energy efficiency, decarbonise heat, and access support programmes to facilitate behaviour change.
5		Ensuring Certainty of Success	<ul style="list-style-type: none"> • 5.1 Ensuring Certainty - Actions will be prioritised on certainty of success and minimal potential unintended consequences.
6		Transitioning the Energy System	<ul style="list-style-type: none"> • 6.1 Energy System Opportunities & Constraints - Actions are informed via engagement with utility providers to determine capacity, opportunity, and security of projects, whilst taking a holistic view of the wider energy system.
7		Energy Efficient Buildings	<ul style="list-style-type: none"> • 7.1 Domestic; 7.2 Social Housing; 7.3 Private Rented; 7.4 Mixed-Use, -Tenure & Historic - Homes across Fife become more energy efficient and contribute Fife's share, on a proportional basis, of the national targets, recognising the challenges. • 7.5 Non-Domestic - Non-domestic buildings across Fife become more energy efficient, recognising the challenges.
8		Decarbonising Heat Sources	<ul style="list-style-type: none"> • On Gas and 8.2 Off-Gas - Homes across Fife have decarbonised heat and contribute Fife's share, on a proportional basis, of the national targets, recognising the challenges. • Non-Domestic - Non-domestic buildings across Fife have decarbonised heat and contribute Fife's share, on a proportional basis, of the national targets recognising the challenges. • 8.4 Heat Networks - Potential heat network zones identified, including expansion of existing networks, as a mechanism to decarbonise heat.

6.1. Priority 1: Being Climate Friendly and Ready

6.1.1. Outcomes

	Being Climate Friendly and Ready	<ul style="list-style-type: none">• 1.1 Net Zero & Climate Emergency - Fife buildings contribute towards the national net zero target and help address the climate emergency.• 1.2 Adaptation - The resilience of Fife's buildings, communities and economy is supported to adapt to the impacts of climate change.
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6.1.2. Context

In 2019, Fife Council declared a climate emergency⁶², with progress being made with reducing emissions and increasing resilience. However, pace and ambition need to accelerate. Climate Fife details the next phase of a Fife-wide approach to tackling the emergency and sets out actions to limit its most harmful impacts. As noted in Chapter 3.1.2, the Climate Fife vision is by 2045 Fife will be climate friendly, ready, and just.

Tackling the climate emergency means everyone will need to do their part to cut emissions, improve sustainability, and adapt to the impacts of the changing climate. To achieve this building owners will need to improve the energy efficiency of their buildings and decarbonise heating systems.

The targets within the Heat in Buildings Strategy and Energy Efficiency Standard for Social Housing 2 fall under the overall net zero targets. Therefore, all actions in the delivery plan will in some way align with this priority and help Fife's buildings meet net zero and other targets.

Actions will take consideration of the consequences of the changing climate, such as increased frequency of extreme weather events. For example, the levels and type of insulation may need to differ to ensure a building is resilient to the impacts of climate change.

The delivery plan also supports, or is supported by, multiple actions within Climate Fife.

⁶² <https://www.fife.gov.uk/kb/docs/articles/environment2/climate-change,-carbon-and-energy>

6.2. Priority 2: Tackling Fuel Poverty, Health, and the Just Transition

6.2.1. Outcomes

	Tackling Fuel Poverty, Health, and the Just Transition	<ul style="list-style-type: none">• 2.1 Tackling Fuel Poverty, Health, and the Just Transition - All communities experience a just transition to net zero, with fuel poor homes becoming more energy efficient, and actions only implemented where there will be no detrimental impact.
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6.2.2. Context

6.2.2.1. Just Transition and Health

As part of Fife’s approach to net zero and the climate emergency, everyone in Fife and the environment must benefit from this transition in a just manner – understanding socio-economic inequalities⁶³. A just transition will require Fife being “*a resilient, fair, and prosperous place to live and work and puts fairness and social justice at the heart of achieving climate goals.*”

Definition of Just Transition

“A just transition is both the outcome – a fairer, greener future for all – and the process that must be undertaken in partnership with those impacted by the transition to net zero. Just transition is how we get to a net zero and climate resilient economy, in a way that delivers fairness and tackles inequality and injustice.” - [Just Transition - A Fairer, Greener Scotland: Scottish Government response](#)

Climate Fife notes tackling climate change aligns to the socio-economic goals in Plan4Fife. Existing challenges to communities will get harder, with those least responsible/most vulnerable impacted the hardest and unable to adapt. Achieving any socio-economic objectives will be impossible without addressing climate justice; both by preventing disproportionate impacts to marginalized groups and ensuring all communities share in the health, economic, and social benefits of a clean energy economy.

For health, a significant concern for this strategy is indoor air quality. This is influenced by several factors, making estimates of health impacts challenging. The Cleaner Air for Scotland 2 Strategy⁶⁴ states a “*need for policy integration and coherence to avoid the risks of unintended consequences.*” It notes non-health-related developments (e.g. energy efficiency measures) could have unexpected adverse health impacts if a wider perspective is not taken. Poor installation of insulation may cause damp and mould, worsening indoor air quality, leading to negative health and wellbeing impacts. Scottish Government and national partners need to ensure indoor air quality is researched further and considered in the context of Local Heat and Energy Efficiency Strategies.

This strategy follows the Plan4Fife’s and Climate Fife’s ethos, with actions having a positive impact for all, ensuring social divisions are not widened, parts of society excluded, or health detrimentally impacted.

6.2.2.2. Fuel Poverty

This priority also focuses on reducing and preventing fuel poverty in Fife via energy efficiency and heat decarbonisation measures. All poverty was increasing in Fife pre-pandemic, with it expected to have increased further⁶⁵, considering rising fuel costs and the cost-of-living crisis.

Definition of Fuel Poverty

Fuel poverty is when total household fuel costs are more than 10% of adjusted net income; and if after deducting fuel and care costs, the remaining net income does not allow for an acceptable standard of living. For extreme fuel poverty, more than 20% of net income is needed.

⁶³ [Plan for Fife 2017-2027 June19-1.pdf](#)

⁶⁴ [Cleaner Air for Scotland 2 - Towards a Better Place for Everyone - gov.scot \(www.gov.scot\)](#)

⁶⁵ [Plan-for-Fife-2021-24-23-Aug.pdf](#)

The Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019⁶⁶ requires the Scottish Government to publish a fuel poverty strategy and detail how the following targets will be reported:

< 5% of households in fuel poverty by 2040.	< 1% of households in extreme fuel poverty by 2040.	Median fuel poverty gap <£250 by 2040.
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As of 2019⁶⁷, 24% of Fife homes experience fuel poverty⁶⁸ (in-line with the national average); with 11% in extreme fuel poverty (1% less than national average). 43% of households in flats experience fuel poverty, compared to 17% of houses. In addition, over 40% of social and private rented households experience fuel poverty, compared to 14% of owner-occupied homes.⁶⁹

Average probability of fuel poverty and extreme fuel poverty is higher in off-gas homes. The five areas with the highest probability of fuel poverty are in Cupar, Bowhill, Lochore, Kirkcaldy and Collydean (Figure 5). Research indicates several groups more likely to experience fuel poverty⁷⁰:

Young & middle-age groups	Women	Single marital status	Families with 2+ children/lone parents	People with disabilities
Ethnic minority communities	People with the lowest net income	Social housing and private rented	Rural areas	People relying on electric heating

Poor building energy efficiency is a recognised factor contributing to fuel poverty. National guidance notes the strategy and delivery plan: **“should identify ... where poor building energy efficiency acts as a driver for fuel poverty.”** Representation of this in the key domestic dataset is mixed, with energy efficiency measures not appropriately weighted against fuel poverty. Combined with uncertainties on the combination of measures and potential heat pump inefficiencies (Chapters 4.3 and 6.5); this means building level actions which will not place people into fuel poverty are difficult to identify.

This strategy also considers The Child Poverty Delivery Plan’s⁷¹ commitment to only take forward decarbonisation actions **“where they will have no detrimental impact on fuel poverty rates.”** Installation costs are not considered under the definition of fuel poverty. Raising awareness of funding measures and options will also be required.

6.2.3. Summary

This priority focuses on how to have a positive impact for all, ensuring social divisions are not widened, parts of society excluded, health detrimentally impacted, and lifting people out of fuel poverty.

There are gaps in understanding on indoor air quality, data, and uncertainties on the right combination of building level measures to implement which will not place people into fuel poverty. This means most actions supporting this priority focus on improving understanding of impacts measures may have on fuel poverty and health. We will review and improve the methodology, modelling, and data to ensure future actions are identified which will not have detrimental impacts. Actions supporting this, include:

- Planned building level energy efficiency/heat decarbonisation projects.
- Exploring potential heat network zones which may reduce heating bills.
- Advocation and promotion of further funding, support, and advice.

⁶⁶ [Fuel Poverty \(Targets, Definition and Strategy\) \(Scotland\) Act 2019 \(legislation.gov.uk\)](#)

⁶⁷ 2021 data unavailable. [Key 2021 findings at the national level](#) are available, these pre-date the 2022 energy crisis.

⁶⁸ [Scottish House Condition Survey: Local Authority Analysis 2017-2019 - gov.scot \(www.gov.scot\)](#)

⁶⁹ 2021 data is unavailable. Although key findings at the national level are available⁶⁹ these pre-date the 2022 energy crisis and are incomparable to previous surveys due to methodology changes and have a sample bias.

⁷⁰ Not everyone in these groups will be struggling to the same extent to pay for fuel - in social research studies, evidence suggests high levels of people classified as being in fuel poverty, stated they did not have heating problems and were managing well financially.

⁷¹ [Executive Summary - Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026 - gov.scot \(www.gov.scot\)](#)

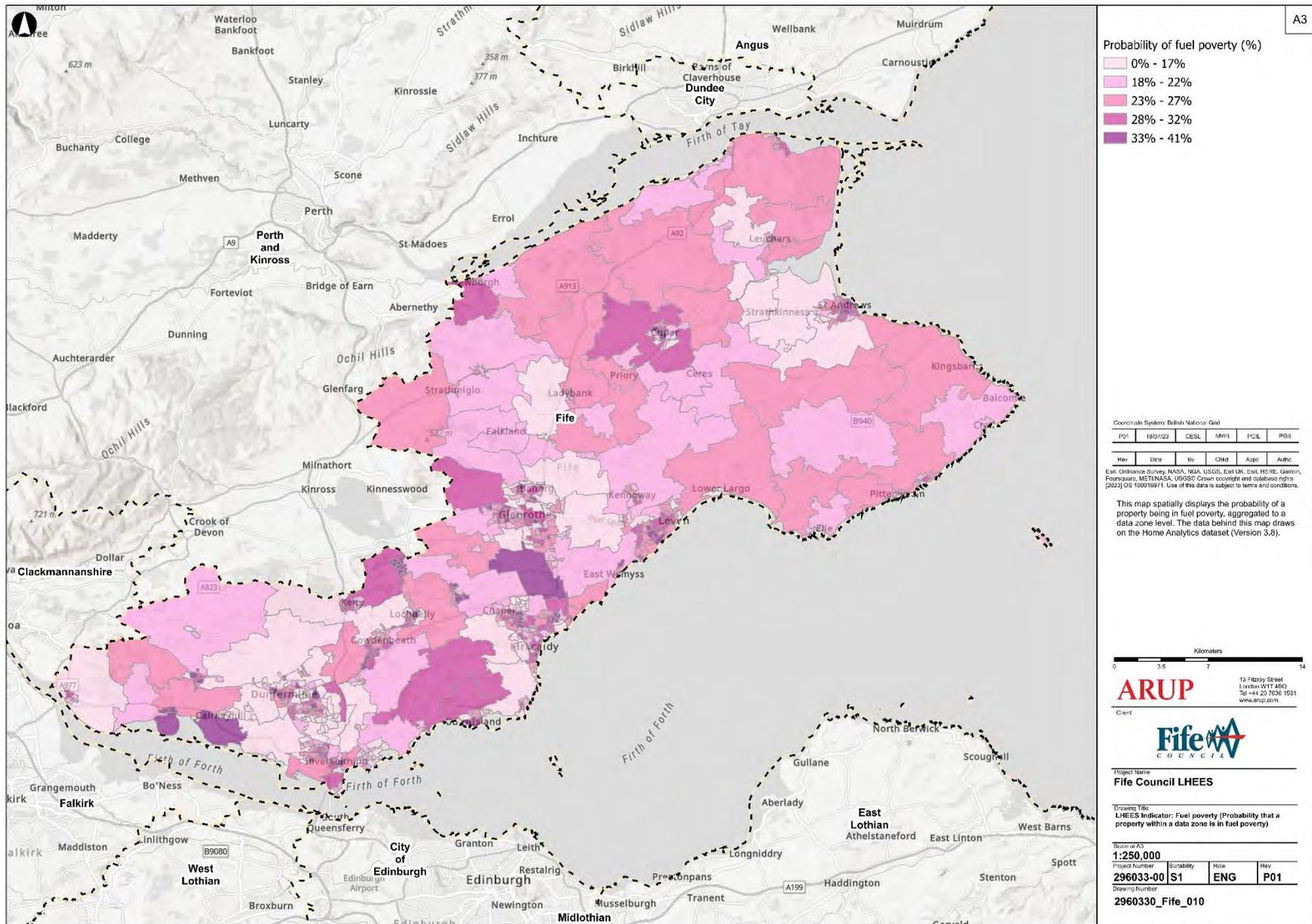


Figure 5: Probability of Fuel Poverty

6.3. Priority 3: Supporting an Inclusive Economy, Jobs, and Skills

6.3.1. Outcomes

£	Supporting an Inclusive Economy, Jobs, and Skills	<ul style="list-style-type: none"> • 3.1 Skills & Jobs - The skills and jobs required to support retrofit actions across Fife are identified and supported, as part of the just transition. • 3.2 Community Wealth Building - Actions will continue to support recovery, focus on place and work in partnership with our communities, as part of the just transition. • 3.3 Finance - Fife actions are identified where local, regional, and national expenditure and funding could support the just energy transition.
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6.3.2. Context

6.3.2.1. Skills and Jobs

Improving energy efficiency and decarbonising heat sources may make significant economic contributions to businesses. This includes strengthening supply chains, creating jobs, enabling innovative technologies, and supporting new sector entrants. To meet the just energy transition aims, supply chains must grow, most notably needing trained heating and energy efficiency installers. Nationally identified economic opportunity and challenges are detailed in Table 14.

Table 14: National Economic Opportunities & Challenges (Heat in Buildings Strategy)

Opportunities	Challenges
Heat and energy efficiency sectors generate turnover of £2 billion/year and support ~12,500 full time equivalent jobs.	Construction sector and supply chains are still recovering from COVID-19 and European Union Exit.
An additional ~16,400 jobs will be supported by 2030 due to investment in decarbonised heating deployment.	There is a skills gap to meet existing demand; with demand expected to grow.
Total investment to meet net zero targets for buildings is ~£33 billion ; investment will peak at ~£2-2.5 billion/year .	Requirement to understand supply chain demand to ensure availability of skilled labour will not increase prices and throttle ambitions.
Opportunities for Scottish companies to service wider UK and internal demand.	Consider just transition for jobs in traditional, fossil-fuel based sectors.
Maximise benefits for Scottish manufacturers (investment and access to a skilled workforce).	Material shortages and increased prices.

Other challenges noted by stakeholders were:

- A broad lack of understanding of the whole-building approach required to install heat pumps.
- Understanding of ventilation, air tightness, and condensation points when installing insulation.
- Most of the insulation sector may only have manufacturer qualifications⁷².
- Heat pump courses are undersubscribed, maybe due to job uncertainty.
- Poor understanding of the local skills baseline and gap.
- Delays in installing heat pumps may increase workload in later years⁷³.

Despite the challenges, as referenced in Chapter 4.2, the level of investment required to retrofit Fife's buildings (~£3 billion for domestic), provides the opportunity to further develop the local green jobs sector.

⁷² Not deemed as competent qualifications by Scottish Government.

⁷³ Manufacturers and installers will only invest in increasing capacity when demand is high, causing a lag when market demand increases, potentially increasing costs and constraining the roll out.

The number of homes to be retrofitted each year to meet targets is significant, requiring a substantial skilled workforce. The more interventions per house, the higher the number of houses needing retrofitted each year to meet the targets, requiring more jobs (Table 15). Each year targets are missed this issue will be exasperated.

Table 15: Interventions Required to Meet Targets

Target	No. of houses	Number of intervention stages and houses to be retrofitted per year.
Social housing to energy performance certificate band B by 2032	~36,000	<ul style="list-style-type: none"> • 1 intervention equals ~4,500 houses retrofitted per year. • 2 interventions equals ~9,000 houses retrofitted per year. • 3 interventions equals ~13,500 houses retrofitted per year.
All other homes to energy performance certificate band C by 2033 ⁷⁴	~69,000	<ul style="list-style-type: none"> • 1 intervention equals ~7,500 houses retrofitted per year. • 2 interventions equals ~15,000 houses retrofitted per year. • 3 interventions equals ~22,500 houses retrofitted per year.
Fuel poor households to energy performance certificate band B by 2040 ⁷⁵	~136,000	<ul style="list-style-type: none"> • 1 intervention equals ~8,500 houses retrofitted per year. • 2 interventions equals ~17,000 houses retrofitted per year. • 3 interventions equals ~25,500 houses retrofitted per year.

The skills and jobs required to support this include:

Insulation	Heat pump installation/maintenance	Heat network construction/operation	Smart energy	Data & digital
Emerging innovative technologies	Funding	Retrofit coordination	Traditional skills for historic buildings	Supporting roles (e.g. welders, scaffolders)

Due to multiple, often competing, variables to be understood when retrofitting a building, a retrofit coordinator role was deemed a necessity⁷⁶. This role would require an understanding the most suitable measures for each building archetype, and ensure retrofits meet a desired standard. There is a growing understanding nationally and locally of the need for this role, with bodies such as Energy Skills Partnership and Fife College considering how to take this forward.

6.3.2.2. Community Wealth Building

Community wealth building uses the economic power and leverage of local organisations to tackle challenges and inequalities within communities. It transforms local economies to enable more communities to own, have a stake in, access and benefit from the wealth the economy generates⁷⁷. The Plan4Fife 2021-24 update has community wealth building as a key focus. It notes it focuses on topics which are important to us: community wealth, wellbeing, environmental sustainability, and fairness, and is to be placed at the heart of all things the Council plans moving forwards.

⁷⁴ Excludes private rented who must achieve an energy performance certificate band C by 2028.

⁷⁵ Assuming all homes are at risk of fuel poverty and excludes social housing.

⁷⁶ Existing courses: Retrofit Academy's [Level 5 Diploma in Retrofit Coordination and Risk Management](#) and [Retrofit Coordinator Bootcamp](#).

⁷⁷ [Community wealth building - Cities and regions - gov.scot \(www.gov.scot\)](#)

This strategy adheres to this, with actions involving communities, local projects, and organisations; improving understanding of local employment opportunities; and other benefits. An example is supporting Climate Action Fife's⁷⁸ Climate Friendly Homes project. This helps people tackle the climate emergency at home by providing impartial information on how they can reduce their impact – provided via Cosy Kingdom (see Chapter 6.4). This could be supported by peer-learning and sharing of information and data to help build capacity of organisations and communities.

This strategy will also help maximise local supply chain opportunities as part of community wealth building and procurement, by identifying and prioritising areas for retrofit delivery - enabling Fife businesses to remain competitive.

6.3.2.3. Finance

As noted in Chapter 6.3.2.1, total investment made available to meet net zero targets for buildings is **~£33 billion**; with annual investment peaking at **~£2-2.5 billion** by 2030. This will not be sufficient to transition all buildings in Scotland to net zero, **averaging just under £11,500 per building**⁷⁹.

Significant levels of additional funding will be required. At the local level, Fife has over 200,000 buildings, the majority of which will need to be retrofitted – necessitating significant levels of investment. Consideration also needs to be given to the availability of funding for building owners to take forward their own retrofit actions. To help support all of this, the strategy and delivery plan will:

- Help understand and promote the range of funding available (Chapter 6.7.2.4).
- Provide evidence and prioritise where funding should be directed.
- Have actions which help minimise the cost of doing business/infrastructure construction.
- Have actions focused on exploring alternative funding sources, and to maximise existing energy spend to benefit Fife.
- Ensure funding aligns with network operators' business planning cycles (see Chapter 6.6)

The Scottish Government have also indicated Local Heat and Energy Efficiency Strategies will be used as a prospectus for where funding and investment could be targeted.

6.3.3. Summary

Overcoming the skills gap to ensure a just transition to net zero is a key backbone to ensuring success of this strategy. A green skills workforce will help Fife transition its heating needs and adapt to the changing climate. It is crucial workers are taken with us on this journey, allowing their skills previously developed in traditional, fossil fuel orientated industries to be applied in the net zero economy. Actions are included focussing on working with local training providers and industry, understanding Fife's skills baseline, and collaborating with schools to highlight career opportunities. There is also a role for Scottish Government and national stakeholders to lead in this area, with Fife and other local authorities providing local knowledge and supporting delivery mechanisms.

This strategy also aligns with the Plan4Fife and has actions supporting community wealth building, including working with local community organisations providing energy advice; improving community buildings; and raising awareness and knowledge of energy efficiency and heat decarbonisation.

This strategy and delivery plan provides a framework for future capital and revenue spend to move Fife's buildings towards meeting net zero targets. To ensure funding is available to achieve this, Scottish Government and funders will be made aware of the challenges and retrofit actions required to decarbonise Fife's buildings. This will help inform future funding streams.

⁷⁸ [Home: Climate Change Workshops | Climate Action Fife](#) - a Fife-wide partnership project between Greener Kirkcaldy, Fife Council, Fife College, and Fife Communities Climate Action Network who are working to tackle the climate emergency.

⁷⁹ Based on 2.7 million domestic properties ([National Records of Scotland](#)) and ~220,000 non-domestic (Heat in Buildings Strategy).

6.4. Priority 4: Maximising Knowledge and Awareness

6.4.1. Outcomes

	Maximising Knowledge & Awareness	<ul style="list-style-type: none">• 4.1 Awareness & Knowledge - Everyone in Fife is aware of how to improve energy efficiency, decarbonise heat, and access support programmes to facilitate behaviour change.
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6.4.2. Context

The just transition requires all building owners, and stakeholders, to be engaged with and informed on the Local Heat and Energy Efficiency Strategy. This includes its purpose and actions; how to improve their buildings' energy efficiency and decarbonise heat sources; and support services available. Provision of this information in a clear and open format will help drive behaviour change across Fife, and Scotland.

Heat in Buildings Strategy

The strategy states: *“We want individuals and organisations to see energy efficiency and low and zero emissions heating as a positive choice, understand the options available, and know where they can get help and trusted advice.”*

6.4.2.1. Challenges

There is an ongoing requirement to provide information and support to help consumers make informed choices. However, there are challenges to raising awareness on Local Heat and Energy Efficiency Strategies, energy efficiency, and heat decarbonisation, and therefore changing behaviours:

- The scale of the task is significant if all buildings are to be net zero by 2045 – necessitating a centrally driven nationwide communications campaign (see box below).
- There is a lack of information and awareness on how to improve buildings to meet the climate challenge.
- There is a need for a mass behavioural shift in understanding of how we heat our homes and buildings. This includes understanding of new technologies.
- Knowing where to find support can be confusing.
- How to effectively change behaviours and encourage owners to improve buildings.
- Awareness of how energy performance certificate bands are calculated, and the most effective measures for improving them.
- Cost of installation, and disruption arising from this, may prevent people from engaging further.
- Understanding which energy efficiency measures, and other factors, are most suitable to ensure a heat pump works efficiently is a complex topic to convey.

The Heat in Buildings Strategy has an action to:

“Deliver a public communications programme to raise awareness of the support and advisory services available and to encourage home upgrades, in order to maximise uptake of these schemes.” This information and support will be provided on the [NetZeroNation.scot](https://www.netzeronation.scot) website.

6.4.2.2. Existing Support

Various organisations exist to provide information and advice (examples in Table 16). These will be promoted across Fife, as well as any funding opportunities. It is important the Council works with our local organisations who provide a variety of information and advice in this area. This could be supported by peer-learning and sharing of information and data to help build capacity of organisations and communities.

Table 16: Examples of Information and Advice Services

National Public Energy Agency ⁸⁰ (Launched 2025)	Will provide leadership and coordination to deliver heat decarbonisation, by: <ul style="list-style-type: none"> Accelerating transformational change in how we heat and use energy in buildings. Aiding public understanding and awareness. Coordinating delivery of investment.
Net Zero Nation ⁸¹	A Scottish Government website providing resources and advice for a range of net zero issues including energy efficiency.
Energy Saving Trust ⁸²	Delivers energy programmes with governments, and support householders and businesses make informed energy choices through provision of online advice; research; assurance; and communications.
Home Energy Scotland ⁸³	Helps people create warmer homes, reduce bills, and lower carbon footprints, delivered via an advice centre network.
Business Energy Scotland ⁸⁴	Provides support and access to funding to help small and medium-sized enterprises save energy, carbon, and money – including energy efficiency assessments.
Fife Council ⁸⁵	Have webpages dedicated to heating advice, focussing on providing support following the increase in energy bills.
Cosy Kingdom ⁸⁶	A partnership offering free and impartial energy and debt advice, and a free handy service for those eligible for free energy-saving measures.
Fife Voluntary Action ⁸⁷	Fife's Third Sector Interface provide a range of services, including informing community organisations of available funding, and recommending they undertake energy audits.

6.4.3. Summary

This priority recognises, to meet our vision, all building owners (homeowners, landlords, businesses, public sector, community organisations etc.) and supporting organisations must be brought with us on this journey. All stakeholders need to be aware of the considerations identified whilst developing this strategy, and the national funding and support available, to ensure retrofits are successful.

Actions are included focussing on developing a communications strategy, materials, and presentations, and engaging with Scottish Government to encourage a nationally coordinated campaign supporting all Scottish stakeholders.

⁸⁰ [The National Public Energy Agency - Energy efficiency - gov.scot \(www.gov.scot\)](https://www.gov.scot/topics/energy/energy-efficiency)

⁸¹ [About Net Zero | Net Zero Nation](https://www.gov.scot/topics/energy/net-zero)

⁸² [Energy Saving Trust](https://www.es-t.org/)

⁸³ [Home Energy Scotland](https://www.homeenergyscotland.org/)

⁸⁴ [Business Energy Scotland · Make Your Business Greener](https://www.businessenergyscotland.org/)

⁸⁵ [Heating advice | Fife Council](https://www.fife.gov.uk/energy-advice/)

⁸⁶ [Cosy Kingdom – Stay warm, save energy](https://www.cosykingdom.org/)

⁸⁷ [Fife Voluntary Action: Supporting volunteers, voluntary organisations, and social enterprises in Fife \(fva.org\)](https://www.fva.org/)

6.5. Priority 5: Ensuring Certainty of Success

6.5.1. Outcomes

	Ensuring Certainty of Success	<ul style="list-style-type: none"> • 5.1 Ensuring Certainty - Actions will be prioritised on certainty of success and minimal potential unintended consequences.
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6.5.2. Context

As detailed in Chapter 4.3 a range of challenges were raised which increase uncertainty of achieving a robust delivery or cause undesired impacts. Some of these are covered in other priorities (e.g. skills and knowledge) or will be during project delivery (e.g. minimising disruption). This priority, and actions supporting it, focuses on the following challenges: uncertainty of measures; Energy Performance Certificates; heat pumps; historic buildings; and changes in national policy.

The potential impacts, if addressed incorrectly, include higher energy costs; increasing/not reducing fuel poverty; damp/mould; and interstitial (inter-wall) condensation.

6.5.2.1. Uncertainty, Energy Performance Certificates, and Heat Pumps

The challenges included gaps in understanding and data on the right combination of retrofit measures, energy performance certificates, and heat pumps. These are the main limiting factors to identifying building level actions. Across Scotland projects/forums are being undertaken to find solutions (Table 17).

Table 17: Examples of Existing Projects

Local Authority Local Heat & Energy Efficiency Strategy Forum	Forum for Local Heat and Energy Efficiency Strategy Officers, allowing for challenges to be brought forward, with ideas shared on how these might be overcome.
Energy Efficiency Standard for Social Housing 2 review sub-groups⁸⁸	<ol style="list-style-type: none"> 1. Just transition metric & heating system – reviewing options for a measurable target for a new standard which does not worsen effects of fuel poverty. 2. Measures & finance – recommend options for guidance to identify appropriate measures for housing stock/archetypes, and funding/finance options. Is also considering a new metric using kWh/m²/year. 3. Fabric & hard to treat – reviewing options for ensuring the largest proportion of stock can achieve the new standard, which supports the principle of “Fabric First” and provides alternatives for properties exempt from the target.
Passivhaus Trust Report⁸⁹	Reviewed energy performance certificates and alternatives. It notes the rating system has become increasingly inaccurate and recommends using space heating demand as the primary metric.
Zero Emission Social Housing Taskforce⁹⁰	Recommended how to maximise social housing’s contribution to climate change targets. Including to “develop an understanding of the needs and solutions of the different archetypes in Scotland’s social housing stock.”
Link Housing	Developing a Stock Condition Plus ⁹¹ survey to help plan property upgrades towards net zero based on archetypes and key components.
Electrification of Heat Project⁹²	Funded by UK Government, this project aims to understand the technical and practical feasibility, and constraints, of the roll-out of heat pumps.

⁸⁸ [Heat in buildings: Energy Efficiency Standard for Social Housing Review Group - gov.scot \(www.gov.scot\)](https://www.gov.scot)

⁸⁹ [Guidance \(passivhaustrust.org.uk\)](https://passivhaustrust.org.uk)

⁹⁰ [Zero Emission Social Housing Taskforce - gov.scot \(www.gov.scot\)](https://www.gov.scot)

⁹¹ [link-group-sustainability-strategy.pdf \(linkhousing.org.uk\)](https://linkhousing.org.uk)

⁹² [Mass rollout of heat pumps feasible, but innovation needed to accelerate take up - Energy Systems Catapult](https://www.gov.scot)

Fife Council will support this national work by considering these challenges and other priorities when identifying building level actions. The Council will develop a model to analyse retrofit options (Chapter 7.1). This will use existing data, research, and knowledge to determine building level actions with a high certainty of success and positive impact. This may also highlight data and knowledge gaps, where further research is required. The model will also be used to identify early wins, where energy efficiency actions are more straightforward and can be supported in the short term.

6.5.2.2. Historic Buildings

Fife has **~27,750 domestic and ~6,000 non-domestic pre-1919 properties**. Retrofitting these is a substantial challenge, due to⁹³:

- Repair work may be needed prior to retrofit and preventing damage when retrofitting.
- Cost of retrofitting.
- Listed status and conservation areas, and the restrictions these entail.
- Ensuring air flow and water vapour dispersal are not compromised to the building's detriment.
- Consideration of using natural materials better able to buffer moisture and prevent condensation.
- Maintaining historic character, such as use of lime render as external wall insulation.
- Presence of lath and plaster potentially restricting internal wall insulation options.

The Council can assist in overcoming these challenges and consider any impact where necessary consents are required. To help achieve this, we will:

- Work in collaboration with experts on historic buildings (e.g. Fife Historic Buildings Trust, Historic Environment Scotland, Fife Council Built Heritage Officer).
- Implement and build upon Historic Environment Scotland guidance focussing on Local Heat and Energy Efficiency Strategies and historic buildings. This will include existing resources and research (e.g. Guide to Energy Retrofit of Traditional Buildings).
- Gather more data on historic buildings and undertake small-scale pilot research projects.

This will also inform the additional modelling for the development of the detailed delivery plan. It will ensure these challenges are considered when determining building level actions for historic buildings.

6.5.2.3. Changes in National Policy

This long-term strategy is aligned to national strategies and targets which may change over time. This may alter priorities, outcomes, and actions, and necessitate re-modelling, requiring a flexible approach. Engagement with Scottish Government and stakeholders to ascertain policy changes, reviewing new policies, and implementing findings, will help keep this strategy relevant.

6.5.3. Summary

To ensure a successful, high-quality strategy it must meet its priorities and targets and have actions with a high certainty of success and positive impacts. Failure to do so may erode trust; prevent buildings meeting net zero; cause potential building damage; or fail to tackle fuel poverty. To help improve certainty of success, the following actions are included:

- Review and revise the methodology, data, and modelling, and incorporate lessons learned.
- Develop work packages to help understand the most appropriate measures for historic buildings.
- Ongoing reviews of policies, strategies, and targets.
- Review projects and research, and incorporate findings, lessons learned and data.
- Sharing of best practice between stakeholders of how to improve building stock.
- Raise nationally significant challenges to the Scottish Government to allow for a centrally coordinated response and action.

⁹³ [Inform Guide: Improving Energy Efficiency in Traditional Buildings \(historicenvironment.scot\)](https://www.historicenvironment.scot/inform-guide)

6.6. Priority 6: Transitioning the Energy System

6.6.1. Outcomes

	Transitioning the Energy System	<ul style="list-style-type: none"> 6.1 Energy System Opportunities & Constraints - Actions are informed via engagement with utility providers to determine capacity, opportunity, and security of projects, whilst taking a holistic view of the wider energy system.
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6.6.2. Context

Fife’s just transition towards decarbonising heat will require the changing use of existing energy infrastructure. This will be influenced by where grid improvements and additional generation are required, and in the long-term moving away from natural gas. SP Energy Networks, SGN and Scottish Government must take the lead role in this – SP Energy Networks upgrading the electricity grid, SGN looking at alternative fuels, and Scottish Government providing national coordination. Fife Council should have a supporting role, providing local context, based on the outputs of this strategy.

When considering energy generation requirements, it is important to determine the amount of energy demanded and how this can be reduced (e.g. energy efficiency). This provides an energy generation baseline to meet demand. However, transition towards renewables means energy not always being available when and where required, necessitating methods to move and store it.



Figure 6: Energy Choices

6.6.2.1. Electricity

This strategy recommends installing decarbonised heating systems running off electricity (individual heat pumps or pumps supporting heat networks). The number of heat pumps to be installed up to 2045 is significant, placing demand pressures on the grid. This will be carefully managed in discussion with Distribution Network Operators⁹⁴ (SP Energy Networks for Fife) to ensure grid constraints are identified and considered when prioritising actions. Discussions will also identify future opportunities for grid expansion and consider other energy projects competing for capacity. We will also explore opportunities for battery storage to help manage the network, noting batteries use up grid capacity under current definitions however this is likely to change. By working with SP Energy Networks, this will support them to make informed decisions and investments.

Nationally it is estimated fossil fuel use must reduce by 28 TWh in 2030⁹⁵ to meet decarbonised heat ambitions. If the main method is via heat pumps⁹⁶, levels of renewable electricity required is equivalent to an additional 3 GW of onshore wind or 2 GW of offshore wind⁹⁷.

SP Energy Networks has been engaged throughout this strategy’s development. It is expected the cost of investment in the grid will be significant. SP Energy Networks are following Revenue = Incentives + Innovation + Outputs – Electricity Distribution 2⁹⁸. This is a 5-year price control (ending in 2028) which sets the outputs Distribution Network Operators must deliver, and the revenues they are allowed to collect. To ensure the long-term success of this strategy, we will continue to engage SP Energy Networks on planned projects to inform the new price control, and future grid reinforcement.

⁹⁴ Distribution Network Operators run the distribution of electricity from the national grid to properties.

⁹⁵ Compared to 2021.

⁹⁶ With limited contribution from hydrogen.

⁹⁷ [Heat In Buildings Strategy: Achieving Net Zero Emissions in Scotland’s Buildings \(www.gov.scot\)](https://www.gov.scot/Heat-In-Buildings-Strategy-Achieving-Net-Zero-Emissions-in-Scotland-s-Buildings)

⁹⁸ [Network price controls 2021-2028 \(RIIO-2\) - Electricity distribution price control 2023-2028 \(RIIO-ED2\) | Ofgem](https://www.ofgem.gov.uk/network-price-controls-2021-2028-riio-2-electricity-distribution-price-control-2023-2028-riio-ed2)

Heat decarbonisation must start as soon as possible. This will require working under current grid constraints, or where minor upgrades are possible. To achieve this, regular engagement will take place with SP Energy Networks to assess feasibility of short-term actions. One mechanism is SP Energy Networks’ Local Heat & Energy Efficiency Strategy Portal⁹⁹. This identifies current cable capacity and how it is impacted by additional loads. Once developed further, this will become a critical tool to prioritise and plan building level actions and help ensure early adopters do not potentially block implementation of future projects.

6.6.2.2. Gas

The majority of properties in Fife use mains gas for heating; mainly natural gas. The Heat in Buildings Strategy sets targets for zero emissions heating by 2030 in:

1 million on-gas homes = 84,000 in Fife	50,000 non-domestic buildings = 4,600 in Fife of which ~1,470 are on mains gas
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To achieve, and go beyond, these targets, demand for unabated natural gas must be phased out and replaced by low carbon and ultimately renewable energy sources. There are two main mechanisms for doing so:

1. Alternative heating systems (heat pumps/heat networks) described in Chapters 4.1 and 6.8.
2. Switching to decarbonised alternatives (gas blending¹⁰⁰ or hydrogen).

Switching to 100% hydrogen, providing trials are successful, is a long-term potential solution to decarbonisation. SGN have the leading role in exploring decarbonised alternatives and are collaborating with other gas networks to provide evidence for UK Government’s 2026 heat policy decision on hydrogen’s future role in heating homes.

Scottish Government do not envisage hydrogen having a role in heating buildings in the near term¹⁰¹, and is not a focus in modelling for this strategy. However, SGN projects in Fife are leading the way in exploring hydrogen opportunities. This includes the H100 Fife¹⁰² project in Levenmouth. H100 is the world’s first 100% hydrogen-to-homes heating network supplying three hundred homes with hydrogen produced by an electrolysis plant powered by an offshore wind turbine.

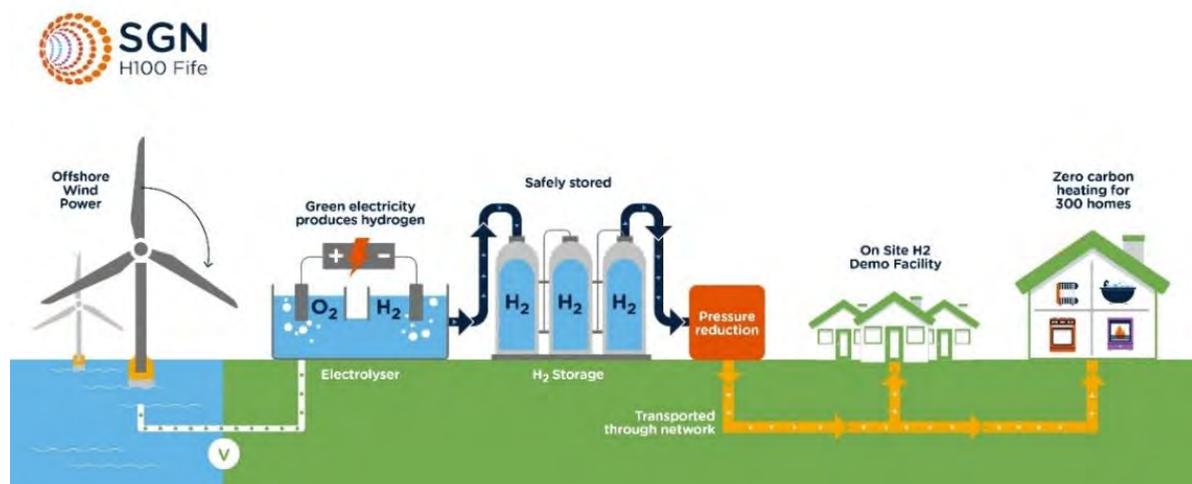


Figure 7: H100 System Diagram – Copyright © SGN

⁹⁹ [LHEES Portal \(derryherk.com\)](https://www.derryherk.com)

¹⁰⁰ Gas blending is being explored across the UK and is the blending of natural gas alternatives (e.g. biomethane) into the network, to lower short-term emissions and hopefully displace natural gas in the long-term.

¹⁰¹ [Draft Energy Strategy and Just Transition Plan \(www.gov.scot\)](https://www.gov.scot)

¹⁰² [H100 Fife | Fife Council](https://www.fife.gov.uk)

Local Transmission System Futures Programme

SGN's Local Transmission System Futures Programme will research, develop, and test compatibility of assets, pipelines, associated plant, and ancillary fittings with hydrogen.

H2 Caledonia

A SGN project routing new hydrogen transmission pipelines to connect production, storage and network injection locations across the East Coast and Central Belt. In Fife, there are several emerging hydrogen projects which will be connected by the new pipelines. These pipelines would form a backbone, providing the fuel required to support the phased conversion of gas distribution networks.

Consideration needs to be given to continuing to understand the long-term role hydrogen may have in heating buildings, the opportunities, and timescales. We will continue to meet with SGN regarding their leading role in exploring hydrogen use. The greater our understanding, the more it could possibly be incorporated into scenario planning. Increasing our awareness will make the just transition easier and help understand the best time to transition to hydrogen, if deemed appropriate to do so. Decisions would also be required on whether hydrogen is more or less appropriate than heat pumps and networks. Modelling will also need to consider the costs if sections of the gas network need to be decommissioned.

For hydrogen, Fife Council will maintain a supportive watching brief. With progress of this the responsibility of SGN, Scottish Government and other gas distribution networks.

6.6.3. Summary

This priority focuses on how this strategy, and the just transition towards decarbonising heat, will interact with the wider energy system. Most notably use of current electricity infrastructure, impacts on future grid capacity, and the transition from natural gas to other fuels. SP Energy Networks and SGN are key stakeholders in leading this transition and will be engaged throughout the lifetime of the strategy to ascertain their progress. To help meet this priority, actions are included in the delivery plan focussing on supporting SP Energy Networks and SGN:

- Engaging with SP Energy Networks on using their Portal to forward plan heat decarbonisation measures for buildings; and for their price control review to ensure Fife's energy system needs for heat decarbonisation from 2028 onwards are met.
- Collaborating with SGN to explore potential for hydrogen for heating in buildings in Fife, including potential expansion of H100.

Furthermore, a pilot settlement level energy plan will be developed for the Dunfermline & Rosyth area. This will consider the wider energy system and will help inform decisions and modelling for heat network and heat pump placement. Opportunities for wider funding will be explored to support, and potentially expand this.

6.7. Priority 7: Improving the Energy Efficiency of Buildings

6.7.1. Outcomes

	Energy Efficient Buildings	<ul style="list-style-type: none"> • 7.1 Domestic; 7.2 Social Housing; 7.3 Private Rented; 7.4 Mixed-Use, -Tenure & Historic - Homes across Fife become more energy efficient and contribute Fife’s share, on a proportional basis, of the national targets, recognising the challenges. • 7.5 Non-Domestic - Non-domestic buildings across Fife become more energy efficient, recognising the challenges.
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6.7.2. Context

Improving energy efficiency of buildings will help reduce energy demand. It will also support the rollout of decarbonised heating by acting as a “*critical precursor to deployment of many zero emissions systems*”¹⁰³. It will help to reduce energy costs, with a no/low regrets fabric first method being central to the Heat in Buildings Strategy’s approach to reduce fuel poverty and meet net zero.

6.7.2.1. Domestic

The Heat in Buildings Strategy and Energy Efficiency Standard for Social Housing 2 have targets focused on buildings’ energy performance certificate bands:

Private rented homes to be energy performance certificate band C by 2028 = ~14,000 in Fife	All social housing to be energy performance certificate band B by 2032 = ~36,000 in Fife	All other homes to be energy performance certificate band C by 2033 = ~69,000 in Fife	All fuel poor homes to be energy performance certificate band B by 2040 = ~136,000 in Fife ¹⁰⁴
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The challenge for Fife is huge, with only 7% of homes in Fife having an energy performance certificate band of A or B, and over half (53%) lower than C and not meeting any targets (Figure 8). These figures are similar to the national average (51%)^{105, 106}.

The 2040 target also presents a challenge. It is difficult to identify fuel poverty risk years in advance, and there is potential for all homes to be fuel poor if living situations change. Therefore, this target has been applied to all homes for this strategy and delivery plan. It is estimated, 64% (118,349) of Fife homes will need some level of retrofit to meet the national targets.

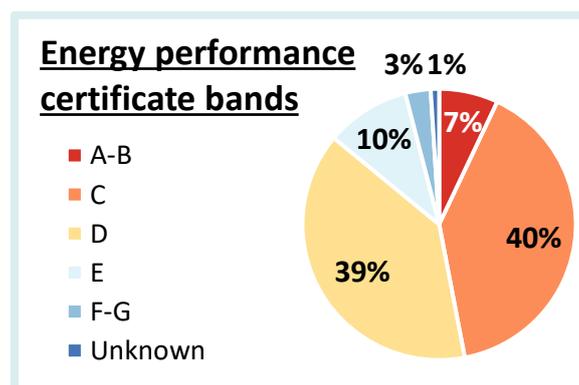


Figure 8: Energy Performance Certificate Bands (Domestic)

¹⁰³ [Heat In Buildings Strategy: Achieving Net Zero Emissions in Scotland's Buildings \(www.gov.scot\)](https://www.gov.scot/Heat-In-Buildings-Strategy-Achieving-Net-Zero-Emissions-in-Scotland's-Buildings)

¹⁰⁴ Assuming all homes are at risk of fuel poverty and excludes social housing.

¹⁰⁵ National averages provided by Energy Savings Trust and are from Home Analytics v3.8 aggregated to a national level.

¹⁰⁶ All data from Home Analytics.

Along with energy performance certificates, analysis identified other indicators for poor energy efficiency. These include 7% of homes have single glazed windows¹⁰⁷; 8% with low loft insulation¹⁰⁸ (Figure 9); and 37% with uninsulated walls (Table 18 and Table 19), lower than national average of 41%.

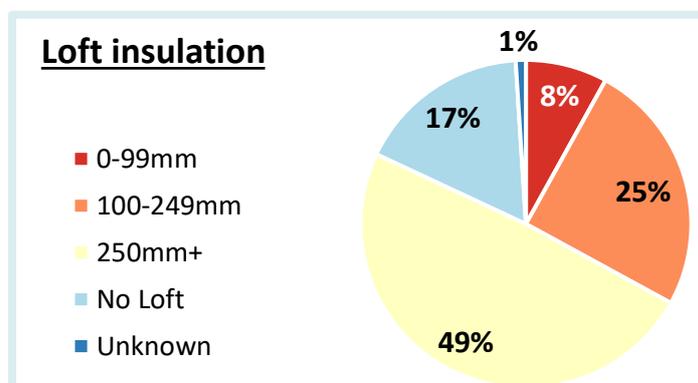


Figure 9: Loft Insulation (Domestic)

Table 18: Wall Construction and Insulation (Domestic)

Wall construction & insulation	%
Cavity (insulated)	42%
Cavity (uninsulated)	15%
Solid brick/stone (insulated)	3%
Solid brick/stone (uninsulated)	15%
System built (insulated)	3%
System built (uninsulated)	3%
Timber frame (insulated)	14.5%
Timber frame (uninsulated)	4%
Unknown	0.5%

Table 19: Uninsulated Walls by Tenure (Domestic)

Tenure	Proportion with uninsulated walls
All domestic properties	37%
Owner-occupied	27%
Privately rented	7%

¹⁰⁷ In line with the national average of 8%.

¹⁰⁸ Less than 100mm - similar to the national average of 9%.

~1,700 homes have all three indicators of poor energy efficiency (Table 20).

Table 20: Proportion of Properties with Multiple Poor Energy Efficiency Indicators

Low loft insulation	Single glazed windows	Uninsulated walls	No. of Properties
✓	✓		1,686 (1%)
✓		✓	9,184 (5%)
	✓	✓	8,955 (5%)
✓	✓	✓	1,698 (1%)

Social Housing

The majority (89%) of social housing is below energy performance certificate band B. Scenario modelling to determine how these homes can be compliant with Energy Efficiency Standard for Social Housing 2 focussed on a fabric first approach. Energy Efficiency Standard for Social Housing 2 is being reviewed, with outputs expected in 2024. If this recommends decarbonised heat for social housing, the modelling may need to be revisited.

Private Rented Homes

The private rented homes target was amended following the pandemic to reduce pressure on the sector. However even with the new target, 14,000 homes (57% of all private rented) have only 4 years to achieve energy performance certificate band C. Failure to do so may impact the ability of these homes to be rented out.

Concerns have been raised of high, potentially prohibitive, retrofit costs increasing proportion of vacant properties if landlords determine cost of investment is not worthwhile. We will work closely with the Private Housing Team and Private Landlord Forum to ensure this strategy supports rather than restricts landlords.

The average energy performance certificate band is lowest in North and East Fife (Figure 10).

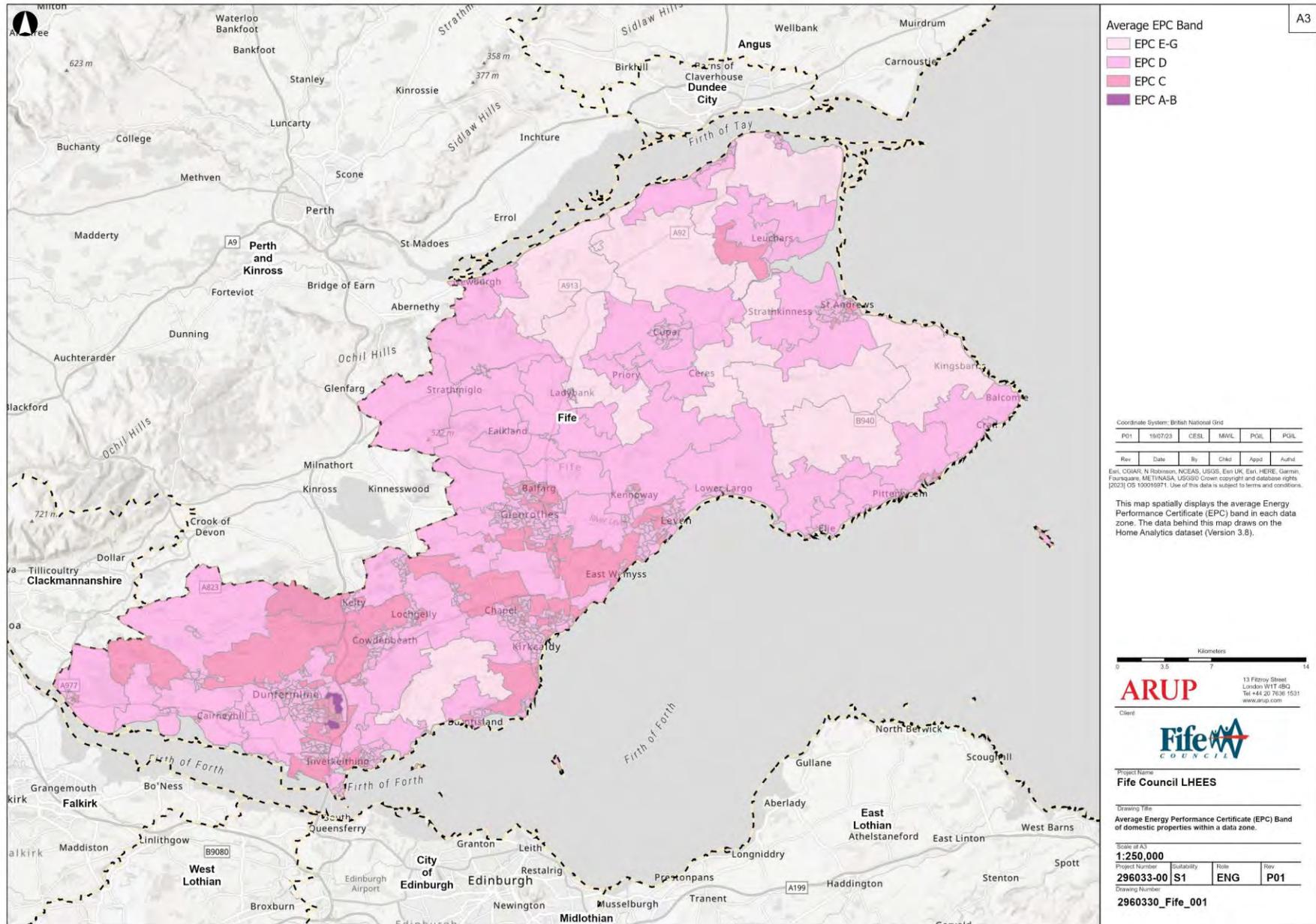


Figure 10: Average Energy Performance Certificate Band

6.7.2.2. Non-Domestic

62% of non-domestic buildings in Fife are uninsulated, of which the majority have solid brick or stone walls (Figure 11 and Table 21)¹⁰⁹.

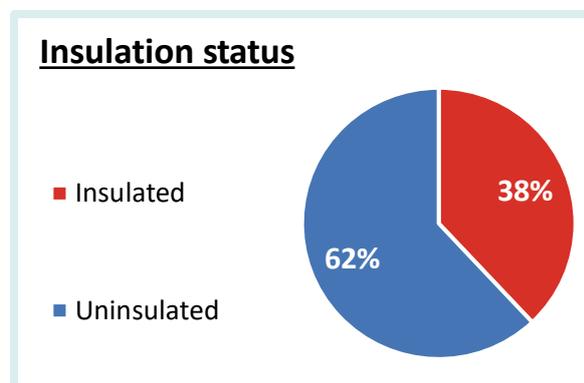


Figure 11: Insulation Status (Non-Domestic)

Table 21: Wall Construction & Insulation (Non-Domestic)

Wall construction & insulation	%
Cavity (insulated)	17%
Cavity (uninsulated)	16%
Solid brick/stone (insulated)	6%
Solid brick/stone (uninsulated)	43%
System built (insulated)	1%
System built (uninsulated)	1%
Timber frame (insulated)	15%
Timber frame (uninsulated)	2%

Levels of uninsulated walls are high in retail, clubs and community centres, and food and drink establishments (Table 22). These may be in Victorian era high streets or converted residential properties. Pre-1919 properties are more likely to have poor energy efficiency and will be more challenging to retrofit due to high proportions of solid brick/stone wall construction. They are also more likely to be listed or in conservation areas. Hotels, education, and health facilities also have high proportions of properties with uninsulated walls.

Table 22: Uninsulated Walls by Business Type (Non-Domestic)

Business type	Proportion with uninsulated walls
Retail	75%
Offices	60%
Light manufacturing/industry/ workshops	37%
Clubs & community centres	75%
Residential	66%
Cafes, pubs, restaurants & takeaways	79%
Hotels	73%
Storage / distribution	14%
Education	77%
General sports & leisure	61%
Health	72%
Other	54%
Screened out	58%

Non-Domestic Data

Non-domestic data is less accurate than domestic data. Therefore, despite the long-term outcome is for all non-domestic buildings across Fife to become more energy efficient, in the short term the focus will be on “core” buildings where more accurate data is available (e.g. Fife public buildings, and buildings of key partners with large estates).

¹⁰⁹ All data from Non-Domestic Analytics, certain buildings like utilities are excluded for consideration as demands attributed are likely to be erroneous.

6.7.2.3. Project Level Challenges

In addition to the challenges identified previously (Chapter 4.3), there are also building level challenges which could be considered at the project level:

- repair work being required prior to retrofitting,
- affordability of measures,
- consideration of embodied carbon, and
- minimising disruption.

6.7.2.4. Existing Mechanisms

Funding exists to support local authorities to complete and/or fund retrofits (Table 23). This strategy will provide the evidence for, and prioritisation of, potential projects where this funding could be best directed.

Table 23: Retrofit Funding Examples for Local Authorities

Area-Based Schemes¹¹⁰	Awarded for energy efficiency programmes in high fuel poverty areas.
Energy Company Obligation (ECO) – Local Authority Flexibility Scheme¹¹¹	Used by energy suppliers to meet up to 25% of their Energy Company Obligation Affordable Warmth obligation by installing energy saving measures in properties declared eligible by local authorities. Local authorities are responsible for ensuring households are in private tenure and either living in fuel poverty or have a low income and vulnerable to living in the cold.
Scottish Central Government Energy Efficiency Grant scheme¹¹²	Capital grant funding support to enable the delivery of heat decarbonisation and energy efficiency projects across the public sector.

In addition, other funds and support are available directly for domestic and non-domestic properties including Warmer Homes Scotland¹¹³; Home Energy Scotland Grant and Loan¹¹⁴ and Private Rented Sector Landlord Loan¹¹⁵; and Business Energy Scotland Small & Medium Enterprise (SME) Loan Scheme¹¹⁶. As mentioned in Priority 4 (Chapter 6.4) these will be promoted across Fife.

6.7.3. Summary

This priority focuses on improving energy efficiency of Fife’s buildings to meet national targets; support decarbonisation; and help building owners have lower energy costs. To help achieve this building level actions will be identified and prioritised. To ensure quality, building level actions have only been included where there is a high certainty of success and positive impacts (Chapter 4.3) or are planned for implementation. Actions include:

- Building level studies to understand specific energy efficiency measures required¹¹⁷.
- Planned projects improving energy efficiency such as installation of wall insulation; floor and loft insulation; double/triple glazing; insulating pipes; and draught proofing.
- Ongoing analysis and modelling to identify further high certainty building level actions.
- Advocation and promotion of funding and support for energy efficiency measures.
- Raising awareness and knowledge of energy efficiency.

¹¹⁰ [Area-Based Schemes - gov.scot \(www.gov.scot\)](http://www.gov.scot)

¹¹¹ [Energy Company Obligation \(ECO\): Help to Heat scheme - flexible eligibility - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

¹¹² [Overview - Scottish Central Government Energy Efficiency Grant scheme: form and guidance - gov.scot \(www.gov.scot\)](http://www.gov.scot)

¹¹³ [Warmer Homes Scotland Funding - Home Energy Scotland](http://www.homeenergyscotland.gov.uk)

¹¹⁴ [Home Energy Scotland Grant and Loan - Home Energy Scotland](http://www.homeenergyscotland.gov.uk)

¹¹⁵ [Private Rented Sector Landlord Loan - Home Energy Scotland](http://www.homeenergyscotland.gov.uk)

¹¹⁶ [SME Loan Scheme - Business Energy Scotland](http://www.businessenergyscotland.gov.uk)

¹¹⁷ A comprehensive assessment of a building’s characteristics will be needed to inform any retrofit.

6.8. Priority 8: Decarbonising Heat Sources

6.8.1. Outcomes



6.8.2. Context

Decarbonised heat sources are low and zero emissions heating. They include heat pumps, heat networks, infra-red heating or electric heaters combined with solar photovoltaic; solar water heating; and thermal storage. Implementation of new heating systems will help reduce emissions, and help Fife meet net zero and tackle the climate emergency.

6.8.2.1. Domestic

The Heat in Buildings Strategy states “*there are low and zero emissions heating options available for all domestic dwellings*”¹¹⁸ and sets targets for zero emissions heating by 2030 in:

170,000 off-gas homes using high emission fuels = ~6,500 in Fife

1 million on-gas homes = 84,000 in Fife

To meet these targets, and net zero; decarbonisation of heating must accelerate, with the Heat in Buildings Strategy focusing on implementation of tried and tested no/low regrets measures.

90% of properties are connected to the gas grid (Figure 12), greater than the national average (80%)^{119, 120}. ~165,000 domestic properties (89%) have mains gas as their main fuel type¹²¹, with 99% of these on the gas grid¹²². Half of these require to be transitioned to decarbonised heat in the next six years. To achieve this, this strategy is taking forward the no/low regrets approach. This involves having heat decarbonisation actions for domestic properties only where there is a high certainty of success (Chapters 4.3 and 7.1). This will help ensure heat pumps have a high enough coefficient of performance, hopefully reducing energy bills, whilst moving towards net zero.

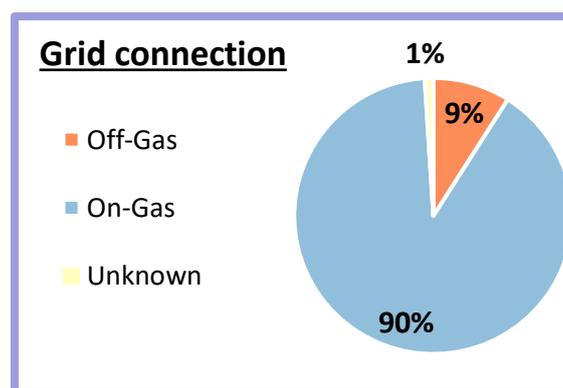


Figure 12: Grid Connection (Domestic)

¹¹⁸ [Heat in Buildings Strategy - achieving net zero emissions in Scotland's buildings - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/heat-in-buildings-strategy/achieving-net-zero-emissions-in-scotland-s-buildings/pages/118.aspx)

¹¹⁹ National averages provided by Energy Savings Trust and are taken from Home Analytics v3.8 aggregated to a national level.

¹²⁰ From Home Analytics data.

¹²¹ The difference between main fuel type and off-gas is due to postcode being a main identifier as to whether a property is on the gas grid. It is possible some properties are within the cover of the grid and therefore classed as on- gas but have non-gas heating systems.

¹²² Most off-gas properties are heated by either electricity (57%) or oil (26%).

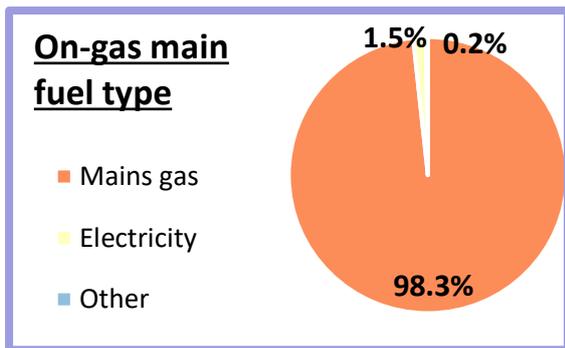


Figure 13: On-gas Grid Fuel Type (Domestic)

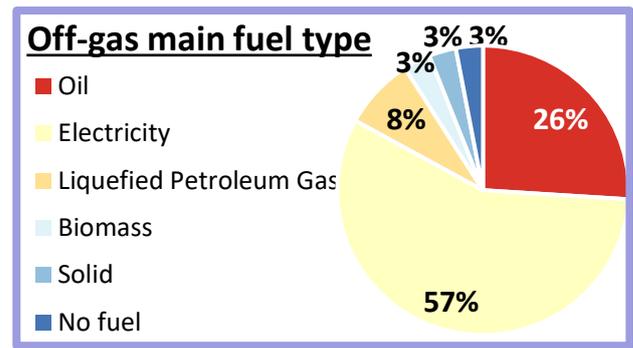


Figure 14: Off-gas Grid Fuel Type (Domestic)

The national methodology categorises properties to indicate potential heat decarbonisation pathways¹²³. Most on-gas homes are at least moderately suitable for heat pumps. Homes least suitable would likely either require additional retrofits or use alternative low/zero carbon heating systems. Over half of off-gas properties may be immediately suitable for heat pumps or require moderate upgrades.

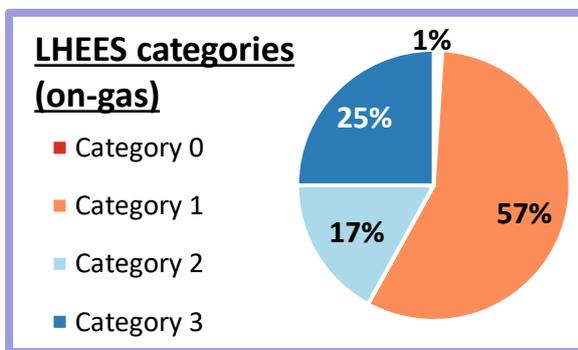


Figure 15: Local Heat & Energy Efficiency Strategy Category – On-Gas Grid (Domestic)

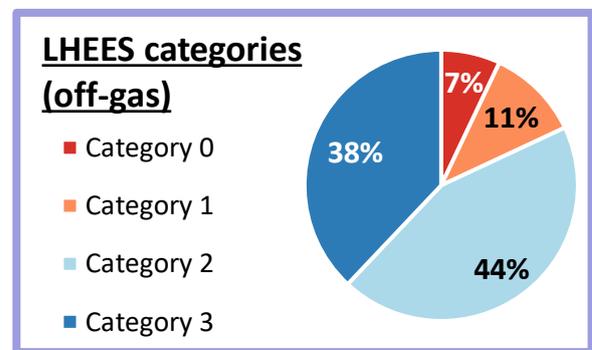


Figure 16: Local Heat & Energy Efficiency Strategy Category – Off-Gas Grid (Domestic)

Private Rented and Social Housing

Like Priority 7 (Chapter 6.7), this priority will need to consider the Energy Efficiency Standard for Social Housing 2 review if it revised to include decarbonised heat. Concerns regarding high, prohibitive retrofit costs increasing proportion of vacant properties if landlords determine the investment is not worthwhile will also be considered.

¹²³ Category 0 identifies properties connected to a heat network or have a heat pump whilst Categories 1 to 3 determines the properties heat pump suitability, with 1 being highly suitable and Category 3 least suitable/ requiring retrofit action. This is a strategic appraisal of the building stock, and more granular analysis would be necessary prior to any heat pump installation.

6.8.2.2. Non-Domestic

Decarbonised heating systems are “applicable to a large proportion of the non-domestic building stock, however enabling works such as upgrading distribution systems ... and increasing site electricity capacity may often be needed¹²⁴.” The Heat in Buildings Strategy sets targets for zero emissions heating for non-domestic building by 2030:

50,000 non-domestic buildings
= 4,600 in Fife of which ~1,470 are on mains gas

Unlike domestic, most non-domestic properties have electric heating; with only 32% on mains gas (Figure 17)¹²⁵. Offices, clubs & community centres, hospitality, education, and health sectors have higher than average proportions of properties on mains gas (Table 24). Storage and distribution properties are more likely to have oil heating.

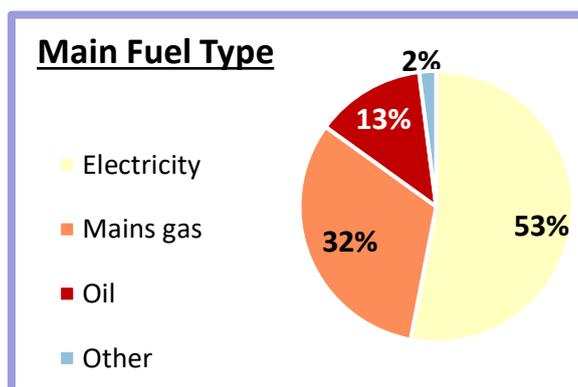


Figure 17: Main Fuel Type (Non-Domestic)

Table 24: Main Fuel Type by Business Type (Non-Domestic)

Business type	% electricity	% mains gas	% oil	% other
Retail	69%	21%	9%	1%
Offices	49%	42%	5%	4%
Light manufacturing/industry/workshops	30%	32%	35%	3%
Clubs & community centres	51%	44%	3%	2%
Residential	58%	29%	10%	2%
Cafes, pubs, restaurants & takeaways	51%	42%	5%	1%
Hotels	53%	38%	4%	5%
Storage / distribution	16%	26%	56%	2%
Education	49%	46%	3%	2%
General sports & leisure	63%	27%	4%	6%
Health	50%	48%	2%	0%
Other	56%	30%	9%	6%
Screened out	61%	24%	12%	3%

¹²⁴ [Heat in Buildings Strategy - achieving net zero emissions in Scotland's buildings - gov.scot \(www.gov.scot\)](https://www.gov.scot/heat-in-buildings-strategy)

¹²⁵ All data from Non-Domestic Analytics, certain buildings like utilities are not included for consideration as demands attributed are likely to be erroneous.

Non-Domestic Data

Like Priority 7 (Chapter 6.7), available non-domestic data is less accurate than domestic data. Therefore, despite the long-term outcome for all non-domestic buildings across Fife to transition to decarbonised heating, in the short term the focus is on “core” buildings where more accurate data is available. Public buildings are now required to submit Building Assessment Reports to inform suitability for connection to heat networks – helping to improve confidence in heat demand data.

6.8.2.3. Existing Mechanisms

Funding for building level decarbonised heating for both local authorities and building owners are the same as those in Chapter 6.7.2.4. This strategy will provide the evidence for, and prioritisation of, potential projects where this funding could be best directed in the short, medium, and long term. In addition, funding for building owners will be promoted.

6.8.2.4. Building Level Challenges

Regarding installing decarbonised heating at the building level, and considering the challenges identified in Chapters 4.3 and 6.5, challenges to be overcome on a project level are similar to those in Priority 7 (Chapter 6.7). Other challenges are:

- Additional costs, time, and labour to adapt pipework and radiators.
- Cost of installation for building owners.
- Surveying properties to ascertain whether they have the appropriate levels and placement of insulation to ensure a heat pump works efficiently.
- Consideration of staged implementation of heat pumps and insulation for non-domestic properties. Insulation can be disruptive and costly. Heat pumps could be initially installed alongside existing boilers, to help satisfy peak winter conditions. Insulation could be installed at a later stage, making boilers redundant and increasing heat pump efficiency. This method would allow maximum carbon dioxide reduction to happen sooner with less capital investment.

6.8.2.5. Heat Networks

The Heat Networks (Scotland) Act 2021 established new statutory targets for heat networks. These require the combined supply of thermal energy by heat networks to reach:

2.6 TWh of output by 2027 and 6 TWh by 2030

The Act also requires local authorities to review potential areas suitable for a heat network. Following on from this strategy, Fife Council will use this information to formally designate areas for heat networks (zones). This will require further analysis and modelling. Additional national legislation and guidance is expected to support this.

Definition of Heat Network and Potential Heat Network

Heat Network: Supplies heat (or cooling) to buildings, by taking excess heat from a central source. By supplying multiple buildings removes the need for individual boilers or heaters.

Potential Heat Network Zone: An area where a heat network provides a potential heat decarbonisation opportunity. The identification of a zone does not necessarily mean it will be designated.

6.8.2.5.1. Benefits of Heat Networks

Heat networks have several potential benefits:

- Make best use of local energy and support the energy transition. Including utilising waste heat from businesses and industry, natural assets, and other sources.
- Help in creating opportunities for community wealth building and reducing fuel poverty.
- Decarbonise heat at scale, helping to achieve net zero targets.
- Provide business and industry with an incentive to locate and create jobs and income.
- Providing opportunity for increased private sector interest in heat networks delivered at scale (settlement level solutions).

6.8.2.5.2. Existing Heat Networks

Fife has three existing district heat networks (Table 25). The potential to expand these, including options of switching to decarbonised heat sources, will be explored during the delivery stage of this strategy.

Table 25: Existing Heat Networks

Dunfermline Community Energy Scheme	Active from 2006 (with expansions), this network heats nearly three hundred properties in North Dunfermline. These include Broomhead Drive flats; the Linen Quarter; Tesco; and Carnegie Leisure Centre. Heat is sourced from the Lochhead Landfill site, located north of Wellwood, taking heat from sources including an anaerobic digester and landfill gas.
Glenrothes Energy Network	The Glenrothes Energy Network, launched 2018-19, takes excess heat from the RWE biomass plant located in central Glenrothes and supplies buildings including 85 homes in partnership with Kingdom Housing Association, 9 business units, 2 office blocks (including Fife House), a care home, and Rothes Hall.
University of St Andrews	University of St Andrews has a network running off biomass, commissioned in 2017. A 6.5 MW boiler in Guardbridge provides heating and hot water to ~50 campus buildings. The University are undertaking a feasibility study to assess potential expansion of the network, of which Fife Council are a partner organisation. A second, smaller network (commissioned in 2020) heats five buildings from a gas-powered energy centre at the Arts & Library building ¹²⁶ .

¹²⁶ Planning permission has been granted for a phase 2 extension to add a further two buildings. The network was intended to convert to low-carbon heat generation, or possibly connect to the larger network.

6.8.2.5.3. Potential Heat Network Zones

Potential heat network zoning analysis has been carried out for Fife. An approach was developed to generate post-retrofit potential zones and potential expansions of existing networks. The approach builds upon the national methodology, and will identify three levels of zones:

- Level 1 – follows the national methodology using linear heat density, buffer radii, and number of anchor loads to provide potential zones which might be economically viable now.
- Level 2 – takes account of a larger range of factors (e.g. heat sources, social housing, strategic sites, etc.) to prioritise zones, not solely based on economic viability. This supports generation of material in accordance with the Heat Network (Scotland) Act 2021.
- Level 3 – longer term, settlement level, zones, taking account of the range of factors.

As part of the delivery stage, level 2 and 3 analyses will be taken forward. This will help improve confidence to support zone prioritisation. During this process the Council will confirm waste heat supply opportunities and support stakeholder buy-in for the preferred energy solution.

Definition of Linear Heat Density and Anchor Load

“Linear heat density is an industry standard metric that relates heat to distance, for a heat network it is heat demand per meter of pipe.”

“Anchor loads are high heat demand buildings and key connections on a heat network that usually drive the economics of heat works.”

Local Heat & Energy Efficiency Strategy methodology: Heat Networks – Generation of Potential Zones Detailed Practitioner Approach.

6.8.2.5.4. Heat Sources

Chapter 4.2.4. lists several natural assets and waste heat sources which could be utilised for heat networks to benefit local communities. Significant heat sources identified during analysis include: the River Forth; Pitfirrane and Frances mine water treatment schemes; flooded disused coal mines; waste water treatment schemes (e.g. Dunfermline); sewer pipes; and some large industry and businesses.

6.8.2.5.5. Potential Heat Network Zones – Level 1 Analysis

Level 1 analysis identified a significant opportunity for heat networks in Fife. This is mainly due to the large number of industrial estates, which contain buildings with high heat demand which could form anchor loads for a potential network.

Level 1 zones were identified using a set of baseline and stringent criteria (Table 26 and Figure 18).

35 baseline zones and **11 stringent zones** were identified with a total heat demand of 876 GWh/year (~12% of total heat demand in Fife) and 308 GWh/year (~4% of total heat demand) respectively.

In addition to heat networks zones identified in industrial estates, zones have also been identified in the centres of Kirkcaldy, Glenrothes, Dunfermline and St Andrews. A relatively high proportion of domestic properties within Kirkcaldy, Dunfermline and St Andrews also have limited suitability for heat pump installation. This suggests connecting to a heat network may be an attractive route to decarbonise heat in these properties. However, most of these properties are privately owned, which may present a challenge.

Table 26: Thresholds criteria used for potential zone identification and prioritisation.

Criteria	Linear heat density benchmark (kWh/year/m)	Anchor load threshold (MWh/year)	Minimum number of anchor loads per cluster
Baseline	4,000	500	3
Stringent	8,000	500	5

Why has my area not been identified as a Potential Zone?

For a heat network zone to be financially viable it needs to have:

- 1) A high linear heat density (4000 kWh/year/m and 8,000 kWh/year/m was used).
- 2) A minimum of three anchor loads with a significant heat demand (<500 MWh/year).

If an area has not been identified as a potential zone, it is because there are not enough buildings with significant heat demand (>500 MWh/year) close enough together to meet the heat demand density threshold. This analysis is based on data made available to the Council. Buildings with a high heat demand may have been missed where:

- There are multiple smaller properties within a larger building which are represented by several small heat loads.
- The heat demand data may be incorrect.

11 baseline zones are within or close to the Dunfermline/Rosyth area; 6 in Kirkcaldy; 5 in Glenrothes; and 5 in Leven/Methil. Each zone can be viewed in more detail on the published [web map](#), with a summary of key statistics in Table 27 and Appendix 4.

Table 27: Baseline zone summary

Non-domestic properties	<ul style="list-style-type: none"> • 263 GWh/year of heat demand is estimated to come from non-domestic properties with a high suitability for heat network connection (46% of the heat demand from all non-domestic properties within the zone).
Social Housing	<ul style="list-style-type: none"> • Within these zones, ~46 GWh/year of heat demand is from social housing. • Social housing makes up 13% of domestic properties within the zones, and 15% within 250m of the zones. This suggests there are opportunities within certain zones to connect to social housing. • The zones with highest proportion of social housing are Zone 8 (Woodmill High School (38%)) and Zone 24 (Levenmouth Campus (40%)).
Fuel Poverty	<ul style="list-style-type: none"> • Within these zones an estimated 63 GWh/year of heat demand is from households in fuel poverty (28% of domestic properties within the zones). • There are also households in fuel poverty located in close proximity to zones. • The zones with the highest proportion of properties in fuel poverty are Zone 23 (Methil – Links Drive (37%)) and Zone 12 (Kirkcaldy South (33%)). • There may be socio-economic benefits of connecting these homes to networks.
Heat Resource	<ul style="list-style-type: none"> • Many zones intersect strategic greenspaces which indicates potential for ground source heat pumps. • Some zones are within buffer zones for mine water treatment operations which may provide opportunities for low carbon heat supply. The Council will continue to engage with the Coal Authority to understand the extent of these opportunities. • Opportunities for other waste heat sources include Scotland Heat Map Energy Suppliers and/or National Atmospheric Emissions Inventory Point Emitters. Follow on work will explore other opportunities.
Local Development Plan sites	<ul style="list-style-type: none"> • The majority of zones intersect at least one local development site, with 161 sites identified within zones. • As part of heat network zone designation, the Council will consider proximity to local development plan sites.

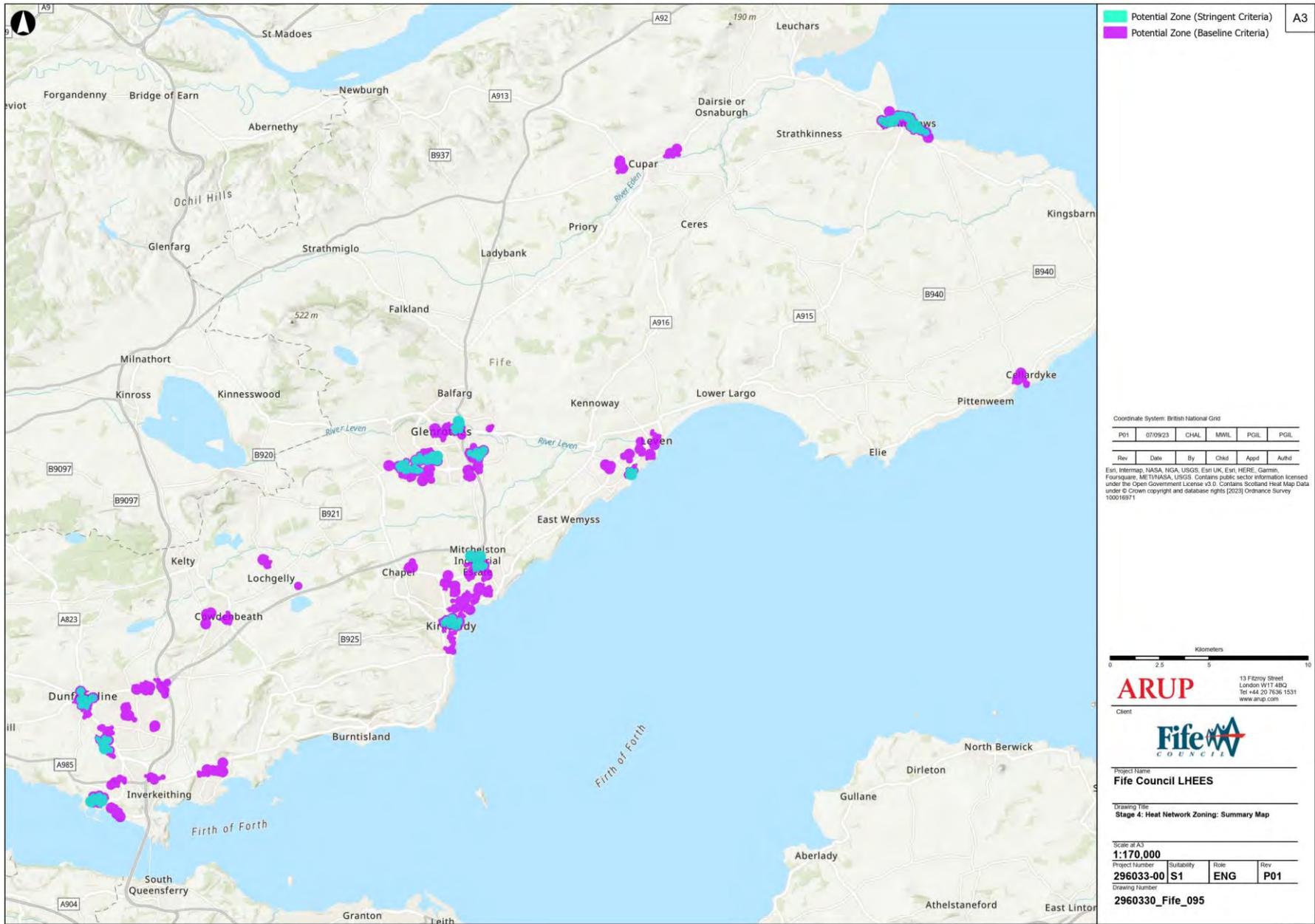


Figure 18: Potential Heat Network Zones (Level 1 Analysis)

6.8.2.5.6. Potential Heat Network Zones – Level 2 Analysis

Four zones have undergone Level 2 analysis, a summary of which is detailed in Table 28. Maps of these zones are in Appendix 5.

Table 28: Level 2 analysis summary

Zone	Anchor Loads	Total Heat Demand (GWh/year)	Heat demand from houses in fuel poverty (GWh/year)	Heat demand from social housing (GWh/year)	Opportunity summary
Glenrothes North	18	43.7	2.1	2.6	Explore expansion of the existing heat network. 29% of households in the zone are in fuel poverty and 15% are social housing.
Rosyth Waterfront	16	26	0.6	<0.1	Opportunity to explore potential for a new heat network as part of development of the Green Freeport, with potential heat sources opportunities from ground/water.
Dunfermline North	16	75	7.4	3.8	Explore expansion of the existing network which contains multiple Local Development Plan sites.
Kirkcaldy Centre and Kirkcaldy North West (Victoria Hospital)	28	155	9.8	4.4	Explore a new network due to high proportion of public buildings in the town centre. There is also a high proportion of private homes with low suitability for heat pumps.

6.8.3. Summary

This priority is focussed on decarbonising heating of Fife’s buildings to meet national targets and net zero; tackle the climate emergency; and help building owners have lower energy costs. To help achieve this, building level actions will be identified and prioritised. To ensure quality, building level actions have only been included where there is a high certainty of success and positive impacts (Chapters 4.3, 6.5 and 7.1) or are planned for implementation. Actions include:

- Building level studies to understand specific heat decarbonisation measures required¹²⁷.
- Planned projects to decarbonise buildings’ internal heat sources such as installation of heat pumps, infra-red heating, and panel heaters.
- Identify opportunities for new, and expand existing, heat networks – including exploring possibility of switching to decarbonised heat sources. This will include exploring funding and operating models, and potential building connections.
- Ongoing analysis and modelling to identify further high certainty building level actions.
- Advocation and promotion of funding and support for heat decarbonisation measures.
- Raising awareness and knowledge of heat decarbonisation, including heat pumps.

¹²⁷ A comprehensive assessment of a building’s characteristics will be needed to inform any retrofit.

7. Delivery Plan

A high-level summary of actions to take forward in the first delivery plan are detailed below (Table 29). Actions are placed into seven categories¹²⁸. ‘Sub-actions’ are being identified and assigned against stakeholders for delivery, with an initial action to finalise and publish a detailed 5-year delivery plan by early 2025. This will include timescales, delivery partners, and key performance indicators. Sub-actions in the plan will include retrofits scheduled for implementation, new building level actions (Chapter 7.1), supporting measures (e.g. communications, skills & jobs, etc.), and further analysis.

Table 29: Summary of Actions

Building Level¹²⁹	<ul style="list-style-type: none"> • Building level studies to understand the specific energy efficiency and heat decarbonisation measures required. • Planned projects to decarbonise buildings’ internal heat sources. • Planned projects improving buildings’ energy efficiency.
Heat Networks	<ul style="list-style-type: none"> • Identify opportunities for new heat networks. • Expand and optimise (smart grids/networks) existing heat networks and explore changing to decarbonised heat sources. • Explore heat network delivery model options.
Energy System	<ul style="list-style-type: none"> • Identify existing electricity grid capacity to meet heat decarbonisation requirements. • Explore potential opportunities for expansion of energy systems to meet heat decarbonisation requirements. • Development of pilot Dunfermline & Rosyth area energy plan.
Skills & Jobs	<ul style="list-style-type: none"> • Skills and jobs baseline. • Training of existing providers. • National and regional coordination to tackle the skills gap. • Transitioning skills. • Fostering and feeding the skills pipeline. • Supply chain development.
Funding	<ul style="list-style-type: none"> • Help inform the direction of new funding sources. • Identify and promote existing funding sources. • Explore alternative funding sources to support retrofit/heat decarbonisation. • Maximize existing energy spend to benefit Fife.
Knowledge & Awareness Raising	<ul style="list-style-type: none"> • Raise Awareness of the Local Heat and Energy Efficiency Strategy. • Improve knowledge of how to improve energy efficiency of buildings and decarbonise heat sources.
Data, Modelling & Methodology	<ul style="list-style-type: none"> • Publish detailed delivery plan. • Review methodology to inform future versions. • Data collection to inform future iterations and identify high certainty actions. • Modelling to inform analysis and identify high certainty actions. • Improve insight of smart energy solutions to support the heat transition.

¹²⁸ Some actions may apply to multiple categories and have been assigned where most appropriate.

¹²⁹ To ensure quality of delivery, building level actions have only been included they are most likely to be possible, minimising potential damage to buildings, rising energy costs, or fuel poverty.

7.1. Optioneering Approach

The Local Heat & Energy Efficiency Strategy guidance, states delivery plans should identify areas for “targeted interventions and early, low regrets measures.” To help achieve this, and as referenced in Chapter 6.5, the Council will develop an optioneering model to identify suitable and deliverable building level actions.

What are low regret measures?

The Heat in Buildings Strategy defines low regret measures as “*technological solutions where cost uncertainty is low and we already understand (a) the costs of installation and (b) running costs for Consumers.*” The strategy specifically references:

- installation of cost-effective energy efficiency first improvements (e.g. roof, windows, wall, and floor insulation).
- Heat pumps – see Chapters 4.3 and 6.8 for comments on potential challenges.
- Low and zero emissions heat networks in areas deemed suitable.

What is optioneering?

A process to analyse and evaluate different options to help solve a problem.

To help prioritise areas for delivery, this model will analyse various retrofit scenarios for different building types and/or geographic areas. It will include multiple indicators and measure positive/negative impacts a scenario may have on each. Proposed indicators will be based on stakeholder need, and may include:

- Ability to meet national targets and this strategy’s priorities.
- Certainty of success¹³⁰ – where measures are most likely to be possible, minimising potential damage to buildings, rising energy costs, or fuel poverty.
- Estimated cost of retrofit, funding approaches, and cost savings.
- Grid capacity, proximity to heat network zone, energy use, carbon savings.
- Just transition, including fuel poverty, skills, and jobs.

Each indicator will be scored based on the potential impact. This will help stakeholders understand how proposed actions align with their priorities.

A summary of the outline optioneering approach is detailed in Figure 19.

¹³⁰ Once published our detailed delivery plan will only include measures/actions where we are sure the recommended measures will not damage buildings, increase energy costs, or fuel poverty.

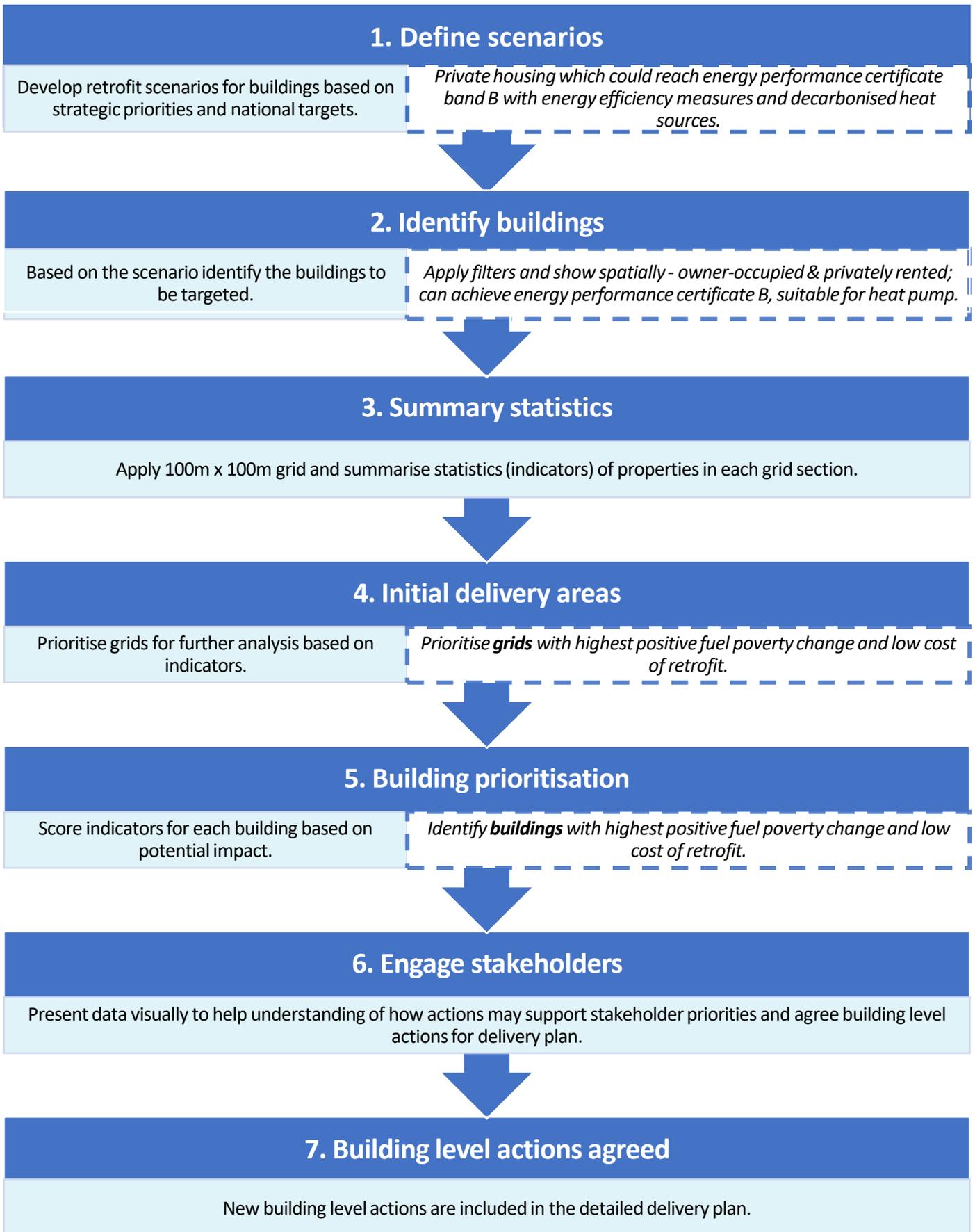


Figure 19: Outline Optioneering Approach

7.2. Asks for Scottish Government

To support success of this strategy, ongoing support from Scottish Government is required (tablets below). This includes funding, communications, research, and policy support.

Table 30: Funding Asks for Scottish Government

Funding Ask	Outcomes
Provide a significant increase in funding to support energy efficiency and heat decarbonisation projects, and supporting activities (fuel poverty; data collection, modelling, and analysis; funding for community organisations).	Greater funding availability.
Provide significant funding for research institutions, local authorities, social landlords, and others to develop studies and Building Information Modelling for archetypes.	Guidance for each archetype.

Table 31: Knowledge & Awareness Ask for Scottish Government

Knowledge & Awareness Ask	Outcomes
Produce a national communications toolkit to raise awareness of Local Heat and Energy Efficiency Strategies; energy efficiency and heat decarbonisation measures; support and advisory services.	Improved awareness and behavioural change.
Deliver “a public communications programme to raise awareness of the support and advisory services available and to encourage home upgrades, in order to maximise uptake of these schemes.”	Improved awareness and behavioural change.

Table 32: Research & Data Asks for Scottish Government

Research & Data Ask	Outcomes
Encourage use of Building Energy Management Systems and sub-metering by building owners and sharing of data.	Greater awareness of building performance.
Develop a sustainable data sharing model and platform.	Improved data accessibility.
Research the density of new housing/building developments required to support a new heat network.	Improved modelling.
Research how indoor air quality is impacted/improved by energy efficiency/heat decarbonisation measures by: <ul style="list-style-type: none"> Ensuring indoor air quality and retrofitting buildings are fully considered in the Clean Air Strategy 2 review. Agreeing standard methodology for monitoring indoor air quality pre- and post-retrofit – including pilot projects. Developing a framework model to identify how factors impact indoor air quality (e.g. insulation type, air tightness). Convening task group to identify actions to be undertaken to address issues associated with indoor air pollution. 	An understanding of how risks related to poor indoor air quality can be mitigated to make improved decisions on building level actions to implement.
Model heat efficiency in the context of changing workstyles now and moving forward.	Greater insight of heat demand.

Table 33: Policy Ask for Scottish Government

Policy Ask	Outcomes
Map policies/targets to evidence and tools to provide a timeline of anticipated improvements.	Improved awareness and accessibility to key policies.
Clarify the phrase “ <i>as far as reasonably possible</i> ” in the Heat in Buildings Strategy.	Improved understanding of targets.
Increase the number of green jobs (and supporting roles) to close the skills gap.	More green skilled jobs.
Incentivise and/or further regulate developers to ensure new builds are suitable for decarbonised heating.	New builds suitable for net zero.
Work with the Building Research Establishment on energy performance certificate reform to develop an improved metric.	An improved metric.
Agree a new Energy Efficiency Standard for Social Housing 2 target, aligned to net zero and supporting fuel poverty eradication.	A revised target.
Develop policy levers to support short-term mitigation to alleviate current grid capacity pressures. For example: revise battery storage definition; private wire for heat networks; surplus from private grids/renewables to power local buildings.	Alleviation of grid pressures improving capacity.
Continue to support National Planning Framework 4 Policy 19: <i>Development proposals within or adjacent to a Heat Network Zone identified in a Local Development Plan will only be supported where they are designed and constructed to connect to the existing heat network.</i>	Heat networks become standard consideration for developments.

8. Governance and Monitoring

8.1. Governance

The Local Heat and Energy Efficiency Strategy provides a framework for future capital and revenue spend. This will help move Fife’s buildings towards meeting net zero targets by improving their energy efficiency and decarbonising heat. It provides projects to be implemented, monitors progress, identifies gaps and challenges and how these could be addressed.

This first iteration was developed by the Council’s Planning Service. To ensure ongoing success we will continue partnership collaborating with other Council services, external partners, businesses, and communities. To achieve this a governance and delivery model has been developed (Figure 20). It describes the project, programme, and portfolio management approach for this work. This will require clear roles and responsibilities to enable ongoing successes. It has been developed to align with existing governance structures; understand cross-cutting opportunities, such as the Local Development Plan and Plan4Fife; and work with partners to take the strategy forward.

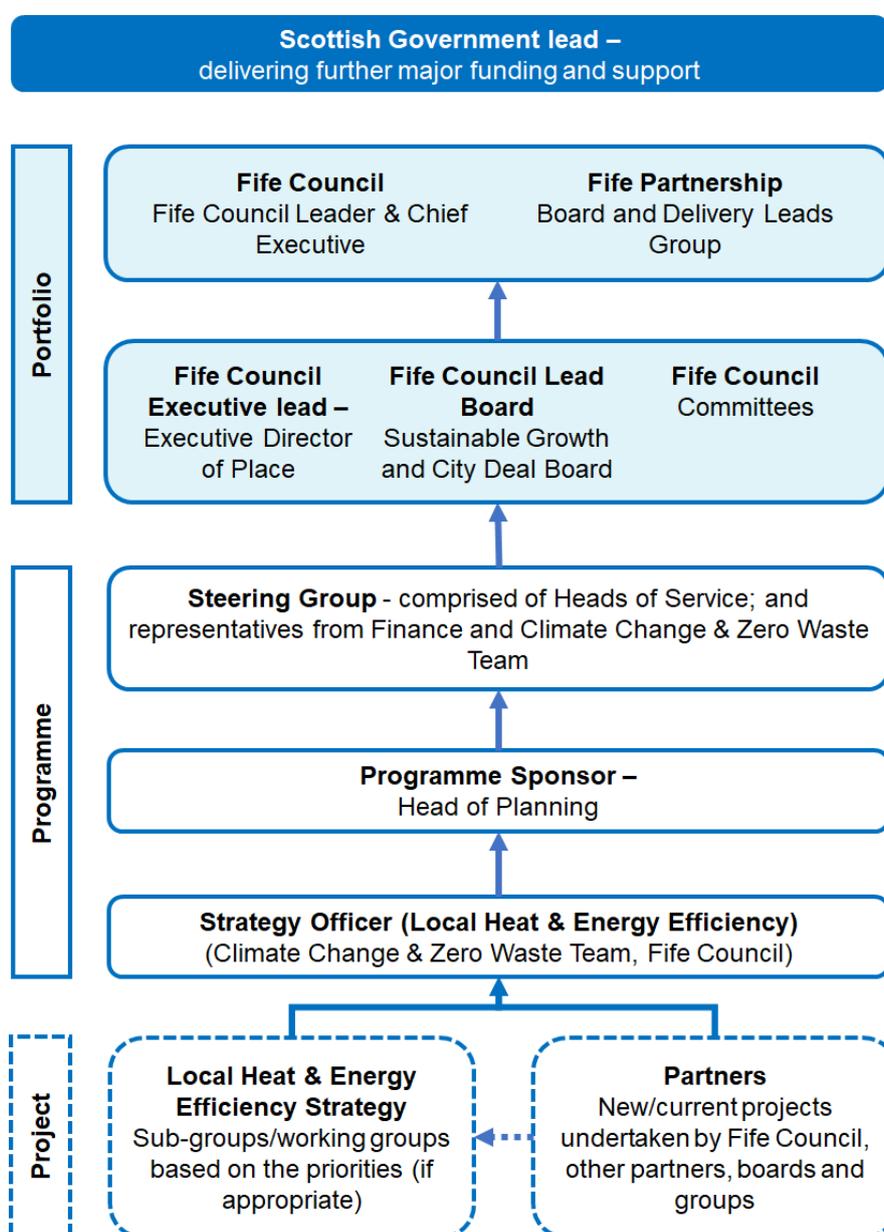


Figure 20: Governance and Delivery Model

8.2. Reporting and Monitoring

Ongoing monitoring will be critical for the success of this strategy and delivery plan. This will ensure key outcomes are achieved, allow for continuous improvements to meet changing requirements, and incorporate new information and data. It will also help guarantee Fife's Local Heat and Energy Efficiency Strategy and delivery plan are living, flexible documents. Reporting will occur for significant delivery risks, changes, and achievements. This will form part of the Council's Public Bodies Climate Change reporting duties.

Regular progress updates will be reported to the Local Heat and Energy Efficiency Strategy Steering Group on a quarterly basis. A more formal review will occur every two-years. This will include consideration on any new national or local policy and how these might influence this strategy and delivery plan. Furthermore, any new information and data will also be considered. Every 5 years the delivery plan will be reviewed and updated (if appropriate).

The process detailed above will ensure the Council meets the requirements of the Local Heat and Energy Efficiency Strategies (Scotland) Order 2022.

Significant achievements will be included in the Council's wider public-facing climate communications and via established partnerships including Climate Action Fife and Fife Environmental Partnership. Relevant priorities will also form part of these stakeholder communications, with lessons learned incorporated from previous engagements.

Where known, proposed indicators have been identified to measure success against each priority (Table 34). These indicators will be finalised alongside the development of the detailed delivery plan. Where suitable they will be aligned against the National Performance Framework outcomes and indicators¹³¹.

¹³¹ [National Outcomes | National Performance Framework](#)

Table 34: Proposed Priority Indicators

1		Being Climate Friendly and Ready	<p>1.1 Net Zero & Climate Emergency</p> <ul style="list-style-type: none"> To be identified during development of the detailed delivery plan. <p>1.2 Adaptation</p> <ul style="list-style-type: none"> To be identified during development of the detailed delivery plan.
2		Tackling Fuel Poverty, Health, and the Just Transition	<p>2.1 Tackling Fuel Poverty, Health, and the Just Transition</p> <ul style="list-style-type: none"> % of fuel poor/extreme fuel poor households in Fife % of households supported through fuel poverty
3		Supporting an Inclusive Economy, Jobs, and Skills	<p>3.1 Skills & Jobs</p> <ul style="list-style-type: none"> Further indicators informed by development of skills baseline. <p>3.2 Community Wealth Building and 3.3 Finance</p> <ul style="list-style-type: none"> To be identified during development of the detailed delivery plan.
4		Maximising Knowledge & Awareness	<p>4.1 Awareness & Knowledge</p> <ul style="list-style-type: none"> Input into, and receive outputs from, Climate Action Fife – Climate Friendly Homes indicators. Number/type of engagement activities and audience engaged by the Local Heat & Energy Efficiency Strategy Officer.
5		Ensuring Certainty of Success	<p>5.1 Ensuring Certainty</p> <ul style="list-style-type: none"> Number/type of new high certainty building level actions identified and delivered. Number/type of projects progressed or supported by the Local Heat & Energy Efficiency Strategy Officer aiming to increase certainty.
6		Transitioning the Energy System	<p>6.1 Energy System Opportunities & Constraints</p> <ul style="list-style-type: none"> Levels of energy investment in Fife via engagement with SP Energy Networks and SGN.
7		Energy Efficient Buildings	<p>7.1 Domestic; 7.2 Social Housing; 7.3 Private Rented; 7.4 Mixed-Use, -Tenure & Historic</p> <ul style="list-style-type: none"> Mean environmental impact and energy efficiency (Standard Assessment Procedure) ratings - including by tenure. % of social housing by energy performance certificate band. % of private housing by energy performance certificate band. % of energy efficiency measures - including by tenure. Number of homes improved by area-based projects. Number/type of building level actions delivered. <p>7.5 Non-Domestic</p> <ul style="list-style-type: none"> % of energy efficiency measures – including by typology. Number/type of building level actions delivered.
8		Decarbonising Heat Sources	<p>8.1 On Gas and 8.2 Off-Gas</p> <ul style="list-style-type: none"> % of zero/low direct emissions heating – including by tenure/typology. <p>8.3 Non-Domestic</p> <ul style="list-style-type: none"> % of zero/low direct emissions heating – including by tenure/typology. <p>8.4 Heat Networks</p> <ul style="list-style-type: none"> % of known buildings connected to a heat network – including from decarbonised sources. Number of designated heat network zones.

Local Heat and Energy Efficiency Strategy (LHEES)

Delivery Plan and Appendices



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Glossary

ABS	Area-Based Schemes
ASHP	Air Source Heat Pump
BGS	British Geological Survey
CCZW	Climate Change and Zero Waste Team
DNO	Distribution Network Operator
ECO	Energy Company Obligation
EES:ABS	Energy Efficient Scotland: Area Based Schemes
EESSH	Energy Efficiency Standard for Social Housing
EPC	Energy Performance Certificate
ESP	Energy Skills Partnership
EST	Energy Saving Trust
FVA	Fife Voluntary Action
GIS	Geographic Information System
GSHP	Ground Source Heat Pump
HEEPS:ABS	Home Energy Efficiency Programmes for Scotland: Area Based Schemes
HES	Historic Environment Scotland
HiBS	Heat in Buildings Strategy
HNZ	Heat Network Zones
LA	Local Authority
LAEP	Local Area Energy Plan
LDP	Local Development Plan
LEAR	Local Energy Asset Representation
LHEES	Local Heat and Energy Efficiency Strategy
LPG	Liquefied Petroleum Gas
LTS	Local Transmission System
MoD	Ministry of Defence
NPF4	National Planning Framework 4
OVHA	Ore Valley Housing Association
PEAT	Portfolio Energy Analysis Tool
RIIO ED (2/3)	Revenue = Incentives + Innovation + Outputs – Electricity Distribution
RSL	Registered Social Landlord
SAP	Standard Assessment Procedure
SDS	Skills Development Scotland
SRUC	Scotland's Rural College
SME	Small, Medium Enterprise
Solar PV	Solar Photovoltaic
STEM	Science, technology, engineering, and mathematics
TAHP	Transitional Affordable Housing Programme
UoSA	University of St Andrews
UPRN	Unique Property Reference Number

1. Delivery Plan

A high-level summary of actions to take forward in the first delivery plan are detailed below (Table 1). Actions are placed into seven categories¹. 'Sub-actions' are being identified and assigned against stakeholders for delivery, with an initial action to finalise and publish a detailed 5-year delivery plan by early 2025. This will include timescales, delivery partners, and key performance indicators. Sub-actions in the plan will include retrofits scheduled for implementation, new building level actions, supporting measures (e.g. communications, skills & jobs, etc.), and further analysis.

Table 1: Summary of Actions

Building Level²	<ul style="list-style-type: none"> • Building level studies to understand the specific energy efficiency and heat decarbonisation measures required. • Planned projects to decarbonise buildings' internal heat sources. • Planned projects improving buildings' energy efficiency.
Heat Networks	<ul style="list-style-type: none"> • Identify opportunities for new heat networks. • Expand and optimise (smart grids/networks) existing heat networks and explore changing to decarbonised heat sources. • Explore heat network delivery model options.
Energy System	<ul style="list-style-type: none"> • Identify existing electricity grid capacity to meet heat decarbonisation requirements. • Explore potential opportunities for expansion of energy systems to meet heat decarbonisation requirements. • Development of pilot Dunfermline & Rosyth area energy plan.
Skills & Jobs	<ul style="list-style-type: none"> • Skills and jobs baseline. • Training of existing providers. • National and regional coordination to tackle the skills gap. • Transitioning skills. • Fostering and feeding the skills pipeline. • Supply chain development.
Funding	<ul style="list-style-type: none"> • Help inform the direction of new funding sources. • Identify and promote existing funding sources. • Explore alternative funding sources to support retrofit/heat decarbonisation. • Maximize existing energy spend to benefit Fife.
Knowledge & Awareness Raising	<ul style="list-style-type: none"> • Raise Awareness of the Local Heat and Energy Efficiency Strategy. • Improve knowledge of how to improve energy efficiency of buildings and decarbonise heat sources.
Data, Modelling & Methodology	<ul style="list-style-type: none"> • Publish detailed delivery plan. • Review methodology to inform future versions. • Data collection to inform future iterations and identify high certainty actions. • Modelling to inform analysis and identify high certainty actions. • Improve insight of smart energy solutions to support the heat transition.

¹ Some actions may apply to multiple categories and have been assigned where most appropriate.

² To ensure quality of delivery, building level actions have only been included they are most likely to be possible, minimising potential damage to buildings, rising energy costs, or fuel poverty.

The Local Heat & Energy Efficiency Strategy guidance, states delivery plans should identify areas for “targeted interventions and early, low regrets measures.” To help achieve this, the Council will develop an optioneering model to identify suitable and deliverable building level actions.

What are low regret measures?

The Heat in Buildings Strategy defines low regret measures as “*technological solutions where cost uncertainty is low, and we already understand (a) the costs of installation and (b) running costs for Consumers.*” The strategy specifically references:

- installation of cost-effective energy efficiency first improvements (e.g. roof, windows, wall, and floor insulation).
- Heat pumps – see Chapters 4.3 and 6.8 for comments on potential challenges.
- Low and zero emissions heat networks in areas deemed suitable.

What is optioneering?

A process to analyse and evaluate different options to help solve a problem.

To help prioritise areas for delivery, this model will analyse various retrofit scenarios for different building types and/or geographic areas. It will include multiple indicators and measure positive/negative impacts a scenario may have on each. Proposed indicators will be based on stakeholder need, and may include:

- Ability to meet national targets and this strategy’s priorities.
- Certainty of success³ – where measures are most likely to be possible, minimising potential damage to buildings, rising energy costs, or fuel poverty.
- Estimated cost of retrofit, funding approaches, and cost savings.
- Grid capacity, proximity to heat network zone, energy use, carbon savings.
- Just transition, including fuel poverty, skills, and jobs.

Each indicator will be scored based on the potential impact. This will help stakeholders understand how proposed actions align with their priorities.

A summary of the outline optioneering approach is detailed in Figure 1.

³ Once published our detailed delivery plan will only include measures/actions where we are sure the recommended measures will not damage buildings, increase energy costs, or fuel poverty.

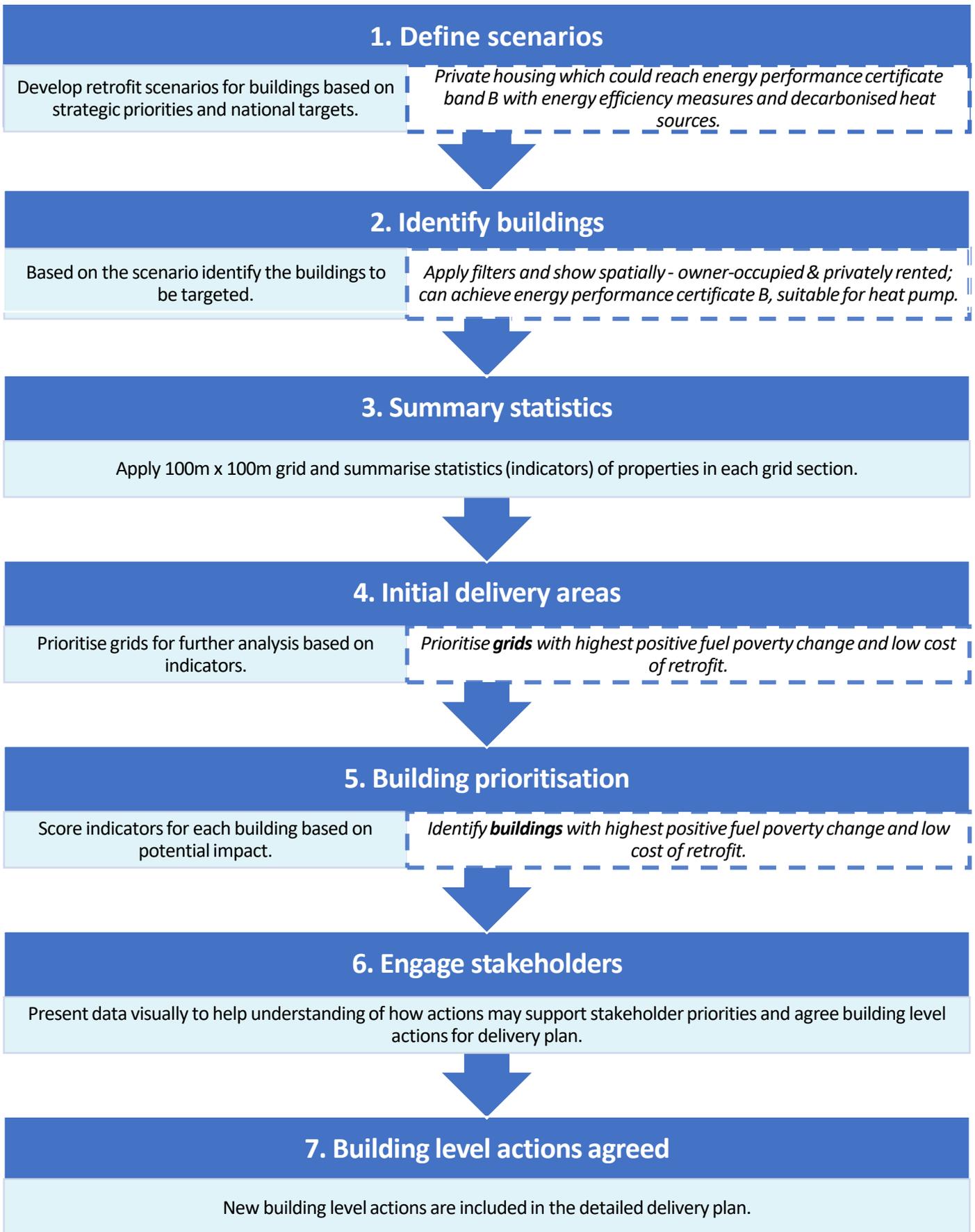


Figure 1: Outline Optioneering Approach

2. Appendix 1 – Stakeholders

Table 2: Internal Stakeholders

Fife Council Stakeholders
Councillors
Sustainable Growth & City Deal Board
Enterprise & Environment Board
Addressing the Climate Emergency Board
Housing Services
Business & Employability
Property Services
Planning Service
Communities & Corporate Development
Protective Services
Communications and Customer Insight
Legal Services
Procurement
Financial Services

Table 3: External Stakeholders

National	<ul style="list-style-type: none"> • Scottish Government • Energy Saving Trust • Coal Authority • Ministry of Defence • Historic Environment Scotland • Scottish Environmental Protection Agency • NatureScot • National Trust for Scotland
Energy/Utility	<ul style="list-style-type: none"> • SP Energy Networks • SGN • Scottish Water • Vital Energi • Brockwell Energy • RWE • Vattenfall
Housing Associations	<ul style="list-style-type: none"> • Ore Valley Housing Association • Kingdom Housing Association • Link Housing
Developers	<ul style="list-style-type: none"> • Homes for Scotland • Scottish Property Federation
Public Sector Partners	<ul style="list-style-type: none"> • Local Authority Led Forum • Fife Environmental Partnership • NHS Fife • University of St Andrews • Fife College • Scottish Rural College • Perth & Kinross Council • Dundee City Council • The Highland Council
Third Sector Partners	<ul style="list-style-type: none"> • Fife Communities Climate Action Network • Fife Historic Buildings Trust • Fife Voluntary Action • Greener Kirkcaldy • St Andrews Environmental Network
Skills & Supply Chains	<ul style="list-style-type: none"> • Concrete Scotland-ExpLearn • Energy Skills Partnership • Kingdom Works • Scottish Enterprise • Tay Cities Deal
Public	<ul style="list-style-type: none"> • Private Landlord Forum • Sustainable Cupar
Other	<ul style="list-style-type: none"> • John Gilbert Architects • Star Refrigeration • ZUoS

3. Appendix 2 – Policies

Table 4: Summary of Policies Reviewed

<p>National</p>	<ul style="list-style-type: none"> • Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 • Climate Change (Scotland) Act 2009 • Securing A Green Recovery on a Path to Net Zero: Climate Change Plan (2018–32) and update (2020) • Programme for Government 2021-22 and 2022-23 • Heat in Buildings Strategy (2021) • Energy Efficient Scotland (2018) • Heat Networks (Scotland) Act 2021 • Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019 • Best Start, Bright Futures Tackling Child Poverty Delivery Plan (2022-26) • EESSH1 (2014) and EESSH2 (2019) • Scottish Energy Strategy (2017) and draft Energy Strategy and Just Transition Plan (2023) • National Planning Framework 4 (2023) • Hydrogen Policy Statement (2020) • Hydrogen Action Plan (2022) • Heat Policy Statement (2015) • Scotland's Sustainable Housing Strategy (2013) • Housing to 2040 (2021) • Tenements (Scotland) Act 2004 • Historic Environment Policy Scotland (2019) • The Planning (Listed Building Consent and Conservation Area Consent Procedure) (Scotland) Regulations 2015 • Planning (Scotland) Act 2019 • Scotland's National Strategy for Economic Transformation (2022)
<p>Regional</p>	<ul style="list-style-type: none"> • Tay Cities Region Economic Strategy 2019-2039 • Edinburgh and South-East Scotland City Regional Deal • Scottish Cities Alliance Transition to Net Zero Carbon Action Plan
<p>Local</p>	<ul style="list-style-type: none"> • Plan 4 Fife: Local Outcome Improvement Plan (2017-27) and Recovery and Renewal: Plan 4 Fife 2021-24 Update • FIFEplan (adopted 2017) • Making Fife's Places Supplementary Guidance (2018) • Low Carbon Fife: Supplementary Guidance (2019) • Fife's Economic Strategy (2017-27) • Local Housing Strategy (2022-27) • Strategic Housing Investment Plan (SHIP) (2021/22-2025/26) • Climate Fife: Sustainability and Climate Action Plan (2020-30) (shortened version) • Climate Fife: Sustainable Energy and Climate Action Plan (2020-2030) • Fife Council Carbon Management Plan (2017-50) • Fife's Fuel Poverty Covid-19 Recovery Plan (2021-22) • Fife Development Plan Scheme - 2020 • Strategic Plan for Fife 2019-2022 • Fife College Climate Change Strategy (2022-28) • Fife College Net Zero Action Plan (2022-28) • Kingdom Group Net Zero Strategy (2022-27) • University of St Andrews Environmental Sustainability Strategy • NHS Scotland climate emergency and sustainability strategy (2022-26)

Energy Efficiency Standard for Social Housing 2 (ESSH2)⁹ – Aims to improve the energy efficiency of social housing in Scotland, based on a minimum Energy Performance Certificate rating. Energy Efficiency Standard for Social Housing 2 was confirmed in 2019, and states “*all social housing meets, or can be treated as meeting, Energy Performance Certificate Band B (Energy Efficiency rating), or is as energy efficient as practically possible, by the end of December 2032 and within the limits of cost, technology and necessary consent.*” Energy Efficiency Standard for Social Housing 2 is currently under review by Scottish Government.

Heat Networks (Scotland) Act 2021¹⁰ - Encourages greater use of heat networks and puts in place rules and regulations including applications; exemptions; granting licenses; and setting up heat network zones. The Local Heat & Energy Efficiency Strategy helps Fife Council meet part of its duty within the Act (paragraph 47 (1)) to review heat network zoning by considering areas where it is more likely to be particularly suitable for the construction and operation of a network. Other duties not included in this strategy, are:

- Identify potential non-domestic building connections (Building Assessment Reports).
- Designate areas for heat network zones.
- Set up process for permitting, regulation, and licencing (as regulator and licensee).
- Developing a cost strategy to take on agreed duties.

Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019¹¹ - In 2019, the Scottish Government introduced an Act of the Scottish Parliament to set targets focussed on eradicating fuel poverty; to define fuel poverty; to require the production of a fuel poverty strategy; and to make provision about reporting on fuel poverty. The act sets the following targets for 2040:

- No more than 5% of households in Scotland are in fuel poverty.
- No more than 1% of households in Scotland are in extreme fuel poverty.
- The median fuel poverty gap of households in Scotland in fuel poverty is no more than £250 adjusted in accordance with section 5(5) to take account of changes in the value of money.

⁹ [Energy efficiency in social housing - Home energy and fuel poverty - gov.scot \(www.gov.scot\)](https://www.gov.scot)

¹⁰ [Heat Networks \(Scotland\) Act 2021 \(legislation.gov.uk\)](https://legislation.gov.uk)

¹¹ [Fuel Poverty \(Targets, Definition and Strategy\) \(Scotland\) Act 2019 \(legislation.gov.uk\)](https://legislation.gov.uk)

3.2. National Planning Framework 4

Scotland’s national spatial strategy has transformed the way in which planning, and climate change are viewed together, and sets spatial principles, regional priorities, national developments, and national planning policy. Spatial planning priorities have been developed to help guide the preparation of regional spatial strategies and local development plans. Fife is included in the Central Region which has three priorities (Table 6).

Table 6: National Planning Framework 4 Central Region Priorities

Deliver <u>sustainable places</u>	Deliver <u>liveable places</u>	Deliver <u>productive places</u>
Regional Spatial Strategies and Local Development Plans in this area should support net zero energy solutions including extended heat networks and improved energy efficiency, together with urban greening and improved low carbon transport.	Regional Spatial Strategies and Local Development Plans in this area should pioneer low carbon, resilient urban living by rolling out networks of 20-minute neighbourhoods, future proofing city/town centres, accelerating urban greening, investing in net zero homes, and managing development on the edge of settlements.	Regional Spatial Strategies and Local Development Plans in this area should target economic investment and build community wealth to overcome disadvantage and support a greener wellbeing economy.

Across these priorities, there is a need for greater investment in, and development of, net zero homes and places supporting green jobs. Local Development Plans and strategies like Local Heat & Energy Efficiency Strategies will focus on decarbonising heat and energy networks, and moving away from fossil fuels towards greener, low carbon heat generation. Liveable Places reiterates the need for a 68% reduction in emissions by 2030 for all existing domestic properties, and for new properties to be net zero – requiring *“improved energy efficiency and zero emissions heating solutions”*.

Below provides a breakdown of the relevant National Planning Framework 4 policies against relevant Local Heat & Energy Efficiency Strategy priorities, and highlights any gaps not covered in National Planning Framework 4.

Table 7: Being Climate Friendly and Ready

<p>Policy 1 When considering all development proposals significant weight will be given to the global climate and nature crises.</p>	<ul style="list-style-type: none"> • Outcomes include a focus on zero carbon emissions. • Has a Local Development Plan outcome (could be incorporated into wider strategies) of addressing global climate and nature crises, while reducing emissions and implementing adaptation measures. • Local Heat & Energy Efficiency Strategies adhere to this through decarbonisation of heat, benefitting the climate now and in future.
<p>Policy 2a Development proposals will be sited and designed to minimise lifecycle greenhouse gas emissions as far as possible.</p>	<ul style="list-style-type: none"> • Focuses on emissions reduction methods through the siting and design of a building throughout its lifecycle. • Includes the emissions associated with any energy or heating systems as part of the construction, use and decommissioning phases of development. • Compared to other policies and National Planning Framework 3, this is the first strategic document to mention the full lifecycle of emissions associated with new developments and retrofitting existing properties.
<p>Policy 2b Development proposals will be sited and designed to adapt to current and future risks from climate change.</p>	<ul style="list-style-type: none"> • All development proposals should support the current climate as well as be able to adapt to the future climate. • Adaption could include installation of low/zero carbon heat technology, appropriate levels of insulation for predicted hotter and cooler temperatures, and double/triple glazing. • Adapting existing properties and preparing new developments supports a just transition, making sure all properties are suitable for continued use as the planet warms.

Table 8: Tackling Fuel Poverty, Health, and the Just Transition

<p>Policy 16 outcome 3 More energy efficient, net zero emissions homes, supporting a greener, fairer, and more inclusive wellbeing economy and community wealth building, tackling both fuel and child poverty.</p>	<ul style="list-style-type: none"> • An expected policy outcome under policy 16 Quality Homes and refers to new developments. • Vision is for zero emission homes that in turn support a cleaner, greener future. • Also references reducing inequalities and rates of fuel poverty for a just transition.
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Table 9: Supporting an Inclusive Economy, Jobs & Skills

<p>Policy 11c Development proposals will only be supported where they maximise net economic impact, including local and community socio economic benefits such as employment, associated business, and supply chain opportunities.</p>	<ul style="list-style-type: none"> • Policy does not entirely relate to green jobs. • Although it encourages all forms of renewable/low carbon energy generation, transmission, storage etc., it also includes current energy types. • However, it still encourages more employment opportunities in the energy sector as it decarbonises.
<p>Policy 25a Development proposals which contribute to local or regional community wealth building strategies and are consistent with local economic priorities will be supported.</p>	<ul style="list-style-type: none"> • Through decarbonising heat we are supporting community resilience and helping communities reduce their emissions and adapt to the future climate. • Improving the energy efficiency of domestic and commercial buildings increases community resilience and helps reduce fuel poverty, while bringing in local green jobs.
<p>Policy 25b Development proposals linked to community ownership and management of land will be supported.</p>	<ul style="list-style-type: none"> • If future iterations of the Local Heat & Energy Efficiency Strategy support creation of Local Place Plans this would further support community wealth building and encourage more community-led proposals around heat and energy efficiency.

Table 10: Decarbonising Heat Sources

<p>Policy 11e Significant weight will be placed on the contribution of the proposal to renewable energy generation targets and on greenhouse gas emissions reduction targets.</p>	<ul style="list-style-type: none"> • Does not specifically focus on heat networks. However, it supports proposals for renewable energy generation infrastructure which help meet emissions reduction and renewable energy generation targets. This in turn supports the decarbonisation of the grid and thereby decarbonised heating.
<p>Policy 16 To encourage, promote and facilitate the delivery of more high quality, affordable and sustainable homes, in the right locations, providing choice across tenures that meet the diverse housing needs of people and communities across Scotland.</p> <p>Policy 17 to encourage, promote and facilitate the delivery of more high quality, affordable and sustainable rural homes in the right locations.</p>	<ul style="list-style-type: none"> • Transitioning from heating oil and Liquefied Petroleum Gas in off-gas areas, and decarbonising on-gas heat should be identified under Policies 16 and 17. • These address quality homes and rural homes, however there is limited mention of heat generation methods. Each policy mentions sustainable homes but not how to make them sustainable.
<p>Policy 19b Proposals for retrofitting a connection to a heat network will be supported.</p>	<ul style="list-style-type: none"> • Assuming the heat source of a heat network is decarbonised, properties could be connected to a network to help transition away from oil and gas to low/zero carbon heating.
<p>Policy 33a Development proposals that seek to explore, develop, and produce fossil fuels (excluding unconventional oil and gas) will not be supported other than in exceptional circumstances.</p>	<ul style="list-style-type: none"> • National policy direction will require properties to transition to low/zero carbon heating. • This supports the need for a Local Heat & Energy Efficiency Strategy to support resilience and adaptation of buildings and communities for a just transition to net zero.

Table 11: Improving the Energy Efficiency of Buildings

<p>Policy 2c Development proposals to retrofit measures to existing developments that reduce emissions or support adaptation to climate change will be supported</p>	<ul style="list-style-type: none"> • National Planning Framework 4 supports the retrofit of buildings with poor energy efficiency ratings, therefore reducing emissions in turn. • This will also help buildings adapt to the current climate and future temperature predictions.
<p>Policy 7 outcome 1 the historic environment is valued, protected, and enhanced, supporting the transition to net zero and ensuring assets are resilient to current and future impacts of climate change.</p>	<ul style="list-style-type: none"> • This supports the need for the Local Heat & Energy Efficiency Strategy to consider historical and traditional buildings.
<p>Policy 7c Development proposals for the reuse, alteration or extension of a listed building will only be supported where they will preserve its character, special architectural or historic interest and setting. Development proposals affecting the setting of a listed building should preserve its character, and its special architectural or historic interest.</p>	<ul style="list-style-type: none"> • In the case of enhancing and adapting historic structures, Policy 7c would support proposals for decarbonised heat and retrofitting measures where it does not impact/alter the unique character of the historic building and its surroundings.
<p>Policy 16 outcome 3 More energy efficient, net zero emissions homes, supporting a greener, fairer, and more inclusive wellbeing economy and community wealth building, tackling both fuel and child poverty.</p>	<ul style="list-style-type: none"> • This is an expected policy outcome under policy 16 Quality Homes and refers to new developments. • The vision is for zero emission homes that in turn support a cleaner, greener future.
<p>Policy 18 outcome 2 Existing infrastructure assets are used sustainably, prioritising low carbon solutions.</p>	<ul style="list-style-type: none"> • Prioritises the reuse and retrofit of existing structures in a sustainable way. • Supports retrofitting which prioritises emissions reduction through decarbonisation and adapting to the future climate.

3.3. Key Local Policies

Plan4Fife (Local Outcome Improvement Plan) 2017-2027¹² - outlines national and local community planning outcomes based on the requirements of the Community Empowerment (Scotland) Act 2015. It details a vision by 2027 Fife will: *“be a place where all residents live good lives, make informed choices and have a sense of control so that they can reach their full potential, and where all children are safe, happy and healthy ... Fife to be a place where we make best use of our assets and facilities, while sustaining them for future generations.”* Following a 3-year review and the COVID-19 pandemic, a post-COVID response was produced¹³ and includes new recovery and renewal priorities up to 2024:

- Community wealth and wellbeing.
- Leading economic recovery.
- Tackling poverty and preventing crisis.
- Addressing the climate emergency.

FIFEplan¹⁴ - Fife’s Local Development Plan was published in 2017 and details the policies and proposals for the development and use of land across Fife. The policies in the Plan and supplementary guidance are used to determine planning applications and give guidance to communities and investors on where development can and cannot take place, what type of development is allowed, how it should be laid out and designed and how environmental and cultural assets will be protected. For the Local Heat & Energy Efficiency Strategy there are several relevant policies:

- Policy 2: Homes – Increase the availability of homes of a good quality to meet local needs.
- Policy 3: Infrastructure and Services – Low carbon measures including local energy generation and heat networks must be addressed as part of development proposals.
- Policy 10: Amenity – Places in which people feel their environment offers them a good quality of life.
- Policy 11: Low Carbon Fife – Energy resources are harnessed in appropriate locations and in a manner where the environmental and cumulative impacts are within acceptable limits.

Further policies and priorities are detailed in the **Making Fife’s Places**¹⁵ and **Low Carbon Fife**¹⁶ Supplementary Guidance documents. Fife’s second local development plan is in development.

Climate Fife: Sustainable Energy and Climate Action Plan¹⁷ - Launched in 2020, Climate Fife details the next phase of a Fife-wide approach to tackling the Climate Emergency, and actions to limit its most harmful impacts. Underpinning the plan are three core principles, that by 2045 Fife will be:

- **Climate Friendly** having transformed the economy, infrastructure, land use and energy system to decarbonise how we live.
- **Climate Ready** with plans and projects to increase the resilience of Fife communities and the economy to help minimise the impacts from unavoidable climate change.
- **Climate Just** ensuring that all Fifers and the environment can benefit from this transition.

Climate Fife states multiple priorities and actions across 8 themes, including:

- **Energy Efficiency** – deliver energy efficiency measures across buildings within Fife.
- **Low Carbon Energy** – decarbonise the heat and power generated and used in Fife.
- **Move, store, and transform energy** – address the challenge of decarbonisation, and the advocacy by Scottish Government to use a whole energy system approach including transport and travel.

¹² [A Plan for Fife | Our Fife - Creating a successful, confident, and fairer Fife](#)

¹³ [Plan for Fife 2021-24 | Our Fife - Creating a successful, confident, and fairer Fife](#)

¹⁴ [Local Development Plan \(FIFEplan\) | Fife Council](#)

¹⁵ [Making-Fifes-Places-Supplementary-Guidance-August-2018.pdf](#)

¹⁶ [Adopted Low Carbon Fife SG Jan 2019](#)

¹⁷ [Microsoft Word - Climate Fife FINAL](#)

Local Housing Strategy 2022-2027¹⁸ - sets out the strategic vision of Fife Housing Partnership for the delivery of housing and housing related services. It lists five priorities of which “A Warm Low Carbon Home” is relevant to the Local Heat & Energy Efficiency Strategy, noting the desired outcomes of ensuring people: do not live in fuel poverty, live in energy efficient homes, and reduce carbon emissions.

Fife’s Fuel Poverty Covid-19 Recovery Plan¹⁹ - Fife’s Fuel Poverty Strategy was aimed to be published in 2020 alongside the national Strategy but was delayed by the COVID-19 pandemic. In the interim, a plan was published addressing fuel poverty during the pandemic, with five objectives. The Local Heat & Energy Efficiency Strategy supports the objective of considering long term recovery plans contributing to the Strategy.

¹⁸ [Local Housing Strategy | Fife Council](#)

¹⁹ [Fifes-Fuel-Poverty-Covid-19-Recovery-Plan-2021-22-Final-1.pdf](#)

4. Appendix 3 – Scottish Climate and Energy Targets

Table 12: Targets

Climate and energy targets (Scotland)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	
Combined supply of thermal energy by heat networks to reach 2.6 TWh of output.				■																			
Private rented homes to be Energy Performance Certificate band C.					■																		
<u>75% cut in greenhouse gas emissions.</u>							■																
Most buildings achieve a good standard of energy efficiency.							■																
Emissions from buildings must be 68% lower than 2020 levels.							■																
At least 22% of non-electrical heat in buildings to be directly supplied by renewables.							■																
The combined supply of thermal energy by heat networks to reach 6 TWh of output.							■																
All fuel poor households to be Energy Performance Certificate band C.							■																
Zero emissions heating in the equivalent of 50,000 non-domestic buildings.							■																
All social housing to be Energy Performance Certificate band B.								■															
All homes have the equivalent of Energy Performance Certificate band C.									■														
Zero emissions heating in the vast majority of 170,000 off-gas fossil fuel heated homes.									■														
Zero emissions heating in at least one million on-gas homes.										■													
<u>90% cut in greenhouse gas emissions.</u>																	■						
All fuel poor households to be Energy Performance Certificate band B.																	■						
No more than 5% of households in Scotland are in fuel poverty.																	■						
No more than 1% of households in Scotland are in extreme fuel poverty.																	■						
Median fuel poverty gap of households in fuel poverty is no more than £250.																	■						
Buildings no longer contribute to climate change.																							■
<u>Net zero greenhouse gas emissions.</u>																							■

5. Appendix 4 – Potential Heat Network Zones Summary Tables

Table 13: Stringent Zones Summary Table

Zone ID	Zone location	Anchor loads	Total heat demand (MWh/year)	Non domestic properties with high suitability for heat network connection	Heat demand from non domestic properties with high suitability for heat network connection (MWh/year)	Houses in fuel poverty	Heat demand from houses in fuel poverty (MWh/year)	Social housing	Heat demand from social housing (MWh/year)
1	Rosyth Waterfront West	11	18,098	8	11,158	0	0	0	0
2	Pitreavie Business Park, Pitreavie	9	13,859	6	5,380	2	37	0	0
3	Dunfermline	15	49,758	18	14,114	374	3,029	38	2,261
4	Kirkcaldy	15	45,067	16	12,525	169	2,043	35	708
5	Whitehill and Southfield Industrial Estates, Glenrothes	11	19,622	8	8,643	1	21	1	14
6	Viewfield Industrial Estate and Fife College, Glenrothes	13	20,409	12	13,419	22	267	0	0
7	North Glenrothes (Queensway Industrial Estate)	7	12,966	5	3,893	11	153	7	112
8	Methil	7	14,501	7	11,538	56	425	8	435
9	St Andrews	22	67,830	24	22,442	497	6,449	63	1,827
10	Mitchelson Industrial Estate	12	26,079	10	11,876	0	0	0	0
11	East Glenrothes (Eastfield Industrial Estate)	10	19,673	2	1,796	4	46	4	34
N/A	Total	132	307,861	116	116,783	1,137	12,471	156	5,391

Table 14: Baseline Zones Summary Table

Zone ID	Zone location	Anchor loads	Total heat demand (MWh/year)	Non domestic properties with high suitability for heat network connection	Heat demand from non domestic properties with high suitability for heat network connection (MWh/year)	Houses in fuel poverty	Heat demand from houses in fuel poverty (MWh/year)	Social housing	Heat demand from social housing (MWh/year)
1	Rosyth Waterfront East	5	6,530	3	2,866	0	1	1	9
2	Rosyth Waterfront West	11	19,475	8	11,158	3	56	0	0
3	Rosyth	4	7,508	5	4,060	43	441	25	303
4	Belleknowes Industrial Estate	3	6,892	0	0	2	30	0	0
5	Dalgety Bay Industrial Estate	6	22,858	8	6,824	55	722	42	438
6	Pitreavie	11	28,372	11	7,947	98	1,332	39	471
7	Dulloch Schools	4	8,760	6	3,824	17	211	1	9
8	Woodmill High School	3	17,417	3	3,663	371	3,773	436	5,632
9	Dunfermline	16	74,988	20	14,980	772	7,420	115	3,793
10	Halbeath	6	17,338	3	4,705	81	1,074	76	1,162
11	Fife Leisure Park	5	9,807	5	3,645	4	91	2	65
12	Kirkcaldy South	4	16,289	2	986	339	3,190	137	4,318
13	Cowdenbeath Centre	3	14,881	2	734	85	1,019	42	544
14	Beath High School	3	11,448	3	4,596	104	1,412	71	995
15	Kirkcaldy Centre	23	101,412	29	18,269	739	8,953	252	3,421
16	Lochgelly Industrial Park	4	3,042	0	0	0	0	0	0
17	Kirkcaldy North West (Victoria Hospital)	5	53,572	5	44,564	65	830	62	939
18	Fife Central Retail Park	3	9,302	1	1,310	49	420	57	387

Zone ID	Zone location	Anchor loads	Total heat demand (MWh/year)	Non domestic properties with high suitability for heat network connection	Heat demand from non domestic properties with high suitability for heat network connection (MWh/year)	Houses in fuel poverty	Heat demand from houses in fuel poverty (MWh/year)	Social housing	Heat demand from social housing (MWh/year)
19	Lochgelly High School	3	5,208	2	2,192	19	276	16	455
20	Westwood Park Industrial Estate	4	4,242	3	3,017	5	62	1	4
21	Glenrothes South West	34	70,192	27	30,004	30	388	1	14
22	Glenrothes North	18	43,743	22	14,169	202	2,095	102	2,583
23	Methil – Links Drive	7	16,929	7	11,538	129	1,074	34	1,083
24	Levenmouth Campus	4	10,212	4	7,743	37	465	57	640
25	Methil	3	12,957	2	2,577	258	2,589	229	3,512
26	Innerleven	4	15,250	2	1,516	102	1,428	52	931
27	Leven	3	21,325	5	3,894	191	2,124	102	1,643
28	South Markinch	3	6,753	4	1,729	30	335	12	177
29	Anstruther	4	18,309	5	2,835	121	1,746	42	675
30	Gilliesfaulds (Elmwood Campus)	3	7,597	0	0	30	635	2	47
31	Prestonhall Industrial Estate	4	10,020	2	1,427	1	20	0	0
32	St Andrews	24	91,862	26	24,701	836	10821	143	2928
33	Kirkcaldy (St Clair Street)	8	31,899	3	2,903	560	5589	259	6365
34	Mitchelston Industrial Estate	15	46,407	13	15,207	235	2349	145	2437
35	Eastfield Industrial Estate	14	33,349	5	3,596	36	542	24	298
N/A	Total	274	876,146	246	263,178	5,653	63,517	2,579	46,277

6. Appendix 5 – Potential Heat Network Zones – Level 2 Analysis Maps

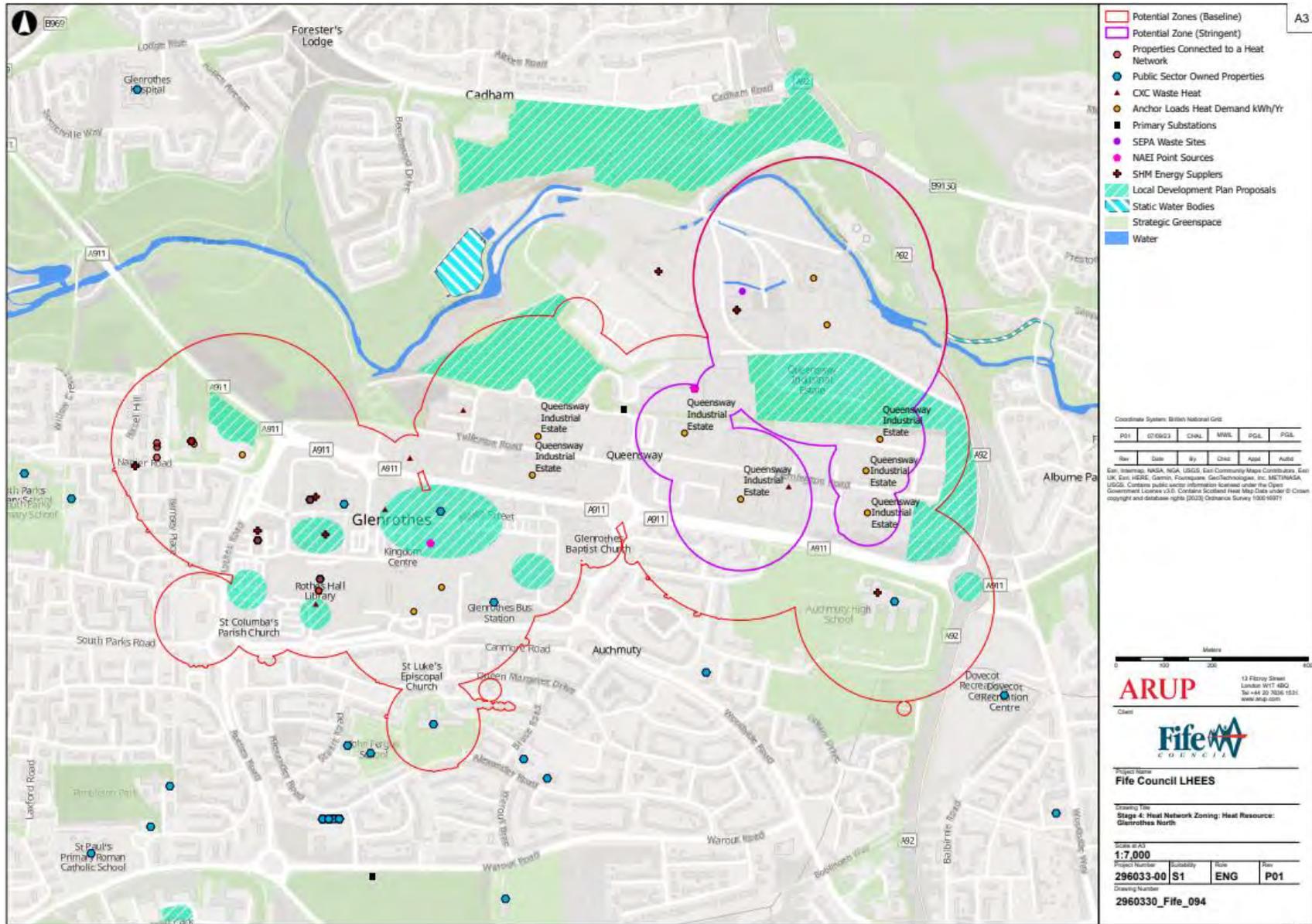


Figure 2: Glenrothes North zone - heat resource map

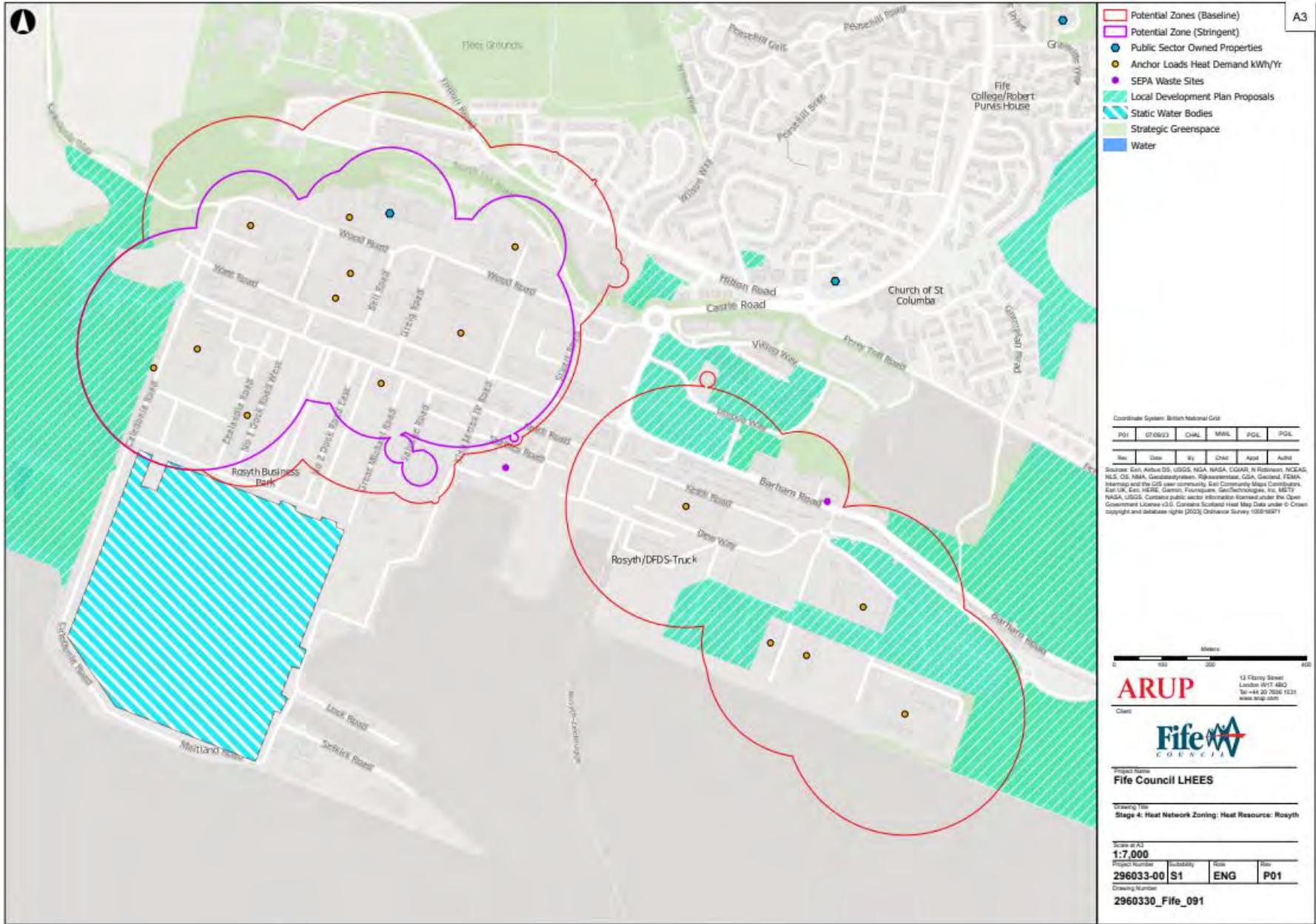


Figure 3: Rosyth Waterfront zone - heat resource map

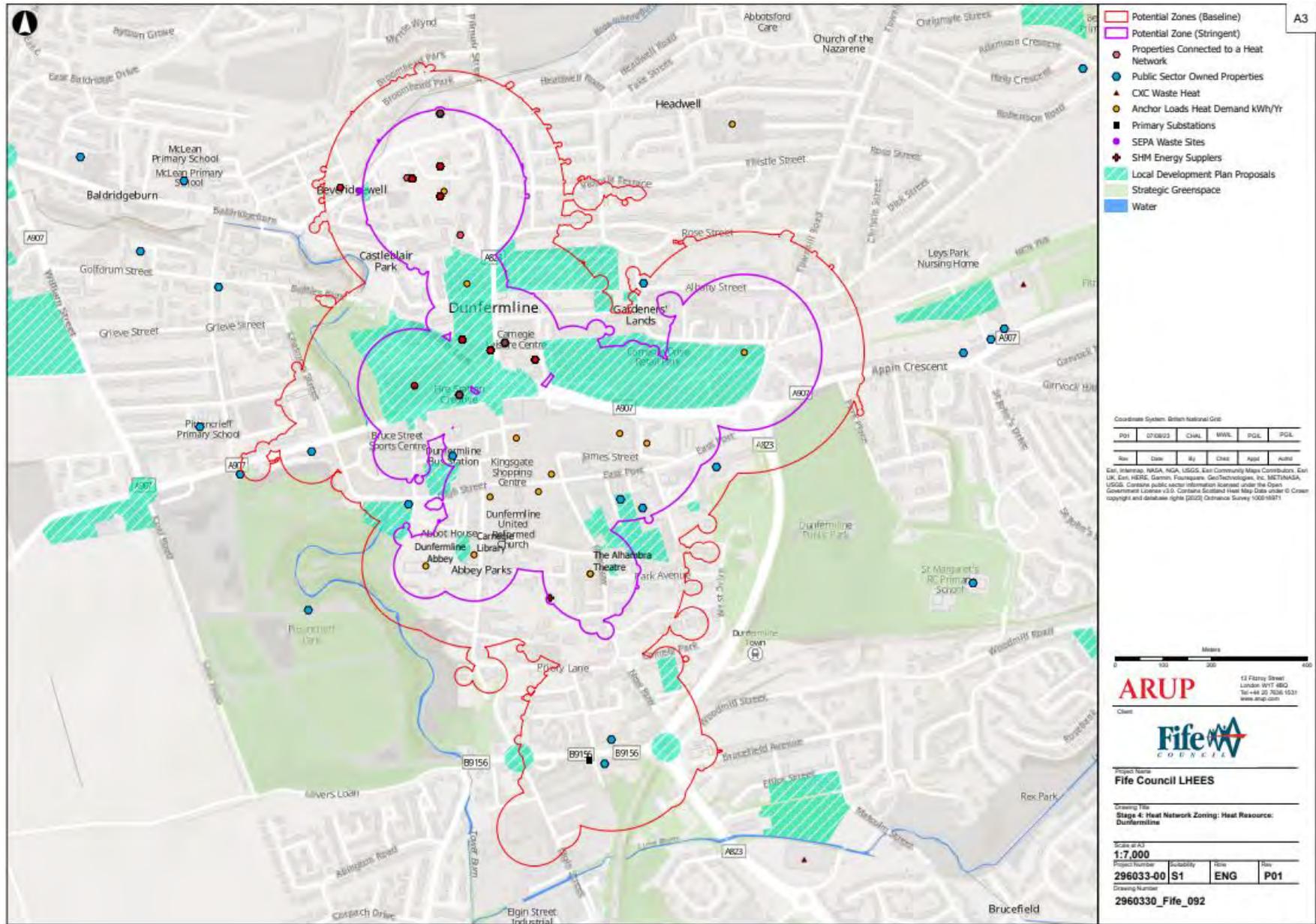


Figure 4: Dunfermline zone - heat resource map

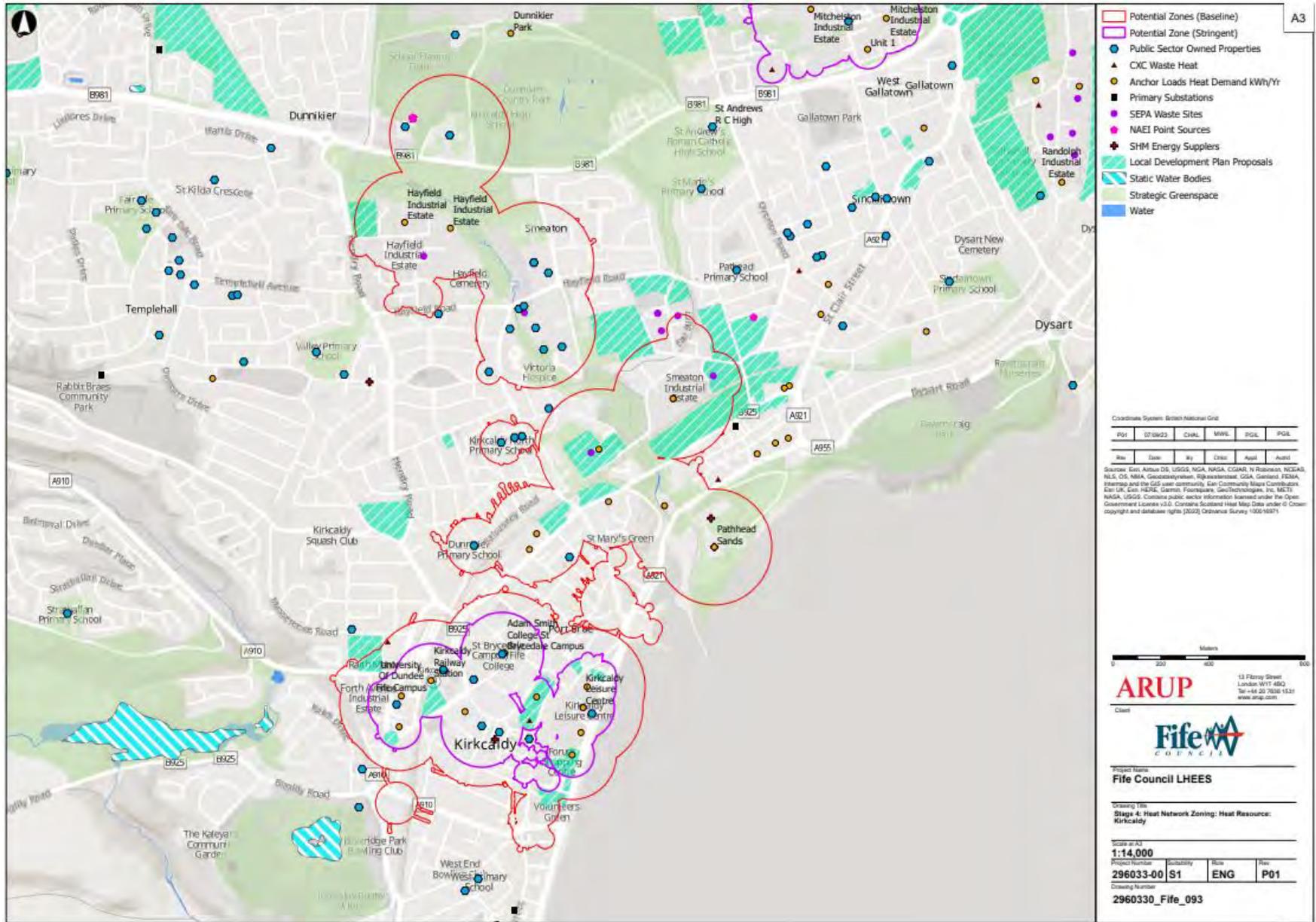


Figure 5: Kirkcaldy Centre and Kirkcaldy North West (Victoria Hospital) zone - heat resource map

Local Heat and Energy Efficiency Strategy Public Engagement Summary Report

1. Introduction

A six-week public engagement exercise for the Local Heat and Energy Efficiency Strategy took place between 18th September and 29th October 2023. A draft of the strategy, including a high-level delivery plan¹, was published on a dedicated [webpage](#). Alongside the strategy a [web map](#) showcasing baseline building data, strategic zones, and heat network zones was also published.

The public engagement took the form of an online survey, with a public information session also taking place on 5th October. The survey and session were advertised in the local press; Council and officer social media channels; and stakeholder networks. Presentations were also delivered to interested groups on request.

40 responses were received from the online survey, of which 10 were on behalf of organisations. The attendance numbers of each presentation are detailed below:

- Councillor CPD workshop – 12 attendees
- CPD Event: A Just Energy Transition - Local Heat & Energy Efficiency - 68 attendees
- Public Information Session – 6 attendees
- Fife Voluntary Action Lunchtime Learning – 11 attendees
- Fife Communities Climate Action Network – 8 attendees
- Cosy Kingdom Partnership Meeting – 14 attendees

During the production of the strategy, key internal and external stakeholders were also engaged, including via two workshops.

2. Summary of Key Responses

The following section provides a high-level summary of the online survey findings. It also highlights where any significant amendments have been made to the strategy², or where items will be considered for inclusion in the detailed delivery plan.

2.1 Vision

The majority (60%) of respondents agreed with the Council's vision. 30 respondents provided feedback, however some of these were focussed on the priorities, and are captured later in this report. Key comments on the vision, and the Council's response are detailed below:

- The use of the phrase climate friendly, ready, and just and other technical climate language was questioned by some respondents. Climate friendly, ready, and just were included to reflect the three core principles of the [Climate Fife Strategy](#) (described in chapter 3.1.2). An explanation of these has been added to the Overview section of the Strategy. There was a need to strike a balance between use of plain English with technical language.
- The challenges of achieving the vision were raised. The strategy recognises these challenges throughout the document and will continue to develop a process by which these challenges can be addressed.

¹ To be published by early 2025.

² This document only summarises the key changes, other small changes have also been made.

3. Priorities

Most respondents agreed with all of the priorities and outcomes of the strategy, and thought the titles were clear and easy to understand (Figure 1 and Figure 2).

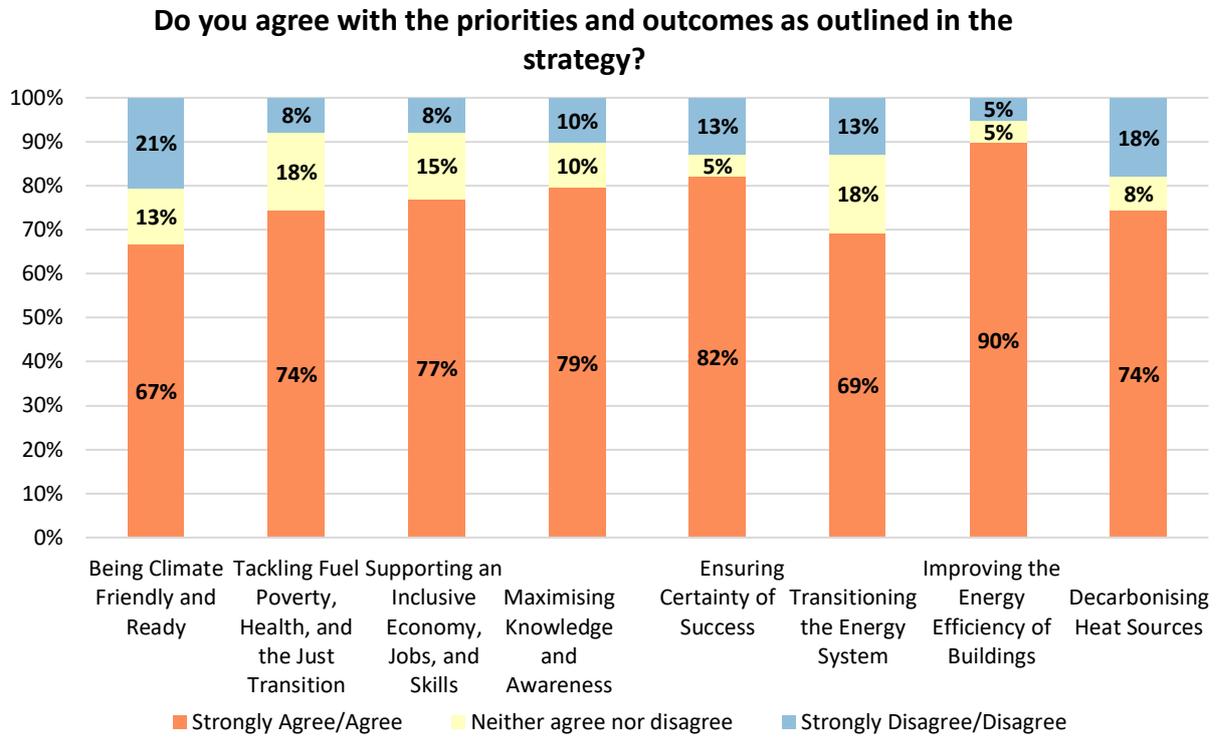


Figure 1: Agreement with priorities and outcomes

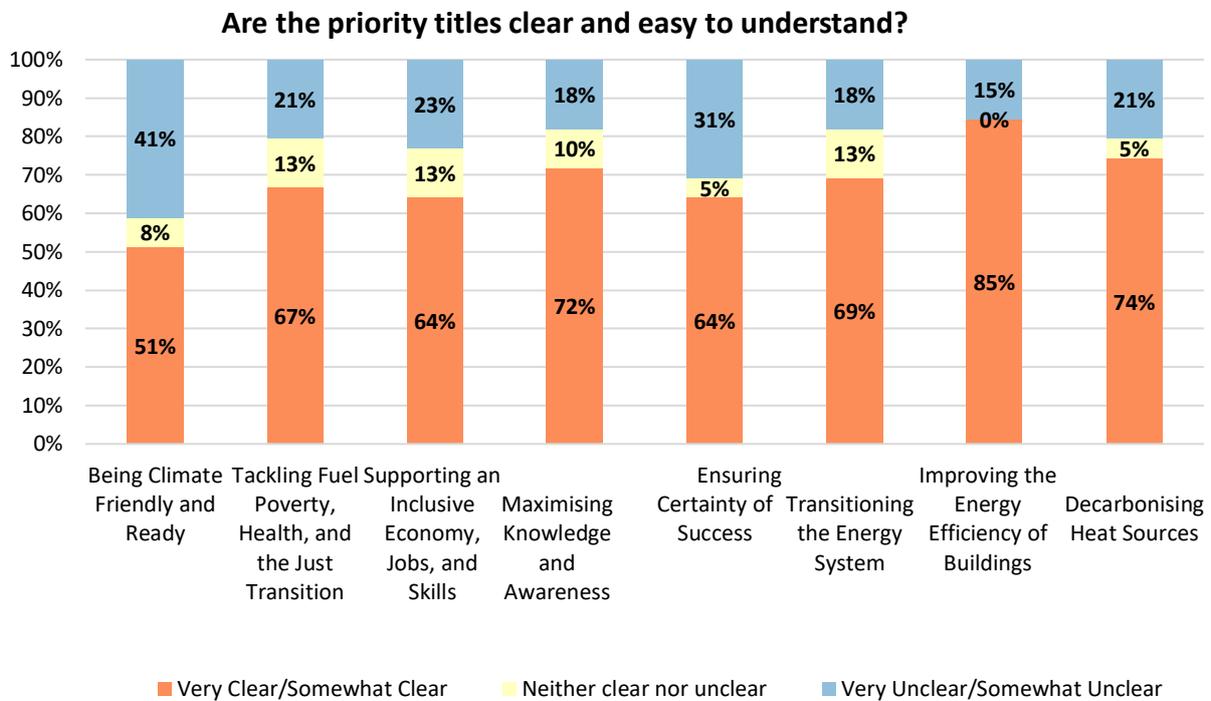


Figure 2: Clarity of priority titles

3.1 General comments

General feedback on the priorities focussed on strengthening the wording of the outcomes; referencing specific targets; explanation on whether numbering of priorities indicated importance; and how technology and policy changes might impact the strategy.

- National targets which this strategy will align with are yet to be ratified (Heat in Buildings Regulations). However, wording of outcomes 1.1, 7.1-7.4, and 8.1-8.3 have been revised to reference contributing Fife's share, on a proportional basis, towards national targets.
- The numbering of priorities is not an indication of importance. All priorities are equally important and reliant upon each other to drive forward change. Additional clarification has been added to Chapter 6.
- It is recognised evolving technologies and policies may impact analysis used to identify building level actions. The detailed delivery plan will include actions focussed on regularly reviewing policy and technology changes to ensure these are considered in future iterations of the strategy.

3.2 Being Climate Friendly and Ready

Feedback was centred around the phrase "climate friendly, ready and just". The Council's response to this is provided above.

3.3 Tackling Fuel Poverty, Health, and the Just Transition

Comments focussed on this priority included: providing a definition of just transition, and how focussing on fuel poverty and a just transition may slow down achievement of net zero.

- A definition of "just transition" has been added to the Overview section and Chapter 6.2.2.
- Fuel poverty and the just transition have to be considered within the strategy. The national guidance states the strategy should:
 - *"be primarily driven by Scotland's statutory targets for greenhouse gas emissions ... and fuel poverty."*
 - *"Reflect the objectives to the pathway for net zero, as set out in the Heat in Buildings Strategy."* This includes: *"By 2045 our homes and buildings no longer contributing to climate change, as part of the wider just transition to net zero."*
- Details on the resources and time required to collect improved data on fuel poverty will be included in the detailed delivery plan.

3.4 Supporting an Inclusive Economy, Jobs, and Skills

A common response was how delivery of the strategy, and the wider heat transition, would be funded, and what the potential costs for property owners might be. The funding challenge is recognised in Chapters 4.3 and 6.3, with a specific ask for Scottish Government in Chapter 7.2. Chapters 4.3 and 6.3 have been further strengthened to reference the lack of available funding, and the cost impact for building owners. The high-level delivery plan has been amended to include two additional actions to be taken forward in the detailed delivery plan:

- Explore alternative funding sources to support retrofit/heat decarbonisation.
- Maximize existing energy spend to benefit Fife.

Other feedback suggested to ensure young people and community organisations are engaged regarding the skills gap and consider place-based solutions to help with community wealth building. Both will be considered when developing the detailed delivery plan.

3.5 Maximising Knowledge and Awareness

Comments for this priority focussed on whether behavioural change is sufficiently addressed, the challenges around this, and the role of community organisations.

- This priority has been further expanded to ensure it references behavioural change, communication challenges, the role of community organisations.
- Actions will be included in the detailed delivery plan focussing on behaviour change and communications.

3.6 Ensuring Certainty of Success

The most common feedback for this priority was regarding challenges of retrofitting historic buildings. This is already recognised in the strategy - further wording has been added. Actions will be included in the detailed delivery plan focussing on improving understanding of retrofitting these buildings.

Other comments requested further clarity on the phrase "Actions will be prioritised on certainty of success and minimal potential unintended consequences" and how this would be achieved. Explanations have been added to Chapters 4.3, 6.5, and 7. Chapter 6.5 has also been strengthened to state the optioneering process *"will also be used to identify early wins, where energy efficiency actions are more straightforward and can be supported in the short term."*

3.7 Transitioning the Energy System

Some comments raised concerns around hydrogen. Though the strategy references hydrogen as a potential solution, it also states *"Scottish Government do not envisage hydrogen having a role in heating buildings in the near term and is not a focus in modelling for this strategy."*

It was suggested the strategy should make further reference to smart energy solutions. This was already referenced in Chapter 6.3. Chapter 4.2 has been amended, and Chapter 7 now includes an action focussing on this.

3.8 Improving the Energy Efficiency of Buildings

Feedback on this priority was minor and focussed on specific challenges such as:

- Implementation of Energy Performance Certificates - reform of Energy Performance Certificates has recently been [consulted on nationally](#). This is aiming to ensure they are more effective in helping meet net zero.
- Many buildings requiring repair work prior to any retrofit. This is referenced in Chapters 6.5 and 6.7.
- Consideration of embodied carbon. Chapter 6.7 has been revised to reference this.

3.9 Decarbonising Heat Sources

Feedback on heat pumps focussed on challenges of ensuring an appropriate coefficient of performance. This are recognised in the strategy, and further strengthened where appropriate.

A few comments were received on heat networks, including suggestions to add on benefits of networks, and further references mine water heat. The heat network section of the strategy has been significantly revised. The detailed delivery plan will include specific actions around heat networks.

4. High-Level Delivery Plan

Opinions on the proposed high-level actions was mixed, however the largest proportion of responses thought either all (24%) or most (23%) of the actions were suitable (19% stated “Don’t Know”). No comments were provided on which actions are unsuitable.

Some responses focussed on the ambition and details of the delivery plan. As stated in the strategy and survey, only a high-level summary of actions was provided. These will be used as a foundation for a detailed delivery plan, published by early 2025. This will include indicators to measure progress, timescales, and delivery partners. Stakeholder will be engaged to ensure a joined-up approach across Fife.

Suggestions for actions to include in the detailed delivery plan are detailed in Table 1. Actions referenced previously in this report are not duplicated here.

Table 1: Suggested actions for detailed delivery plan

Category	Suggested actions for detailed delivery plan
Building Level	<ul style="list-style-type: none"> • Explore use of Solar PV as mechanism to support heat decarbonisation. • Support and encourage maintenance and repair of building prior to retrofit action.
Heat Networks	<ul style="list-style-type: none"> • Actions focussed on the operational and funding models of heat networks. • Early engagement with, and involvement of, the private sector regarding interest, investment, and procurement for potential heat network zones. • A study on levels of waste heat from industry, and opportunity to utilise heat from mines. • Consideration of connection of council-owned buildings to networks.
Energy System	<ul style="list-style-type: none"> • Explore community energy generation schemes to generate funding for retrofit of community buildings. • Explore the opportunity for energy sharing, peer-to-peer trading, and private wires. • Engage with community groups to support development of area energy plans.
Skills & Jobs	<ul style="list-style-type: none"> • Training of Council staff to maintain heat pumps. • Development of a trusted installer scheme.
Knowledge & Awareness Raising	<ul style="list-style-type: none"> • Promotion of, and guidance for, simple measures such as draught proofing. • Mechanisms to encourage and involve individuals and communities to improve energy efficiency and decarbonise heat. Including consideration of the Shifting Normal guide.
Data, Modelling & Methodology	<ul style="list-style-type: none"> • Exploration of standardisation of retrofit options for different building archetypes and promotion across Fife. This could include the development of a “road map” for the best solutions for Fife buildings.

8 organisations provided information on actions they could deliver or support they could provide. These included:

- Provision of technical knowledge and support.
- Provision of heat network expertise – design, build, operation, and maintenance.
- Development of low carbon heating opportunities for housing and horticulture.
- Support to assess and tackle the jobs and skills gap.
- Data sharing.
- Engage with local forums/networks to provide clear and reliable information and gather feedback.
- Promotion of the strategy.

Housing Revenue Account (HRA) Consultative Budget 2024-25

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

Wards Affected: All

Purpose

The purpose of this report is to agree appropriate consultative rent options for 2024-25 to enable the council to carry out its statutory duty to formally consult with council tenants during December 2023 and January 2024. The outcome of the formal tenant consultation will be reported in the HRA budget report at full council in February 2024.

Recommendation(s)

It is recommended that committee:

1. notes the current HRA Financial position, including the projected £8.055m shortfall for 2024-25 prior to a rental increase being applied;
2. notes the balance of uncommitted HRA Reserves as £2.975m.
3. agrees to survey council tenants around options for a rent increase in 2024-25 of 5%,6% and 7% to also apply to charges for services, garage sites, lockups, and temporary accommodation;
4. notes that the outcome of the full tenant consultation will be reported to full Council February 2024;
5. notes that the HRA Business Plan Review is continuing with results to be reported to Council in February 2024.

Resource Implications

The HRA is experiencing a difficult financial situation as a result of high inflation over the last two years and continuing into 2024/25 combined with maintaining rental increases below inflation. The impacts have been managed until now, however, the pressure is becoming more of a challenge with an estimated budget gap of £8.055m before either a rental increase or cost savings being identified. A partial rent increase below inflation ultimately exposes the HRA to an increasing level of financial risk. A rental increase of below 7% will create a budget gap which will require further savings to close. Options to close the budget gap will be shared with members in the coming weeks.

Legal & Risk Implications

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

The rental increase options presented are below inflation which ultimately expose the HRA to an increasing level of financial risk. Testing of the HRA 2023 HRA Business Plan is still ongoing but initial testing results are detailed in section 7. The final results of the Business Plan review will be reported in the HRA Budget Paper to Council in February 2024.

Impact Assessment

An EqIA has not been completed and is not necessary at this time. The outcome of the proposed consultation will be reported to Fife Council in February 2024 when an EqIA will be provided.

Consultation

This report outlines initial and planned consultations with tenants around the HRA rent increase and budget proposals for 2024-25.

Housing Services and Financial Services are working jointly on the issues outlined in this paper.

The council's Housing Consultants Arneil Johnson have been consulted with and are continuing to work through the Business Plan Review.

1.0 Background

1.1 The Housing (Scotland) Act 2001 requires the council to consult with tenants affected by any proposal to increase rents and have regard to the views expressed by those consulted. Information is presented in relation to:

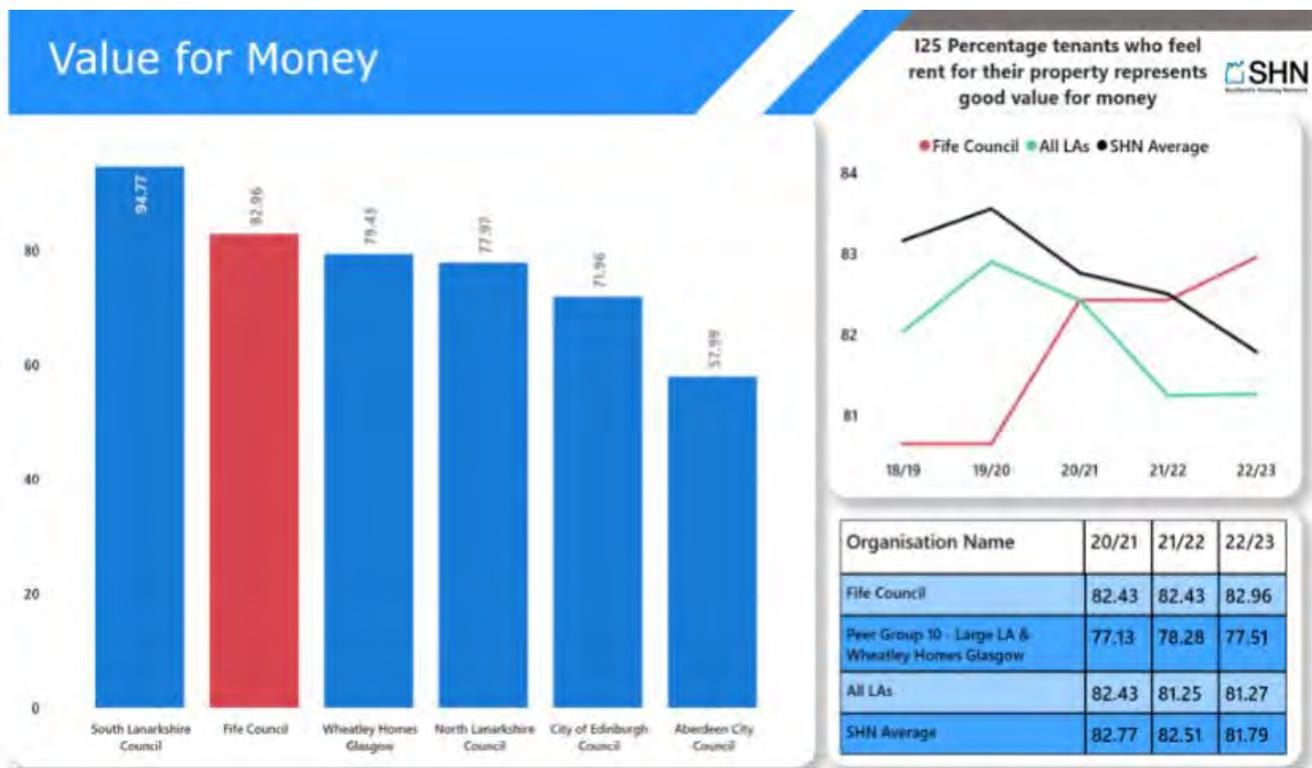
- Performance of the council's HRA compared to other social landlords
- Context of the HRA Business Plan, key assumptions, risks and impacts
- Initial and planned consultation with tenants around the HRA rent increase
- General impact and affordability of the HRA rent proposal
- Adherence to the HRA Medium-Term Financial Strategy

2.0 HRA Performance

2.1 The Housing Revenue Account (HRA) provides the financial framework supporting the council's role as housing landlord. The HRA is required by legislation to be a ring-fenced account used for the sole benefit of council tenants. It is financed almost entirely by rents and other charges with no current contribution made from Council Tax revenues.

2.2 The latest Scottish Government HRA financial statistics are for 2022-23. These indicate Fife's average weekly council rent remained below the local authority average. The council in comparison to all local authorities sits below average in terms of supervision and management costs per property and just below average in relation to spend on loan charges. Repairs and maintenance spend per property remains higher than average.

2.3 Benchmarked against peer LAs (Aberdeen, City of Edinburgh, North Lanarkshire and South Lanarkshire), Fife performs well on the Scottish Housing Charter indicator in relation to providing value for money with 86.92% of tenants indicating that they view that rent represents good value for money. This is significantly above LA the average of 81.27%.



3.0 HRA Financial Position 2024-25

3.1 The HRA is required to present a balanced budget for approval to Fife Council each year. The HRA faces increased costs due to increasing inflation, staff salary increases, stock figures, and other pressures. To meet these rising costs, the HRA must increase rents or generate recurring savings (or a combination of both) annually to allow the rising costs to be met whilst maintaining service provision and ensuring an affordable level of borrowing, to fund new council housing and invest in existing housing stock. The indicative budget gap for the next three years prior to a rental increase being applied in 24-25 is shown below. A rental increase of 3.5% is assumed for 25-26 and 26-27:

	Individual Year (£m)			Cumulative Impact (£m)
	2024-25	2025-26	2026-27	
Indicative Budget Gap	8.055	7.252	7.588	22.895

3.2 The indicative budget gap in 24-25 of £8.055m is a result of increasing financial pressures faced by the HRA. This gap will require to be funded through increased rental income, savings or a combination of both. It must be noted that these are recurring pressures that will exist and may increase in future years. The budget gap facing the HRA for 2024-25 includes:

- Increased Operational Costs due to increased materials and supply costs (£3.417m)
- Inflationary Pressures - staffing & non-staffing (£3.329m)
- Maintaining investment level consistent with prior years (£0.877m)
- Investment into CCTV Hub (£0.432m)

3.3 The revised budget gap based on each of the proposed rental increase options for 2024-25 is shown below. For all rental options, it is assumed that a rental increase of 3.5% is applied for 2025-26 and 2026-27. It is noted that a rental option below 7% leaves a budget gap. Options to close the gap are being considered and will be shared with elected members in due course and a full report taken to Council in February 24 as part of the HRA Budget Report for 2024-25.

Rental Option Increase for 2024-25	Estimated Budget Gap Individual Year (£m)			Cumulative Impact (£m)
	2024-25	2025-26	2026-27	
5% Rental Increase	1.457	0.345	0.336	2.139
6% Rental Increase	0.138	(1.036)	(1.092)	(1.991)
7% Rental Increase	(1.182)	(2.417)	(2.515)	(6.114)

3.4 Any rental increase of below 7% for 2024-25 would require further mitigations which may have varying impacts on:

- The quality or level of service delivered directly to HRA Tenants
- The wider impact on local communities
- Redeployment of staff employed by the HRA to deliver the services and projects.
- Other areas of Fife Council such as Building & Property Services who may see a reduction in the level of work commissioned by the HRA.
- External companies who may see contracts cancelled.
- Higher costs in future years because of delaying maintenance & improvement works.

3.5 Taking into account the financial pressures facing the HRA, a decision has been made not to consult on any rental increase below 5%. It is officers' opinion that a rental increase of between 5% to 7% balances both the need to maintain rents at an affordable level for tenants and the financial requirements for the HRA.

4.0 HRA Rent Proposal for 2024/25

4.1 The HRA Business Plan assumes that costs will rise with inflation and that rents will increase by the Retail Price Index inflation plus one percent (RPI+1%) each year over 30 years. The plan is modelled on a national Treasury assumption that inflation will average at 2.5% per annum, therefore, RPI+1% equals 3.5%. However, given that the actual RPI will fluctuate year-on-year, the HRA uses the September RPI rate to inform the rent increase for the year ahead. This provides a consistent benchmark for comparing rent increases over time. A rent increase based on the September 2023 RPI+1% would equal a rent increase of 9.9%.

4.2 In recognition of the Cost of Living pressures faced by tenants and the financial pressures faced by the HRA, rent scenarios were tested through the Business Plan in the range 5%, 6% and 7%. These form the HRA rent proposals for 2024/25 which extends to housing rents, services, lockups, garage sites and temporary accommodation. A rental increase of 9.9% is not being proposed as it would not be affordable to many tenants although the financial impact is shown in the table below for comparison.

RENTAL INCREASE %	AVERAGE WEEKLY RENT (£)	INCREASE IN AVERAGE RENTS PER WEEK (£)
5.00%	86.53	4.12
6.00%	87.35	4.94
7.00%	88.18	5.77
9.90%	90.57	8.16

- 4.3 The budget gap figure and the financial impact of the proposed rental increases on both tenants and the HRA is detailed further in sections 6 and 7.

5.0 Previous Years' Rental Increases

- 5.1 The table shows the previous five years' rental increases which have all been below RPI+1%. The figures show the widening gap between the actual weekly rents charged each year and the baseline rents on which the 30 year business plan is based. The gap increases as time goes on due to the baseline on which all future rental increases are set being impacted by low rental increases compounding in previous years. This difference in the rental figures represents the opportunity cost of income that is lost to the HRA per week for each affordable home:

Financial Year	Percentage Rent Increase Applied	September RPI+1%	Weekly Average Rent based on % increase applied to rents (£)	Weekly Average Rent based on September RPI+1% (£)	Difference in Average Weekly Rent (£)
19-20	3.2%	4.3%	73.25	74.03	0.78
20-21	3.0%	3.4%	75.45	76.55	1.10
21-22	1.5%	2.1%	76.58	78.16	1.58
22-23	2.5%	5.9%	78.49	81.10	2.61
23-24	5.0%	13.6%	82.41	89.16	6.75

- 5.2 Partial rental increases ultimately expose the HRA to an increasing level of financial risk. The ability to fund the HRA Capital Investment Program through CFCR is reduced which, in turn, increases the level of borrowing required to fund the Capital Program. The reduced income also affects the HRA's ability to fund the cost of borrowing and reduce borrowing capacity to fund new or existing housing programmes. This demonstrates the challenge that is now faced by the HRA where costs have increased at a higher rate than income for the past several years which has contributed to the budget gap outlined in this paper.

6.0 Affordability / Tenant Impact

- 6.1 **Housing benefits** - the affordability of housing rents will depend on the circumstances of individual tenants. Given the general profile of council tenants, the uptake of benefits is of importance. At the end of September 2023, 8,699 (30%) council households were claiming Housing Benefit (HB) with an estimated 11,500 (39%) now receiving Universal Credit (UC).
- 6.2 Tenants in receipt of Universal Credit are entitled to any increase in their housing costs in a similar way to those on Housing Benefit. However, the Department for Work & Pensions administers Universal Credit applications and holds data around claimants. This makes it difficult to predict with any accuracy the exact number of council tenants claiming Universal Credit at any point in time and how they will be impacted by a rent increase.
- 6.3 Approximately 69% of council tenants are supported through HB or UC to pay their rent. This represents income to the HRA received directly through benefits payments. A low rent increase would therefore not benefit the majority of tenants but would instead benefit HM Treasury and result in lost income to the HRA in both 2023-24 and all future years. These figures should be considered indicative in view of the element of unknown through Universal Credit.

- 6.4 Based on the estimated uptake in benefits shown in paragraph 6.1, it can be assumed that around 31% council households will not claim benefits in 2024-25 and will be required to fully fund any rent increase. To support all tenants in difficulty with their rent payment, the council has had £2m of rent support available. The proposal is to continue with the Rent Support Fund (£1m) which targets tenants not receiving full Housing benefit or Universal Credit housing costs, continue to support tenants through the Universal Credit Mitigation fund (£0.5m) with added £0.5m support to tenants for fuel poverty.
- 6.5 **Living Rent** - the introduction for a 'living rent' was recommended by the Fairer Fife Commission and an appropriate definition for social housing was agreed by the Fife Housing Partnership. A 'living rent' is defined as being affordable for a household with someone in full-time employment and not assisted through benefits, based on a calculation of charging a fixed percentage (28%) of net lower quartile earnings. In Fife, the current 'living rent' threshold for a single person is £106.97 per week. Housing costs below this threshold are affordable and above the threshold will be unaffordable.
- 6.6 The affordability of the proposed rent options of between £86.53 – £88.18 per week can be tested against different types of council households on low income and not in receipt of benefits:

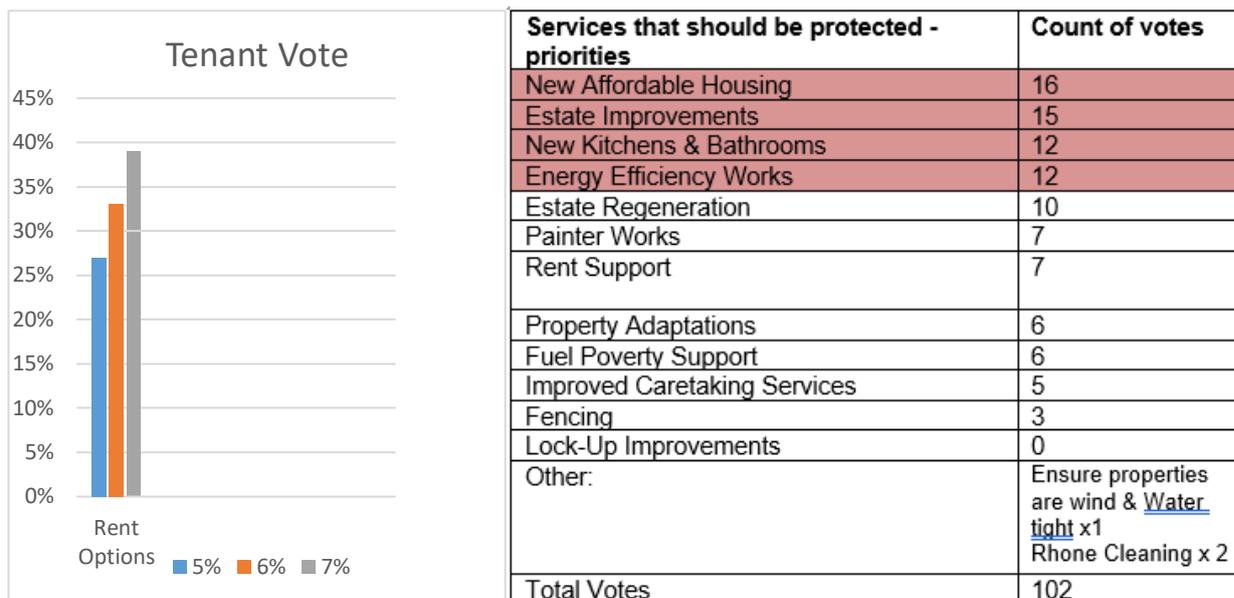
Household / Income Scenario	28% of Weekly Earnings (net of tax)	Affordability of FC Rent Options
Single person household, in full-time employment with lower quartile earnings (i.e. 'Living Rent' scenario)	£106.97	Rent options affordable / below threshold
Two-person household with a full-time and part-time employee, both with lower quartile earnings	£153.45	Rent options affordable / below threshold
Single person household, in full-time employment with lower <u>decile</u> earnings (enhanced beyond living rent criteria)	£90.31	Rent options affordable / below threshold

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

- 6.7 The table above indicates that single people and working couples on lower quartile earnings should be able to afford the proposed rent options without the assistance of benefits. Therefore, the average council rent across each option should remain affordable to those on the lowest earnings and would continue to be classed as a 'living rent'.
- 6.8 The Fife Tenants Conference was held on 6 November, in partnership with the three Tenants Federations. Tenants attended from across Fife. Workshops were held covering the affordable housing programme, estates management and energy efficiency and improvement. Tenants were given the opportunity to ask questions and contribute to discussion around the HRA and rent options. Tenants were asked to indicate their preferred rent option for 2024/25 from a range of 5%, 6% and 7% to inform feedback for elected members. Tenants were also asked to indicate 3 priorities in terms of services they considered should be protected to inform future planning. The number of tenants who voted (33) was relatively low (although more attended the event) and an alternative blended approach including digital opportunities was discussed as an option for future years, facilitated through Council investment in a new digital platform.

- 6.9 The outcome of the informal consultation is outlined below with service priorities and preferred rent options indicated:

Tenant Vote and Service Priorities



- 6.10 Meetings are being arranged with the Tenants Federations in December 2023 to improve understanding of the HRA Business Plan, work through the rent options and consider potential implications and areas for future budget savings.
- 6.11 To meet statutory requirements for consultation with tenants, it is recommended that the options of 5%, 6% and 7% form part of a postal and on-line survey of all council tenants during December 2023 - January 2024. Tenants will be asked to feedback their priorities for services they wish to see protected. The outcome of this survey, and feedback from the meetings with the Federations, will inform a decision on the rental increase proposed for 2024-25, setting the HRA budget at full Council in February 2024.

7.0 HRA 2023 Business Plan Review

- 7.1 The HRA Business Plan Review for 2023 is currently underway. The Baseline Business plan will take into account the current pressures and financial position outlined in this paper. Scenario testing will be carried out based on the proposed rental options and potential future policy options. Work will continue over the next 2-3 months to fully reappraise the business plan assumptions. It is anticipated that the full results of the HRA Business Plan Review will be reported to the council in February 2024 as part of the HRA Budget Report for 2024/25. An elected members' workshop to present the updated HRA Business Plan is planned for January 2024.

8.0 Service Reductions and Rent Options

- 8.1 The HRA is required to present a balanced budget to full Council in February 2024. As outlined in Section 3, rent options under 7% will require service reductions and efficiencies to mitigate and reduce the level of current HRA pressures in order to present a balanced budget. Any proposed service reductions required will form part of the preparation of the HRA Budget Report to Council in February 2024. These may cover a range of options affecting HRA Revenue, HRA Capital and HRA Reserves.

- 8.2 The potential reductions may have varying impacts on the quality or level of service delivered directly to HRA Tenants, including:
- Reduction in annual revenue expenditure on non-statutory services
 - Reduction in annual capital expenditure on non-SHQS and EESSH1 work
- 8.3 The ease of implementing the service reductions and the financial mitigation provided by each option may also vary. Housing and Finance Services will continue to assess the potential service efficiencies, including liaising with elected members and council tenants to determine the full impact of each potential cost reduction.
- 8.4 The Tenant Consultation process will help shape the proposals as tenants' feedback what their priorities are. It is important that tenants' priorities are considered when determining the potential service reductions required to close the budget gap.

9.0 Reserves

- 9.1 As at the end of 2022-23, the HRA held reserves of £7.380m. The current HRA policy is to maintain minimum reserves at the level of 2% of the mainstream annual rent income budget. Under the three rent options, the minimum reserves position required would be in the region of £2.7m. The minimum balances of 2% will be assessed based on a rolling three-year period. This will allow for small short-term fluctuations in the reserves figure.
- 9.2 The table below shows the current HRA Reserves and the estimated remaining reserves at the end of 2023-24 based on current and proposed commitments:

OVERVIEW OF HRA RESERVES	APPROVAL STATUS	2023-24	2024-25
Opening Year Balances	-	7.380	5.475
Estate Management Improvements	Committee Approval	(0.545)	
Disability Adaptations	Committee Approval	(0.500)	
Contribution to CFCR	n/a	(0.859)	
Transitional Affordable Housing Programme Contribution	Committee Approval		(2.500)
ESTIMATED UNCOMMITTED RESERVES		5.475	2.975

- 9.3 The current estimated uncommitted balances as at the end of 2023-24 is in line with current policy.

10.0 Conclusions

- 10.1 The HRA is under considerable financial pressure and faces a high level of financial risk based on the assumptions outlined in this paper.
- 10.2 HRA tenants are also under pressure due to the ongoing Cost of Living Crisis which makes rental increases at RPI+1% potentially unaffordable for tenants. The rent consultation options of 5%, 6% and 7% take account of the current Cost of Living Crisis. Some level of service efficiencies and reductions may need to be considered by officers to maintain a balanced budget.

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Strategic Housing Investment Plan 2024-2029

Report by: John Mills, Head of Housing Services

Wards Affected: All

Purpose

The report is to seek authority for the submission of Fife's Strategic Housing Investment Plan (SHIP) 2024/25 – 2028/29 to the Scottish Government. The plan is revised and updated annually for a rolling five year period.

Recommendation(s)

Members are asked to:

- (i) agree the Strategic Housing Investment Plan (SHIP) 2024/25 – 2028/29 based on the priorities and principles outlined in the report; and
- (ii) authorise the Head of Housing Services, in consultation with the Spokesperson for Housing and Building Services, to amend or substitute projects within the SHIP as and when required.

Resource Implications

The council has approved £181.458m Housing Revenue Account (HRA) capital expenditure to complete Phase 3 of the Affordable Housing Programme (AHP) and the Transitional Affordable Housing Programme (TAHP) to 2024. A further £112.5m investment to support the delivery of the first two years of Phase 4 to 2026 has also been approved. Availability of funding is dependent on meeting HRA Business Plan assumptions, particularly around rent setting and collection. Additional funding to extend Phase 4 of the Affordable Housing Programme to a five year programme will be subject to further review before any additional investment can be committed.

The council will continue to acquire properties from the private sector as part of the current Property Acquisitions Policy. An additional £16.5m has been identified in the current HRA capital budget which should fund the acquisition of an estimated 150 units. Additional funding to support further acquisitions will need to be considered in the future.

The Fife Housing Association Alliance (FHAA) partners have all confirmed they have secured capital borrowing capacity to continue to invest in the delivery of the SHIP.

The overall resource requirement will also be dependent on the continuing support and the level of support by the Scottish Government in providing Affordable Housing Supply Programme subsidy. The Resource Planning Assumptions on grant availability for the first two years of the SHIP have been confirmed and the Scottish Government has advised that the final three years should be assumed as the same level as year two.

Legal & Risk Implications

The council has taken a positive attitude to managing legal and risk issues arising from working with private housing developers to deliver affordable housing. Development risks have been considered and any required mitigations are put in place as risks and issues arise.

Procurement compliance is a requirement that needs recognised as part of delivery.

Funding risks include the need to maintain the HRA Business Plan rent assumptions over the life of the SHIP and effective management of the consequences of rising construction costs. As construction costs continue to increase, the number of affordable homes that can be delivered over a set timescale will be impacted.

The availability of land supply will continue to be a risk for both council and Housing Association development. In addition, the timing of affordable housing contributions from private developers through the Affordable Housing Policy will also require to be managed.

Impact Assessment

An Equalities Impact Assessment has been undertaken and a summary is shown in Appendix 1. No negative impacts have been identified. A range of beneficial impacts were identified including increased access to new affordable housing and subsequent housing through chain of lets properties for those with protected characteristics.

An environmental assessment has been carried out using the Fife Environmental Assessment Tool (FEAT) for the SHIP and Transitional Affordable Housing Programme 2022-24 and no negative environmental impacts were assessed. Overall, long-term benefits were identified resulting from the provision of high quality, energy efficient affordable homes resulting in lower carbon emissions and increased health and wellbeing for tenants. A Strategic Environmental Assessment (SEA) screening request has been submitted to the SEA gateway for consideration and it is anticipated that a full environmental assessment will not be required.

It is anticipated that the building of affordable houses across Fife will have a beneficial impact on households in poverty and contribute to the Child Poverty Plan. It is also anticipated that the Affordable Housing Programme will have a beneficial impact on the Fife Climate Change Plan due to building houses to the EESSH standard and installing zero carbon emission heating systems.

Consultation

Consultation has been carried out in respect of the SHIP with the Scottish Government, Fife Housing Association Alliance, Scottish Water, various council Services including Education and Children's Services, Economy, Planning and Employability Services, Health and Social Care Services, Assets, Transportation and Environment Services and various teams within Housing Services, including Affordable Housing, Area Teams and Older Persons and Specific Needs.

Fife Councillors, Fife Tenants Forum and Fife Federation of Tenants and Residents Associations were sent a draft copy of the SHIP and invited to provide any feedback or comments. A virtual information session was held on 23rd November 2023.

1.0 Background

- 1.1 The SHIP is an important document which is submitted annually to the Scottish Government and sets out how investment in affordable housing should be directed over the next five years, in this case, April 2024 to March 2029, to achieve the priorities and outcomes set out in the Local Housing Strategy (LHS).
- 1.2 Fife Council and Fife Housing Association Alliance (FHAA) conduct a joint working exercise to ensure the successful planning and development of the SHIP each year.
- 1.3 Fife Council and the FHAA have a strong track record in the delivery of new affordable housing through three phases of the Affordable Housing Programme (AHP) since 2010. The current Transitional Affordable Housing Programme (TAHP) aims to provide 1,200 affordable homes from 2022-24. A further five year Phase 4 programme covering the period 2024-29 is under development.
- 1.4 The draft SHIP, subject to Cabinet approval, was submitted to the Scottish Government on 15 November 2023.

2.0 Issues and Options

- 2.1 The SHIP is a bid proposal to the Scottish Government for funding through the Affordable Housing Supply programme (AHSP). The SHIP includes an average over provision of 33.8% across the five year period in line with Scottish Government's guidance which is to accommodate for unforeseen slippage of the programme. Members should note this means that projects listed in the SHIP Projects Table are not at this stage guaranteed to go ahead.
- 2.2 The SHIP identifies the potential to deliver 3,051 affordable units during 2024-2029. Available funding levels are assumed at £175.685m through the AHSP and £12.400m through Second Homes Council Tax (2HCT) monies totalling £188.085m for Fife. Based on new grant benchmark levels, this level of funding could potentially deliver 2,403 units.
- 2.3 It is considered that the proposed level of potential projects puts Fife in a strong position to ensure full spend of its own grant allocation. It also prepares us to take advantage of any additional funding that may arise across the AHSP nationally or if other local authorities fail to spend their allocation.
- 2.4 The projects included within the Fife SHIP have the potential to deliver 3,051 affordable units over the five year SHIP period. This exceeds the need identified through the combined Tayside and South-East Scotland Housing Need and Demand Assessments (HNDAs) of 2,005 units over five years by 1,046 units. A further 100 units are estimated to be delivered through the Scottish Government's Open Market Shared Equity scheme, taking the potential total to 3,151 units between 2024/25 –2028/29. Fife Council has the potential to deliver 1,852 affordable units through the proposed SHIP. This would require Scottish Government subsidy of around £118m which is in line with that currently identified.
- 2.5 The breakdown of the potential affordable units that can be delivered between different tenures and house types is shown in table 1 below:

Table 1: Tenure Breakdown of Affordable Units in the SHIP

	General Needs	Specific Needs*	Total
Social Rented (all providers)	1,882	956	2,838 (93% of total)
Mid- Market Rent (MMR)	213	0	213 (7% of total)
Total	2,095 (69% of total)	956 (31% of total)	3,051 (100%)

*Includes all Specific Needs units including wheelchair properties and older persons housing

- 2.6 The SHIP demonstrates the council’s commitment to provide 30% of all new affordable housing as Specific Needs properties. It also reflects the current priority to maximise the delivery of social rented housing, with 93% of the total potential units being provided as social rented and 7% as Mid-Market Rent (MMR). Presently, all MMR properties will be delivered by our housing association partners.
- 2.7 The draft LHS 2022-2027 has been subject to public consultation and Scottish Government review. Comments from the review are currently being progressed and it is anticipated that the final document will be signed off by the end of 2023. The draft LHS has been considered by committee and final approval has been delegated to the Executive Director of Communities, following Fife Housing Partnership approval.
- 2.8 The council will continue to work with the members of the Fife Housing Association Alliance (FHAA) to deliver the housing association component of the SHIP. Following a review of their business plans, to determine their capacity to respond in both financial and development capacity, the FHAA signed a revised preferred developer agreement with Fife Council July 2021. The FHAA are responsible for the delivery of 700 affordable units within the council’s 1,200 affordable homes target for the TAHP. This partnership agreement has been extended for a further five year period to May 2029 as part of the proposed Phase 4 AHP.

3.0 Conclusions

- 3.1 Fife’s SHIP 2024/25 – 2028/29 sets out the investment priorities for affordable housing over a five year period to achieve the housing outcomes set within Fife’s LHS and shows the possibility to deliver 3,051 affordable units, thus ensuring that Fife has a robust delivery plan to meet housing needs in line with LHS priorities.

John Mills
Head of Housing Services

List of Appendices

1. Equality Impact Assessment Summary Report
2. Fife Strategic Housing Investment Plan 2024/25-2028/29

Report Contact

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Equality Impact Assessment Summary Report

<p>Which Committee report does this EqIA relate to (specify meeting date)?</p> <p>Cabinet Committee Thursday 2nd November 2023 Strategic Housing investment Plan 2024/25 – 2028/29</p>
<p>What are the main impacts on equality?</p> <p>There are no negative impacts on equality. There will be access to new affordable housing and subsequent housing from chain of let properties for those with protected characteristics.</p>
<p>In relation to a strategic decision, how will inequalities of outcome caused by economic disadvantage be reduced?</p> <p>The new Affordable Housing will be a mix of social rent, mid-market rent & low-cost home ownership options. These options will increase the options available to those on low / limited income which will assist in tackling social disadvantage.</p>
<p>What are the main recommendations to enhance or mitigate the impacts identified?</p> <p>The main recommendation is to ensure the appropriate mix of housing for those in need is included in new build developments and that these new properties are allocated appropriately.</p>
<p>If there are no equality impacts on any of the protected characteristics, please explain.</p> <p>N/A</p>
<p>Further information is available from: Name / position / contact details:</p> <p>Carole Kennedy Interim Lead Officer Affordable Housing & Regeneration Telephone Extension: 442955 Email: Carole.Kennedy@fife.gov.uk</p>



Strategic Housing Investment Plan 2024/25 – 2028/29



Foreword

I am pleased to present Fife’s Strategic Housing Investment Plan (SHIP) 2024/25–2028/29 on behalf of the Fife Housing Partnership, setting out how the Local Housing Strategy’s priorities for affordable housing investment will be delivered across Fife.

This Strategic Housing Investment Plan reinforces the priorities and outcomes of our new draft five-year Local Housing Strategy (LHS) 2022-2027 which is anticipated to be finalised by the end of 2023. Our proposals for affordable housing over the coming five years reflect Fife Council’s vision for our community to be able to access a home that is warm, affordable, accessible and meets their needs. The Plan is a key document for targeting affordable housing investment at a local level.

The Strategic Housing Investment Plan reflects the council’s vision to move forward with economic growth, community wealth building, anti-poverty work and climate action. Our plan focuses on the delivery of projects for social rented housing by Fife Council, the Fife Housing Association Alliance, the Scottish Government and private developers. However, all partners continue to be committed to the delivery of new housing to meet a range of community needs. The Partnership recognises the importance of self-provided housing and is committed to ensuring opportunities for self-help housing solutions are supported, including self-build, community-led and co-operative housing efforts by Fife residents. Our strength and history of partnership working will ensure we can be responsive to any change in Fife’s housing requirements.

I remain absolutely committed to providing high quality, affordable housing for people living in Fife. The Strategic Housing Investment Plan provides details on a range of potential development projects, providing Fife with a realistic and practical plan to deliver against our aim for improving housing choices.

I thank all our partners for their continued commitment to Fife’s Affordable Housing Programme.



Cllr Judy Hamilton
Chair of the Fife Housing Partnership

Alternative Formats

The information included in this document can be made available in large print, braille, audio CD/tape and British Sign Language interpretation on request by calling: 03451 55 55 00 / Textphone: 18001 01383 44 11 77 / SMS for Deaf people 07985 761908 / Language Lines:

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03451 55 55 66 پر درخواست کرنے سے اس تحریر میں دی گئی معلومات بڑے پرنٹ 'بریل' آڈیو سی ڈی/ٹیپ پر اور ترجماتی والی برطانوی اشاراتی زبان (برٹش سائن لینگویج) میں مہیا کی جاسکتی ہیں۔

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Abbreviations

The following abbreviations have been used throughout the report:

2HCT	Second Homes Council Tax
AHSP	Affordable Housing Supply Programme
FC	Fife Council
FEAT	Fife Environmental Assessment Tool
FHAA	Fife Housing Association Alliance
FHP	Fife Housing Partnership
FHR	Fife Housing Register
HMA	Housing Market Area
HNDA	Housing Need and Demand Assessment
HRA	Housing Revenue Account
LDP2	Local Development Plan 2
LHA	Local Housing Allowance
LHS	Local Housing Strategy
LHSA	Local Housing Strategy Area
MATHLR	Minimum All-Tenure Housing Land Requirement
NPF4	National Planning Framework 4
OMSE	Open Market Shared Equity
RPA	Resource Planning Assumption
RRTP	Rapid Rehousing Transitional Plan
RSL	Registered Social Landlord
SEA	Strategic Environmental Assessment
SHIP	Strategic Housing Investment Plan
TAHP	Transitional Affordable Housing Programme

1.0 Introduction, Purpose and Summary

1.1 Introduction

The Fife Housing Partnership (FHP) has developed the Strategic Housing Investment Plan (SHIP) for 2024/25 - 2028/29 to set out how investment in affordable housing should be directed to achieve the priorities and outcomes set out in the draft five-year Fife Local Housing Strategy (LHS) 2022-2027. It is anticipated that the Fife LHS will be finalised by the end of 2023.

Five priorities have been identified within the LHS, 'priority 2: - More homes in the right places' demonstrates how local partners will meet housing supply targets over the term of the LHS. There are close links between the SHIP, LHS and the FIFEplan. In combination, these frameworks play a pivotal role in addressing homelessness, delivering equality and reducing child poverty.

1.2 Purpose

The SHIP is a working tool produced each year to support longer-term strategic planning. It provides a practical plan detailing how LHS investment priorities can be delivered, forms the basis for more detailed programme planning and provides a focus for partnership working. The SHIP is used by the Scottish Government to inform the allocation of resources from a national to a local level. The SHIP consists of two elements, firstly the context of the SHIP is detailed in this document and secondly the proposed affordable housing projects expected to require Scottish Government funding and / or are due for completion during the five-year SHIP period are detailed within the separate SHIP Projects Table.

1.3 Summary

The combined TAYside and South-East Scotland Housing Needs and Demand Assessments (HNDAs) indicate that there is a requirement for an additional supply of 401 affordable homes per annum from 2021-30 – a total of 2,005 homes over the five-year period of the SHIP.

The 2024/25 - 2028/29 SHIP demonstrates the potential to deliver 3,051 affordable homes equating to around 610 units per annum. There is an over provision of around 33.8% included to prepare for any slippage in the programme and to take advantage of any additional funding that may be available. A further 100 units are estimated through other Scottish Government affordable housing options, taking the total to 3,151 units, an average of around 630 units per annum. This demonstrates the potential to meet the affordable housing need as set out in the combined HNDAs.

2.0 Strategy, Consultation and Equalities

2.1 Strategic Links

The Fife Housing Partnership formed in 2002, has delegated responsibility on behalf of Fife Council for the development and delivery of the Local Housing Strategy and wider systems and processes to meet housing and related needs across all tenures of housing in Fife. The membership of the Partnership includes Fife Council, NHS Fife, Health & Social Care Partnership, the Scottish Government, the Fife Housing Association Alliance, Fife Tenants' and Residents Federations, the Scottish Rural Property & Business Association and Voluntary Sector Organisations.

The Fife Housing Partnership has prepared Fife's Strategic Housing Investment Plan 2024/25 – 2028/29 to set out how investment in affordable housing can be targeted to support the priorities, outcomes and actions of Fife's Local Housing Strategy 2022-2027. The Partnership has established a robust strategic planning framework which directly supports the delivery of housing outcomes within the Plan for Fife 2017-2027 and the Plan for Fife Recovery and Renewal 2021-2024 through the LHS, FIFEplan and the SHIP.

The partnership supports the Scottish Government's Housing to 2040 vision for everyone in Scotland to have a safe, high-quality home that is affordable and meets their needs in the place they want to be.

2.2 Local Outcome Improvement Plan

The Plan for Fife 2017-2027 through the 'Thriving Places' theme identifies the challenge of a rapidly changing population with around 20,000 new homes needed over ten years. The Recovery and Renewal Plan for Fife 2021-24 is a three-year review of the Plan for Fife to help kick start Fife's recovery following the Covid-19 pandemic and to contribute to longer ambitions, with priorities for leading economic recovery, tackling poverty and preventing crisis, reducing the impact of the climate emergency and building community wealth and well-being.

2.3 Local Development Plan (FIFEplan)

FIFEplan was adopted in September 2017 to replace Fife's three Local Plans. It complements and supports the Plan for Fife in supporting the Council's aims of providing more homes in the right places. FIFEplan's 'Policy 2: Homes' shows how housing development, including affordable housing, will be supported into the future to meet strategic housing land requirements including the Minimum All Tenure Housing Land Requirement (MATHLR) of National Planning Framework 4 (NPF4).

Work has commenced on the review of FIFEplan and the preparation of Local Development Plan 2 (LDP2) with data currently being collated for the Evidence Report. LDP2 is programmed to be adopted in March 2027. Any updates to timescales and further detail on the LDP2 review will be available in future Development Plan Schemes and the Planning Service's E-Bulletin.

2.4 Local Housing Strategy (LHS)

The Fife Housing Partnership has successfully delivered four Fife LHSs and is now implementing the fifth strategy to support the delivery of housing and housing related services in Fife. The draft LHS 2022-2027 has been subject to public consultation and Scottish Government review. Comments from the review are currently being progressed, and it is anticipated that the final document will be signed off by the end of 2023. The draft LHS has been considered by Committee and final approval has been delegated to the Executive Director of Communities, following Fife Housing Partnership approval.

The LHS 2022-2027 is a five-year strategy, informed by updated HNDAs for the South-East Scotland and Tayside regions. A key role of the LHS will be to maintain recovery from the Covid-19 pandemic, particularly to mitigate any increase in homelessness, promote equality in housing and help eradicate poverty in Fife.

The high-level aim of the LHS is to ‘provide housing choices for people in Fife’. Table 1 shows the five priorities that have been established for the LHS 2022-2027. Fife Council’s Housing Services and the Fife Housing Association Alliance have led in the development of the annual SHIP updates to successfully deliver the LHS outcomes including ‘priority 2 – more homes in the right places’.

Table 1: LHS Priorities 2022-2027

1.	Ending Homelessness
2.	More Homes in the Right Places
3.	A Suitable Home
4.	A Quality Home
5.	A Warm Low Carbon Home

The Fife Housing Partnership has carefully considered the priorities for affordable housing delivery by type and tenure. Prioritising investment is dependent upon a range of factors including relative need, land availability and development constraints. The approach has evolved through close working between regional and local partners, particularly through strong relationships with the development sector. The priorities of the LHS are translated into the SHIP scoring methodology (see Section 6.0 and Appendix 1) which considers these factors.

2.5 Consultation

The Fife Housing Partnership recognises that the success of the LHS depends on effective engagement with Fife’s residents, community representatives, community planning partners and statutory bodies. Although consultation methods were severely restricted during the Covid-19 pandemic, the partnership has undertaken and contributed to a programme of regular consultations, exploring key housing issues, generating options and prioritising actions for the LHS. The consultations informing the LHS 2022-27 include conferences, workshops, surveys and area-based activities.

LHS workshops were also held during June 2022 to provide elected members, housing partners and stakeholders with an opportunity to review and validate the LHS priorities, outcomes and actions.

Various stakeholders attended the events including housing market partners, partner social landlords, partner council services, Health & Social Care Partnership representatives and third sector organisations & advocacy groups. Stakeholders were supportive of the continued drive to increase the supply of new affordable housing. Discussions were held around the changing needs of households and potential delivery challenges in building more homes. These discussions helped inform the LHS outcome plan and influence the investment priorities of the current SHIP. For example, the LHS workshops identified a need for new homes in particular areas to accommodate the higher density of over 75-year-olds. This has influenced the setting of a target to deliver more housing suitable for older persons.

Fife Council's Housing Services and the Fife Housing Association Alliance have led in the development of the annual SHIP updates to successfully deliver the LHS outcomes including 'priority 2 – More homes in the right places' The SHIP has been developed through collaboration and engagement with various stakeholders including developers, communities and other council departments including, but not limited to, planning, education, economic development, health & social care (further details can be found in section 9 and 10). This has influenced the projects included in the SHIP Projects Table, as well as the tenure, mix of house types, property sizes and the prioritisation of projects. In addition, housing mixes of potential projects have been influenced by the research outcomes and stakeholder views from the recently concluded wheelchair and accessible housing study. Furthermore, consultation conducted on area housing plans in Fife, identified a 'lack of family homes' which has led to the setting of a target to deliver more family sized homes. (See section 4.3 and 4.4 for further details).

The SHIP is due to be considered by elected members and approved at Committee on 30th November 2023.

2.6 Equalities and Impacts

An equalities impact assessment has been conducted to inform proposals in the SHIP and no negative impacts have been identified. The delivery of new housing is expected to deliver positive impacts for people with protected characteristics under the Equalities Act 2010, for example in providing specialist housing for older people or people with a physical disability.

Another positive impact is the affordability of the new housing provided will benefit people on low / limited incomes. This ties in with the Child Poverty (Scotland) Act 2017- Local Child Poverty Action Report which aims to reduce housing costs for families in Scotland. New housing will be targeted to reduce the number of children in situations of homelessness, offering stability and contributing to improved health, educational and social outcomes.

A Strategic Environmental Assessment (SEA) screening request has been submitted to the SEA Gateway for consideration as per Section 9(3) of the Environmental Assessment (Scotland) Act 2005. It is anticipated that a full environmental assessment will not be required.

An Environmental Assessment has been carried out using the Fife Environmental Assessment Tool (FEAT) for the SHIP and Transitional Affordable Housing programme 2022-2024 and no negative environmental impacts were identified. The provision of high quality, energy efficient affordable homes resulting in lower carbon emissions and increased health and well-being were identified as long-term positive impacts.

3.0 Identifying Housing Need

3.1 Housing Need and Demand

Due to Fife’s unique link to two city regions, two separate HNDA’s have been developed to inform the LHS and FIFEplan - the local Development Plan, both following the methodology set within Scottish Government guidance:

- TAYside HNDA – assesses housing need and demand for North-East Fife, Angus, Dundee and Perth and Kinross, this being concluded on the 9th of May 2023 when the Scottish Government confirmed it a ‘robust and credible’ assessment.
- South-East Scotland HNDA – assesses housing need and demand for Fife (West and Central), the City of Edinburgh, East Lothian, Midlothian, Scottish Borders and West Lothian, this being concluded on the 28th of July 2022 when the Scottish Government confirmed it a ‘robust and credible’ assessment.

The combined HNDA’s indicate that 2,392 households are in housing need and require social rented housing to meet that need. Table 2 below outlines the categories of need by area:

Table 2: Existing Housing Need

Households	Fife (West & Central)	Fife (North)	Fife Total
Homeless / housing insecurity	1,246	485	1,731
Both overcrowded and concealed	171	157	328
Requiring specialist housing	263	70	333
Total existing need	1,680	712	2,392

Source: TAYside HNDA (2021) and South East Scotland HNDA (2021)

These figures informed a range of HNDA scenarios and Tayside and South-East Scotland authorities agreed a preferred HNDA scenario of steady growth over 20 years from 2021 to 2040. Table 3 overleaf provides details on the average annual housing estimates by tenure between 2021-25, 2026-30 and 2031-35.

Table 3: Housing Estimates by steady growth scenario and housing market area

Housing Market Area	St Andrews and North-East Fife	Cupar and North-West Fife	Dunfermline and West Fife	Glenrothes, Kirkcaldy and Central Fife	Fife
Household Distribution	10%	8%	39%	43%	100%
Affordable housing p/a 2021-25	59	47	231	254	592
Affordable housing p/a 2026-30	21	17	82	91	211
Affordable housing p/a 2021-30	40	32	156	172	401
Market housing p/a 2021-25	35	28	137	152	352
Market housing p/a 2026-30	19	15	74	82	191
Market housing p/a 2021-30	27	22	106	117	272
Total p.a. 2021-25	94	76	368	406	944
Total p.a. 2026-30	40	32	157	173	402
Total p.a. 2021-30	67	54	262	289	673

Source: TAYside HNDA (2021) and South East Scotland HNDA (2021) (Some totals affected by rounding)

The combined HNDAs identified that 944 new homes including 592 affordable homes are required in each year from 2021-25 under the steady growth scenario, and from 2026-30 this reduces to 402 new homes and 211 affordable homes each year. Across the ten years from 2021-30 the average annual requirement in Fife is for 673 new homes which includes 401 new affordable homes. A breakdown of these housing estimates by tenure is shown in tables 4 & 5 below. The figures are provided by category of affordable housing (social rented and below market rented housing) and market housing (private rented and market purchase).

Table 4: Annual Housing Need and Demand 2021-30 – Affordable Housing

Area	Social Rented	Below Market Rent	Total
TAYside	83	14	97
South-East Scotland	238	66	304
Fife	321	80	401

Table 5: Annual Housing Need and Demand 2021-30 – Market Housing

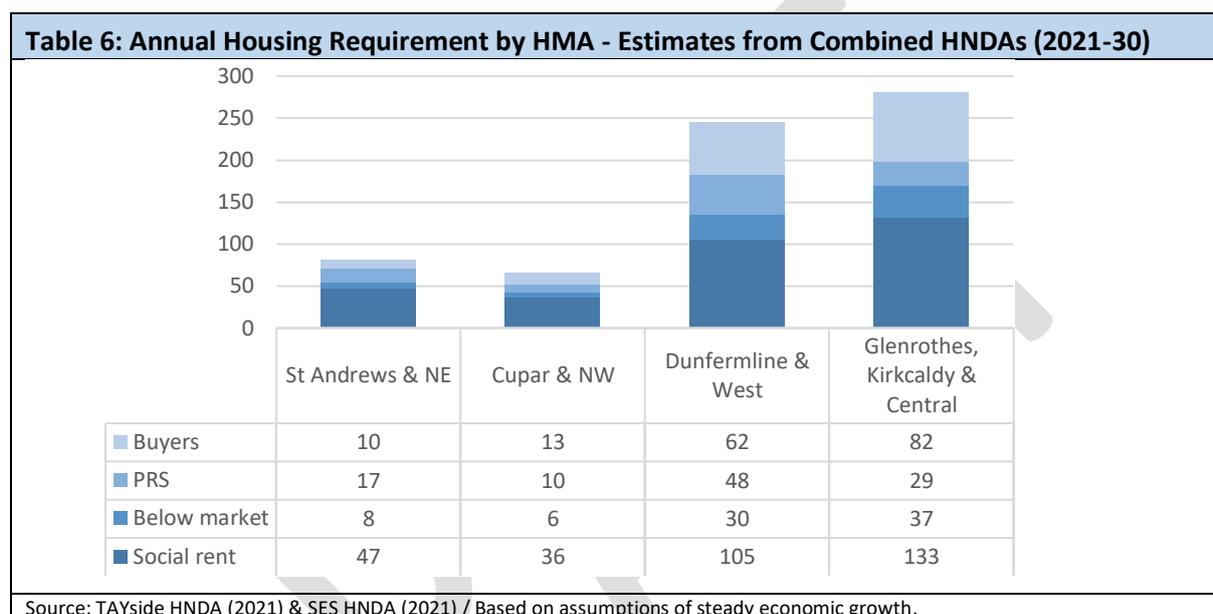
Area	Private Rented	Owner Occupied	Total
TAYside	27	23	50
South-East Scotland	77	145	222
Fife	104	168	272

Source: TAYside HNDA (2021) and South East Scotland HNDA (2021) / Averaged across ten years

The combined HNDAs assess a need for 401 affordable homes per annum from 2021-30 (321 social rented plus 80 below market rented homes). The demand for market housing is assessed at 272 homes per annum from 2021-30 (104 private rented plus 168 owner occupier). The combined total housing demand is assessed as 673 homes per annum.

The current HNDAs thus indicate a requirement for 59.6% affordable and 40.4% market housing. This compares to a requirement of 52% affordable and 48% market housing detailed in previous assessments, indicating an increasing need for affordable housing as a proportion of global housing need and demand.

The combined HNDAs show how the annual housing requirement is distributed by tenure across Fife's four Housing Market Areas (HMAs), see table 6 below.



Some key observations are noted below:

- The Glenrothes, Kirkcaldy & Central Fife HMA requires the highest number of new homes each year, this being 280 homes per annum or 42% of the overall requirement for Fife.
- The combined Tayside HMAs (Cupar & North-West Fife and St Andrews & North-East Fife) require 22% of Fife's overall annual housing requirement which is in line with the 21% of households located within the area.
- The Glenrothes, Kirkcaldy, & Central Fife HMA requires the highest number of social rented homes at 133 (41%) each year followed by the Dunfermline & West Fife HMA at 105 (33%) social rented homes each year.
- Demand for additional private rented homes is highest in the Dunfermline & West Fife HMA (48 per annum), although pressure of demand is most acute in the St Andrews & North-East Fife HMA which requires 21% of new homes in the area to be private rented each year.
- The Glenrothes, Kirkcaldy & Central Fife HMA and the Dunfermline & West Fife HMA demonstrate need for the highest number of below market rented homes each year with a requirement of 37 and 30 respectively.

3.2 Specialist Housing Requirements

While the combined HNDAs provided the overall housing estimates for Fife, a range of specialist housing requirements have also been identified in Fife. These are summarised in Table 7 below.

Table 7: Specialist Housing Requirements in Fife

Specialist Housing Type	Provision	Need / Gap	Source
Accessible housing	22% of households say their home is accessible to a wheelchair user visiting the property.	2,689 accessible homes required across private and social housing tenures.	Wheelchair & Accessible Housing Study including household survey 2022. Carried out by Arneil Johnston consultants.
Wheelchair housing	1% of homes are wheelchair adapted housing.	612 wheelchair homes required across private and social housing tenures.	Wheelchair & Accessible Housing Study including household survey 2022. Carried out by Arneil Johnston consultants.
Adapted housing	18.5% of homes have adaptations / 35% of social housing.	2% of homes require adaptations / 8% in social housing. Low level of adaptations in private housing.	Scottish House Condition Survey 2017-19.
Non-permanent housing	969 households in temporary accommodation. Around 4,100 purpose-built student bedspaces St Andrews for 10,535 students.	2,502 households presenting as homeless. Identified need for around 1,000 additional bed spaces in St Andrews.	Fife Council April 2021-March 2022. University of St Andrews / online information.
Supported provision	1,106 sheltered. 387 very sheltered. 237 community alarm.	1,093 households requiring sheltered housing (nil points excluded).	Scottish Housing Regulator 2020-21. Fife Housing Register February 2022.
Care and support for independent living at home	5% of households have one or more members receiving care.	Low provision of care services in private housing.	Scottish House Condition Survey 2017-19.
Site provision	50 pitches for Gypsy Travellers across 3 sites.	Site improvements required / underway.	Fife Council February 2022.

Source: Fife's Local Housing Strategy 2022-2027

4.0 Affordable Housing Supply

4.1 Housing Supply Targets

The Housing Supply Target (HST) within the LHS is currently being revised following feedback through the Scottish Government LHS review. An evidence paper will consider a range of policy and practical factors which have a material impact on the pace and scale of housing delivery to estimate the level of housing that can actually be delivered on the ground.

The HNDA scenario for steady growth and the National Planning Framework 4 (NPF4) Minimum All-Tenure Housing Land Requirement (MATHLR) are both key pieces of evidence which will help inform the HST. The HNDA estimates that 673 new homes will be required in each of the years from 2021-30 or 6,730 across ten-years and the MATHLR is 7,300 units over ten-years (730 p/a). The MATHLR is higher than the HNDA steady growth estimate, principally due to the 25% flexibility allowance in the calculation. See Table 8 below for details.

Table 8: NPF4 Minimum All-Tenure Housing Land Requirement (MATHLR) – 10 Years

	Existing Housing Need	Newly Forming Households	Flexibility Allowance 25%	MATHLR
Fife (North)	700	700	350	1,750
Fife (West & Central)	1,700	2,750	1,100	5,550
Fife	2,400	3,450	1,450	7,300

Figures in NPF4 were rounded up or down to the nearest 50.

Delivery of new housing will be taken forward in both the LHS and through land allocations in the FIFEplan. There will be less emphasis on pursuing housing targets with a greater focus on creating sustainable places, responding to demographic changes, regenerating estates, improving town centres and providing more homes in rural areas.

4.2 Affordable Housing Delivery

The Scottish Government in Housing to 2040 set out its ambition to deliver 100,000 new affordable homes from 2022-32, 70% of which would be for social rent. Fife partners continue to prioritise the delivery of new affordable housing as a key element in meeting the LHS vision for improved housing choices.

Since 2010, Fife has a strong track record in the delivery of new affordable housing through three 'phases' of the Affordable Housing Programme (AHP). The current Transitional Affordable Housing Programme (TAHP) aims to provide 1,200 affordable homes from 2022-24. A further five-year Phase 4 programme covering the period 2024-29 is under development. The Council and its partners are faced with the challenges of maintaining supply at current levels due to current economic conditions and wider pressures on budgets including requirements to retrofit existing housing in the context of climate change.

4.3 Affordable Housing Investment Priorities

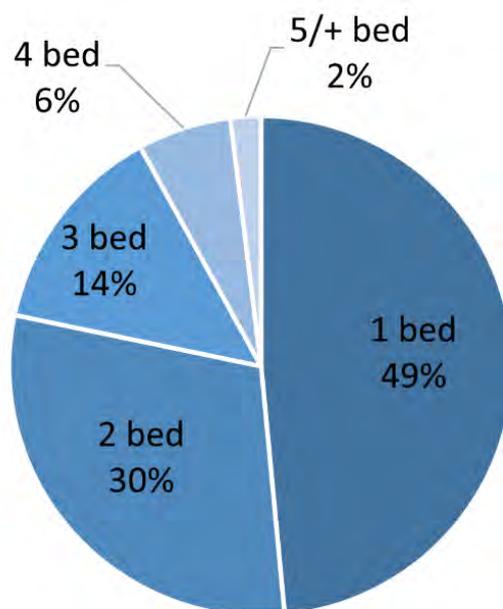
The priorities for affordable housing investment are informed by the findings of the combined HNDA's and are detailed in the LHS.

In the first five years of the HNDA steady growth scenario, 83% of the affordable housing requirement is for social rented housing and 17% for below market housing. Across ten years, this proportion adjusts to around 80% social rented housing and 20% below market housing. The current priority of the TAHP is to maximise the delivery of social rented housing, however, future phases of the Affordable Housing Programme will need to ensure that housing supply is balanced to meet the tenure requirements emerging from the HNDA's.

The HNDA housing estimates under the steady growth scenario have been disaggregated by household distribution across Fife's HMAs – refer to table 6 above. Glenrothes, Kirkcaldy, & Central Fife requires the highest number of social rented homes at 133 (41%) each year, followed by Dunfermline & West Fife at 105 (33%), St Andrews and North East Fife at 47 (15%) and Cupar and North West Fife at 36 (11%).

HNDA's estimate the amount of new housing required but not the property size that should be delivered. The need for specific property sizes can be identified through the bedroom entitlement for applicants on the Fife Housing Register with 79% of 11,962 households requiring one or two-bedroom homes and 22% for three bedrooms or more, diagram 1 below details the breakdown of applicants. However, the requirement varies across Fife depending on need, existing stock and turnover so the global figures need to be treated with caution.

Diagram 1: Fife Housing Register Applicants by Bedroom Entitlement



Source: Fife Housing Register - July 2023 / Applicants by bedroom entitlement

Around 8% of FHR applicants require a larger property of four or more bedrooms. Due to a lack of stock and limited turnover a target for the delivery of new affordable homes suitable for larger families with five bedrooms or more has been set at 5% within the LHS 2022-2027.

In addition, household projections can be used to highlight a broad trend in need and demand across tenures. The National Records for Scotland 2018-based household projections indicate a reducing household size for Fife, more single person households, fewer family households, more households headed by people over 75 years and fewer headed by people aged 16-29 years. Future Housing Supply needs to reflect this changing demographic profile.

4.4 Specialist Housing Targets

Since 2017, a target of 30% has been set for specific needs housing provision within affordable housing programmes, inclusive of a 5% wheelchair housing target. Following the conclusion of HNDA3, Fife Council commissioned consultants to carry out a wheelchair and accessible housing study to review these targets. The study was informed by extensive primary and secondary research on the supply and unmet need for wheelchair and accessible housing in Fife. Research outcomes have helped develop estimates for wheelchair and accessible homes which have formed an evidence base for setting tenure specific targets within the LHS and SHIP for future housing delivery.

A development area has been added to the LHS from year 2 to establish an all-tenure wheelchair accessible housing target alongside reviewing options for delivery and monitoring. This will be progressed with colleagues in planning through the preparation of LDP2 and reported on in future SHIPs.

The targets for new affordable housing delivery for specific needs will remain at 30% for the duration of the Local Housing Strategy, as evidence suggest this is adequate to meet the outlined need. This is inclusive of wheelchair, accessible, amenity and extra care housing. The wheelchair target will however increase from 5% to 6.5% for all new affordable housing developments. The revised target of 6.5% will not result in an immediate increase in the supply of new wheelchair homes as developments due to be completed up to the 2025-26 period have been agreed at 5%. For this reason, it is anticipated the 6.5% target will come into effect from year 4 of the LHS.

A range of housing solutions will be explored to meet the affordable housing net annual need identified through the study rather than relying solely on the affordable housing programmes to deliver new build accessible and wheelchair housing. Work is progressing on the development of a specific needs housing database for the private sector which is being led by the Disabled Persons Housing Service (Fife). The conclusion of this, will allow a mapping exercise to be undertaken on the wheelchair, accessible and specialist housing across all tenures in Fife.

Since 2017, when the 5% affordable housing wheelchair target was introduced, 114 new wheelchair accessible homes have been provided across Fife through the Affordable Housing Supply Programme (AHSP). The outlined need and targets for wheelchair housing will be reviewed alongside the development of phase 4 of the Affordable Housing Programme as well as on an annual basis through the LHS.

Due to the need identified for households requiring supported housing, the delivery of older persons housing has been prioritised and a target to deliver 294 homes suitable for older persons between 2022 and 2027 has been set. Since 2017, 83 new homes specifically for older persons have been

provided across Fife through the AHSP. The provision of older persons housing will be monitored through the annual LHS updates.

There are no investment priorities identified for other specialist provision at this time, however, other specific needs groups will be monitored regularly and where a future need is identified this will be addressed as required.

4.5 Future Affordable Housing Supply

Fife's SHIP has the potential to deliver 3,051 affordable units over the five-year SHIP period. The individual projects are detailed within the SHIP Projects Table. The projects selected for inclusion in the SHIP Projects Table show what could be delivered in Fife over the next 5 years. Their inclusion is a result of the assessment of housing need within the area and consideration of the deliverability of the projects. It may not always be possible to deliver the exact housing mix and tenure currently specified, until full consideration of project viability, land availability, funding etc. has been given. Table 9 below provides details on the housing provider and tenure across each HMA that could potentially be delivered.

Table 9: Tenure Mix of Proposed SHIP Projects

Housing Market Area	Social Rented Units		MMR Units		Total in HMA
	FC	HA	FC	HA	
Fife Wide	250	0	0	0	250
Glenrothes, Kirkcaldy & Central Fife	489	128	0	27	644
Dunfermline and West Fife	833	460	0	117	1,410
St Andrews & North East Fife (incl. Greater Dundee)	130	219	0	38	387
Cupar & North West Fife	150	179	0	31	360
Totals	1,852	986	0	213	3,051

Source: SHIP Projects Table

The high proportion of social rented properties currently reflected within the SHIP is indicative as every site will be subject to further design work and refinement. The LHS has identified an affordable housing requirement for 80% social rented housing and 20% below market rented housing across the first 10 years of the HNDA steady growth scenario. The projects within the SHIP propose 93% for social rent and 7% for MMR reflecting both the Scottish Government's and Fife Council's priority for social rented housing. Future phases of the AHP will need to ensure that housing supply is balanced to meet the tenure requirements emerging from the HNDAs, therefore opportunities to increase the supply of below market rented housing will continue to be explored.

There is an over provision of around 33.8% included to prepare for any slippage in the programme and to take advantage of any additional funding that may be available. The ability to take advantage

of any investment opportunities arising from slippage elsewhere is part of managing the programme. This has been successful in the past and provides some flexibility.

Whilst the projects within the SHIP provide a target for meeting housing need, further analysis is required to agree the exact housing mix for size and tenure. This will be based on information from the combined HNDAs, analysis of Fife Housing Register housing applications, and consultation with the Housing Associations, the Health & Social Care Partnership, the Specific Needs Team, Area teams and other groups as appropriate, ensuring the best strategic and local solutions to meet Fife's housing needs. In general, all projects are expected to meet the specific needs, wheelchair and larger houses targets as detailed in sections 4.3 and 4.4. Any exceptions must be discussed and agreed with Fife Council at the earliest opportunity.

4.6 Future Specialist Housing Supply

Various targets have been set for specialist housing through the LHS as detailed in section 4.4 above. It is estimated that the projects included within the SHIP have the potential to deliver 31% of the properties to meet specific needs and 6.5% of the properties to wheelchair accessible standard. It is also expected that 118 homes suitable for older persons will be delivered in the next 2 years with a further 176 homes anticipated in future years.

4.7 Larger Houses Supply

A target to deliver 5% of the affordable housing programme as larger family homes has been set. It is estimated that the projects within the SHIP will provide 3% of the properties as five or five plus bedroom houses. It is anticipated that this will increase in future years as housing mixes provided for new housing developments will be based on this new target.

4.8 Supply Through Property Acquisitions

Fife Council has identified £16.5m during 2023 to 2025 to support the purchase of open market housing that will be transferred into social housing. This budget has the potential to deliver an additional 150 new council homes. Future reviews of the HRA investment Plan will take place to identify additional funding to support the acquisition of open market properties will be targeted to meet local housing needs, support area-based regeneration, prevent homelessness and return empty homes back into use.

4.9 Connection with Town Centre Activities

In response to the Town Centre First Principle, Fife Council has agreed a town centre housing approach to meet housing need and demand, identifying sites for new homes in town centres across Fife to facilitate regeneration. The approach is led by the Council's Town Centre Development Unit and is supported by housing partners.

To date this has included the repurposing of commercial buildings and land in both Kirkcaldy and Cupar. Planning approval has been granted at Inner Court, Cupar which will see a derelict, brownfield

area redeveloped to create 23 affordable mixed tenure homes over the next few years. The development will positively contribute to Cupar's Town Centre by bringing a long-term, vacant and disused site back into sustainable use, supporting the reopening of public pedestrian closes, whilst housing designed to meet need and enhance the historic environment of the area. There are future developments in Lochgelly, Kirkcaldy and Cowdenbeath also included in the SHIP Projects Table.

4.10 Connection with Regeneration Activities

Fife Council and partners are progressing several housing regeneration projects across Fife. Each project is at a different stage; from initial consultation with residents, rehousing tenants, undertaking demolitions and the various stages of developing new homes where appropriate.

The South East Inverkeithing Project in partnership with Kingdom Housing Association is well underway, with two phases completed and a third in the planning process. Other projects involving the Kingdom Group have also commenced including the former Glenwood Centre, Glenrothes where demolitions are now complete and redevelopment of the site for housing and a potential community hub are under investigation. An initial development phase at Templehall, Kirkcaldy is due for completion in 2024 with further phases currently under investigation. These are being taken forward in Partnership with other Council Services and will include a new Community Hub being built to replace existing community facilities that will then be demolished with Housing being constructed on these cleared sites.

Demolition of the former Mayview flats in Anstruther are completed and redevelopment of the site to provide a new care village in partnership with Social Work Services is expected to start in 2024. Other projects at Sir George Bruce Road, Oakley and Martin Crescent, Balingry will soon see demolition begin, but with no current plans for redevelopment. However, there are plans to redevelop sites at Alexander Road, Glenrothes and Howard Place, Dysart when the blocks are empty and demolished. Future projects include Touch, Dunfermline and lower Buckhaven where the regeneration team are currently engaging with communities for future demolition and redevelopment in these areas over the next 5-10 years.

5.0 Connection with Other LHS Priorities and Activities

5.1 Rapid Rehousing Transition Plan

Fife's first Rapid Rehousing Transition Plan (RRTP) was submitted in December 2018 in collaboration with a range of local partners across the Council, Health, RSLs and voluntary sector through Fife's Housing Support and Homelessness Public Social Partnership (PSP). The Plan is housing led and embedded within Fife's Health and Social Care strategic planning framework. Implementation of the Plan is overseen by the Ending Homelessness Together (Previously RRTP) Programme Board which is Chaired by the Executive Director for Communities.

The RRTP was positively evaluated by the Scottish Government as the basis for positive transformational change affecting one of the largest homelessness populations and services in the country. The RRTP, which is in place until March 2024, is subject to an annual funding and monitoring framework with best practice shared through the Housing Options Hub Framework. Fife's RRTP is reviewed annually with priorities re-established on an ongoing basis. During 2023, although progress of the RRTP will continue, the Ending Homelessness Together Programme Board are resetting priorities to not only support rapid rehousing by default but also to prevent homelessness and repeat homelessness going forward. A refresh is required to support changes that have taken place both locally and nationally since the introduction of the RRTP in 2018.

Actions to improve outcomes for households that are homeless or potentially homeless and to support rapid rehousing by default include:

- Improving access to services by developing and supporting a 'no wrong door/whole system approach'.
- Enabling housing advice to cover a wider range of housing and accommodation options based around more person-centred customer journeys.
- Continuing to scale up Housing First by supporting up to 115 homeless customers with complex needs including substance misuse, mental health and fleeing domestic abuse.
- Refreshing customer journeys for priority groups (hospital discharge, domestic abuse, prison release, armed forces, care experienced young people) to prevent homelessness and support tenancy sustainment.
- Improving how private landlords and tenants in the private sector are supported to help tenancy sustainment and to ensure PRS is an affordable and desirable housing option if Fife.
- Enabling Rapid Rehousing approaches for households in temporary accommodation to continue following lessons learnt from the project that was put in place to respond to the Kirkcaldy Sheriff Court decision on temporary accommodation Occupancy Agreements in 2022.
- Expanding housing support not only to all our hostels but as an outreach service to households in our temporary accommodation across Fife, with the aim of developing rapid rehousing and supporting tenancy sustainment for those most vulnerable.
- Commissioning services that not only support prevention and tenancy sustainment but also have an impact on the overall wellbeing of each household.
- Further developing relationships with services and partners to ensure the best use of resources to support the health and wellbeing of the people of Fife by working together to prevent homelessness and poverty.
- Continuing to remodel and reconfigure temporary accommodation to ensure we are meeting requirements in relation to demand, changing customer expectations and legislation.

The current Plan is (and the revised Plan will be) based on promoting a prevention and rapid rehousing approach as a default position, however, improvements for households in Fife will rely on cross-government and sector commitment to:

- Increasing housing supply by providing long term investment in new affordable housing options linked to Housing to 2040.
- Improve standards, security and affordability within the private rented sector to support this as a viable housing option for more households.
- Improve outcomes for households facing all forms of poverty, exclusion and disadvantage.
- Respond to the needs of those households adversely affected by welfare reform, economic austerity and other forms of financial or social hardship.
- Close the gap for households with complex and challenging support and care needs that fall between housing support and wider statutory service provision.
- Support and guidance to enable services and partners to understand their role and buy in to the new Homelessness Prevention Duty.

The Ending Homelessness Together Programme Board have committed to rewriting the Plan in 2023-24 in recognition of the forthcoming Homelessness Prevention Duty expected in 2024 and the future funding framework required to support the prevention of homelessness.

5.2 Empty Homes Services

Fife Council's Empty Homes service has been in place since 2014. Currently, Fife Council funds a part time Empty Homes Officer post to focus solely on this work. Primarily the service offers advice and assistance to owners in bringing their long-term empty properties back into use, but also attempts to apply pressure to those owners who may be reluctant to do this. It also offers advice on renting, selling and the refurbishment of properties.

Various routes to bring empty homes back into use are being used including the following:

- The Empty Homes Matchmaker scheme which puts owners in touch with potential buyers.
- The Empty Homes Loan scheme, funded by the Scottish Government, which provides funding for the purchase or sale of an empty property. (Funding currently available up until end of financial year 2023/24).
- Collaboration with the Housing Service Property Acquisitions team to identify empty properties for purchase by the Council.
- Working with the YMCA Glenrothes on a project which assists them in identifying long term empty properties for purchase.
- Roll out of a successful pilot project undertaken in 2021 where an in-depth look at private sector residential properties in one specific area identified empty properties.
- Working with a genealogist company to track down missing owners.

An overview of the numbers of empty homes brought back into use over the last 3 years is included in Appendix 2.

Additional initiatives which are being considered and developed for the future include:

- Use of Compulsory Purchase Orders, where necessary and as a last resort. Research and discussion is ongoing as to whether Fife Council would consider this option and in what circumstances.

-
- Working with Temporary Accommodation and Homelessness teams to explore how Empty Homes could have role in the prevention of homelessness / RRTP.
 - Linking in with Town Centre Redevelopment and regeneration projects.
 - Development of a Fife Council Empty Homes Strategic Framework.

5.3 Gypsy / Traveller Sites

Fife Council is committed to raising standards across all three of its Gypsy Traveller sites. Improvement work is currently ongoing at Tarvit Mill in Cupar where amenity units are being replaced with Residential Mobile Homes (chalet style) accommodation. Capital funding is in place for the next two years to carry out similar improvement works at our remaining two sites at Heatherlywood near Thornton and Thorntonwood near Kelty.

In 2021-22, the Council was successful in its bid to the Scottish Government's Gypsy / Traveller Accommodation Fund and received a grant of £384,000 for part payment towards decant amenity units. This funding was used to supplement the Council capital monies to provide an onsite decant area, with temporary amenity units, where tents will reside whilst the work to the main site is carried out and the new homes are completed.

Fife Council bid successfully for Round 2 grant funding from the Gypsy / Traveller Accommodation Fund in 2022-23 and was awarded a total of £397,910 funding, with £197,000 of this grant going towards the balance of the decant amenity units. The remaining £200,910 has funded decarbonisation measures for 16 new chalets including solar photovoltaic (PV) panels and associated equipment with battery storage. The site at Tarvit Mill in Cupar is one of the demonstration projects identified by the Scottish Government.

6.0 Prioritising Projects

It is important that the SHIP provides a robust framework for prioritising projects so that the funding is utilised efficiently and in the areas of need.

Representatives from Housing Services and the Fife Housing Association Alliance reviewed and updated the scoring methodology used for the previous SHIP to ensure the priorities of the draft LHS 2022–2027 are reflected in the scoring. The Scottish Government has previously recognised that the on-going use of the scoring methodology has enhanced the SHIP process.

A summary of the scoring methodology is provided in table 10 below. More detail on the scoring process is included in Appendix 1.

Table 10: Scoring Summary

Item	Points Range
Housing Need	25 - 100
Development Deliverability	0 - 160
Strategic Fit	10 - 50
Minimum to maximum points range	35 - 310

All the projects in the SHIP Projects Table have been scored under this system and were given a high, medium or low (H/M/L) priority, depending on their score.

It is important to note that the prioritisation reflects the current position of the status of projects for the SHIP. Projects will continue to be progressed and their priority will be reviewed on an ongoing basis.

7.0 Available Resources

7.1 Available Resources

The optimal management of available resources is essential for maximising the delivery of affordable housing. The main resources available to support affordable housing delivery in Fife are as follows:

- Affordable Housing Supply Programme (AHSP)
- Second Homes Council Tax (2HCT)
- Private Developer Contributions through the Affordable Housing Policy
- Private Finance through Fife Housing Association Alliance (FHAA)
- Fife Council Housing Investment
- Fife Council and Housing Association Land
- Vacant and Derelict Land Fund
- Housing Infrastructure Fund.

7.2 Affordable Housing Supply Programme

The Scottish Government has confirmed the Resource Planning Assumptions (RPAs) on grant availability for the first two years of the SHIP with the final three years to be assumed as the same as year two. The RPAs are detailed in table 11 below.

Table 11: Resource Planning Assumptions

Year	2024/25	2025/26	2026/27	2027/28	2028/29	Total
RPA	£34.677m	£35.252m	£35.252m	£35.252m	£35.252m	£175.685m

For the purposes of this SHIP the benchmark assumptions detailed in More Homes Division Guidance Note - Affordable Housing Supply Programme: Process and Procedures (MHDGN 2023/01) have been used. The Baseline benchmark grant funding available to Fife Council per social rented unit is £83,584 (3 person equivalent). The equivalent baseline benchmark per RSL social rented unit is £91,182 (3pe) and per RSL mid-market rent is £62,542(3pe). Additional funding per unit is available for various additional quality measures, for example the installation of automatic fire suppression systems. It is assumed that an average of £40,000 per unit grant funding will be available for the Open Market Transactions (OMTs) i.e., properties acquired by Fife Council on the open market.

The Scottish Government has recommended that the SHIP should include a substantial over provision (at least 25%) to allow for slippage and/or additional capacity. This will ensure the Council and partners can spend the base allocation and allow advantage to be taken of any additional funding should it become available. This SHIP provides an average over provision of 33.8% across the 5-year period.

In addition, it is estimated that around 100 passports for Open Market Shared Equity (OMSE) homes will be issued in Fife over the next 5 years. The funding to support these purchases is in addition to Fife's RPA allocation.

7.3 Second Homes Council Tax (2HCT)

Funding received from 2HCT has been committed to affordable housing projects to further enhance Scottish Government funding programmes. Since this was introduced, £26.8457m has been collected between 2005/06 and 2022/23, with a further estimated £1.1m expected to be generated each year from 2023/24 – 2028/29. Much of this has been and will continue to be allocated to support affordable housing projects.

Table 12 details the amount of 2HCT that has been collected and how it has contributed to the provision of affordable housing in Fife.

Table 12: Second Homes Council Tax

Year	Tax Raised (£m)	Tax Spent (£m)	Units Assisted
Pre 2021/22	£23.017m	£16.099m	1,393
2021/22	£1.913m	£0.500m	34
2022/23	£1.915m	£1.100m	99

There is around £6.9m unspent 2HCT monies and this will be carried on into future years, much of this has already been allocated to specific projects but cannot be drawn down fully until all Scottish Government grant has been claimed on the project. The SHIP assumes a 2HCT contribution of £1.1m over the five-year timeframe totalling £5.5m. The use of 2HCT monies will assist the affordable housing programme in allowing more projects to be delivered than would otherwise be possible. In 2018, the Council decided to allocate future 2HCT to council social rented projects only.

7.4 Private Developer Contributions through Affordable Housing Contributions

Developer Contributions are negotiated on Affordable Housing Policy sites where an on-site provision is not required or practical to deliver. Once agreed through the planning application process, the requirement for a commuted sum is detailed within the associated Section 75 Agreement. Fife Council can allocate funds once Developer Contributions are received. These accumulated funds should be spent in the same Local Housing Strategy Area or Housing Market Area in which they are collected.

Table 13 details the amount of Commuted Sums that have been collected and how they have contributed to the provision of affordable housing in Fife.

Table 13: Commuted Sums

Year	Sums Raised	Sums Spent	Units Assisted
Pre 2020/21	£2.141m	£1.004m	657
2021/22	£0.000m	£0.000m	0

There is £1.325m in Commuted Sums unspent and this will be carried on into future years, most of this has been allocated to specific projects. Monies received through Developer Contributions will continue to be allocated to projects and approved by Fife Council and the Scottish Government. Commuted sums are not included in funding assumptions due to not being able to predict how much may be available in future years.

The Affordable Housing Supplementary Guidance requires that housing sites should contribute the relevant number of affordable units based on the local percentage and site threshold. In Fife, the preference and first priority is to provide social rented units in conjunction with the Council or a Registered Social Landlord. It continues to be recognised that engagement with the private sector to deliver affordable housing is necessary. Fife Council and the FHAA have successfully delivered projects with private developer partners and discussions will continue with developers who hold sites in areas of housing need.

7.5 Fife Housing Association Alliance Private Finance

Kingdom Housing Association, the lead developer within the Fife Housing Association Alliance (FHAA), continues to access private finance from a range of complementary and flexible finance options. The other RSL partners within FHAA, Fife Housing Group, Ore Valley HA and Glen HA, have all secured financing commitments to continue to invest in the delivery of new affordable housing that meets the needs of their local communities.

7.6 Fife Council Investment

Since December 2015 to March 2023 £298.324m has been spent across all the Affordable Housing Programme Phases. Phase 3 of the AHP is nearing completion and it is anticipated that there will be a further £81.458m required to complete all remaining phase 3 units. There is funding available for this remaining spend.

Investment of £100m for delivery of the Transitional Affordable Housing Programme (TAHP) 2022-2024 was approved by Fife Council on 24th February 2022. The TAHP is expected to deliver 500 new Fife Council homes with the total investment based on an average cost per unit of £0.200m. The cost of the TAHP will be closely monitored throughout its delivery.

A further £112.5m investment was approved by Cabinet Committee on 6th April 2023 to deliver 500 new Fife Council homes as part of Phase 4 2024-2029 of the AHP. This is based on an average cost per unit of £0.225m. This investment will fund the first two years of the overall five-year programme and investment for years 3 to 5 of Phase 4 will continue to be reviewed and approved in future years.

The investment required to complete Phase 3, TAHP and Years 1 & 2 of Phase 4 will be closely monitored. If additional investment is required for the completion of any phase a further request for investment will be made to cabinet for approval as and when required.

A land acquisition budget of £2m is also available for investment in land assets to support future new build programmes. The focus will be on acquiring Council owned land to continue to maximise the use of Fife Council assets.

There is an additional £16.5m identified in the current Housing Revenue Account (HRA) Capital Budget to support the acquisition of privately owned properties on the open market. This should fund the acquisition of an estimated 150 units. This will contribute towards the 250 Fife wide units included in the SHIP Projects Table. A review of the HRA Investment Plan will take place in the future to identify additional HRA Capital Budget to fund the balance of 100 units.

7.7 Fife Council and Housing Association Land

Fife Council land has contributed greatly towards the delivery of new affordable housing in previous years, largely from the Housing Revenue Account. This has helped substantially in the delivery of affordable housing. Fife Council continues to support the investment programme through the supply of sites both on the Housing Revenue Account and the Council's General Account with land transfers from other services agreed at 50% of Open Market Value. Housing Associations also maximise use of land in their ownership to deliver affordable housing. Council land to support future affordable housing programmes is in short supply as the majority of the available and more deliverable sites have now been utilised but efforts continue to look for opportunities and overcome constraints.

7.8 Vacant and Derelict Land Investment Programme Funding

Currently Fife Council do not intend to seek any Scottish Government Vacant and Derelict Land Investment Programme (VDLIP) funding in relation to any potential affordable housing projects.

Fife Council has secured funding from the Vacant and Derelict Land Fund (VDLF) and approvals are in place to support the delivery of 3 affordable housing projects included in the SHIP. These are High Street, Cowdenbeath; Inner Court, Cupar and Hall Street, Lochgelly.

7.9 Housing Infrastructure Funding

A Business Case to part fund the Dunfermline Strategic Growth Transportation Infrastructure Programme, as part of the Edinburgh and South East Scotland (ESES) Region City Deal was approved by Fife Council's Policy & Co-ordination Committee in May 2021 and the ESES City Region Deal Joint Committee in June 2021. This proposal, through the Housing Infrastructure Fund (HIF), will provide a means to unlock and accelerate investment in essential new strategic transportation infrastructure in the Dunfermline Strategic Growth Area. This will facilitate large-scale mixed-use development and investment in the Dunfermline and wider Edinburgh City Region economy including unlocking up to 2,000 affordable and 6,000 private homes.

The delivery of the entire Dunfermline Strategic Development Area goes beyond the plan period of this SHIP. The strategic transportation infrastructure will be delivered over a 15-year period while the build out of the proposed 8,000 units will be delivered over an approximate 40-year period. The business case sought to secure £16.5m of HIF towards strategic transportation infrastructure. The grant will cover 25% of construction costs to align with the 25% affordable housing provision.

The Scottish Government has advised that the City Region Deal HIF funding shall not affect the amount of potential HIF funding Fife Council could access through its affordable housing programme. Funding will be applied for, and phased, over three, five-year grant periods to align with the Scottish Parliament parliamentary periods (a requirement of HIF funding). The initial phase 1 grant application of £4.85m, covering 2021/22 - 2025/26 has been approved by the Scottish Government. Table 14 below outlines the proposed grant over the 15-year infrastructure delivery period.

Table 14: Housing Infrastructure Fund Phasing

Grant Period	Phase 1 2021/22 - 2025/26	Phase 2 2026/27 - 2030/31	Phase 3 2031/32 - 2035/36	Total
Grant	£4.85m	£6.1m	£5.58m	£16.538m

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8.0 Delivery Outcomes and Required Resources

8.1 Delivery Outcomes

Fife's SHIP has the potential to deliver 3,051 affordable units over the 5-year SHIP period. The individual projects are detailed within the SHIP Projects Table. It should be noted that the SHIP contains an average 33.8% over-provision which prepares for any slippage that may occur. The final output is therefore likely to be less than the number of units estimated. The over-provision also allows for any further investment that may become available to be utilised.

The breakdown of the number of units that can potentially be provided by both Fife Council and the FHAA is shown in table 15 below.

Table 15: Breakdown of Potential Affordable Units by Provider

Completion Year	FC Units	FHAA Units	Total Units
2024/25	436	175	611
2025/26	654	275	929
2026/27	320	249	569
2027/28	220	284	504
2028/29	222	216	438
Totals	1,852	1,199	3,051

A further 100 units are estimated to be delivered through the OMSE scheme, taking the potential delivery total to 3,151 affordable units between 2024/25 – 2028/29.

8.2 Meeting Housing Need

The potential for the SHIP to deliver 3,051 affordable units exceeds the affordable need identified through the combined Tayside and South-East Scotland HNDAs for 2,005 affordable units over 5 years by 1,046 units.

Based on the number of potential affordable units that can be delivered through the SHIP, table 16 below shows the potential to meet the affordable housing need identified in the combined HNDAs within the HMAs in Fife.

Table 16: Potential to Meet Housing Need through SHIP Projects

HMA	5 Year Need - Combined HNDA's	Potential SHIP Units	Supply against HNDA	% Need Met
Glenrothes, Kirkcaldy & Central Fife	845	644	-201	76%
Dunfermline & West Fife	675	1,410	+735	209%
St Andrews & North East Fife (incl. Greater Dundee)	275	387	+112	141%
Cupar & North West Fife	210	360	+150	171%
Fife Wide	n/a	250	n/a	n/a
Total	2,005	3,051	n/a	n/a

8.3 Required Resources

If all the potential projects detailed in the SHIP Projects table were to be delivered, then at least £235m of AHSP grant funding would be required to support their delivery over the next 5 years. The breakdown of the grant required by provider per annum is detailed below in table 17.

Table 17: Breakdown of Potential Grant Required by Provider

Year	FC Grant Required	FHAA Grant Required	Total Grant Required
2024/25	£23.604m	£26.231m	£49.835M
2025/26	£30.052m	£19.604m	£49.656m
2026/27	£19.234m	£29.085m	£48.319m
2027/28	£23.672m	£22.284m	£45.956m
2028/29	£21.381m	£19.882m	£41.263m
Totals	£117.943m	£117.086m	£235.029m

Assuming unlimited grant is available and awarded to all Fife Council projects detailed in the SHIP Projects Table and should all 1,852 Fife Council units be provided (see table 15), this would mean a cost of around £220.018m to Fife Council (based on an average new build cost of £210k per unit and £110k per unit acquisition costs, however, it is noted that unit costs could rise).

As stated previously the SHIP Projects Table includes an over provision to allow for slippage, therefore, the estimated number of affordable units that could be delivered in Fife from the subsidy available from the combined AHSP and 2HCT funding (see section 7.2 and 7.3 for details) is shown in table 18 below.

Table 18: No of Units Deliverable from Available Subsidy

Tenure	Funding Available RPAs & 2HCT (£m)	Benchmark Grant Per Unit	Units Deliverable	% of total units
FC SR	£72.523	£83,584	868	36%
FC (OMT)	£10.000m	£40,000	250	10%
HA SR	£80.120m	£91,182	879	37%
HA MMR	£25.442m	£62,542	407	17%
Totals	£188.085m	-	2,403	100%

Assumptions:-

1. New build units to be delivered as per TAHP proportions (58% – FHHA; 42% – FC)
2. New Benchmark grants at 3-pe as detailed in MHDGN 2023-01 (June 2023)
3. MMR delivery estimated at 17% (Between 20% LHS identified need & 7% potential SHIP delivery)

Assuming available subsidy is restricted to Scottish Government RPA and 2HCT monies (£82.523m) then, it is estimated that Fife Council will require around £127.257m funding to provide the 1,118 Fife Council units as detailed in table 18 above (based on an average new build cost of £210k per unit and £110k per unit acquisition costs, however, it is noted that unit costs could rise).

As part of preparing the HRA Investment Plan, Fife Council will continue to monitor the investment required to support the delivery of the Affordable Housing Programme. Based on the FHAA's assessment of projected above benchmark funding, its private finance capacity is enough to deliver on all the FHAA projects identified in the SHIP.

9.0 Development Constraints & Land Availability

9.1 Development Constraints

There are various development constraints that could affect new build delivery, including:

- Planning issues
- Availability of land
- Education capacity issues
- Drainage capacity issues and embargos
- Unknown ground conditions
- Title complications
- Little control over private developer timescales on mixed tenure developments.

The following are consulted to identify and eliminate development constraints:

- Economy, Planning & Employability Services
- Assets, Transportation & Environment Services
- Housing Services
- Legal & Democratic Services
- Education Services
- Parks, Streets and Open Spaces Services
- Scottish Water
- Fife Housing Association Alliance.

Sites listed in the SHIP Projects Table have been assessed for priority. As part of this exercise development deliverability is assessed and this is reflected in the relative scoring and subsequent prioritisation.

9.2 Education Contributions

There is no commuted sum requirement from Education Services on affordable housing developments provided by Housing Associations and Fife Council. As these payments are not eligible for grant funding there is no facility to provide any commuted sums toward education provision. However, where a proposed development would create a critical infrastructure capacity issue, particularly in terms of the primary school estate, contributions may still be required.

The Affordable Housing Board, charged with delivering the Council's Affordable Housing Programme, is aware of the shortfall in capacity for school places and GP practices. The board is tied into work to develop capacity through the Health & Social Care Partnership and City Deal.

9.3 Council Land

In keeping with the Fairer Fife Plan, the Council is continuing to undertake a systematic examination of the Council's land holdings, looking for potential land. Fife Council has appointed a dedicated member of staff to identify Council owned land and investigate the potential for this to be developed as affordable housing. A site register has been developed of potential sites, which can be incorporated into the wider Programme to meet demand where land supply is an issue.

Since beginning this process, over 20 ha of Council land has been identified and included in the Programme. In the last year, further sites have been identified, extending to 5.2 ha, which will deliver around 127 houses. This approach has therefore proven to be beneficial and will continue moving forward. A further 9.2 ha of land has been earmarked to support the affordable housing programme, which could potentially support the delivery of over 250 affordable homes.

9.4 Other Public Sector Land

The Fife Housing Partnership has a continued interest in opportunities to deliver housing on surplus land owned by other public sector agencies such as the National Health Service; the Ministry of Defence; Scottish Enterprise Fife and the Forestry Commission.

9.5 Open Market Land Sales

Fife Council and the Housing Associations continually seek discussions with private developers and landowners with regards to the development of their sites for affordable housing. In 2022/23, the Council secured around 4 ha of land to deliver approximately 150 homes for the affordable housing programme, with a further 8 ha under discussion for potential transfer during the Transitional Affordable Housing Programme.

10.0 Delivery Vehicles

10.1 Developer Arrangements

The Council will continue to work with the members of the Fife Housing Association Alliance (FHAA), comprising of Kingdom, Glen, Ore Valley Housing Associations, and the Fife Housing Group (FHG) to deliver the housing association component of the SHIP. Following a review of their business plan to determine their capacity to respond in both financial and development capacity the FHAA signed a revised preferred developer agreement with Fife Council in July 2021. As part of the development of the TAHP 2022-2024 the FHAA are responsible for delivering 700 of the total 1200 affordable units.

The main revision to the long-standing Partnership Agreement is the new commitment to ensure that on affordable housing sites or private developer sites with an affordable housing contribution of 50+ properties, there will be a joint tenure approach adopted to provide new council housing and housing association housing on the same site. This policy change promotes tenant choice in housing options for these larger sites. This partnership agreement has recently been extended for a further five-year period to May 2029 as part of the development of the proposed Phase 4 AHP.

Flexibility remains with this arrangement, if issues arise in delivery by the FHAA this will be kept under review through regular programme meetings.

As such, all the Housing Association projects within this SHIP are promoted by FHAA partners which brings the following benefits:

- Access to a demonstrated track record in affordable housing development experience, ensuring projects are delivered on time and within budget.
- Knowledge transfer and sharing between the participating organisations.
- Access to a streamlined process and developed procedures and standards, optimising delivery.
- The potential to further develop the partnership arrangements through joint working and joint projects.
- Achieving wider benefits through training and apprenticeships.

10.2 Contracting with Private Developers

Due mainly to scarce land resources, it continues to be recognised that engagement with the private sector to deliver affordable housing is necessary. Fife Council and the FHAA have successfully delivered projects with private developer partners and discussions are continuing with developers who hold sites in areas of housing need for both 100% Affordable Housing & Affordable Housing Policy (Section 75) sites.

10.3 Offsite Construction and Procurement

The Scottish Government supports the delivery of homes across Scotland using a range of offsite methods, from timber frame construction through to fully modular development, and will continue to do so through the AHSP. Fife Council and the FHAA continue to utilise modern methods of construction across the AHP with the use of off-site construction in manufacturing timber frames remaining a core method. We have both adopted a fabric first approach to design and construction

which allows us to create energy efficient homes. The use of modular construction continues to be explored with the FHHA recently completing developments using Structurally Insulated Panels (SIPS) and factory finished panels.

Fife Council have identified two prospective sites within the SHIP to be part of the Edinburgh Home Demonstrator programme (EHDP). The EHDP was established to develop and test a new business model for the construction of affordable homes using offsite construction methods. This programme is based on collaborative procurement, whole life costings, development pipeline and general standardisation of affordable housing. Through this Fife Council has the potential to transform both the productivity and performance of the way we deliver future affordable homes, utilising a net zero carbon strategy and build new properties that have an energy performance specification that exceeds Gold Aspect 1.

The Council and the FHAA will continue to use a range of nationally recognised procurement frameworks to assist with the delivery of the Affordable Housing Programme, including SCAPE, Scottish Procurement Alliance (SPA) and Scotland Excel.

10.4 Open Market Transactions

Fife Council successfully acquired around 90 properties from the open market in 2022/2023. Fife Council intends to enhance its current investment in the acquisition of privately-owned properties to bring them into social rented use. In response to the national acquisition plan and pressures around meeting our Homeless duties, Fife council are currently reviewing available options to increase our annual target.

This intention is closely linked to the Fife Rapid Rehousing Transition Plan to increase the flow of statutory homeless households from temporary to permanent accommodation. Fife Council have also expanded this project to benefit tenants who are overcrowded or are under-occupying properties.

11.0 Conclusions

The SHIP sets out the investment priorities for affordable housing over the next 5 years (2024/25 – 2028/29) and how it will achieve the outcomes set out in the LHS and meet the affordable housing need as identified in the HNDA. The SHIP Projects Table details projects which have the potential to deliver 3,051 units throughout the 5-year period which would meet a range of identified housing needs. In addition to this, there are a further 100 Open Market Shared Equity (OMSE) units out with the AHSP expected to be delivered within this timescale.

Prioritisation of projects has been carried out to ensure the resources are carefully allocated and details of the scoring methodology are provided along with details of current project priorities. This provides a snapshot in time which will be subject to change as projects are developed. The over provision detailed within the programme has been provided to take account of potential slippage from the proposed programme. It also prepares us to take advantage of any additional funding opportunities that may arise from elsewhere across the AHSP nationally.

The Council and the FHAA, alongside private developers will continue to work within the current funding environment and deliver units in more innovative ways while still seeking to meet the spectrum of housing needs. This will be based on what is deliverable for organisations.

12.0 Contacts

If you require further information about Fife's SHIP, please contact:

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DRAFT

Appendix 1 - SHIP Scoring Methodology

Overview

The scoring and prioritisation will be completed by Fife Council Housing Services for all projects in the SHIP Table. This will be done in consultation with the Fife Housing Association Alliance. The scoring methodology and points available can be summarised as follows:

Scoring Summary

Item	Points Range
Housing Need	25 - 100
Development Deliverability	0 - 160
Strategic Fit	10 - 50
Minimum to maximum points range	35 - 310

The priorities in the SHIP are expected to change to reflect updated scores when project's circumstances change. For example, the development status may increase from 10 to 70 points once a planning application has received approval. The scores and priority of projects will be reviewed on an ongoing basis.

Housing Need

The Housing Need points are separated into 2 categories.

Firstly, points are awarded based on the annual affordable housing requirement across the 4 Housing Market Areas, as identified through the combined Housing Need and Demand Assessments 2021-2040 (HNDAs).

Housing Market Area Need 10 Year Need (2021-2031)

HMA	Annual Affordable Housing Need	Points
Glenrothes, Kirkcaldy & Central	170	50
Dunfermline & West	135	40
St Andrews & North East (includes Greater Dundee)	55	30
Cupar & North West	42	20
Fife Total	401	

Secondly, points are awarded based on the 10-year need disaggregated across the 10 Local Housing Strategy Areas (LHSAs) and the percentage of this need met through the Affordable Housing Programme completions and programmed units.

Local Housing Strategy Area 10 Year Need (2021-2031)

LHSA	Percentage of Need Met	Points
1. Levenmouth	19%	50
2. Largo & East Neuk	27%	45
3. Kirkcaldy	42%	40
4. Dunfermline & Coast	51%	35
5. Glenrothes	55%	30
6. Cowdenbeath	61%	25
7. West Fife Villages	72%	20
8. Tay Coast	76%	15
9. Cupar & Howe of Fife	85%	10
10. St Andrews	101%	5

Development Deliverability

The emphasis on deliverability needs to be strong and the Programme must contain sites that can be delivered within required timescales. The Development Deliverability points are separated into 2 categories.

Firstly, points are awarded based on the current development status of a project in terms of land ownership and progress through the planning system to reflect the deliverability of a project. Points under this category are awarded when each stage has been met.

Land Ownership and Planning Progress

Development Status	Points
Land Acquired	50
Planning Permission Granted (Full)	30
Delivery Timescale to be agreed through Section 75 Agreements	10
Minimum to maximum points range	0 to 90

Secondly, each project is allocated a Red, Amber or Green (RAG) status in terms of development deliverability. Further details on each category are detailed in the following table.

Strategic Fit

Wider Objectives

Strategic Importance	Points
Projects with wider council objectives	20

Secondly, points are awarded where a project meets additional Local Housing Strategy priorities as well as meeting identified housing need. Examples include: - specialist projects that meet strategic needs and address specialist equality issues such as extra care housing for specific client groups, hospital re-provisioning, new homeless centres and refugee accommodation. These points are awarded by the SHIP working group based on a low, medium or high priority.

Equalities Priorities

Development Status	Reason	Points
High	There is an urgent need for this project to meet identified high priority specialist needs because a high demand for clients has been identified.	30
Medium	The project would be of benefit in meeting specialist needs and is a medium priority because some client need has been identified.	20
Low	The project would be of benefit in meeting specialist needs, but this is a low priority because no client need has been identified.	10

Appendix 2 - Recent Empty Homes Activity

Number of Properties Brought Back Into Use

Year	Length of Time Homes have been Empty					TOTAL
	Less than 1 year	Between 1 & 2 years	Between 2 & 5 years	Between 5 & 10 years	More than 10 years	
2020/21	3	6	18	8	4	39
2021/22	0	8	17	11	5	41
2022/23	7	19	23	8	5	62

2020/21 Routes Used to Help Bring Properties Back Into Use

Routes	No. of Properties	Funding Used
Purchased through Buyback scheme	2	Scot Govt grant funding of £40k per property acquired. Any work carried out to property to bring back up to standard comes out of Voids budget. Funding to purchase property comes from HRA Acquisitions budget.
Sold through matchmaker	5	No additional funding required.
Advice and Information given to owner	9	No additional funding required.
Given support to access VAT discounts, merchants & services discounts, other discounts	12	No additional funding required.
Provided help and support to obtain Council Tax discretion which enabled the owner to bring the property up to standard	9	No additional funding required.
Provided facilitation, problem solving, partnership working (help with communal repairs, renovation, sweat equity, etc)	11	No additional funding required.

Note:- there can be numerous routes per property.

2021/22 Routes Used to Help Bring Properties Back Into Use

Routes	No. of Properties	Funding used
Sold through matchmaker	4	
Scottish Government Empty Homes Loan Scheme	1	
Purchased through Buyback scheme	5	
YMCA Glenrothes Scheme	2	
Given support to access VAT discounts, merchants & services discounts, other discounts	12	No additional funding required.
Provided help and support to obtain Council Tax discretion which enabled the owner to bring the property up to standard	18	No additional funding required.
Advice and Information given to owner about renting or selling	4	No additional funding required.
Provided facilitation, problem solving, partnership working (help with communal repairs, renovation, sweat equity, etc)	11	No additional funding required.

Note:- there can be numerous routes per property.

2022/23 Routes Used to Help Bring Properties Back Into Use

Sold through matchmaker	1	
Scottish Government Empty Homes Loan Scheme	0	
Purchased through Buyback scheme	19	
YMCA Glenrothes Scheme	1	
Given support to access VAT discounts, merchants & services discounts, other discounts	21	No additional funding required.
Provided help and support to obtain Council Tax discretion which enabled the owner to bring the property up to standard	13	No additional funding required.
Advice and Information given to owner about renting or selling	3	No additional funding required.
Provided facilitation, problem solving, partnership working (help with communal repairs, renovation, sweat equity, etc)	3	No additional funding required.
Motivation	6	

Note:- there can be numerous routes per property.

STRATEGIC HOUSING INVESTMENT PLAN - FIFE (YEAR 2024/25 - 2028/29)

SHIP Projects Table

HARP Ref	Project Name	Town	LHS Area	HMA	Developer	Landlord	SG Tender Approval Year	SG Approval Month	Total Unit Numbers	Total Bedspaces	TOTAL GN Units	TOTAL AM Units	TOTAL Wheelchair Units	% SN Units (AM+WH)	% WH Units	Tenure	Contract Type	Est/Actual site start year	Est/Actual site start month	Est/Actual Comp Year	Est/Actual Comp Month	SG Grant Pre 22/24/25	SG Grant 2024/2025 (£m)	SG Grant 2025/2026 (£m)	SG Grant 2026/2027 (£m)	SG Grant 2027/2028 (£m)
P46103	Hillside School	Aberdour	Dunfermline & Coast	Dunfermline & West Fife	FC PSD	FC	2026/27	December	38	180	26	6	6	32%	16%	SR	D&B	2026/27	December	2027/28	March				£1.000	£2.600
P43211	Main Street	Aberdour	Dunfermline & Coast	Dunfermline & West Fife	KHA	KHA	2025/26	January	21	93	15	6	0	29%	0%	SR	D&B	2025/26	January	2027/28	June		£0.100	£1.957		
P43380	Ladywalk (Former Care Home)	Anstruther	Largo & East Neuk	St Andrews & East Fife	FC	FC	2026/27	September	20	45	14	4	2	30%	10%	SR	D&B	2026/27	September	2027/28	December			£1.000	£1.895	
P43379	Mayview Court (New Care Village)	Anstruther	Largo & East Neuk	St Andrews & East Fife	FC	FC	2024/25	January	14	41	0	10	4	100%	29%	SR	D&B	2024/25	January	2025/26	December		£0.326	£1.000		
P43195	Carswell Wynd	Auchtermuchty	Cupar & HOF	Cupar & North West Fife	KHA	KHA	2025/26	March	30	122	19	10	1	37%	3%	SR	D&B	2025/26	March	2027/28	November			£0.600	£1.169	£1.169
P46187	Stratheden Place	Auchtermuchty	Cupar & HOF	Cupar & North West Fife	KHA	KHA	2023/24	April	4	18	2	0	2	50%	50%	SR	D&B	2023/24	June	2023/24	November	£0.374				
P47093	Kirklands Farm Phase 4	Ballingry	Cowdenbeath	Dunfermline & West Fife	KHA	KHA	2028/29	January	0	0	0	0	0	0%	0%	SR	D&B	2028/29	January	2030/31	March					
P41440	Main Street	Balmullo	St Andrews	St Andrews & East Fife	KHA	KHA	2023/24	March	19	78	16	2	1	16%	5%	SR	D&B	2023/24	March	2025/26	June	£0.100	£1.761			
P44701	Land to North of South Avenue	Blairhall	West Fife Villages	Dunfermline & West Fife	FC PSD	FC	2024/25	January	15	154	11	3	1	27%	7%	SR	D&B	2024/25	January	2026/27	October			£1.021		
P46139	Conscience Bridge	Cairneyhill	West Fife Villages	Dunfermline & West Fife	FC	FC	2024/25	September	18	86	13	4	1	28%	6%	SR	D&B	2024/25	September	2025/26	September		£0.300	£1.357		
P45308	Pitdinnie Road Phase 2	Cairneyhill	West Fife Villages	Dunfermline & West Fife	KHA	KHA	2024/25	January	63	291	45	11	7	29%	11%	SR	D&B	2024/25	January	2027/28	November		£0.500	£2.000	£2.000	£1.671
P41362	Dundonald Farm (OTS)	Cardenden	Kirkcaldy	Kirkcaldy, Glenrothes & Central	FC PSD	FC	2027/28	March	12	53	11	0	1	8%	8%	SR	OTS	2027/28	March	2028/29	March					
T34135	Main Street	Carnock	West Fife Villages	Dunfermline & West Fife	KHA	KHA	2027/28	July	30	122	19	10	1	37%	3%	SR	D&B	2027/28	July	2028/29	March	£0.314				£1.938
P43400	Millburn Avenue	Coaltown Balgonie	Glenrothes	Kirkcaldy, Glenrothes & Central	KHA	KHA	2024/25	January	10	40	10	0	0	0%	0%	SR	D&B	2024/25	January	2025/26	March		£0.490	£0.490		
T36573	Main Street	Colinsburgh	Largo & East Neuk	St Andrews & East Fife	KHA	KHA	2024/25	October	15	67	11	0	4	27%	27%	SR	D&B	2024/25	October	2025/26	March		£0.500	£0.954		
T36507	High Street	Cowdenbeath	Cowdenbeath	Dunfermline & West Fife	KHA	OVHA	2025/26	September	29	105	29	0	0	0%	0%	SR	D&B	2025/26	September	2026/27	October	£0.000		£1.000	£1.841	
P41381	Valley House, Hill Street	Cowdenbeath	Cowdenbeath	Dunfermline & West Fife	FC	FC	2021/22	January	19	94	12	6	1	37%	5%	SR	D&B	2023/24	December	2025/26	July	£1.179				
P44074	Ordnance Road	Crombie	West Fife Villages	Dunfermline & West Fife	FC PSD	FC	2023/24	September	19	88	14	5	0	26%	0%	SR	D&B	2023/24	September	2024/25	September	£1.000	£0.211			
P41484	Pitconochie Farm	Crossford	Dunfermline & Coast	Dunfermline & West Fife	KHA	KHA	2025/26	January	53	216	35	17	1	34%	2%	SR	D&B	2025/26	January	2028/29	March			£0.833	£2.000	£1.834
P41457	Manse Road (CRO002)	Crossgates	Cowdenbeath	Dunfermline & West Fife	FC PSD	FC	2026/27	June	13	51	8	4	1	38%	8%	SR	D&B	2026/27	June	2027/28	November				£0.932	
P41314	Inchgall Avenue MS	Crosshill	Cowdenbeath	Dunfermline & West Fife	FC	FC	2027/28	October	4	8	0	0	4	100%	100%	SR	D&B	2027/28	October	2028/29	May					£0.379
P41491	Cupar North (Phase1A)	Cupar	Cupar & HOF	Cupar & North West Fife	KHA	KHA	2025/26	April	25	106	17	8	0	32%	0%	SR	D&B	2025/26	April	2026/27	March			£1.224	£1.224	
P41492	Cupar North (Phase1B)	Cupar	Cupar & HOF	Cupar & North West Fife	KHA	KI	2025/26	April	6	24	6	0	0	0%	0%	MMR 30	D&B	2025/26	April	2026/27	March			£0.416		
P44702	Dalgairn (New Care Village)	Cupar	Cupar & HOF	Cupar & North West Fife	FC	FC	2024/25	April	12	24	0	12	0	100%	0%	SR	D&B	2024/25	April	2025/26	October	£1.048				
P41467	Gilliesfaulds Phase 1 (SR)	Cupar	Cupar & HOF	Cupar & North West Fife	KHA	KHA	2025/26	April	13	60	6	7	0	54%	0%	SR	D&B	2025/26	April	2027/28	March			£1.274		
P41477	Gilliesfaulds Phase 2 - (MMR)	Cupar	Cupar & HOF	Cupar & North West Fife	KHA	KI	2027/28	June	12	54	12	0	0	0%	0%	MMR 30	D&B	2027/28	June	2028/29	February					£0.832
P41479	Gilliesfaulds Phase 2 - (SR)	Cupar	Cupar & HOF	Cupar & North West Fife	KHA	KHA	2026/27	June	38	165	25	13	0	34%	0%	SR	D&B	2026/27	June	2028/29	February				£1.882	£1.841
P44735	Inner Court (MMR)	Cupar	Cupar & HOF	Cupar & North West Fife	KHA	KI	2023/24	March	13	48	13	0	0	0%	0%	MMR 30	D&B	2023/24	March	2025/26	June	£0.100	£0.801			
P45310	Inner Court (SR)	Cupar	Cupar & HOF	Cupar & North West Fife	FC PSD	FC	2023/24	March	10	40	10	0	0	0%	0%	SR	D&B	2024/25	April	2026/27	April	£0.100	£0.547			
P41458	North Eden (Former Care Home)	Cupar	Cupar & HOF	Cupar & North West Fife	FC	FC	2025/26	March	20	94	14	4	2	30%	10%	SR	D&B	2025/26	March	2027/28	April				£1.895	
P45404	Pitscottie Road, Phase 4	Cupar	Cupar & HOF	Cupar & North West Fife	KHA	KHA	2023/24	October	49	245	34	12	3	31%	6%	SR	D&B	2023/24	October	2025/26	April	£3.098	£1.702			
P45405	Trynmuir Phase 2	Cuparmuir	Cupar & HOF	Cupar & North West Fife	KHA	KHA	2025/26	December	20	84	14	6	0	30%	0%	SR	D&B	2025/26	December	2026/27	March			£0.800	£1.159	
P46448	Fulmar Way	Dalgety Bay	Dunfermline & Coast	Dunfermline & West Fife	KHA	KHA	2026/27	April	9	38	7	2	0	22%	0%	SR	D&B	2026/27	April	2027/28	April				£0.882	
P41461	Aberdour Road (Former Pitcorthie PS) (EC)	Dunfermline	Dunfermline & Coast	Dunfermline & West Fife	FC	FC	2021/22	February	33	110	0	31	2	100%	6%	SR	D&B	2023/24	June	2024/25	February	£2.620				
P46874	Aberdour Road / Evershed Drive (EC Housing)	Dunfermline	Dunfermline & Coast	Dunfermline & West Fife	FC PSD	FC	2024/25	April	40	93	0	27	13	100%	33%	SR	D&B	2024/25	April	2025/26	March		£0.750	£3.040		
P45413	Bellyeoman Road (Former Depot)	Dunfermline	Dunfermline & Coast	Dunfermline & West Fife	FC PSD	FC	2022/23	November	45	163	15	18	12	67%	27%	SR	D&B	2022/23	January	2024/25	June	£3.627				
P41465	Blacklaw Road Phase 2	Dunfermline	Dunfermline & Coast	Dunfermline & West Fife	FC	FC	2021/22	February	85	453	66	13	6	22%	7%	SR	D&B	2023/24	November	2025/26	February	£3.491	£2.000	£2.174		
P41503	Broomhall (Phase 1)	Dunfermline	Dunfermline & Coast	Dunfermline & West Fife	KHA	KI	2024/25	July	53	231	53	0	0	0%	0%	MMR 30	D&B	2024/25	July	2026/27	January	£0.648	£1.500	£1.336		
P41504	Broomhall (Phase 2)	Dunfermline	Dunfermline & Coast	Dunfermline & West Fife	KHA	KHA	2026/27	November	0	0	0	0	0	0%	0%	SR	D&B	2026/27	November	2029/30	October	£0.696			£0.750	£2.206
P46104	Broomhall SLA, Future Phases	Dunfermline	Dunfermline & Coast	Dunfermline & West Fife	FC	FC	2028/29	June	0	0	0	0	0	0%	0%	SR	D&B	2028/29	June	2029/30	March					
P45412	Elgin Street (Former Depot)	Dunfermline	Dunfermline & Coast	Dunfermline & West Fife	FC PSD	FC	2024/25	April	42	185	30	9	3	29%	7%	SR	D&B	2023/24	October	2025/26	September	£1.200	£0.500	£1.279		
P46393	Goldrum Street	Dunfermline	Dunfermline & Coast	Dunfermline & West Fife	FC	FC	2024/25	September	9	42	6	2	1	33%	11%	SR	D&B	2024/25	September	2025/26	May		£0.763			
P46174	James Bank Hostel Redevelopment	Dunfermline	Dunfermline & Coast	Dunfermline & West Fife	KHA	KHA	2023/24	January	19	76	19	0	0	0%	0%	MMR 30	D&B	2023/24	February	2024/25	March	£0.500	£0.811			
P41462	North Fod Phase 2 (EC Housing)	Dunfermline	Dunfermline & Coast	Dunfermline & West Fife	FC	FC	2024/25	January	44	132	0	40	4	100%	9%	SR	D&B	2024/25	January	2026/27	June	£1.250	£0.100	£1.500	£0.369	
P46392	North Fod Phase 3	Dunfermline	Dunfermline & Coast	Dunfermline & West Fife	FC	FC	2025/26	April	45	265	31	11	3	31%	7%	SR	FC BS	2025/26	April	2026/27	September	£0.750		£1.000	£1.714	
P41459	Rumblingwell (Former Milesmark Depot)	Dunfermline	Dunfermline & Coast	Dunfermline & West Fife	FC PSD	FC	2024/25	October	12	54	10	2	0	17%	0%	SR	D&B	2024/25	October	2025/26	October		£0.400	£0.737		
P45410	South Castle Drive	Dunfermline	Dunfermline & Coast	Dunfermline & West Fife	KHA	KI	2026/27	August	18	72	18	0	0	0%	0%	MMR 30	D&B	2026/27	September	2027/28	October				£1.248	
P47094	Townhill Road (DUN038)	Dunfermline	Dunfermline & Coast	Dunfermline & West Fife	KHA	KHA	2023/24	October	16	75	11	4	1	31%	6%	SR	D&B	2023/24	October	2024/25	March	£0.600	£0.967			
P46875	Walmer Drive	Dunfermline	Dunfermline & Coast	Dunfermline & West Fife	FC PSD	FC	2024/25	April	26	70	26	0	0	0%	0%	SR	D&B	2024/25	April	2025/26	August		£1.200	£0.863		
P43286	Wester Whitefield (Halbeath SDA)	Dunfermline	Dunfermline & Coast	Dunfermline & West Fife	FC PSD	FC	2026/27	July	0	0	0	0	0	0%	0%	SR	D&B	2026/27	July	2029/30	April				£1.000	£2.000
P43377	Woodmill Street MS	Dunfermline	Dunfermline & Coast	Dunfermline & West Fife	FC	FC	2028/29	May	0	0	0	0	0	0%	0%	SR	D&B	2028/29	June	2029/30	December					
P43199	Boreland Road	Dysart	Kirkcaldy	Kirkcaldy, Glenrothes & Central	FC PSD	FC	2025/26	July	34	170	24	10	0	29%	0%	SR	D&B	2025/26	July	2026/27	March				£1.200	£1.262
P46105	Howard Place 2 (Including Regen of 01-105)	Dysart	Kirkcaldy	Kirkcaldy, Glenrothes & Central	FC	FC	2026/27	April	24	120	17	6	1	29%	4%	SR	D&B	2026/27	April	2027/28	April				£1.774	
P41450	Wadeslea	Elie	Largo & East Neuk	St Andrews & East Fife	KHA	KHA	2025/26	June	12	48	6	6	0	50%	0%	SR	D&B	2025/26	November	2026/27	January			£0.588	£0.588	
P43376	Open Market Transactions 24/25	Fife	Fife		FC	FC	2024/25	April	50																	

HARP Ref	Project Name	Town	LHS Area	HMA	Developer	Landlord	SG Tender Approval Year	SG Approval Month	Total Unit Numbers	Total Bedspaces	TOTAL GN Units	TOTAL AM Units	TOTAL Wheelchair Units	% SN Units (AM+WH)	% WH Units	Tenure	Contract Type	Est/Actual site start year	Est/Actual site start month	Est/Actual Comp Year	Est/Actual Comp Month	SG Grant Pre 22/4/25	SG Grant 2024/2025 (£m)	SG Grant 2025/2026 (£m)	SG Grant 2026/2027 (£m)	SG Grant 2027/2028 (£m)
P44703	Alexander Road (Regen)	Glenrothes	Glenrothes	Kirkcaldy, Glenrothes & Central	FC	FC	2024/25	March	29	137	20	7	2	31%	7%	SR	D&B	2024/25	March	2026/27	September			£1.800	£0.948	
P40203	Detroit Road	Glenrothes	Glenrothes	Kirkcaldy, Glenrothes & Central	FC	FC	2028/29	April	0	0	0	0	0	0%	0%	SR	D&B	2028/29	April	2030/31	June					
P41471	Glenwood Centre Regeneration (FC)	Glenrothes	Glenrothes	Kirkcaldy, Glenrothes & Central	FC	FC	2025/26	April	15	68	10	4	1	33%	7%	SR	D&B	2025/26	April	2026/27	March			£1.021		
P46175	Glenwood Centre Regeneration (KHA)	Glenrothes	Glenrothes	Kirkcaldy, Glenrothes & Central	KHA	KHA	2025/26	April	15	60	15	0	0	0%	0%	MMR 30	D&B	2025/26	April	2026/27	March			£0.500	£0.500	
P46876	Leven Mill, Queensgate (OTS)	Glenrothes	Glenrothes	Kirkcaldy, Glenrothes & Central	FC PSD	FC	2023/24	September	17	70	17	0	0	0%	0%	SR	OTS	2023/24	September	2024/25	October		£1.703			
P41393	Napier Road, (Former Police Station) (OTS)	Glenrothes	Glenrothes	Kirkcaldy, Glenrothes & Central	FC PSD	FC	2024/25	April	4	18	4	0	0	0%	0%	SR	D&B	2024/25	April	2024/25	March		£0.379			
P41392	Viewfield	Glenrothes	Glenrothes	Kirkcaldy, Glenrothes & Central	FC	FC	2021/22	February	58	288	36	18	4	38%	7%	SR	D&B	2023/24	January	2026/27	June	£1.545	£2.874			
P41364	Westwood Park	Glenrothes	Glenrothes	Kirkcaldy, Glenrothes & Central	FC PSD	FC	2023/24	August	42	204	25	13	4	40%	10%	SR	OTS	2023/24	August	2025/26	August	£1.500	£1.000	£1.212		
P43857	Toll Road Phase 3	Guardbridge	St Andrews	St Andrews & East Fife	KHA	KHA	2026/27	January	30	129	19	9	2	37%	7%	SR	D&B	2026/27	January	2028/29	April	£0.856			£0.200	£1.738
P41315	Chapel Place MS	High Valleyfield	West Fife Villages	Dunfermline & West Fife	FC	FC	2027/28	May	3	12	0	0	3	100%	100%	SR	D&B	2027/28	June	2027/28	December					£0.284
P41400	Daly Gardens / Woodhead Farm Road (HVF00)	High Valleyfield	West Fife Villages	Dunfermline & West Fife	FC	FC	2025/26	May	20	91	14	5	1	30%	5%	SR	D&B	2025/26	May	2026/27	September			£0.750	£1.145	
T36239	Echobank	Inverkeithing	Dunfermline & Coast	Dunfermline & West Fife	KHA	KI	2026/27	September	12	50	12	0	0	0%	0%	MMR 30	D&B	2026/27	September	2027/28	March					£0.832
P47095	Fraser Avenue Phase 3 - MMR	Inverkeithing	Dunfermline & Coast	Dunfermline & West Fife	KHA	KHA	2023/24	October	15	60	15	0	0	0%	0%	MMR 30	D&B	2023/24	October	2025/26	July	£0.250	£0.785			
P41447	Fraser Avenue Phase 3 - SR	Inverkeithing	Dunfermline & Coast	Dunfermline & West Fife	KHA	KHA	2023/24	October	37	230	24	10	3	35%	8%	SR	D&B	2023/24	October	2025/26	July	£1.050	£2.326			
P41448	Fraser Avenue Phase 4	Inverkeithing	Dunfermline & Coast	Dunfermline & West Fife	KHA	KHA	2026/27	March	41	171	23	16	2	44%	5%	SR	D&B	2026/27	March	2028/29	October					£3.016
P44511	Prestonhill Quarry	Inverkeithing	Dunfermline & Coast	Dunfermline & West Fife	KHA	KHA	2025/26	March	45	189	29	14	2	36%	4%	SR	D&B	2025/26	March	2027/28	March			£0.100	£2.500	£1.408
P45418	Cochrane Street (Kelty SW SDA)	Kelty	Cowdenbeath	Dunfermline & West Fife	FC	FC	2028/29	April	0	0	0	0	0	0%	0%	SR	D&B	2028/29	April	2029/30	March					
P41480	Keltyhill Road	Kelty	Cowdenbeath	Dunfermline & West Fife	KHA	KHA	2025/26	August	6	24	3	3	0	50%	0%	SR	D&B	2025/26	August	2025/26	February			£0.588		
P41322	Langside Crescent Phase 2A	Kennoway	Levenmouth	Kirkcaldy, Glenrothes & Central	FC	FC	2021/22	January	43	200	32	11	0	26%	0%	SR	D&B	2023/24	March	2024/25	December	£3.270				
P45311	Langside Crescent Phase 2B	Kennoway	Levenmouth	Kirkcaldy, Glenrothes & Central	FC	FC	2023/24	November	20	111	11	8	1	45%	5%	SR	D&B	2023/24	November	2025/26	April	£1.645				
P44737	Langside Road	Kennoway	Levenmouth	Kirkcaldy, Glenrothes & Central	KHA	KHA	2028/29	April	0	0	0	0	0	0%	0%	SR	D&B	2028/29	April	2030/31	March					
P46986	Myreside Road	Kennoway	Levenmouth	Kirkcaldy, Glenrothes & Central	FC	FC	2026/27	June	49	209	34	12	3	31%	6%	SR	D&B	2026/27	June	2028/29	June				£1.000	£2.000
P40812	Upper Forth View Phase 1	Kincardine	West Fife Villages	Dunfermline & West Fife	FC	FC	2026/27	November	40	177	27	9	4	33%	10%	SR	D&B	2026/27	November	2028/29	October				£1.000	£1.000
P41374	Upper Forth View Phase 2	Kincardine	West Fife Villages	Dunfermline & West Fife	FC	FC	2028/29	October	0	0	0	0	0	0%	0%	SR	D&B	2028/29	October	2030/31	October					£1.000
P46176	South of Hill View	Kinglassie	Glenrothes	Kirkcaldy, Glenrothes & Central	KHA	KHA	2024/25	June	45	195	32	13	0	29%	0%	SR	D&B	2024/25	June	2026/27	October		£2.000	£2.000	£0.408	
P45417	Esplanade (EC Housing)	Kirkcaldy	Kirkcaldy	Kirkcaldy, Glenrothes & Central	FC PSD	FC	2028/29	February	0	0	0	0	0	0%	0%	SR	D&B	2028/29	February	2030/31	January					
P44715	Kingdom Park Phase 3	Kirkcaldy	Kirkcaldy	Kirkcaldy, Glenrothes & Central	FC PSD	FC	2027/28	April	0	0	0	0	0	0%	0%	SR	D&B	2027/28	April	2029/30	January					£2.000
P41474	Kirkcaldy SW SDA Phase 1	Kirkcaldy	Kirkcaldy	Kirkcaldy, Glenrothes & Central	FC	FC	2028/29	April	0	0	0	0	0	0%	0%	SR	D&B	2028/29	April	2029/30	March					
P44714	Postings	Kirkcaldy	Kirkcaldy	Kirkcaldy, Glenrothes & Central	FC PSD	FC	2027/28	April	25	109	17	6	2	32%	8%	SR	D&B	2027/28	April	2028/29	May					£1.919
P46106	Templehall Regeneration Phase 2	Kirkcaldy	Kirkcaldy	Kirkcaldy, Glenrothes & Central	FC PSD	FC	2027/28	July	12	44	8	0	4	33%	33%	SR	FC BS	2027/28	July	2028/29	July					£0.837
P46177	Templehall Regeneration Phase 3 (MMR)	Kirkcaldy	Kirkcaldy	Kirkcaldy, Glenrothes & Central	KHA	KI	2027/28	July	12	48	12	0	0	0%	0%	MMR 30	D&B	2027/28	July	2028/29	July					£0.831
P41320	Union Street MS	Kirkcaldy	Kirkcaldy	Kirkcaldy, Glenrothes & Central	FC	FC	2028/29	May	3	12	0	0	3	100%	100%	SR	D&B	2028/29	June	2028/29	December					
P43402	Viewforth High School	Kirkcaldy	Kirkcaldy	Kirkcaldy, Glenrothes & Central	KHA	KHA	2022/23	March	15	64	10	5	0	33%	0%	SR	D&B	2022/23	March	2024/25	August	£1.497				
T33940	Ingrie Farm	Leslie	Glenrothes	Kirkcaldy, Glenrothes & Central	KHA	KHA	2023/24	July	44	199	32	12	0	27%	0%	SR	D&B	2023/24	August	2024/25	February	£3.174	£2.363			
P43196	Pitlithie Road	Leuchars	St Andrews	St Andrews & East Fife	KHA	KHA	2023/24	January	49	224	36	10	3	27%	6%	SR	D&B	2023/24	January	2025/26	March	£1.684	£1.800	£1.316		
P43915	Pitlithie Road Phase 2	Leuchars	St Andrews	St Andrews & East Fife	KHA	KHA	2028/29	April	0	0	0	0	0	0%	0%	SR	D&B	2028/29	April	2030/31	March	£0.688				
P45421	Park Drive (EHDP)	Leven	Levenmouth	Kirkcaldy, Glenrothes & Central	FC	FC	2024/25	April	29	128	19	6	4	34%	14%	SR	D&B	2024/25	September	2025/26	December	£0.387	£0.500	£1.459		
T36562	Hall Street (Fab-tek Phase 1)	Lochgelly	Cowdenbeath	Dunfermline & West Fife	KHA	OVHA	2023/24	January	47	145	37	10	0	21%	0%	SR	D&B	2023/24	January	2025/26	November	£0.809	£1.897	£1.897		
P41385	Jenny Gray House (EC housing)	Lochgelly	Cowdenbeath	Dunfermline & West Fife	FC	FC	2021/22	January	44	128	0	30	14	100%	32%	SR	D&B	2023/24	February	2025/26	March	£1.123	£2.229			
P45778	New Flockhouse	Lochore	Cowdenbeath	Dunfermline & West Fife	FC PSD	FC	2022/23	February	51	200	34	14	3	33%	6%	SR	D&B	2022/23	December	2024/25	September	£4.231				
P41449	Durham Wynd Phase 2	Lower Largo	Largo & East Neuk	St Andrews & East Fife	KHA	KHA	2028/29	April	0	0	0	0	0	0%	0%	SR	D&B	2028/29	April	2029/30	February					
P47096	Land to North of Lumphinnans (LPH002 &003)	Lumphinnans	Cowdenbeath	Dunfermline & West Fife	KHA	KHA	2028/29	January	0	0	0	0	0	0%	0%	SR	D&B	2028/29	January	2030/31	June					
P44711	Lochgelly Road LPH001	Lumphinnans	Cowdenbeath	Dunfermline & West Fife	FC PSD	FC	2021/22	March	97	478	72	19	6	26%	6%	SR	D&B	2022/23	April	2024/25	December	£6.950				
P44710	Haig Business Park	Markinch	Glenrothes	Kirkcaldy, Glenrothes & Central	FC PSD	FC	2027/28	April	25	113	18	6	1	28%	4%	SR	D&B	2027/28	April	2028/29	June					£1.700
P44709	High Street (OTS)	Methil	Levenmouth	Kirkcaldy, Glenrothes & Central	FC PSD	FC	2022/23	October	8	48	6	2	0	25%	0%	SR	D&B	2023/24	April	2024/25	April		£0.737			
P45416	Methilhaven Road (Former Care Home)	Methil	Levenmouth	Kirkcaldy, Glenrothes & Central	FC	FC	2026/27	September	40	196	28	9	3	30%	8%	SR	D&B	2026/27	September	2027/28	January				£1.500	£1.416
P46178	Main Street	Milton of Balgonie	Glenrothes	Kirkcaldy, Glenrothes & Central	KHA	GHA	2025/26	November	6	28	4	1	1	33%	17%	SR	D&B	2025/26	November	2026/27	July				£0.588	
P40205	North of Cupar Road	Newburgh	Tay Coast	Cupar & North West Fife	FC	FC	2023/24	August	34	158	28	5	1	18%	3%	SR	D&B	2023/24	September	2025/26	August	£1.500	£1.434			
P46107	James Street	Pittenweem	Largo & East Neuk	St Andrews & East Fife	FC PSD	FC	2026/27	October	8	38	6	1	1	25%	13%	SR	D&B	2026/27	October	2027/28	October				£0.758	
P43399	Station Court	Pittenweem	Largo & East Neuk	St Andrews & East Fife	KHA	KHA	2023/24	September	29	132	21	7	1	28%	3%	SR	D&B	2023/24	September	2024/25	September	£1.052	£1.789			
P43422	Brankholm Brae Phase 1	Rosyth	Dunfermline & Coast	Dunfermline & West Fife	FHG	FHG	2025/26	April	38	173	27	9	2	29%	5%	SR	D&B	2025/26	April	2026/27	December			£1.000	£2.724	
P41378	Castle Road (Recreational Park)	Rosyth	Dunfermline & Coast	Dunfermline & West Fife	FC	FC	2024/25	August	30	124	14	13	3	53%	10%	SR	D&B	2024/25	August	2025/26	September	£0.410	£0.500	£1.632		
P47097	Hilton Gardens	Rosyth	Dunfermline & Coast	Dunfermline & West Fife	KHA	KHA	2028/29	October	0	0	0	0	0	0%	0%	SR	D&B	2028/29	October	2029/30	March					
P43424	Whinnyburn Phase 1	Rosyth	Dunfermline & Coast	Dunfermline & West Fife	FHG	FHG	2026/27	June	25	113	18	6	1	28%	4%	SR	D&B	2026/27	August	2027/28	August				£1.350	£1.100
P43425	Whinnyburn Phase 2	Rosyth	Dunfermline & Coast	Dunfermline & West Fife	FHG	FHG	2027/28	July	0	0	0	0	0	0%	0%	SR	D&B	2027/28	September	2029/30	May					£1.500
P41382	West Road (includes EC Housing)	Saline	West Fife Villages	Dunfermline & West Fife	FC	FC	2022/23	March	39	159	15	20	4	62%	10%	SR	D&B	2022/23	March	2024/25	January	£3.477				

HARP Ref	Project Name	Town	LHS Area	HMA	Developer	Landlord	SG Tender Approval Year	SG Approval Month	Total Unit Numbers	Total Bedsapces	TOTAL GN Units	TOTAL AM Units	TOTAL Wheelchair Units	% SN Units (AM+WH)	% WH Units	Tenure	Contract Type	Est/Actual site start year	Est/Actual site start month	Est/Actual Comp Year	Est/Actual Comp Month	SG Grant Pre 22/4/25	SG Grant 2024/2025 (£m)	SG Grant 2025/2026 (£m)	SG Grant 2026/2027 (£m)	SG Grant 2027/2028 (£m)	
P47098	Younger Gardens Ph3 (STA001 South) - MMR	St Andrews	St Andrews	St Andrews & East Fife	KHA	KI	2026/27	April	29	116	29	0	0	0%	0%	MMR 30	D&B	2026/27	April	2027/28	March				£2.010		
P47099	Younger Gardens Ph3 (STA001 South) - SR	St Andrews	St Andrews	St Andrews & East Fife	KHA	KHA	2026/27	April	19	76	11	8	0	42%	0%	SR	D&B	2026/27	April	2027/28	March				£1.861		
T36565	Bonfield Park	Strathkinness	St Andrews	St Andrews & East Fife	FC PSD	FC	2024/25	April	30	139	20	9	1	33%	3%	SR	D&B	2024/25	April	2025/26	June		£0.800	£1.921			
P43391	Cash Feus (EHDP)	Strathmiglo	Cupar & HOF	Cupar & North West Fife	FC	FC	2025/26	April	14	43	10	2	2	29%	14%	SR	D&B	2025/26	April	2025/26	March	£0.346		£0.980			
P44739	Bell Street	Tayport	Tay Coast	Greater Dundee	KHA	KHA	2027/28	January	0	0	0	0	0	0%	0%	SR	D&B	2027/28	January	2029/30	August					£1.200	
P41319	Links Road MS	Tayport	Tay Coast	Greater Dundee	FC	FC	2028/29	May	2	8	0	0	2	100%	100%	SR	D&B	2028/29	June	2028/29	December						
P44707	Strathore Road - Thornton SLA Phase 1	Thornton	Glenrothes	Kirkcaldy, Glenrothes & Central	FC PSD	FC	2027/28	April	0	0	0	0	0	0%	0%	SR	D&B	2027/28	April	2029/30	March					£1.000	
P46179	Strathore Road - Thornton SLA Phase 2	Thornton	Glenrothes	Kirkcaldy, Glenrothes & Central	KHA	KHA	2028/29	February	0	0	0	0	0	0%	0%	SR	D&B	2028/29	February	2030/31	March						
P43249	Muir Road MS	Townhill	Dunfermline & Coast	Dunfermline & West Fife	FC	FC	2027/28	April	2	7	0	0	2	100%	100%	SR	D&B	2027/28	April	2027/28	December					£0.189	
P46180	The Temple	Windygates	Levenmouth	Kirkcaldy, Glenrothes & Central	KHA	GHA	2024/25	May	8	36	7	1	0	13%	0%	SR	D&B	2024/25	May	2024/25	March		£0.784				
									3,051	13,256	2,095	759	197	31%	6.5%							£65.874	£49.835	£49.656	£48.319	£45.956	

SG Grant 2028/29 (£m)	SG Grant Post 2028/2029 (£m)	Total SG Funding	Total Greener Standards Funding (Y/N)	Total 2HCT (£m)	Total FC Commuted Sums (£m)	Total Subsidy (£m)	Total Subsidy per unit (£m)	Priority (LMH)	Comments
		£3.600				£3.600	£ 0.095	M	
		£2.057				£2.057	£ 0.098	M	
		£2.895	Y			£2.895	£ 0.145	H	
		£1.326	Y			£1.326	£ 0.095	H	
		£2.938				£2.938	£ 0.098	L	
		£0.374	Y			£0.374	£ 0.094	M	
£0.500	£3.418	£3.918				£3.918	£ 0.098	M	40 units to be delivered
		£1.861				£1.861	£ 0.098	M	
		£1.021	Y	£0.400		£1.421	£ 0.095	M	
		£1.657	Y		£0.048	£1.705	£ 0.095	M	
		£6.171	Y			£6.171	£ 0.098	H	
£1.137		£1.137				£1.137	£ 0.095	M	
£1.000		£3.252				£3.252	£ 0.108	M	
		£0.980				£0.980	£ 0.098	M	
		£1.454				£1.454	£ 0.097	M	
		£2.841	Y			£2.841	£ 0.098	M	
		£1.179	Y	£0.500		£1.679	£ 0.088	H	
		£1.211	Y	£0.500		£1.711	£ 0.090	H	
		£4.667				£4.667	£ 0.088	H	
		£0.932	Y	£0.300		£1.232	£ 0.095	M	
		£0.379	Y			£0.379	£ 0.095	H	
		£2.448				£2.448	£ 0.098	M	
		£0.416				£0.416	£ 0.069	M	
		£1.048	Y		£0.033	£1.081	£ 0.090	H	
		£1.274	Y			£1.274	£ 0.098	M	
		£0.832				£0.832	£ 0.069	M	
		£3.723				£3.723	£ 0.098	M	
		£0.901	Y		£0.013	£0.914	£ 0.070	H	
		£0.647	Y	£0.300		£0.947	£ 0.095	M	
		£1.895	Y			£1.895	£ 0.095	M	
		£4.800	Y			£4.800	£ 0.098	M	
		£1.959	Y			£1.959	£ 0.098	L	
		£0.882	Y			£0.882	£ 0.098	M	
		£2.620	Y			£2.620	£ 0.079	H	
		£3.790	Y			£3.790	£ 0.095	M	
		£3.627	Y		£0.205	£3.832	£ 0.085	H	
		£7.665	Y			£7.665	£ 0.090	H	
		£3.484				£3.484	£ 0.066	H	
£2.000		£5.652				£5.652	£ 0.097	H	58 units to be delivered
£0.500	£4.237	£4.737	Y			£4.737	£ 0.095	M	50 units to be delivered
		£2.979	Y	£1.000		£3.979	£ 0.095	M	
		£0.763			£0.090	£0.853	£ 0.095	H	
		£1.311				£1.311	£ 0.069	H	
		£3.219	Y	£0.950		£4.169	£ 0.095	H	
		£3.464		£0.800		£4.264	£ 0.095	H	
		£1.137	Y			£1.137	£ 0.095	M	
		£1.248				£1.248	£ 0.069	M	
		£1.567	Y			£1.567	£ 0.098	H	
		£2.063		£0.400		£2.463	£ 0.095	M	
£2.400	£3.230	£8.630	Y	£0.750		£9.380	£ 0.095	M	99 units to be delivered
£0.568		£0.568	Y			£0.568	£ 0.095	H	6 units to be delivered
		£2.462	Y	£0.600		£3.062	£ 0.090	H	
		£1.774	Y	£0.500		£2.274	£ 0.095	H	
		£1.176				£1.176	£ 0.098	M	
		£2.000				£2.000	£ 0.040	H	
		£2.000				£2.000	£ 0.040	H	
		£2.000				£2.000	£ 0.040	H	
		£2.000				£2.000	£ 0.040	H	
£2.000		£2.000				£2.000	£ 0.040	H	
		£2.048	Y			£2.048	£ 0.093	M	

SG Grant 2028/29 (£m)	SG Grant Post 2028/2029 (£m)	Total SG Funding	Total Greener Standards Funding (Y/N)	Total 2HCT (£m)	Total FC Commuted Sums (£m)	Total Subsidy (£m)	Total Subsidy per unit (£m)	Priority (LMH)	Comments
£0.500	£3.764	£2.748	Y			£2.748	£ 0.095	H	
		£4.264	Y			£4.264	£ 0.095	M	45 units to be delivered
		£1.021	Y	£0.400		£1.421	£ 0.095	H	
		£1.000	Y			£1.000	£ 0.067	H	
		£1.703	Y			£1.703	£ 0.100	M	
		£0.379	Y			£0.379	£ 0.095	M	
		£4.419	Y	£0.700	£0.039	£5.158	£ 0.089	H	
		£3.712	Y	£0.600	£0.036	£4.348	£ 0.104	H	
£1.000		£3.794				£3.794	£ 0.126	M	
		£0.284	Y			£0.284	£ 0.095	M	
		£1.895	Y			£1.895	£ 0.095	M	
		£0.832				£0.832	£ 0.069	M	
		£1.035	Y			£1.035	£ 0.069	M	
		£3.376	Y			£3.376	£ 0.091	M	
£1.000		£4.016	Y			£4.016	£ 0.098	M	
		£4.008				£4.008	£ 0.089	M	
£0.200	£1.695	£1.895	Y			£1.895	£ 0.095	M	20 units to be delivered
		£0.588				£0.588	£ 0.098	M	
		£3.270	Y	£0.500		£3.770	£ 0.088	H	
		£1.645	Y	£0.250		£1.895	£ 0.095	H	
£2.351	£2.351	£4.702				£4.702	£ 0.098	M	48 units to be delivered
£1.643		£4.643				£4.643	£ 0.095	M	
£1.790		£3.790	Y			£3.790	£ 0.095	M	
£1.000	£1.790	£3.790	Y			£3.790	£ 0.095	M	40 units to be delivered
		£4.408	Y			£4.408	£ 0.098	H	
£1.100	£2.879	£3.979	Y			£3.979	£ 0.095	M	42 units to be delivered
£2.000	£4.243	£8.243	Y			£8.243	£ 0.095	H	87 units to be delivered
£1.200	£3.537	£4.737	Y			£4.737	£ 0.095	M	50 units to be delivered
		£1.919	Y	£0.450		£2.369	£ 0.095	M	
		£0.837	Y	£0.300		£1.137	£ 0.095	M	
		£0.831	Y			£0.831	£ 0.069	M	
£0.284		£0.284	Y			£0.284	£ 0.095	H	
		£1.497				£1.497	£ 0.100	H	
		£5.537				£5.537	£ 0.126	H	
		£4.800				£4.800	£ 0.098	M	
£3.916		£4.604				£4.604	£ 0.100	M	46 units to be delivered
		£2.346	Y	£0.400	£0.002	£2.748	£ 0.095	H	
		£4.603	Y			£4.603	£ 0.098	H	
		£3.352	Y			£3.352	£ 0.076	H	
		£4.231	Y		£0.008	£4.239	£ 0.083	H	
£1.665		£1.665				£1.665	£ 0.098	M	17 units to be delivered
£0.250	£1.709	£1.959	Y			£1.959	£ 0.098	M	20 units to be delivered
		£6.950	Y	£1.650		£8.600	£ 0.089	H	
£0.669		£2.369	Y			£2.369	£ 0.095	M	
		£0.737	Y			£0.737	£ 0.092	H	
		£2.916	Y	£0.400		£3.316	£ 0.083	H	
		£0.588				£0.588	£ 0.098	M	
		£2.934	Y	£0.500	£0.013	£3.447	£ 0.101	M	
		£0.758	Y			£0.758	£ 0.095	M	
		£2.841				£2.841	£ 0.098	H	
		£3.724				£3.724	£ 0.098	M	
		£2.542	Y	£0.300		£2.842	£ 0.095	H	
£0.600	£1.359	£1.959				£1.959	£ 0.098	M	20 units to be delivered
		£2.450				£2.450	£ 0.098	M	
£1.500	£0.900	£3.900				£3.900	£ 0.098	M	40 units to be delivered
		£3.477	Y			£3.477	£ 0.089	H	
		£2.634	Y			£2.634	£ 0.088	H	
		£2.774	Y	£0.500		£3.274	£ 0.109	H	
		£0.189	Y			£0.189	£ 0.095	M	
		£2.332	Y	£0.700		£3.032	£ 0.095	M	
£1.200	£2.590	£3.790	Y			£3.790	£ 0.095	M	40 units to be delivered
£1.200	£2.590	£3.790	Y			£3.790	£ 0.095	M	40 units to be delivered
		£3.256			£0.689	£3.945	£ 0.116	M	
		£0.623				£0.623	£ 0.069	M	
		£1.176				£1.176	£ 0.098	M	

SG Grant 2028/29 (£m)	SG Grant Post 2028/2029 (£m)	Total SG Funding	Total Greener Standards Funding (Y/N)	Total 2HCT (£m)	Total FC Commuted Sums (£m)	Total Subsidy (£m)	Total Subsidy per unit (£m)	Priority (LMH)	Comments
		£2.010				£2.010	£ 0.069	M	
		£1.861				£1.861	£ 0.098	M	
		£2.721	Y		£0.121	£2.842	£ 0.095	M	
		£1.326	Y			£1.326	£ 0.095	M	
£3.600		£4.800				£4.800	£ 0.098	M	49 units to be delivered
£0.189		£0.189	Y			£0.189	£ 0.095	M	
£1.800	£1.937	£4.737	Y			£4.737	£ 0.095	M	50 units to be delivered
£0.500	£3.950	£4.450	Y			£4.450	£ 0.089	M	50 units to be delivered
		£0.189	Y			£0.189	£ 0.095	H	
		£0.784	Y			£0.784	£ 0.098	H	
£41.263	£46.180	#####		£14.650	£1.298	#####			

30 November 2023
Agenda Item No. 7

Cost of Living Crisis – Household Support

Report by: Michael Enston, Executive Director (Communities)

Wards Affected: All Wards

Purpose

To recommend continuing support for the “Big Hoose” project in the context of the council’s wider approach to helping people access household items and furnishings.

Recommendation

Cabinet is asked to note the evaluation of the "Big Hoose" project and agree the continuation of the funding for the project for 2023/24.

Resource Implications

Provision for continuing support, of a non-recurring £150,000, was made in the Cost of Living – Winter Programme 2023/24 as previously agreed by Cabinet. This will be the second year of temporary funding for the project. The original business case for the project envisaged that this level of core support would not be required after the first few years of operation.

Legal & Risk Implications

There is a risk to the Big Hoose becoming fully self-supporting as it is dependent on the level of profit that is made from the selling on of high value items.

Impact Assessment

Not required.

Consultation

Social Value Lab has recently undertaken an impact assessment using the Social Return on Investment (SROI) methodology on the first year of operation of the Big Hoose. As part of that study, they undertook two surveys of parent/carers (289 responses) and practitioners and charities (238 responses)¹.

¹ Big Hoose Evaluation – Social Lab August 2023

1.0 Background

- 1.1 The “Big Hoose” initiative was established by the Cottage Family Centre to address the need for basic household necessities by families who are struggling financially. It recognised that, every year, substantial levels of retail goods become surplus and developed this project with the support of Amazon UK to repurpose these surplus goods for the benefit of families in need.
- 1.2 Fife Council agreed funding from LACER (Local authority COVID recovery funding) in April 2022 to enable the transition from working with Amazon staff to becoming independent and employing their own team. A Service Level Agreement was established and council staff worked with the project to develop the approach.
- 1.3 The report to committee in April 2022 noted that there would be a need for recurring investment. The business case for the initiative mitigates the need for continuation of core funding through external funding and commercial funding streams. The report noted that an evaluation of the project would be undertaken within 12 months and prior to a future report to committee on continuing support.

2.0 Existing Provision

- 2.1 The Scottish Welfare Fund provides Community Care Grants to support people needing household items, carpets and curtains but the level of demand means that the fund regularly operates at a ‘High’ priority level. This means that only essential items are awarded, only some rooms in a home are carpeted and only some windows have curtains awarded for them. Items such as bedside tables, vacuum cleaners and other household items most of us would consider requirements of a home, are not able to be provided for.
- 2.2 Additional temporary funding has been made available in this and the preceding winter to provide a better standard of provision. Better quality hessian backed carpet is being provided with this additional funding and awards are being made with increase the number of rooms being carpeted. This supplying of better-quality carpeting is helping people reduce drafts and keep their homes warm as well as reducing waste by providing a longer wearing floor covering.
- 2.3 The Housing Service has local budgets that are used to help tenants who need essential household furniture and fittings if they are on a low income. This is done with local discretion on a case-by-case basis and tenants are also supported to access goods from other sources including the Scottish Welfare Fund’s Community Care Grants and from community-based organisations. Housing Management Officers follow up after new tenants settle into their homes and can offer additional support at that stage. The Service is also presently reviewing its formal re-let standards to consider what should be kept if left in a property by the previous occupier and what should be provided as a minimum for new tenants. This includes carpeting.
- 2.4 The Rent Support Fund can help Fife Council tenants who are not receiving full Housing Benefit or Universal Credit housing costs. This is an award of £75 and an additional £1 million was allocated to this in 2023/24 from the HRA budget. People can be working and on benefit to be eligible.
- 2.5 The Scottish Welfare Fund works with both Castle Furniture and Furniture Plus to provide tables and chairs, wardrobes, washing machines and other core items to fulfil the Community Care Grant awards. Both organisations re-use, recycle and repair furniture and other household goods which would otherwise go to landfill through donations made to the projects from members of the public.

- 2.6 Work is continuing to join up provision into a stronger coalition of partners so that people get more timely support to a wider range of household items.

3.0 Distribution Hubs and area models of support

- 3.1 Fife Council has worked with the Big House to increase the number of distribution points where the donated goods can be accessed by staff and volunteers for families they are supporting. There are currently three delivery models operating in four areas. Two approaches are operational with one in development. In North East Fife and Glenrothes, the area teams are working with Castle Furniture and have two hubs (one based in each area) for staff to access items on behalf of families locally in their areas. There is further support built into the model which is delivered in partnership with Fife Voluntary Action and is funded by local area anti-poverty funds, which helps those whose needs aren't met by either the by the Big Hoose or by Scottish Welfare Fund.
- 3.2 In Levenmouth, the local area team have developed their partnership with Furniture Plus and have developed a network of 'Big Wee Hooses', which is a series of very localised distribution points across the area in which local people themselves access via a supported scheme. Additionally, they have provided funding to enable a support worker to be employed within Furniture Plus who can provide holistic support aimed at alleviating household deprivation and instances of the need for crisis interventions. There is also a locally funded partnership project with Castle Furniture which enables access to household items such as white goods, furniture and decorative items.
- 3.3 The third model being planned is a pilot in Dunfermline and South West Fife and is designed around a delivery service model with Fife Shopping Service, building on the idea of responsive distribution and will see delivery of items directly to families who have been referred. These local models utilise the support both community groups and larger voluntary organisations can provide and create ways for people to be supported more broadly, for example, with benefit checks and signposting to other support and services. This is key to preventing people reaching crisis points in the future. By providing a co-ordinated local offer of advice, support and information, local people and staff understand the access points when they are required. There may be a range of partners including the SWF involved but the pulling together of the resources is managed in a co-ordinated way, providing a consistent and reliable approach. More work is needed to increase the ease of access to this help across all areas of Fife.

4.0 Evaluation

- 4.1 The Social Value Lab has recently undertaken an impact assessment using the Social Return on Investment (SROI)² methodology on the first year of operation of the Big Hoose. It concluded that for every £1 invested in the initiative the social return for that investment was £5.86.
- 4.2 The initiative has grown substantially over the past 18 months with an increase in the number of businesses donating their surplus products. They range from multinationals (e.g. Amazon, PepsiCo and Unilever) to national and local businesses. In the first 18 months of the project, they have donated 1,039,700 products in total. The number of referring organisations is currently 717. Around a third of all referrals are from council staff.

² Social return on investment (SROI) is a **method for measuring values that are not traditionally reflected in financial statements, including social, economic, and environmental factors**. SROI can identify how effectively an organisation uses its resources to create value for the community

- 4.3 The sustainability of the initiative is built on the resale of high value items. Of the goods donated to the project from retailers, 80% are deemed 'essential items' and are donated to families but the remaining 20% of goods are considered 'luxury' or 'high value'. The Big Hoose has expanded its operations by establishing a second warehouse which functions as a social enterprise and is currently piloting a programme to resell premium goods sourced from Amazon with a view for it to scale and provide sustainability to the Big Hoose. This site is now live³. The Opportunity Warehouse is at an early stage of operation but there is potential significant profit from the sale of the estimated 20% of donated goods. In July, 5,500 items were in the Opportunity Warehouse for resale.
- 4.4 It is hard to predict how much income will be received from the sale of high value goods and how, in turn, this will reduce the requirement for future funding. In Year 1 it is reported that £35k income was received from the sale of these goods. This is expected to grow now that the online shop is up and running.

5.0 Conclusion

- 5.1 The, 'Big Hoose' has been successful in reaching and supporting significant number of families in need of household support across Fife. The current award being recommended is for a non-recurring award. It is expected that the Big Hoose will act on the recommendations within the recent Social Lab Evaluation and that any future funding requests will be on a reduced scale given the anticipated income from the sale of high value goods.

List of Appendices

1. Summary of the Big Hoose Evaluation carried out by the Social Value Lab August 2023

Report Author

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Programme Manager
Communities & Neighbourhoods

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³ [Home | Opportunity Warehouse](#)

Summary of the Big Hoose Evaluation carried out by the Social Value Lab August 2023

Background

- The growth of The Big Hoose project is accelerating, both in number of donating businesses, number of practitioners, number of referrals and donated products.
- The Big Hoose clearly fills a gap in addressing child poverty and there is no evidence of it displacing any other services. The Big Hoose creates significant impact for families, children, parents/carers and practitioners.
- The Big Hoose also makes a noticeable contribution to environmental sustainability by avoiding waste turning up at landfill, extending the usable lifespan of products and contributing to the circular economy.

Impact

- Around two-fifths of parents/carers were able to spend more money on food or other essential items (43%), avoided going further into debt (42%), and had more money to spend on utilities, owing to the support they had from the Big Hoose. Just under a quarter (24%) could now afford to buy extra things for themselves or their family.
- Faster access to immediate relief of critical issues Just over half of parents/carers/carers (55%) said that the support they had received through the Big Hoose had enabled them to deal with critical issues quicker and potentially avoid a crisis.
- Outcomes for Parents/Carers Increased financial autonomy and reduced debt The Big Hoose had a positive impact on the finances of most parents/carers (90%). This was also reflected in the views of practitioners, with 96% observing a positive impact in the financial situation of their clients.

Feedback

- *“I was in over £3,000 debt with Scottish Power, worried and stressed over the rise in gas and energy costs. I lost my job in October while pregnant. The donated products have greatly helped my whole family.” “I was in a lot of debt and was moving to a council house. The things I got from this [Big Hoose] were brand new and I was able to paint my kids’ bedrooms to make my home feel homely with our own stuff. It really reduced my stress levels as I was so worried about having nothing.”*

Reducing waste

- The environmental impact of some donations is clear, because it diverts the products from going to landfill. For example, the linen goods and paint that is now donated would otherwise end up in landfill.
- “We’ve donated 20,000 duvets that otherwise would have gone to landfill.” Donating Business

Challenges

- A few also commented that more consistency in the goods that are available would be beneficial, as the supply of certain items cannot always be relied upon. In particular, ensuring that there is a continuous supply of essential products/bare essentials like toilet paper, toiletries, personal hygiene products, and cleaning products, was identified as a priority by several practitioners.

- There is widespread recognition among donating businesses, and internal and external stakeholders of the opportunity to scale up the project geographically. At present the project is expanding into Edinburgh and Dundee. However, there are also number of concerns around the pace of growth involving significant risks and recommendations have been made stating any geographical scaling up should be carefully managed. The scaling up requires additional resources, such as warehouses and staff, and causes significant logistical and operational issues.
- A rapidly expanding Big Hoose presents a risk to the core activities of the Cottage Family Centre. There is a financial risk and there is the risk that The Big Hoose will take up too much of the organisation's management time and capacity.

Link below to the Big Hoose Evaluation for the Cottage Family Centre:

[Social Value Lab August 2023](#)

Change Planning and Organisation Change

Report by: Michael Enston, Executive Director (Communities)

Wards Affected: All Wards

Purpose

This report sets out proposals for changes to organisational arrangements in line with the direction agreed by Cabinet in February and June 2023.

Recommendation(s)

Cabinet is asked to:

- (1) agree the case for change for a “No Wrong door approach” to service development as set out in the Outline Business Case;
- (2) agree to proceed with the next phase of work involving detailed service redesign and a blueprint for implementation;
- (3) agree the reforms proposed to improve the work of Area Committees and Place based working; and
- (4) note progress to align directorate service change plans with the overall direction of reform.

Resource Implications

Work to date has drawn on a mixture of internal resource and external support funded through the Scottish Government Whole Family Support transformation workstream. The next phase of work will require a similar commitment. Subsequent implementation of change will require a significant investment in programme delivery and organisation development to support different processes, technology, and ways of working.

Legal & Risk Implications

Risks will be managed as part of programme implementation. While the proposals envisage changes to the way people might access support, existing processes around risk-based assessments and interventions will not change. The work on No Wrong Door will continue to be overseen by a partnership based senior management group and coordinated with related workstreams through Children in Fife.

Impact Assessment

An impact assessment will be undertaken as part of the next phase of work.

Consultation

The content of this report has been developed through continuing and extensive engagement with community planning partners and council services. The Trade Unions have also been involved in discussions as proposals have developed. The proposals relating to the role of area committees were developed through a series of elected member workshops.

1.0 Background

- 1.1 The Plan for Fife 2021 sets a direction for public service reform anchored in a people and place approach to service redesign. This is consistent with the overall direction of public service reform nationally and an emphasis on community led services and a move to prevention.
- 1.2 Reports to Cabinet in February and June this year summarised learning from tests of change in Fife and experience elsewhere together with analysis of productivity and digital opportunities for council services.
- 1.3 Work has been advanced through workshops with partners, council services and, for decentralisation, through workshops with the area conveners. The work around No Wrong Door has, since June 2023, been supported by Inner Circle Consulting leading to the Outline Business Case which is part of this report.
- 1.4 This work has progressed to a point resulting in specific reform proposals for consideration of Cabinet. The next steps are set out in section 5 below. The focus is on improving local responsiveness, driving prevention through a person centred and relationship approach and on making it easier for customers and staff to get things done.

2.0 No Wrong Door

- 2.1 In the latter part of 2022, a series of leadership workshops took place involving community planning partners with the aim of considering the next steps for Fife in public service delivery. Whilst partners and services continue to face significant challenges in supporting Fife's recovery from the Pandemic, there is nonetheless a clear consensus around the direction and content of future reform. In particular, the need to move more substantially from a model which focusses mainly on presenting problems and managing crisis toward one which responds according to what matters to the person, which is proactive and enables problems to be addressed earlier.
- 2.2 The aim of this work is ultimately to shift emphasis from providing crisis support to building resilience. This work is therefore key to the recovery priority of Tackling Poverty and Preventing Crisis. In the last few months an intensive body of work has been undertaken to review organisational implications of putting this "No Wrong Door" ethos into practice. This work has been supported by external consultancy and an Outline Business Case has been prepared (appendix).
- 2.3 The Outline Business Case is the product of an intensive period of work involving data analysis, research and service workshops. The aim has been to review the organisation of current provision and the implications of adopting a different operating arrangement.
- 2.4 The Outline Business Case envisages a greater emphasis across in scope services of outreach and service access, relationship management and targeted support. While these are features of current practice, the main development envisaged is the joining up of processes and case management, the strengthening of community development and the reliance on a dynamic process of improvement supported by data and insight. Services and functions in scope for the development of this operating model are Social Work (Children and Families), Debt and Welfare Support, Customer and Online Services, Employability, Housing Access and Homelessness, Communities and Neighbourhoods, and corporate support functions including Area Management, Policy and Communications and Research.

- 2.5 There remains considerable work to be done to bring the model to life, to work out revised processes, roles, and operating arrangements and to fully engage with the wider staff group, voluntary sector organisations and communities. This will also involve establishing proposals for local multi service working potentially through community assistance hubs.
- 2.6 At this stage, members are asked to consider the strength of the case for change as a basis for moving into this phase of detailed service redesign and creation of a blueprint for future working. To facilitate this, it is proposed that this work to create a “prevention and well-being” service arrangement is led by the Communities Directorate. This work will be strengthened significantly by the involvement of Children and Families Social Work and a separate report contains a proposal in this regard. Other service areas such as Employability will be a key part of the next stage of work and proposals for organisation change will follow as part of proposals to Cabinet following the next phase of work.

3.0 Decentralisation and Responsiveness

- 3.1 Cabinet in February 2023 initiated a process of review of service areas in relation to the Area Committee role in scrutiny, shaping priorities and potential for varying service levels. This focussed mainly on physical place-making services such as green space, street, property, housing, and town centre development. The work also reviewed current reporting around people aspects such as school performance and the reporting of health and well-being.
- 3.2 A series of elected member workshops has shaped the proposals which are summarised in Table 1. These changes are ready to be implemented and do not require specific amendment to the current scheme of committee powers. Members did feel, however, that the scheme would benefit from a clear statement of the purpose of Area Committees within that scheme. The revised Scheme will be presented to Fife Council with the following suggested restatement of purpose;

“Area Committees are an integral part of Fife Council’s decision making and governance framework. As part of the Council’s commitment to decentralisation, they ensure that policies and services are responsive to the needs and wishes of communities. In addition to specific local decision-making responsibilities, Area Committees can scrutinise local delivery of services and shape wider priorities, policies and programmes”.

Table 1 – Proposed Changes to Area Committee Role

Green Space and Street

Issue	<p>The setting of priorities and standards of both grounds maintenance and street cleansing services are not transparent to elected members and the community.</p> <p>Current organisation arrangements with a split across three service areas also combine to present challenges which limit local flexibility and responsiveness.</p>
Proposal	<p>To implement a revised process modelled on the transportation area works programme. This involves the Area Committee to a much greater extent.</p>

Housing

Issue	There is an inconsistency in current reporting of key housing issues such as housing development, need and mix, voids management and housing condition.
Proposal	To introduce a regular Housing Report to each Area Committee to enable scrutiny and dialogue on these aspects and a basis for informing policy and strategy generally.

Property & Facilities Management

Issue	Property planning, management and investment is led by multiple services and consequently information is not readily available on local or area basis.
Proposal	To implement a single point of responsibility for local assets to ensure the supply of up to date information.

Capital Investment and Regeneration

Issue	Current reporting of projects is not systematic or regular. Area Committees therefore lack an overview of progress of projects in general.
Proposal	Introduce a bi-annual capital project progress report

Community Well Being

Issue	Area Committees receive reports on anti-poverty spend, education performance and Health and Social Care locality plans. There is scope to improve the focus and regularity of these reports.
Proposal	Build on current Education and Health and Social Care reporting and introduce a well-being report covering data on levels of need and poverty and information on impact.

- 3.3 A parallel stream of work has examined the effectiveness of people and place arrangements within areas. The conclusions of this are that changes are needed to organisation arrangements to support Place based working, improve responsiveness to communities and build trust in the role of the Council to facilitate local improvements.
- 3.4 The Cabinet report in June highlighted several areas where the effectiveness of people and place arrangements locally could be improved. Specific proposals are being taken forward to address what are essentially issues of organisation, process and financial practice which can mitigate against responsive and timely delivery. This involves organisation arrangements for greenspace management, development of a different operating model for asset and facilities management, removal where possible of internal charging barriers, identifying process improvements and responsibility, and creating a stronger place focus and leadership for local community plans. These improvements will support the effectiveness of place working and the role of Area Committees.

- 3.5 This work will continue as part of the next phase of change planning. This is important as there are clear links with the area focus of the no wrong door service approach. Alignment with individual service change plans is also critical with the intention of having a joined-up approach to change management over the next three years.

4.0 Service Change Planning

- 4.1 Service change planning has progressed in parallel with the strategic changes relating to No Wrong Door and Decentralisation and Responsiveness. An iterative approach has been adopted as the changes explored within Services both inform and are informed by the developing strategic propositions.
- 4.2 The focus is on achieving a three year forward vision of Services, aligned to the ambition and direction of strategic change and overall budget assumptions. Directorates will continue to develop these over the coming months. These will also set out workforce and digital plans for the next three years.
- 4.3 These plans will set out a range of improvements to internal and customer processes designed to improve ease of access and contact and support the necessary changes to practice delivering the wider reforms outlined in this report. This will include developments to further join up the management of customer processes, expansion of online services, utilisation of sensor technology, and joining up case management to improve ease of transactions and develop better data insight.

5.0 Next Steps

- 5.1 Current internal capacity to support these reforms will need to be enhanced and the Council Executive Team are considering this. Additional temporary resources have been agreed to strengthen capacity with what is a significant current portfolio of demand for technology support and development. The next phase of work will require further external support, the establishment of internal change resource and leadership investment in communication and engagement. The continuing involvement of the trade unions will be important to this.
- 5.2 A further report will be brought to the Cabinet around June 2024 seeking agreement to the detail of change and to subsequent implementation. There will be significant temporary and recurring investment costs required to ultimately realise the benefits and these will be set out in that report.

List of Appendices

1. Outline Business Case No Wrong Door

Background Papers

Cabinet reports (Recovery to Reform – People and Communities June 23 ; Decentralisation – Issues and Improvement Feb 23)

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OUTLINE BUSINESS CASE NO WRONG DOOR PROGRAMME

Draft Version 1.2

Prepared for Fife Council

13 November 2023

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1. PURPOSE OF THIS DOCUMENT

This Outline Business Case (OBC) is an initial step in setting out a proposal for translating the No Wrong Door approach into a defined future operating model for Fife Council. Its primary objective is to identify the recommended scope and approach which best aligns with Fife Council's strategic objectives while simultaneously ensuring Value for Money (VfM). To take forward this recommendation, the OBC also outlines the proposed funding and management structures required for the model's successful implementation. Through rigorous analysis, engagement, strategic planning, and co-design with Fife Council subject matter experts (SMEs), this Outline Business Case lays a foundation for Fife Council's shift towards embedding a deeply preventative model which will improve local outcomes and the Council's financial sustainability.



2. EXECUTIVE SUMMARY

The Plan for Fife sets out a focus on “tackling poverty and inequality and preventing problems before they become too big and expensive to fix.”. Fife Council has recognised that to do this it must work with individuals and families to address the root causes of the challenges they face, and that this will require a new approach.

This Outline Business Case sets out proposals to design and deliver a new Wellbeing and Prevention operating model for Fife Council. The proposals stem from the No Wrong Door approach and principles. The No Wrong Door programme was set up in response to the Plan for Fife and other key local and national strategies and aims to shift the focus towards preventing problems before there is a need for statutory interventions.

As part of the OBC development, Council officers, partners and stakeholders outlined the need to work in a more integrated way which is “people-centric” not “service-centric”. Data analysis of typical root causes for complex demand also indicated a strong case for further integration of services to support people in a way which is much more joined up. The proposed Wellbeing and Prevention operating model will:

- Enable Fife Council to focus on prevention, early intervention thereby reducing instances of escalation and crisis.
- Help to reduce demand/delay need for complex interventions with a targeted focus on key indicators including homelessness prevention, income maximisation, debt management, and family wellbeing.
- Enable a shift of the proportion of interventions from later, complex interventions to a greater demand for early interventions, otherwise referred to as ‘Positive Demand’ (demand for prevention-based interventions).
- Empower self-sufficiency through bolstering digital help offers, strengthening relationships with the 3rd sector/peer-to-peer networks, and enhancing the effectiveness of signposting at universal services including schools and libraries.
- Increase citizens resilience through a focus on secure housing, family, financial stability, community relationships, employment, health and wellbeing.
- Increase the role of the third sector in providing community-level supports and identifying/addressing needs at an early stage.
- Enable Fife Council to realise savings through reducing demand for expensive, targeted, complex, and lengthy Council-led statutory interventions, realising internal efficiencies through a new model of working, fostering stronger third sector, and strengthening peer-to-peer networks.

Overview of the Proposed Wellbeing and Prevention Operating Model

The proposed All- Age Prevention and Wellbeing Operating Model is designed first and foremost with people in mind. The model sets out to keep people and families well and thriving, and to prevent or

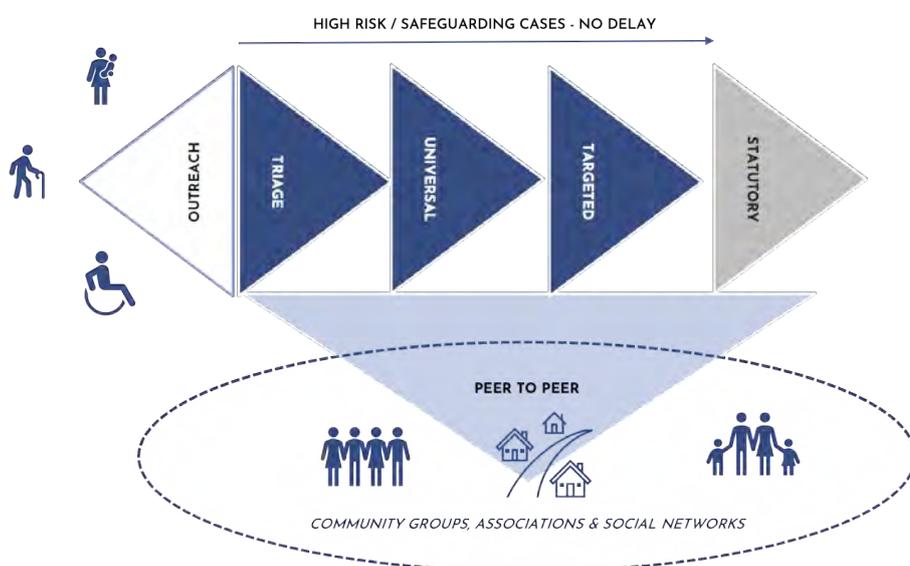


delaying or step down the need for complex interventions. It does this by helping people in a way which puts their goals and aspirations at the centre, and which leverages appropriate support from the community, wider public services and Fife's skilled staff.

The key features of the proposed operating model include:

- Services which work with people to provide the right level of support at the right time.
- An active community sector which is a mature and integrated part of the solution and drawn on to support people across a broad range of needs/ complexity.
- An effective triage function made up of three parts; Outreach, Assessment/ Intake and Relationship Management taking a person-centred, strengths-based approach that looks at all aspects of a person's life to understand the root causes, not just the presenting need ("What matters to you?" not "what's the matter with you?")
- Universal services which are first line support, providing timely advice and support in the community and therefore reducing the need for a person to be re-directed.
- Targeted services which are designed to reduce the escalation of need and are tailored to tackle local root cause factors in Fife.
- A service-design which is not based on professional specialisms but places citizens at the heart.

Figure 1: Wellbeing and Prevention Conceptual Model



This model illustrated above, is predicated on building strong and positive relationships between citizens and the Council, as well as building strong working relationships across the Council and partners. It intends to facilitate data-driven decisions, allowing access (where appropriate) to a wealth of data that can improve outcomes for clients and their families. Additionally, it creates institutional memory so that when clients return to the Council or engage with someone new, there is no need to retell their stories. This institutional memory facilitates effective relationship management, clear and consistent interventions, and a centralised relationship management approach to wrapping supports around clients.



Through implementation of such an approach, Fife Council can potentially make significant financial benefits (efficiency and reduction in crisis demand). Further analysis is needed to assess and develop these which will be completed in the next phase. This Outline Business Case is recommending a further six-month design stage to develop the proposals and fully define costs and validate these benefits in a Final Business Case.



3. STRATEGIC CASE

The purpose of this section is to provide an overview of the context of this programme in Fife and why the Council is proposing a new approach to supporting its residents.

3.1. Strategic Context

The Plan for Fife sets out a focus on “tackling poverty and inequality and preventing problems before they become too big and expensive to fix.”. Fife Council has recognised that to do this it must work with individuals and families to address the root causes of the challenges they face, and that this will require a new approach.

The Council has described this need to change as "moving from service-centric to person-focused" meaning that services are designed from first principles to address, in a holistic manner, what is happening in people's lives, rather than treating episodically the needs that arise from their circumstances.

To help understand what this means in practice and then to deliver the change, Fife Council has mobilised the No Wrong Door (NWD) Programme. There are several different drivers. These include:

- Recognising that upstream prevention will be a necessary and fundamental design principle and objective if challenges (for individuals, households and the Council's finances) are to be overcome. This demands a rich understanding, both strategically and in real time, of those individuals and households most at risk of tipping into crises *and* the nature and interrelationship of those risks. In simple terms, Fife needs to be laser-focused in targeting its work on those most susceptible to preventable crisis. This means strategic and day to day use of data and insight, both quantitative and qualitative (numbers and empathy) to ensure that efforts are focused on mitigating the root cause of demand in those households holding the most risk.
- Understanding that the Council and partners will need to work differently with people. Not only joining up what they do, but also adopting “relational practice” and “strength-based” approaches. This means drawing on the strengths of individuals and families, to amplifying *their* power, as well as drawing on the strengths and opportunities within the wider community within which they live.
- Knowing that both changes in leadership and culture, *and the* reform and transformation of services will be necessary.
- Delivering financial savings at a pace that is demanded by the Council's Medium Term Financial Plan.

The NWD approach is designed to build on person-centred approaches already embedded in services, such as family support services, housing and employability services, as well as recent Test of Change (TOC) activities established to help discern a way forward. The proposals recognise that while these projects and activities have yielded many positive results and therefore provide a good foundation, their



impact has been constrained by the existing operating model which is characterised by multiple front doors, confusing routes to access services and lack of joined up support for families and individuals. To move from “service-centric to person centric” requires a re-design of the way the Council itself works, as well as the way it works with partners, wider public services, and the community.

3.2. Vision and Outcomes

Figure 2: No Wrong Door Programme Proposed Vision and Outcomes

NO WRONG DOOR PROGRAMME VISION AND OUTCOMES

VISION

People and families need to be at the centre of service design and delivery, find it easy to access our services and find the right support that is relationship-based and asks, "what matters to you?"

OUTCOMES

- Prevention of crisis intervention
- Easier access to support
- Simpler systems, processes and data management
- Build relations, social connections and mutual support
- Financial benefits through demand reduction, back office and FTE



3.2.1. Design Principles

As part of previous work on the NWD approach, including the Leadership Summits in 2022, Fife Council Leaders have already identified the following design principles to guide the approach.

Table 1: Design Principles of the No Wrong Door Approach for Fife Council

Area	Details
Multi-disciplinary teams	Integrated, collective understanding and working can improve outcomes



Area	Details
Building resilience	Stabilising people's situations, giving them capacity to help themselves, listening to communities and working with them to design services
Relationships matter	Good relationships between citizen and officer can improve outcomes, as can internal service relationships
Keeping the door open	People can return for support when they need it and don't have to tell their story again
Information and data sharing	Accessing a wealth of data can improve outcomes for people and families
Systems for reviewing cases	Assessing if we are meeting people's needs. Ties into data and keeping the door open
Warm handover	Citizens shouldn't be passed from pillar to post but supported to engage in the next step of their journey
Nurturing the workforce	Creative, resourceful and persistence to find solutions to people's needs
Clear and consistent leadership	Any change needs leadership to be consistent in messaging and provide regular communications

3.3. Links to Local and National Strategies

The No Wrong Door approach stems from, responds to, and is aligned with numerous key national and local policies and strategies. Successful delivery will see Fife at the forefront of public service innovation and reform. Fife's work has the potential to be nationally and internationally significant.

3.3.1. National Strategies

The table below provides an overview of the National Strategies which this programme will support to deliver.

Table 2: National Strategies Supported by the No Wrong Door Programme

Strategy	Overview
Getting it Right for Every Child (GIRFEC)	To provide children, young people and their families with the right support at the right time.
Getting it Right for Everyone (GIRFE)	To provide everyone with the right support at the right time.
Getting it Right in Fife Framework (GIRIFF)	To ensure children, young people, and their families are central to all decision-making, support, and interventions.
The Promise	To ensure every child in Scotland grows up loved, safe and respected so that they realise their full potential.
Whole Family Wellbeing	To make sure that families are able to access the help they need, where and when they need it.



Strategy	Overview
No One Left Behind	To help people experiencing complex and multiple barriers to moving into work.
National Strategy for Economic Transformation	Sets out the priorities for Scotland's economy as well as the actions needed to maximise the opportunities of the next decade to achieve our vision of a wellbeing economy.
Ending Homelessness Together	To prevent homelessness from happening through intervention approach.
Best Start, Bright Futures	To tackle child poverty in Scotland through a targeted and integrated approach.
Scottish Approach to Service Design	Guidance to design people-centred public services, from policy making to service improvement.

Getting it Right for Every Child

Getting it right for every child (GIRFEC) is the national commitment to provide all children, young people and their families with the right support at the right time. This is so that every child and young person in Scotland can reach their full potential.

Scotland wants all children and young people to live in an equal society that enables them to flourish, to be treated with kindness, dignity and respect, and to have their rights always upheld.

The ambition is to work together with children, young people, families, organisations and communities to make Scotland the best place to grow up. Through GIRFEC, everyone in Scotland can work together to build the scaffold of support children and young people need to grow up loved, safe and respected.

GIRFEC provides Scotland with a consistent framework and shared language for promoting, supporting, and safeguarding the wellbeing of children and young people. It is locally embedded and positively embraced by organisations, services and practitioners across Children's Services Planning Partnerships, with a focus on changing culture, systems and practice for the benefit of babies, infants, children, young people and their families.

The diagram below provides an overview of Fife's approach to the implementation of this.



Figure 3: Getting it Right in Fife Framework (GIRIFF)



Getting it Right for Everyone (GIRFE)

The review of national guidance in respect of Getting It Right for Every Child (2021/22) provides an opportunity to refresh the overarching framework that has been in place in Fife for over 10 years. The Getting it Right in Fife Framework (GIRIFF) promotes the principles and practice in Fife. For all partners to be more effective, collaborative, and outcome-focused in terms of service delivery.

This is achieved by having a clear understanding of roles and responsibilities; effective information sharing and agreeing collectively with children, young people, and their families the right support, ensuring Getting it Right for Every Child can become a reality. It is important that all children and young people in Fife can access support when they need it.



The recent guidance refresh continues to focus on a rights-based approach to promoting wellbeing. Language in the new guidance is strength based, for example reference to challenges and opportunities rather than vulnerabilities. The new guidance places particular emphasis on the following:

- Children, young people, and families understanding the role of a named person and how to access.
- Importance on involvement of children, young people and families in decision making.
- A confident and skilled workforce applying the National Practice model with a focus on professional curiosity and analysis.
- Support from named persons for young people transitioning from education before the age of 18 years, and consideration of the needs of key groups such as home educated children and young people.
- The lead professional role continues to involve a coordination and reviewing function - it is not a role than oversees the work of other agencies. The emphasis is collective responsibilities of all professionals involved alongside the family.
- Proportionate sharing of information to promote wellbeing as well as a clear understanding of responsibilities within the context of the new national child protection guidance.

3.3.2. Local Strategies

The Plan for Fife 2017-2027 (updated in August 2021) sets out a future vision for public services in Fife – one plan, developed in collaboration with partners.

Fairness and a focus on tackling poverty and inequality are at the heart of this vision. As too, a commitment to preventing problems before they escalate for people: damaging and diminishing their lives and becoming expensive for the state to resolve or support.



These goals are intimately connected, and so the plan implies a focus on those at risk of tipping into crisis, addressing the root cause of those issues and designing public services from first principles to achieve just that. This project aims to discern what this means in practice and help Fife make progress.

The table below provides an overview of the Local Strategies which this programme will support to deliver:



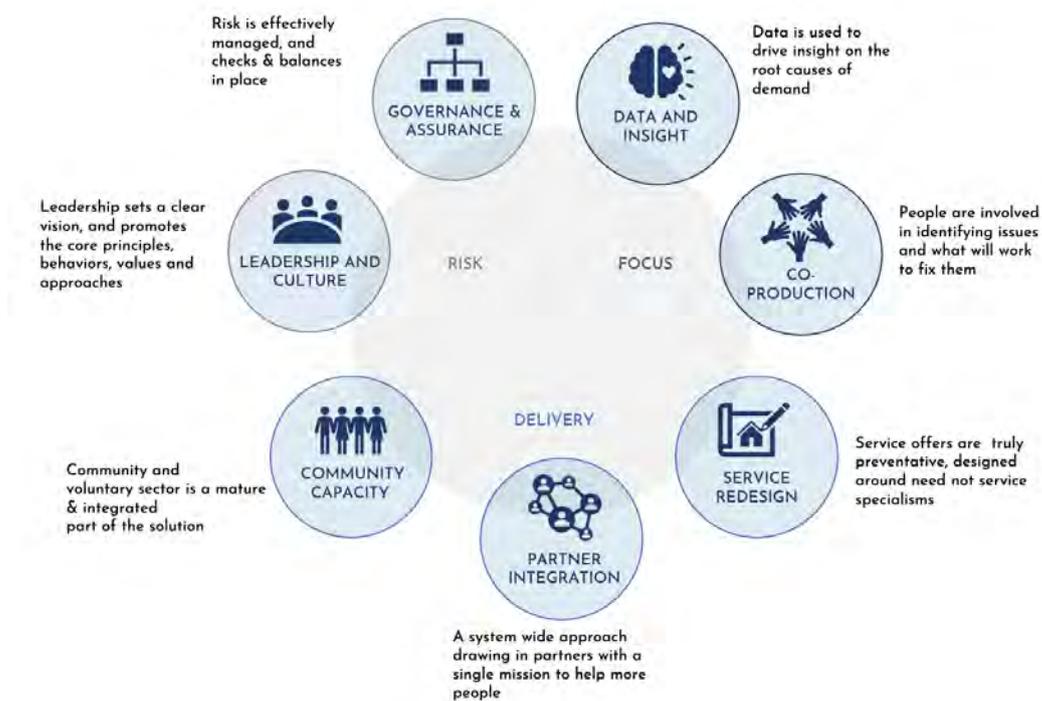
Table 3: Overview of Local Strategies Supported by the No Wrong Door Programme

Strategy	Overview
A Plan for Fife 2017 – 2027	To tackle poverty and inequality and preventing problems before they become too big and expensive to fix.
Recovery and Renewal – A Plan for Fife 2021-2024 Update	To focus on tackling poverty and preventing crisis through a community wealth building approach.
Fife Economic Strategy 2023-2030	To provide focused support to disadvantaged people to secure and sustain employment.
Fife’s Children’s Services Plan 2021-2023	To promote, support, and safeguard the wellbeing of all children and young people in Fife.
Digital Strategy	To develop and exploit digital capabilities to improve or redesign our Council services.

3.4. Critical Success Factors

Alongside Fife Council’s design principles, this OBC introduces a set of seven core success factors based on best practice: the Crisis to Prevention Ideal State Model. The No Wrong Door programme’s success will be dependent on the realisation and combination of these enabling capabilities. Combined, these factors provide the platform for successful reform and delivery of significantly improved outcomes (both financial and human) at a pace. The associated key requirements for a future operating model are outlined in Section 5 below.

Figure 4: Crisis to Prevention Ideal State Model



3.5. Case for Change

As a consequence of a more joined up and person-centred approach, Fife Council seeks to improve the life chances for its residents, at the same time as reducing avoidable costs for complex services. This means shifting the balance of resources upstream towards preventative activities that tackle the causes of more complex issues at the root.

The achievement of Fife's goals is complicated by:

- **The size and scale of Fife.** Some communities are thriving, some are doing ok, but there are others facing real and sustained challenges. A one size fits all approach will not be optimal.
- **The financial context of the Council.** The latest projections see the Council needing to close a gap of £23m in 2024/25 growing to £46m by 2025/26. This gap includes only a limited provision for rising demand. In previous years, demand pressure had been left to directorates to manage but is now held corporately. While some services have successfully seen reductions in demand, the cost-of-living crisis and external factors mean that demand continues to be a major risk for some Council services. In the coming years, the MTFP assumes that the Council will need to reduce the cost of services and find novel ways of containing service pressure.
- **Root cause factors are correlative.** The presence and magnitude of individual root cause factors can raise the risk that an individual/their family may require intervention now and/or in the future. The presence of multiple root cause factors can have a magnifying effect, particularly for key relationship clusters such as employment deprivation, income deprivation, and comparative illness.
- **Risk factors are rising, and demand for some services is increasing** The Scottish Fiscal Commission (SFC) has estimated that residents in Scotland are experiencing the biggest fall (-3.3%) in living standards since 1998. Meanwhile, the Putting People First Pilot, and Health and Social Care Partnership Surveys undertaken in Fife, have revealed that consequent of the pandemic, Fife residents are experiencing greater social isolation and mental health problems. Services recognise there is a complexity of need in the cases they are receiving and that there is scope to address needs at an earlier stage before these escalate. Similarly, in 2020/21 Fife had the second highest number of homeless households in Scotland (over 2000) despite the authority having one of the largest local authority housing assets in Scotland (some 31000 homes with plans to add 250 per year in the coming years).

For these reasons and more, Fife has committed to taking a long-term and deeply strategic approach to addressing these challenges.

Through interviews and workshop discussions with over 15 services, the following themes provide views of staff on the case for change in Fife:

- **“Demand for services is increasing**, whilst our resources and budgets are shrinking”,
- **“Our services react to crisis**, rather than proactively preventing these from happening through targeted early interventions”,



- “Complex problems can't be solved through one-off transactional services, but take time and patience to solve through holistic working”,
- “Barriers to data and information sharing prevent us from having one view of the citizen”,
- “We need to provide a balanced offer to citizens so those who can help themselves can do so and those who need our support can access it”,
- “We have multiple policies, processes and systems across Fife Council and the wider partnership which creates barriers to effective joint working”,
- “Communities tend not to be involved in the codesign of services – they aren't put at the heart of design”,
- “We do not use our data to target our resources as effectively as we could to the citizens which need them the most”,
- “We have a lot of locations with a few staff co-located but no integration of ways of working”,
- “Some of the services we offer are difficult to access in remote communities who are having poor transport and internet connectivity”,
- “Services are willing to look for better ways to serve the residents, however, there needs to be a fundamental culture shift from a transactional to a relationship model”,
- “It is pivotal for us to understand the key factors associated with people falling into crisis so early prevention can be targeted at the right places and right time.”

The NWD approach needs to build on approaches already embedded in services, such as family support services, as well as recent Test of Change (TOC) activities established to help discern a way forward. In each case these projects and activities have yielded positive results from a people centred, and preventive model. The question for Fife is how can the good practice and multi-disciplinary working led by individual services be scaled so that it becomes the default stance of the Council and the basis for an organisational-wide approach?

3.5.1. Main Benefits and Risks

The following table provides the key benefits which NWD aims to deliver:

Table 4: Key Benefits of the No Wrong Door Programme

Ref	Details of the expected benefit
B1	To support a reduction in demand for complex services and statutory interventions for example homelessness demand, children and families, and health and social care.
B2	To ensure that residents who need support do not have to contact multiple teams for a range of services.
B3	To provide support for citizens to stabilise their situations and develop their capacity to help them become more resilient.
B4	To support the development of good relationships between citizen and officer to codesign services and help improve outcomes.



Ref	Details of the expected benefit
B5	To ensure that core information and services provided are recorded and shared so that people don't have to tell their story multiple times.
B6	To share data across services so that we can proactively make interventions earlier to improve outcomes for people and families.
B7	To have an agreed way to monitor outcomes so that we understand how effective interventions are at meeting people's needs to support them to become self-sufficient.
B8	To enable staff to work collaboratively to develop creative, resourceful and persistent solutions to people's needs.

The following table provides the key risks to the implementation of NWD. The proposed approach outlined in Section 5.1 below seeks to mitigate these risks.

Table 5: Key Risks to the Implementation of the No Wrong Door Programme

Ref	Heading	Risk description
R1	Citizen Perception	If citizens have previously had a negative experience in dealing with the Council, then it may be difficult to develop positive relationships and they may not be willing to work with them on the design of services.
R2	Citizen Perception	If citizens feel that they may be perceived as not coping or judged, they may be reluctant to reach out for support when they need it early.
R3	Citizen Dependency	If citizens become reliant on additional support provided by the Council, there is a risk that this could create a culture of dependency as opposed to increased self-sufficiency.
R4	Staff Training	If staff do not have the appropriate training to provide advice, guidance and signposting across multiple services then they may not be able to respond to citizens which could result in them being passed to multiple people.
R5	Staff Training	If staff do not have the required training to enable them to support citizens which may present in a crisis, this could result in a negative experience for the citizen.
R6	Monitoring Outcomes	If there are not consistent and measurable ways to understand how effective interventions are at meeting people's needs to support them to become self-sufficient then we will not be able to demonstrate the impact.
R7	Data	If steps are not taken to integrate data stored in various formats and systems across services, it may make it difficult to be linked together to identify those most in need and enable proactive interventions to improve outcomes for people and families.
R8	Data	If there are multiple CRM systems, all with their own view of citizens it may make it difficult to have a single view of a citizen/family to understand all interactions across services. Specific to digital capability and capacity, it has been recognised



Ref	Heading	Risk description
		that the internal capacity to deliver significant step change in digital enablement and use of data is not sufficient to achieve desired outcomes
R9	Staff Engagement	If there is not a clear communications plan with consistent messages, then there is a risk of inconsistent messages across all staff groups which may impact their engagement and support for the new model.
R10	Staff Engagement	If there is not strong leadership and support for the new model across management, then the pace of change may be slow, or there may be reluctance from staff to implement the new ways of working.
R11	Governance	If there are not appropriate governance, assurance and risk managements in place then there is a risk that new delivery arrangements do not function in a manner that, knowingly, ensures the highest standards of safeguarding practice and performance
R12	Digital & ICT capability	If there is insufficient ICT and Digital capacity or skills to support implementation, or there are conflicting priorities, the success of the programme will be constrained.

3.5.2. Legal Constraints and Dependencies

In addition to overarching design principles, the legal constraints listed below will inform the design of the future operating model. For a detailed overview and impact of the legislation and statutory guidance, see *Appendix B: Legal Constraints*.



4. OPTIONS AND SCOPE

This section outlines the options considered and the reasons for proposing the recommended option, including consideration of value for money.

4.1. Options Appraisal

Fife Council's Strategic Management Group examined and decided against alternatives to the recommended course of action (detailed in 4.2 below), a Wellbeing and Prevention operating model, including:

Alternative Option A: Status Quo/Do Nothing (not recommended)

Fife Council previously examined a scenario in which the organisation was neither willing nor ready for a transition to a new operating model in line with the Crisis to Prevention Ideal State model. In this scenario, the Council would continue to operate according to *status quo*. Though no additional costs would be incurred through change/transformation initiatives, pursuing *status quo* would result in year-on-year increases in the budget gap. The Council has identified an indicative three year £55.6m budget gap (2025-26) creating a pressing need to bridge the gap. Additionally, siloed working would persist, and there is little evidence to suggest there would be reductions to demand, reductions to demand failure, improvements to the effectiveness of interventions, or improvements to the improvements to wellbeing outcomes for the residents of Fife.

Alternative Option B: Invest in Data (not recommended)

Investing in data was explored previously by Fife Council to further substantiate the business case for a new crisis-to-prevention model. Though this scenario may enable the Council to make data-informed decisions moving forward, the stand-alone investment would experience substantial barriers to realising return on investment and material barriers to realising the full benefits of improved data capabilities. This option would be limited to investment in data strategy, systems integrations, and creating data sharing agreements. Without service re-design, it was determined to be prohibitively challenging to successfully integrate data investments into Council operations and to secure sufficient internal buy-in. This friction would only add to the body of evidence to support a business case for the Wellbeing and Prevention operating model, and therefore was decided against as a stand-alone investment.

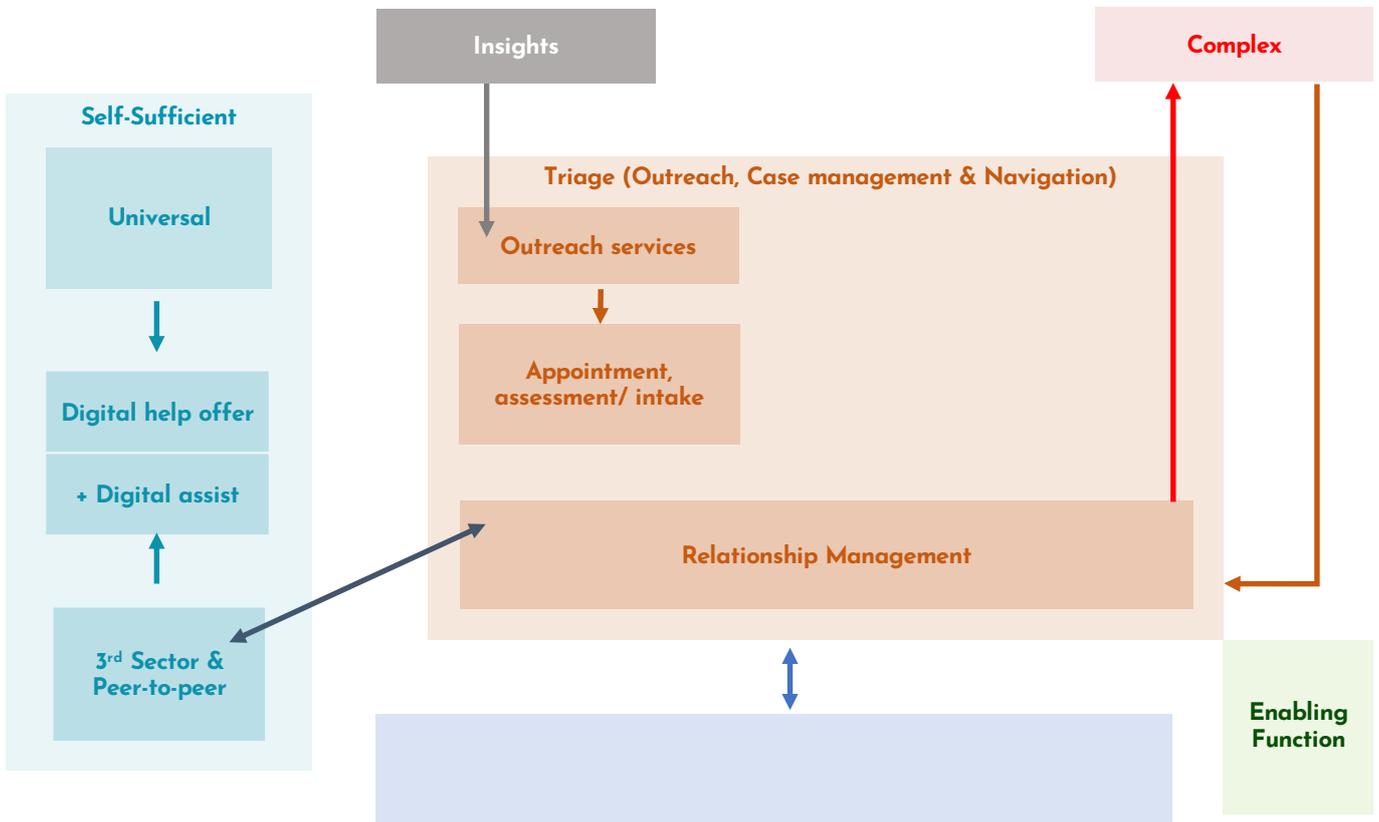
4.2. Rationale for Recommending a Wellbeing and Prevention Operating Model

The recommended option, outlined in more detail in section 5, involves setting up a Wellbeing and Prevention operating model, with relevant Council services located in a new directorate for the Council (but a wider span of influence beyond just Council services). The model is illustrated below, at its core, is a strong universal self-service and community offer to keep people well and self-sufficient, an insight-



driven approach to targeting, triaging and supporting those with rising needs which could turn to crisis, and a consistent relationship-based approach for people who need additional help. It will be supported by a strong enabling function including service development, insight and community capacity building.

Figure 5: Wellbeing and Prevention Directorate Operating Model



Implementing such a model requires a far-reaching transformation programme which will redefine internal roles, structures and ways of working. It will involve transforming the way a range of in scope services work in order to have maximum preventative impact. While this option requires significant investment and implementation of new ways of working and culture shift for the existing services, there is strong evidence to suggest that this option is worth taking forward to a design phase. Initial estimates suggest there are potential short to medium term savings from consolidating functions and resources as well as potential future savings related to assets rationalisation and reduction in demand for statutory services. This option provides the strongest alignment with the strategic objectives set out in the Plan for Fife.

4.2.1. Current Council Ways of Working Inhibiting Outcomes for Fife People - resource management inefficiencies

Having reviewed a data set of in scope staff provided by Fife Council, ICC identified found 491 position names across 231 departments within the 8 services. The review of this data demonstrates a level of



unnecessary complexity which may well have developed over several years. There is the potential for duplication across the Council and a lack of consistency in the level of work that staff perform at the same grades.

Process - structural inefficiencies

There have been many examples through discussions with staff and in workshops where residents have been passed from 'pillar to post' due to needing multiple services and the staff don't have the knowledge to help them. In addition to council size, this is a symptom of services often working in silos and although each service may be providing an excellent level of service in their area, they are not equipped to support the citizen outside of this.

Technology

There are also barriers to accessing required data to enable data-informed decision-making. Data is currently held in multiple Line of Business applications and these multiple data sets are not brought together and linked so that insights can be developed. In addition to this Fife has multiple CRM systems which as a result prevent staff from having a single view of client interactions with Fife Council.

Monitoring and Evaluation - outcomes measurement

In terms of performance management this is significantly made up of output measures e.g., Fife has managed to support 1000 people episodically. Although this data is helpful to demonstrate the numbers of people supported this does not extend to if as a result of the interventions how many of the people have made significant or sustainable improvements to wellbeing. Fife does not know across services in a consistent way how many of the people it has supported have secured work, income, sustainable housing. To enable this there is a need to set up data, systems, processes, and management to evaluate a longitudinal view of individual outcomes. The shift from outputs to outcomes is essential.

Change Management

Fife have successfully completed several tests of change which have shown willingness/desire to work differently. Based on the service activities and wider efforts to promote the NWD programme, there is a high degree of 'buy-in' to the general concepts and the wider ambition of the Council. There are several ongoing initiatives which link with the NWD approach ; however there remains significant challenge in relation to managing this all as one coherent programme of change which threatens value for money.

4.3. Defining the scope of the proposed model

The scale and scope of such a model required careful consideration and several options were considered. Therefore, extensive consideration was given to the proposed scope of the Wellness and Prevention operating model for Fife. The proposed scope seeks to address key root cause risk factors, respond to local priorities and develop a firm Council platform for integrating further partners into the model. It is worth noting that there is a broad scope of organisations and functions who should be consulted and involved (including for example partners, Education, Health and Social Care and



libraries); however, at this point a narrower definition was also required related to the Council's staff and functions which may be more directly impacted by the initial phase of implementation of the new model.

4.3.1. Determinants of scope

Scope, detailed below, has been influenced by:

- Socio-economic risk factors
- Fife Council's previous and ongoing related initiatives
- Best practice
- Current human capital resourcing

Socio-economic risk factors as determinants of scope

Moving from crisis management to prevention requires public services to turn robust attention to addressing root causes. The scope sought to identify those services which had a role in addressing a core set of typical root cause factors, as outlined below:

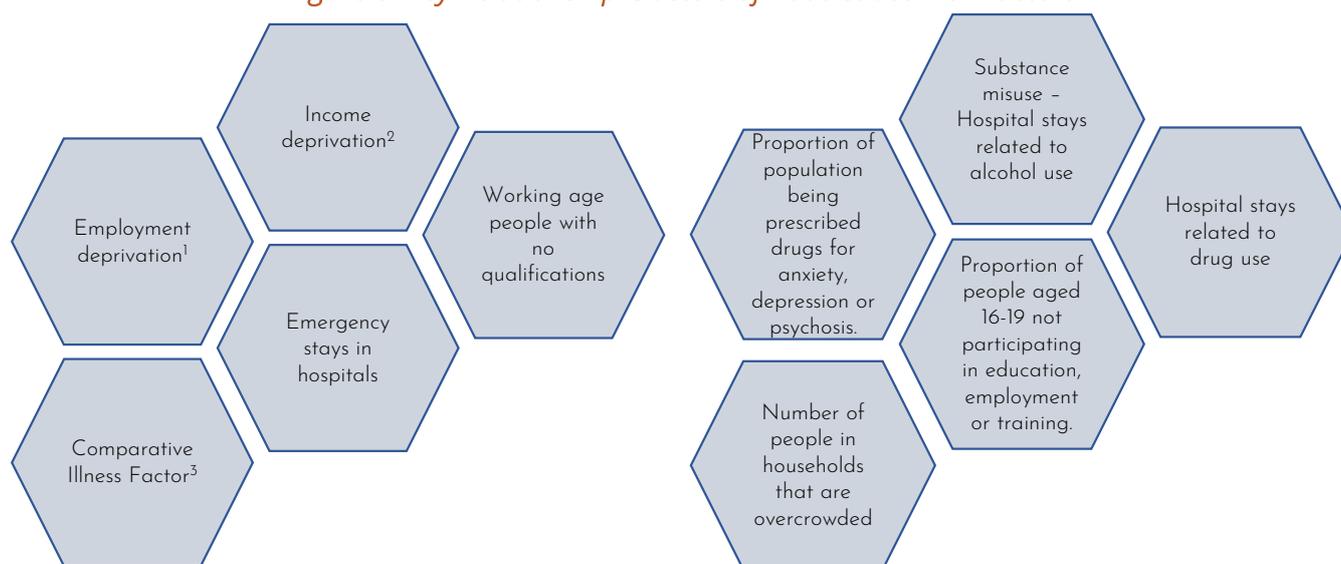
1. Housing instability, including both tenure and/or affordability,
2. Unemployment,
3. Lower than average levels of income,
4. Financial positions of debt, including situations of increasing debt,
5. School exclusion and/or school unattendance,
6. Lower levels than average of educational attainment,
7. Social isolation and/or loneliness,
8. Presence of issues related to mental wellbeing, special needs, and/or disabilities,
9. Substance misuse,
10. Domestic abuse,
11. Lack of connectivity, including remote communities with limited internet connection and/or transportation links.

Data analysis indicated that in Fife, these root causes associate and corollate with one another, therefore supporting the case for integration of related services offers (see *Appendix A: Root Cause Correlations Analysis*.) It is this joining up of services that will allow Fife Council to support individuals and their families both holistically and effectively.

The diagram below shows an example of some key clusters of need in Fife, based on the data analysis above.



Figure 6: Key Relationship Clusters of Root Cause Risk Factors



Key Relationship Clusters of Root Cause Factors – Clarification Notes

1. Employment deprivation: Percentage of the working age population (men aged 16-64 and women aged 16-60) who are on the claimant count, receive Incapacity Benefit, Employment and Support Allowance, or Severe Disablement Allowance.
2. Income deprivation: Percentage of the population (adults and their dependents) in receipt of Income Support, Employment and Support Allowance, Job Seekers Allowance, Guaranteed Pension Credits, Child and Working Tax Credits, or Universal Credit (excluding those in the category 'working with no requirements'), or in Tax Credit families on low income.
3. Comparative Illness Factor: Work limiting morbidity and disability, based on those receiving benefits due to inability to work through ill-health.

Fife Council's Previous and Ongoing Initiatives as Determinants of Scope

The current efforts by services to shift to an early intervention approach, the completed work on the Tests of Change and wider efforts on NWD, indicate there is a high degree of 'buy in' to the general concepts and the wider ambition of the Council. These initiatives and participating teams need to be folded into the scope of the Wellbeing and Prevention Service in order to streamline these efforts and maximise their impact.

Best Practice as Determinants of Scope

The ideal Crisis to Prevention Model identifies the key capabilities and ways of working that lead to improved client outcomes, including ways of working that would address Ofsted recommendations to improve upon early interventions. While there is no single right approach, Councils that have successfully implemented and realised benefits from similar transitions from crisis management to prevention include Barking and Dagenham Council.



Fife Council's Current Human Capital as Determinants of Scope

Members of Fife Council's NWD Senior Management Group jointly identified existing internal capabilities and resources which would align with a new Wellbeing and Prevention Directorate Model.

4.3.2. FTE Baseline

Members of Fife Council's No Wrong Door Senior Management Group examined current staffing baseline figures, current functions and capabilities across all services to determine which roles should be in scope. Detailed organisational structures and job roles have not yet been defined, and this exercise was conducted purely to size the future operating model and estimate benefits.

The Strategic Management Group then nominally assigned in-scope staffing budgets to a future-state Wellbeing and Prevention operating model function based on marrying current responsibilities / capabilities with future-state functional requirements:

The **Enabling Function** joins up those staff working across Fife Council providing internal capacity for: policy, research, communications, marketing, corporate development, improvement, programme management, quality assurance, compliance, internal coordination, supports, and assistance.

The **Triage Function** will join up staff across Fife Council currently serving as a potential client's first point of contact, serving in publicly facing roles, well positioned to start painting a 360-degree view of a client's wellbeing, and strategically situated to signpost clients either externally to the 3rd sector or internally to a more fulsome relationship management function for wrap-around supports/interventions. Triage Function staff also address non-complex queries. The future Triage Function will include expertise in housing, communities and neighbourhoods, customer and online services, economy, planning and employability, children and families. .

The **Relationship Management Function** from across Fife Council includes housing, customer and online services, economy, planning and employability, children and families, and justice services. Those Fife Council staff allocated to the future-state Relationship Management Function are both skilled and positioned to fill out a deeper understanding of the 360-degree view of a client's wellbeing. Those in the Relationship Management Function are well suited to identifying and involving experts, targeted services, interventions, and supports to wrap around a client over a continuum.

The **Targeted Services Function** comprises of individuals with specialised expertise or support the delivery of isolated programmes such as adult education (e.g., ABE or ESOL).

Complex/Statutory Function will not likely experience significant operating changes until demand for these interventions decreases due to increased provision and effectiveness of early-intervention services.



Gaps in the completeness of staffing data would be addressed in future phases of work to ensure staffing budgets are allocated according to the best organisational fit for their current skillset and remit of responsibilities.



5. RECOMMENDED OPTION (OPERATING MODEL)

5.1. Recommended Operating Model: Wellbeing and Prevention Model

The proposed Wellbeing and Prevention Operating Model is designed first and foremost with people in mind. The model sets out to keep people and families well and thriving, and to prevent or mitigate the need for complex interventions. It does this by helping people in a way which puts their goals and aspirations at the centre, and which leverages appropriate support from the community, wider public services, and Fife's skilled staff.

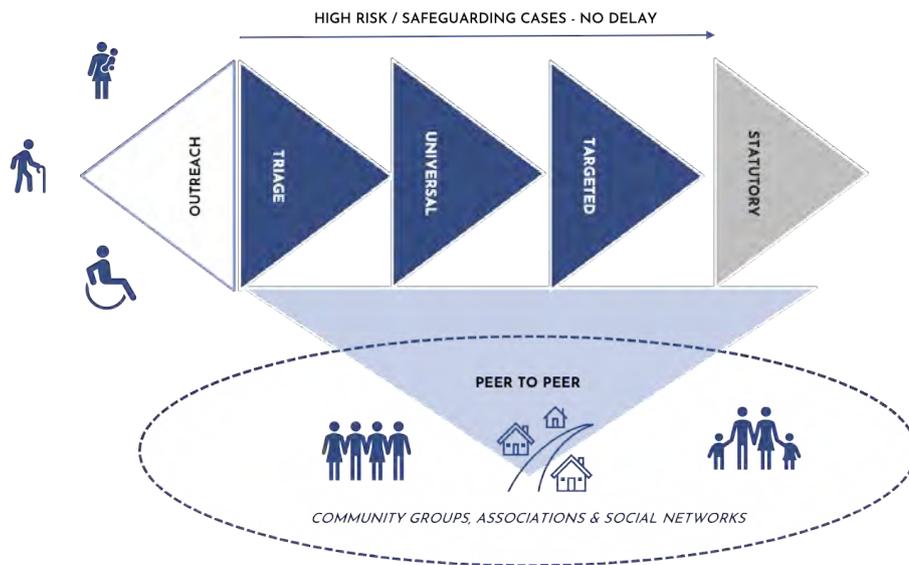
The model builds resilience for individuals, their families, and their community through stabilising client situations, enabling individuals to make connections and access to support to meet their goals, and ensures both clients and community co-design services with the council and its partners.

This model illustrates the following key features of the proposed operating model:

- Services which work with people to provide the right level of support at the right time.
- An active community sector which is a mature and integrated part of the solution and drawn on to support people across a broad range of needs/complexity.
- Outreach which used data and insight to target people who need help and pulls them in early (to delay or reduce escalation of need).
- Universal services which provide timely advice and support in the community and therefore reducing the need for a person to be re-directed.
- Targeted services which are designed to reduce the escalation of need and are tailored to tackle local root cause factors in Fife.
- An effective triage function made up of three parts; Outreach, Assessment/ Intake and Relationship Management taking a person-centred, strengths-based approach that looks at all aspects of a person's life to understand the root causes, not just the presenting need ("What matters to you?" not "what's the matter with you?")
- A service-design which is not based on professional specialisms but places citizens at the heart.



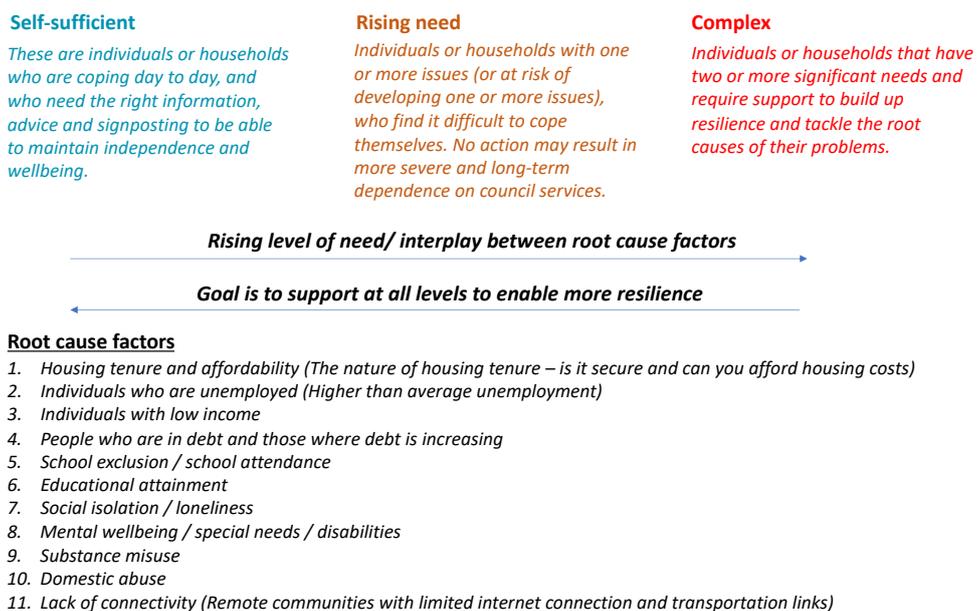
Figure 7: Wellbeing and Prevention Conceptual Model



The model is predicated on building strong and positive relationships between citizens and the Council, as well as building strong working relationships across the Council and partners. It intends to facilitate data-driven decisions, allowing access (where appropriate) to a wealth of data that can improve outcomes for clients and their families. Additionally, it creates institutional memory so that when clients return to the Council or engage with someone new, there is no need to retell their stories. This institutional memory facilitates strong relationship management, clear and consistent interventions, and a centralised relationship management approach to wrapping supports around clients.

The below illustrates that people’s needs vary in complexity, and there may be one or several factors influencing their outcomes. The goal of the Wellbeing and Prevention model is to support people at all levels and increasingly deliver earlier support which enables people to stay / become self-sufficient.

Figure 8: Levels of Needs and Root Cause Factors



The table below sets out how the model meets the drivers and objectives set out in the strategic case.

Table 6: Key Outcomes for the Wellbeing and Prevention Operating Model

Outcomes	Description
Resolving Issues Early/ Reducing need for further interventions	<ul style="list-style-type: none"> • Enables Fife Council to focus on prevention, early intervention thereby reducing instances of escalation and crisis, • Reduces structural barriers clients currently face in accessing the right interventions, at the right time, in the right ways, and in the right place, • Creates an environment conducive to obtaining a system-wide view and a pathway to reducing demand/delaying need for statutory or complex interventions, • Enhances Fife Council’s ability to identify and improve upon key indicators including homelessness prevention, income maximisation, debt management, and family wellbeing, • Increased provision of early interventions should correspondingly reduce the prevalence of key risk factors across Fife (e.g., homelessness, school absences, financial instability, social isolation, unemployment, etc.)
Increasing Resilience	<ul style="list-style-type: none"> • Enables self-sufficiency by bolstering digital help offers, strengthening relationships with the 3rd sector/peer-to-peer networks, and equipping partners and other services in the community to provide timely support e.g., schools and libraries, • Improves outcomes for people by taking a person-centred approach which uses a strengths-based approach and looks at all aspects of a person’s life, not just the presenting need (“What matters to you?” not “what’s the matter with you?”)
Realising Financial Benefits	<ul style="list-style-type: none"> • Enables Fife Council to make savings through reducing demand for expensive, complex, and lengthy Council-led statutory/complex interventions, realising internal efficiencies through a new model of working, enabling self-sufficiency through an enhanced digital offer, fostering stronger third sector, and strengthening peer-to-peer networks. • Enables the redesign of processes such as completing forms, reducing repeated requests, reducing frictions in accessing/leveraging data, enhancing reporting and monitoring capabilities, and restructuring teams to be client-centric (i.e., reducing silos, augmenting staff capabilities, increasing collaboration, and enabling timely/effective decision-making.)



5.1.1. Model Requirements

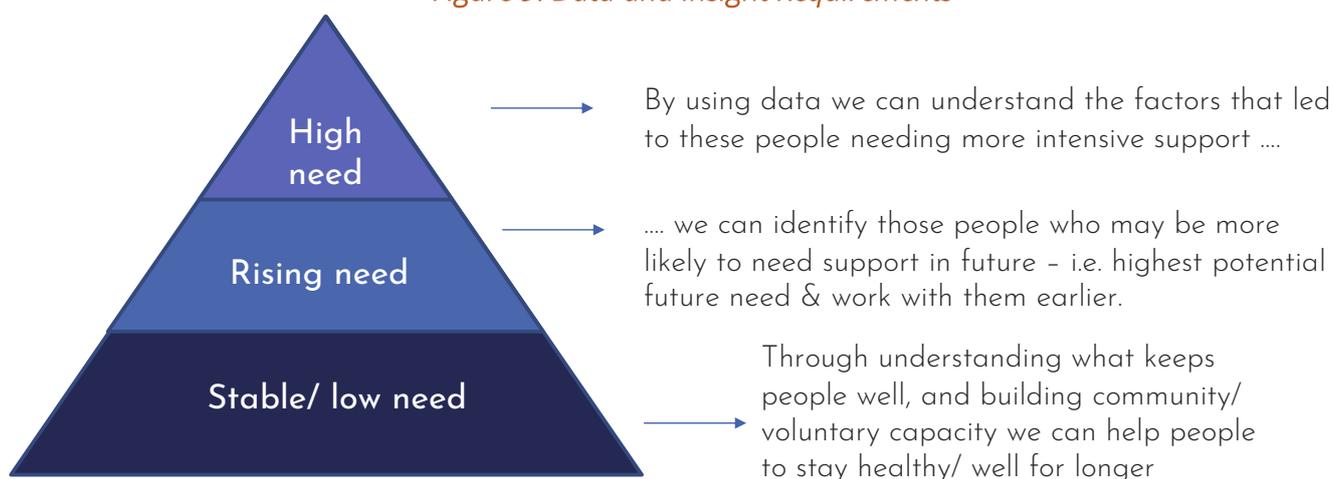
To deliver the outcomes as detailed in the table above, this section sets out the requirements for the future operating model. These are informed by the ICC Crisis to Prevention Ideal Type Model outlined in Figure 7 (above).

Data and Insight requirements

The model must enable Fife Council and its partners to focus *on the right people, in the right places, on the right things, in the right way*. This means deploying data and insight to understand the prevalence of 'root cause risk factors', the triggers and sequence of events that can see these risks become manifest in harm and need, and the consequent development of pro-active/predictive tools and platforms that can enable focused outreach activity; effective triage; and intelligence-led service design and partnerships.

This is outlined in Figure 9 below:

Figure 9: Data and Insight Requirements



This means that Fife Council need to introduce the below capability as part of its model:

- The ability to integrate person/household-level data into a comprehensive 360-degree view.
- As part of the above the means to record and interrogate a longitudinal perspective of an individual/ household history.
- To enable these functions while managing risks effectively, robust information governance practices are therefore crucial.
- The ability to ensure that defined groups within Fife Council would have varying levels of information access and client interaction capabilities (in relation to the above).
- IT infrastructure must possess the capacity for swift collaboration and resolution for non-standard requests, often achieved through agile techniques.



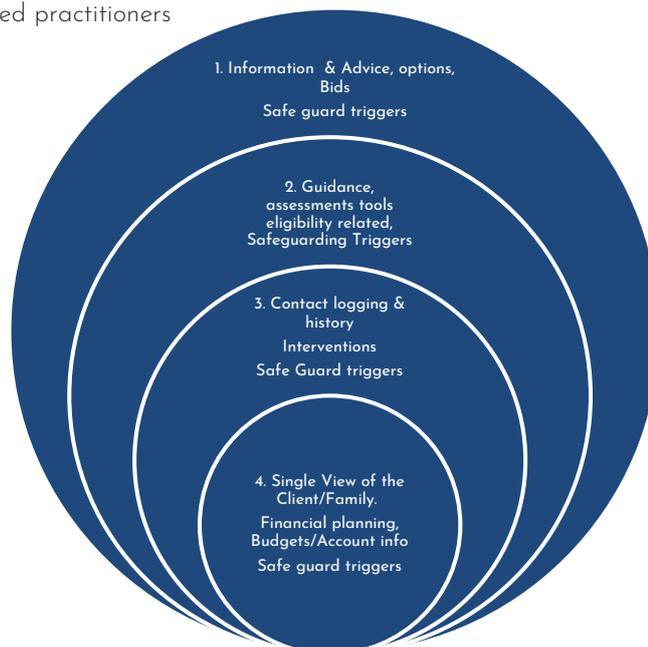
- Alongside the tools and technology, there must be the data science / insights capability within the service design (this is part of the Enabling function outlined below in Section 5.2).

The below model illustrates how different data points would be accessible to different levels:

- Access to data is determined at series of levels with different collaboration partners having access to different levels of information the ability to conduct/transact and interact with clients at differing levels of complexity.
- Each role can do elements of activity such as advise, inform, record, intervene, escalate etc.
- The four layers identified are initial views only.
- The user works their way through the layer or can jump directly to the layer that is pertinent to the situation or role.
- A key feature is that at all layers there are wellbeing checkpoints /triggers.

Figure 10: User Layer Permissions

User layer permissions:
 1-2 : Universal (for all)
 2-3 : Trusted assessors
 3-4 : Trusted practitioners



In-depth specifications for data/ICT would need to be further developed during subsequent phases of work, including phased approaches for minimum viable solutions as well as longer-term enhancements.



Service design requirements

The human-centred design of services is fundamental to the success of the model. This includes shifting the organisation design to one which is focused on working with people in a more rounded way, about the way people are supported to navigate sources of support and the design of the approaches and tools used. Services will need to become holistic and centred around the needs of people (as they are experienced by people, not the requirements of the system).

At this juncture, we have determined that Fife Council need to introduce the below capability as part of its model:

- Community based services and organisations, including schools, libraries and resident facing council teams act as a first point of response - preventing the escalation of need, as well as connecting service users to information and advice, or community support.
- Beyond this community-based support, there is a single Council function which can triage people holistically in a single team (including initial outreach services, intake appointments/assessments). This team facilitates gathering a 360-degree view of a client and their wellbeing and may resolve the need in one conversation or may identify that there is a requirement for ongoing support.
- Where there is a need for ongoing support, the ability to assign a single point of contact (“Relationship Manager”) who can help the person/ family navigate the right support at the right time, including wraparound support for clients (i.e., targeted services and/or third sector support and/or peer-to-peer networks.).
- Staff that are equipped with the tools and skills to identify and pull in the appropriate experts/wrap-around supports for presenting issues, as well as to develop a 360-degree view of the client’s other potential needs. In this way, professional expertise is available but part of a person-centred model in a multi-disciplinary context.
- Stronger integration across systems, greater openness to share and reduced duplication.
- Empowering staff with autonomy to make a greater range of decisions on behalf of clients.
- Alongside the Triage function, there should be a joined up targeted services offer with services which are responsive to needs and deployed in the best fit locations according to need.

The below visual outlines an illustrative holistic assessment approach which could be used to prompt a 360 conversation with a client and identify a range of factors for support. The service aims to shift questions such as “what is the client eligible for?” to “what combination of supports will sustainably improve a client’s resilience?” Resilience might encompass such areas as housing, family, financial stability, community, employment, health, and wellbeing.



Figure 11: 360-Degree View of a Client's Wellness & Resiliency



Digital channels, knowledge and IAG (Information, Advice, and Guidance) requirements

Within the framework of crisis-to-prevention service design, specific digital channels and knowledge-sharing processes are essential components. A Digital Front Door is integral, ensuring residents can easily access a wealth of information and services independently (self-service). Contact with and support of clients would occur through channels that are readily accessible to residents, utilising common digital and automation technologies, such as social media, and messaging tools like email and WhatsApp. In future phases, support could also include automated technology such as chat bots. This communication is designed to be interactive, fielding both incoming resident inquiries and proactively disseminating information outwards to community.

At this juncture, we have determined that Fife Council need to include the below capability as part of its model:

- The Digital Front Door must ensure a significant amount of relevant information is accessible to residents to self-serve.
- Knowledge/ IAG across teams and partners should be accessible to all via a shared tool and frequently updated. This platform would ensure that all stakeholders have access to up-to-date information, promoting collaborative efforts and data-informed decision-making in support of client interventions.
- The IAG platform should be considered 'live' and updated on a regular basis to ensure sustained use. The platform should enable teams to trigger a review of IAG as an ad hoc or routine request.
- Contact and support will be via channels which are accessible to residents, using widely used digital/ automation technology where appropriate e.g., via social media/ messaging tools (text and WhatsApp).
- Information flows are two way – receiving enquires and pro-actively pushing information out.

Service improvement & Co-production capability



Service teams must have access to skilled support for testing and validating data, insights, and the impacts of interventions directly with clients and with partners. This collaborative approach aims to co-design and co-produce the most effective interventions by engaging clients and communities in the process. Required capabilities encompass behavioural insight methodologies, service prototyping and evaluation techniques, quantitative research methods, human-centred service design, and continuous improvement methodologies and practices. By integrating these capabilities, service teams across Fife Council would ensure that interventions are not only well-informed by data and insights but are also responsive to the needs and perspectives of clients. Over time, this would foster a more effective and client-centred crisis-to-prevention service approach.

Service teams must have access to skilled support to test and validate data and insight with users / residents to co-produce with residents the most effective interventions. Capability should include behavioural insight approaches, service prototyping and evaluation, qualitative research, service design/continuous improvement methodologies.

Partner Integration requirements

In due course, partners, including Health and Social Care entities, would become integrated into the model, allowing for pooled resources and budgets. This integration empowers a unified approach to addressing root causes where risk factors are closely associated. Data and resource sharing among partners would be facilitated through stringent information governance protocols, ensuring secure collaboration. Partner involvement would be found at every level, including service design, data and insights analysis, and co-production efforts. This comprehensive engagement strategy ensures joined-up responses, enhancing effectiveness in addressing complex issues, while at the same time fostering a collaborative ecosystem with the third sector and other external partners.

Community capability requirements

An essential component of the model is the enhancement of local internal and community knowledge about available services. This knowledge expansion ensures that all partners, including voluntary and community sector (VCS) services and community groups, can maximise their own impact. To achieve this, the VCS must be empowered as a mature and integrated part of the solution. This empowerment involves capacity-building initiatives and increased core funding, enabling the VCS to play a more significant role in co-producing interventions, and leading interventions where appropriate. Providing greater and more flexible funding would allow the VCS to address a higher proportion of community needs, and so with a higher degree of effectiveness. By bolstering community capabilities in this manner, the crisis-to-prevention approach becomes more inclusive, collaborative, and responsive to the diverse needs of the community of Fife.

Governance and assurance requirements



Proper Governance and assurance are critical for ensuring effective and accountable operations. The No Wrong Door model necessitates a realignment of functions, incorporating both statutory and non-statutory functions, and introducing shared triage and relationship management processes.

To support this integration, Fife Council would need:

- Clear, well-defined thresholds that are governed and quality assured. Additionally, statutory duties must be diligently discharged to maintain legal compliance (see *Section 3.4.3. Legal Constraints and Dependencies* for details).
- Clear roles, accountabilities, and oversight mechanisms should be in place, particularly concerning statutory duties, accountabilities, and oversight mechanisms should be in place, particularly concerning statutory duties and professional obligations or regulated activities.
- Furthermore, Information Governance (IG) protocols must be vigorously maintained, particularly in relation to the comprehensive 360-degree view of clients, ensuring the security and confidentiality of sensitive data held and managed by Fife Council. These governance and assurance measures are fundamental in establishing a robust and accountable framework for No Wrong Door's implementation and sustainable success.

Leadership and organisational culture requirements

Leadership for prevention initiatives should be positioned at the Corporate Management Team (CMT) level, ensuring visible senior sponsorship and focused efforts in shifting the organisational focus of Fife Council from crisis management to prevention. Prevention objectives, particularly those related to No Wrong Door should be perceived as a collective effort, involving the entire Council. Integrating these objectives into staff onboarding, induction, and training processes across Fife Council and its partners is vital. Teams must be empowered to make decisions aligned with the NWD model's objectives, emphasising the importance of ethical conduct and budgetary constraints. This approach ensures a cohesive and committed organisational culture that prioritises prevention strategies, fostering a proactive and effective crisis-to-prevention service model.

5.2. Operating Model – Function Descriptions

This section outlines how the requirements have been developed into a set of proposed functions which will be part of the Wellbeing and Prevention operating model. It is recommended that the associated Council services are aligned within a single directorate. The nature and scale of the changes required (e.g., to organisation, process and technology) varies by function.

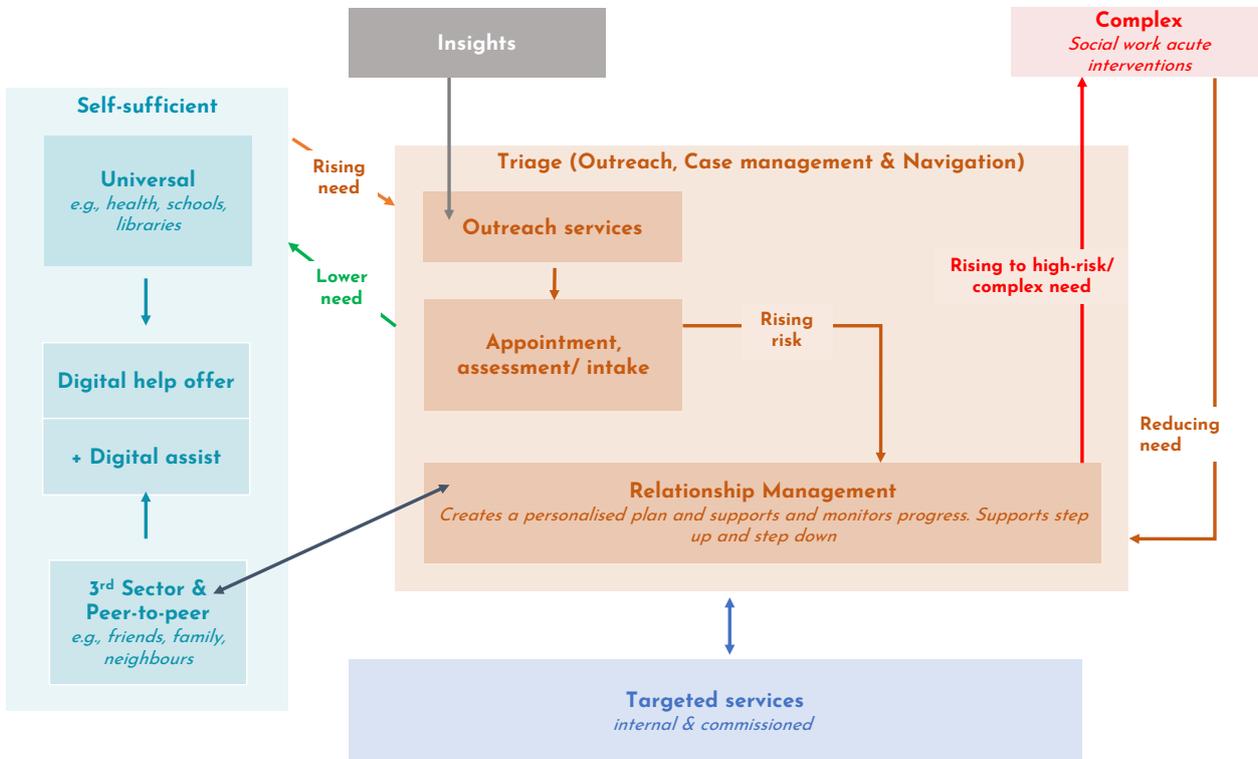
The below visual identifies the key elements of the new operating model and how people with different levels of need might flow through this new service model. These different elements and the organisation design implications are outlined below. Future phases of work will further-develop detailed objectives, functions and processes, client pathways, relationships to wider services, role descriptions, staffing budget requirements, non-staffing budget requirements, staffing/team locations, and success measures.

Future phases of work would also identify capabilities required to effectively service each Function,



which of those capabilities already exist among Fife Council's staffing body, those to be augmented, and those to be developed net-new through supplemental training or new hires.

Figure 12: Wellbeing and Prevention Directorate Operating Model



Self-Sufficient Function (Universal support)

The model recognises the importance of many day-to-day services to help citizens to help themselves, navigate services, and find the information and support they need. While re-design of job roles or organisation design is not a key feature of the proposed change, existing staff must be enabled through skills development, ICT and access to Information Advice and Guidance (IAG) to have positive conversations with people and to help them readily respond to signs of the need for support. A comprehensive Digital Help offer would include Fife Council's website, digitised forms/services, and could include new forms of technology such as digital assistants in future (e.g., chat bot assistance). These tools must also be accessible for people to self-serve, and the Council must leverage the role of peer-to-peer networks and community groups to enable information sharing and mutual support among residents. Through this type of approach, there will be improved awareness and ability to access support (both within and outside of Council services) at an early stage.

The model recognises that staff who are the 'first point of contact' and/or based in community settings are well situated to identify, early on, when a client or family enter a period of declining resilience and/or may benefit from support (whether this is from the Council or its partners, or the wider community). Under the future arrangements, community-based roles and services such as libraries staff, staff in



schools or other Council staff who meet with residents regularly in their role e.g. housing managers, will be equipped able to undertake “ready reckoner” assessments which support people without the inevitable need for a hand-off.

Key changes required to shift from the As Is state to the To Be model:

- *Development of a common approach/ toolkit for conversations which is strengths-based, relationship based and uses behavioural techniques,*
- *Skills, development and induction programme for Fife Council customer-facing staff, partners voluntary sector,*
- *Comprehensive refresh of Information, Advice and Guidance to spread awareness within and outside of the Council of all sources of support,*
- *Digital triage self-serve form(s) available to customer-facing staff, key partners*
- *Knowledgebase to support sharing of service/ support across Council and key partners*

Triage Function

The triage function is made up of three parts: Outreach, Assessment/ Intake and Relationship Management

Outreach

The triage function would include an outreach team who could act on insights to proactively target those people who may benefit from early intervention support.

Assessment/Intake

The Appointment/Assessment/Intake team would be the main entry point to Fife Council services for people. A person might be targeted through an outreach activity or self-refer having exhausted the support available in the community or via the Digital Help offer. This function is intended to further develop the initial picture of a client’s 360-degree view. The 360-degree picture is painted in greater detail and may include relevant rules-based assessments, and rules-based eligibility checks. This role would serve to reduce escalation of avoidable demand through the system. It serves to take a rounded approach to a client’s presenting needs/potential opportunities for intervention. This allows Fife Council to quickly and effectively determine how clients may be best served, whether that be helping people to find support through a peer-to-peer network, or progressing to an enhanced Relationship Management environment whereby Fife Council builds a range of support around a client to improve their resilience and wellbeing over time.

Relationship Management

The core tenet of the Relationship Management Function is to wrap support around a client, rather than having a client move from department to department, service to service, or staff member to staff member. Relationship Management seeks to identify, using a 360-degree view, the optimal and proportionate mix of interventions that will, over time, sustainably improve the client’s resiliency and



wellbeing. This requires tagging in and/or out relevant colleagues/experts at the right time and leading as an internal Fife Council navigator on behalf of the client to identify/line up the appropriate supports.

Key changes required to shift Fife Council from status quo to the future operating model include:

- *Re-design of job roles to cover outreach, triage and relationship management. Job roles would be more generic while allowing people to have specialist experience and qualifications. This may involve wider salary ranges for the new roles to allow for different levels of experience and to enable career progression,*
- *Development of skills development and induction programme (enhanced version),*
- *Development of triage and assessment tools,*
- *Development of key performance measures and metrics,*
- *Agreeing the operating model locations (Hubs across Fife).*

Targeted Services Function

Targeted services refer to specific, time-bound, initiatives aimed at addressing tightly scoped client needs. These programs, such as youth activities, skill development sessions, and comprehensive advisory services, are designed to address specific intervention requirements. Targeted services require specialised skillsets, qualifications, and areas of expertise beyond those Fife Council staff members who may be in triage-centric roles.

Complex/Statutory Services Function

The Complex/Statutory Services Function refers to addressing the needs of the people with the highest levels of need. This involves conducting formal assessments and implementing statutory risk management measures, with the primary objective being to prevent situations from escalating further, and to facilitate early step-down processes. Examples of these services include intensive social work interventions, justice services, and formal assessments related to homelessness.

Enabling Function

The Enabling Function includes both service development and insights. It encompasses providing internal team support that enables and enhances Fife Council's ability to provide timely, effective, and prevention-centric interventions. This internal support aids in the smooth operation all No Wrong Door activities. Examples of this support include data analysis and insights, strategic planning, policy formulation, and training programmes. By offering this comprehensive range of support services, the Enabling Function ensures all teams are equally well-equipped, informed, joined up. Joining up support roles across Fife Council will strengthen the Council's overall functioning and enable it to respond adeptly to the ever-evolving needs and challenges faced by the community it serves. The Enabling Function is critical in supporting the transition from crisis to prevention, and then sustaining Fife Council as a proactive/preventative-centric organisation.



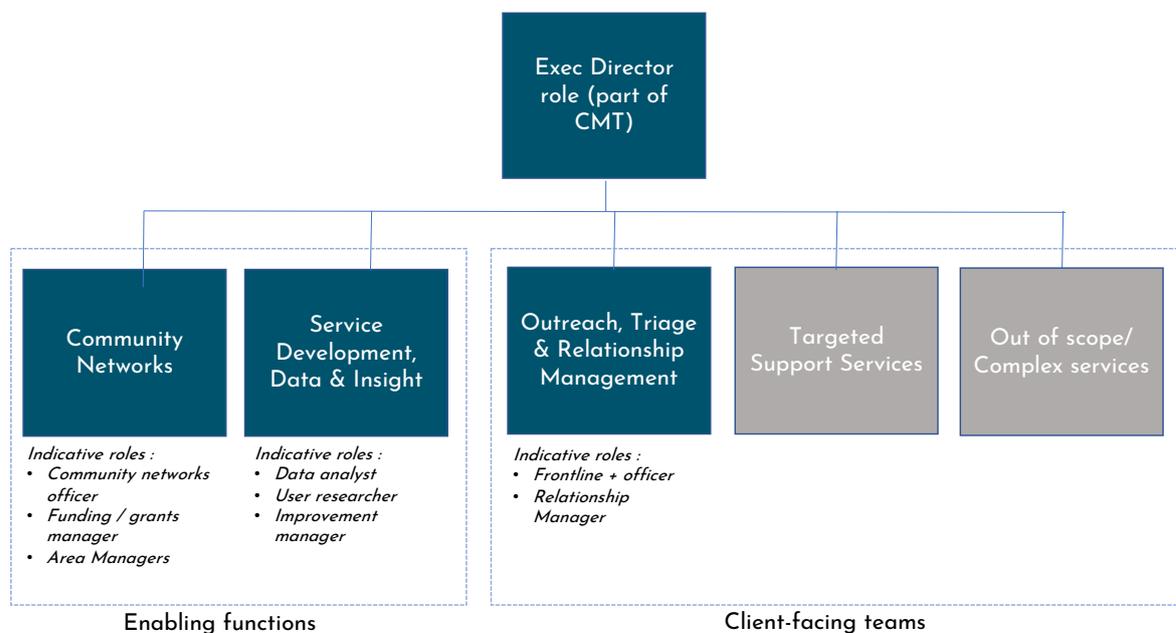
Within the enabling team, an Insights Function provides predictive analytics and continuous improvement capacity across Fife Council. This function collects, interprets, and develops actionable insights from both publicly accessible and Fife Council-housed datasets. Bolstering the ability, frequency, and effectiveness of data-informed decision-making will:

- Support the identification of pre-crisis/preventative/early intervention opportunities,
- Enhance the Council’s ability to act on the ever-evolving contextual environment,
- Augment the Council’s ability to continuously improve upon processes, technologies, and tools that ultimately lead to improved community, neighbourhood, and individual-level outcomes.

5.3. Organisation design implications

The visual below sets out the indicative organisational implications at this juncture. It is recommended that the services in scope sit under one single Exec Director role.

Figure 13: Organisational Implications



The darker shaded boxes represent key areas for organisation re-design in initial phases:

- Outreach, Triage and Relationship Management
- Enabling functions - Community Network & Service Development, Data & Insight

The grey colour boxes – targeted services provision and complex/ out of scope services are not envisaged to undergo organisation re-design as part of initial phases. In time the scale and nature of targeted services may shift to respond to a better understanding of local needs. Similarly, it is envisaged should prevention be effectively delivered, the scale and nature of complex services would be impacted.



5.3.1. Service location implications

The Case for Change identified the need for integrated services tailored to meet local demands. As part of the new Wellbeing and Prevention operating model design, our current assumption is that this would be a place-based model operating out of consolidated Community Area Hubs (CAH). For each of these locations and hubs, there would be an area lead from the Community Networks function, who would have a role to work collectively with the Service Development Data and Insight function, Targeted Service Teams as well as local partner organisations, to determine the right types of support based on root cause analysis of local needs.

The exact scope and nature of provision in each hub needs further evaluation. As a minimum we would expect this to include the Triage and Relationship management functions. Services might also be delivered via a hub and spoke model, using community centres and facilities close to where needs are. Our assumption for the purposes of the business case is that existing premises can be used and therefore there would be no new premises costs associated with the proposals.

5.3.2. Success Measures

In assessing the success measures for the No Wrong Door Programme within the broader context of moving Fife Council from crisis management to prevention, it is evident that there is substantial enthusiasm and support within the Council for the overarching concepts and ambitions of the Programme. However, there is a growing need for in-depth design and planning in subsequent phases of work regarding the practical execution of these concepts into a daily reality for Fife Council.

During the initial phases of work, Fife Council subject matter experts (SMEs) from across the Council identified those services required to be scope for redesign and change in order to successfully fulfil NWD's objectives. A next step for these SMEs will be to continue co-designing the new service offering, including operational aspects, partnerships, interfaces with other services, and delivery locations. Equally important for Fife Council will be to continue refining an understanding of the necessary time frame for implementation, the upfront investment required, the size and structure of the Council's senior officer team, and precisely how transitioning from crisis to prevention will yield savings. This level of clarity will be key to successfully planning for and implementing the No Wrong Door Programme.

To begin to address these uncertainties, a comprehensive understanding of individuals at risk of preventable negative outcomes in Fife was pursued. This involved identifying acute root causes of preventable needs and assessing their prevalence in the community. Data and insights, both quantitative and qualitative, were crucial in determining the correlation and associations between these risk factors. Equipped with this information, Fife Council will, in future phases of work, take these root causes into account in detailing a robust financial and operational case that addresses these root cause factors. For the No Wrong Door Programme to successfully transition Fife Council from crisis management to



prevention, NWD will need to materially address factors including housing tenure and affordability, employment, income and debt management, school attendance, educational attainment, social inclusion, mental wellbeing, substance use, domestic safety, and connectivity. These factors comprise the 360-degree view of a client/their family's resiliency and overall wellbeing.

Through obtaining and acting on this 360-degree view, No Wrong Door will enable Fife Council to pinpoint individuals and families in need of support or on the cusp of needing support. The success of Fife's transition from crisis management to prevention will hinge on the Council's ability to collect and act on data, mobilise its workforce to work in lockstep, direct resources where they are most needed, and to tailor interventions to wrap around a client's individual circumstances.

Over time, the model should attain measures of success related to the broader socioeconomic context of Fife (e.g., lowered and/or delayed demand for statutory services). NWD should also attain measures of success related to the improved inner functioning of Fife Council (e.g., increased efficiencies, etc.) These micro and macro determinants of success, including the enhanced wellbeing of Fife's citizenry, should be detailed in subsequent phases of work to prepare Fife Council to launch the No Wrong Door Programme. In tandem, monitoring and evaluation metrics against these measures of success will need to be built into the operating model to facilitate performance management, quality assurance, and continuous improvement against key success metrics from the off.



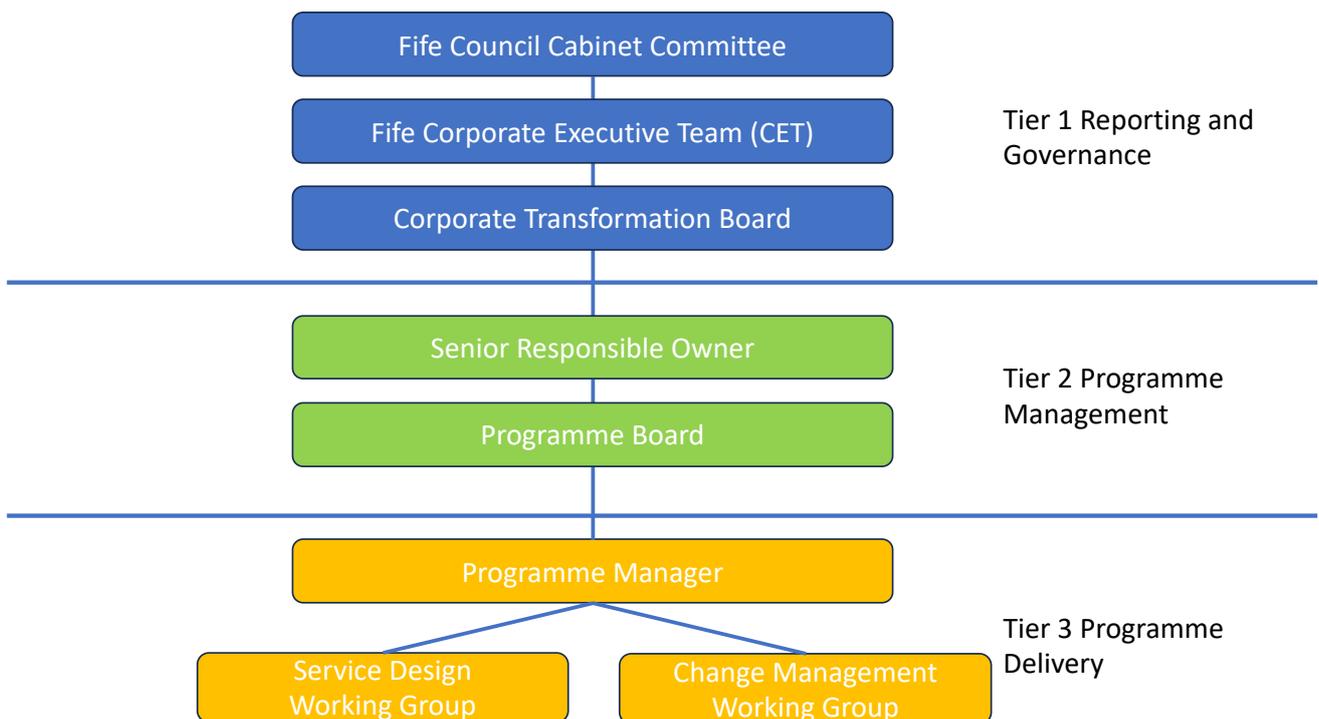
6. MANAGEMENT CASE

The Management Case provides assurance that Fife Council has the capacity and capability to deliver the project as proposed. It also outlines the indicative programme for the delivery of the scheme including details of risk management mechanisms.

6.1. Governance and Project Management Arrangements

The overall structure for the governance, management and delivery of the programme is shown in the diagram below. Please note that this is the proposed governance model which will be developed and evolved as the programme is setup and where possible the programme will use existing groups or boards.

Figure 14: Wellbeing & Prevention Service Proposed Governance Structure



Tier 1: Reporting and Governance

This tier will provide the strategic direction to the project, provide the necessary approvals for the project to proceed at key stages, and hold the programme management and delivery tiers to account. High-level governance will be provided by the Corporate Executive Team who will be responsible for strategic decision making, escalating any decisions to Cabinet Committee and updating the Cabinet Committee on progress at agreed stages. It is recommended that a new



Corporate Transformation Board is created which would be responsible for the alignment of all change work across Fife Council and would report to the CET.

Tier 2: Programme Management

This tier will provide ongoing management of the programme. A dedicated Senior Responsible Owner and Programme Manager will be appointed, who will be responsible for the implementation of the programme. The Senior Responsible Owner and Programme Manager will report to the Programme Board at regular intervals and seek approvals from the Programme Board at key decision points within the programme.

Tier 3: Project Delivery

Members of the project delivery team will be responsible for the delivery of the programme on a day-to-day basis. It is proposed to have two core Working Groups to deliver the initial stage of the project which are the Service Design and Change Management groups. The Service Design group will be responsible for the detailed design of the new model and the roles which will be allocated to each of the functions. The Change Management group will be responsible for completing an assessment of the current state and the development of the change management plan which will include communications, engagement and training requirements to support implementation. The Programme Manager will be supported in several support roles, including procurement, financial control, legal and any corporate communications.

Table 13 provides more detail on the responsibilities of each role within the governance structure.

Table 7: Governance Structure Roles and Responsibilities

Role	Responsibilities
Fife Council Cabinet Committee	<ul style="list-style-type: none"> Provides leadership and democratic accountability on strategic programmes, Provides approval at major decision points, such as approval of Outline and Full Business cases.
Corporate Executive Team	<ul style="list-style-type: none"> Strategic decision-making and oversight of investment in Fife, Provides accountability to Cabinet Committee.
Corporate Transformation Board	<ul style="list-style-type: none"> Portfolio Board responsible for alignment of all transformation programmes across Fife, Management of dependencies at portfolio level between programmes, Provide assurance to the Corporate Executive Team.
Programme Board	<ul style="list-style-type: none"> Provides strategic direction to the Senior Responsible Owner, Provides approval at key decision points, within the limits of delegated authority from the Cabinet, Provides opportunity for key stakeholders to shape the project.
Senior Responsible Owner	<ul style="list-style-type: none"> Provides direction to the project team, Monitors and controls project progress at regular intervals,



Role	Responsibilities
Programme Manager	<ul style="list-style-type: none"> • Reports back to the Steering Group. • Provides day-to-day management of the programme team, • Prepares and monitors the delivery of work streams, • Manages allocated funding, • Monitors progress against programme objectives, • Monitors risks and issues and escalates as appropriate to the Programme Board, • Reports back to the Senior Responsible Owner and escalates decisions as required.
Council Support Team	<ul style="list-style-type: none"> • Support to the Programme Manager in areas such as procurement, financial control, legal and communications.

6.1.1. Change Management Approach

Change management is a critical component of any transformation programme. The steps outlined below provide a propose structured approach for how this is to be managed.

1. **Assess the Current State:** Start by evaluating the current state of the organisation, including its culture, processes, and employee readiness for change. Identify pain points, resistance, and areas where change is needed.
2. **Define the Vision and Objectives:** Clearly outline the vision and objectives of the proposed change. This should be communicated in a way that resonates with employees and stakeholders, emphasising the benefits of the change.
3. **Stakeholder Analysis:** Identify and analyse all relevant stakeholders, including employees, leadership, and external parties. Understand their concerns, motivations, and level of influence. Tailor your change approach to different stakeholder groups.
4. **Change Impact Assessment:** Assess the impact of the proposed changes on various aspects, such as people, processes, technology, and culture. Understand the magnitude of change and potential risks.
5. **Change Team Formation:** Assemble a dedicated change management team or assign roles and responsibilities within existing teams to manage the change process effectively.
6. **Communication Strategy:** Develop a comprehensive communication plan that addresses the "why," "what," "when," and "how" of the change. Ensure that communication is frequent, transparent, and tailored to the needs of different stakeholders.
7. **Training and Development:** Identify the training and development needs of employees to equip them with the skills and knowledge required to adapt to the change. Create a training plan and resources.
8. **Change Resistance Management:** Proactively address resistance to change by acknowledging concerns, providing support, and demonstrating empathy. Develop strategies to overcome resistance.



9. **Feedback Mechanisms:** Establish feedback loops to gather input and insights from employees, citizens, and stakeholders. Use this feedback to make necessary adjustments to the change plan.
10. **Metrics and KPIs:** Define key performance indicators (KPIs) and metrics to measure the success of the change initiative. Ensure these align with the overall business goals.
11. **Risk Management:** Identify potential risks and develop a risk mitigation plan. Be prepared to address unexpected challenges that may arise during the change process.
12. **Resource Allocation:** Determine the resources (budget, personnel, time) required for the change management effort and secure the necessary support from leadership.
13. **Timeline and Milestones:** Create a timeline with specific milestones to track the progress of the change initiative. Ensure that everyone involved is aware of the timeline and their role in achieving milestones.
14. **Documentation:** Maintain documentation of the change management process, including plans, progress reports, and feedback received. This helps in evaluating the effectiveness of the approach.
15. **Continuous Evaluation and Improvement:** Regularly evaluate the change management approach and adjust as needed. Be open to learning from the experience and applying lessons learned to future change initiatives.

Having a clear change management plan will ensure Fife has a structured and people-centred approach to change. It helps ensure that the Council can successfully navigate the complexities of change and maximize the benefits of the proposed transformation.

6.1.2. Change Control

Programme Change Control, often referred to as Change Control within a programme or project management context, is a structured process used to manage and evaluate proposed changes to a program's scope, objectives, deliverables, schedule, budget, or other key elements. The primary goal of Programme Change Control is to ensure that changes are properly evaluated, authorised, implemented, and documented to minimise risks and disruptions to the programme.

Propose key elements of Programme Change Control for the Programme include:

Change Request Submission: When a need for a change in the program arises, team members or stakeholders submit change requests detailing the proposed alterations. These requests should include the rationale, potential impact, and supporting documentation. These requests will initially be made to the NWD Programme Board for review and approval. Depending on the scale of the change these may need to be escalated through the governance structure for approval.

Change Evaluation: The programme management team, along with relevant stakeholders, assesses the change request's feasibility, impact, and alignment with programme objectives. This evaluation involves considering factors like time, cost, quality, and risk implications.



Impact Analysis: The team led by the programme manager conducts a thorough analysis of how the proposed change might affect the programme, its schedule, budget, and any interdependencies with other programme components or projects. This analysis helps in making informed decisions.

Decision-Making: Based on the impact analysis, the SRO and relevant stakeholders decide whether to approve, reject, or modify the change request. If approved, the change is formally authorised and documented.

Change Authorisation: An approved change request results in the issuing of an official change order or change authorisation, which outlines the agreed-upon modifications, including any changes to scope, resources, budget, or schedule.

Implementation Planning: After authorisation, the programme management team plans the implementation of the change. This includes assigning responsibilities, adjusting schedules, and coordinating with relevant teams or stakeholders.

Communication: Effective communication is essential. All team members and stakeholders affected by the change need to be informed of the approved changes, their implications, and any necessary adjustments to their work.

Documentation: Thorough documentation of the entire change control process is essential, including the change request, impact analysis, authorisation, and implementation plan. This documentation is crucial for accountability and future reference.

Monitoring and Control: After the change is implemented, ongoing monitoring and control are essential to ensure that it does not adversely affect the programme's overall performance and objectives. Adjustments may be necessary if unexpected issues arise.

Closure and Reporting: The change control process is considered closed when the change has been successfully implemented, and its impact has been assessed. A final report may be generated to summarise the change and its effects on the programme.

Effective Programme Change Control is a critical component of programme management, ensuring that changes are managed in a structured and controlled manner, which helps maintain programme alignment with its objectives and minimises risks associated with uncontrolled changes.

6.1.3. Risk Management

The production of a Risk Management Strategy is an integral component of the standard project management procedures that is used by Fife Council on projects and programmes. During the



programme development stage, a thorough and detailed examination of risks will be incorporated into a project risk register. The risk register will be reviewed regularly throughout the detailed design phase as a standing item in progress meetings.

The Programme Manager will have day to day responsibility for managing risks and will escalate any issues to the Senior Responsible Owner. In case of any urgent risk events, the Programme Manager will initially seek guidance from the Senior Responsible Owner on behalf of the Programme Board. In case of major issues where the risk response would exceed the authority of the Programme Board, the Senior Responsible Owner will produce an Exception Report to seek guidance and approval from the Transformation Board, Corporate Executive Team or Cabinet as appropriate.

6.2. Programme Team

The programme team for the design and implementation will vary depending on the programme stage and capability and capacity of Fife staff. Where possible the approach is to maximise the use of Fife staff where possible and supplement this with external support and specialist advisors where required.

6.2.1. Partnership working

It will be important to work with partners across Fife in both the Statutory and the Voluntary sector to help codesign the programme and future services. It will be important to collaborate with these organisations, stakeholders, or other parties to achieve common goals or objectives. This approach brings various benefits, including shared resources, expertise, and risk mitigation.

6.2.2. Use of Specialist Advisors

Specialist advisors play a crucial role in ensuring the success of complex programmes. They bring specific expertise and knowledge to the team, helping to mitigate risks, enhance decision-making, and achieve programme objectives. Here are some key areas where specialist advisors could add value to Fife:

1. **Sector knowledge and implementation of similar programmes:** a key area where specialist advisors can add significant value is where they have experience in the implementation of similar programme and understand the challenges and issues. Understanding on Councils and how they work including political elements and Unions is important on programmes of this scale.
2. **Regulatory and compliance guidance:** this programme will need to adhere to a complex web of regulations, permits, and compliance requirements. Specialist advisors who are well-versed in regulatory affairs can help ensure that the programme complies with all legal and regulatory obligations.
3. **Cost estimation and budgeting:** experienced financial advisors can assist in cost estimation, budgeting, and financial planning, helping to ensure that the programme stays within budget, resources are allocated optimally, and any financial savings are tracked.



4. **Programme management and planning:** seasoned programme management advisors can help in project planning, scheduling, and execution. They can provide guidance on methodologies, tools, and best practices for programme/portfolio management.
5. **Change management:** change management advisors can assist with managing the human side of project implementation, helping to prepare employees for change, address resistance, and ensure a smooth transition.

6.3. Programme Roadmap

PHASE 1: Co-Creation of Fife Council's No Wrong Door – COMPLETED

The initial phase of work served to create a baseline understanding of Fife's services, operations, staffing model, unique community needs/demographics, legislative landscape, and organisational readiness to embark on a Crisis to Prevention journey towards No Wrong Door. This phase also provided the necessary inputs to co-design a No Wrong Door model localised to Fife.

Key activities conducted during the design phase included:

- Undertaking research to better understand risks related to geographic hotspots, analysing key risk factors and identify trends, and developing insights related to community networks functions,
- Conducting workshops with Fife Council SMEs to align on desired outcomes for NWD with respect to key stakeholders, partners, and third sector partners,
- Evaluating current organisational fit against the Crisis to Prevention Ideal State Model,
- Collating current and past initiatives within Fife Council supporting No Wrong Door,
- Developing personas and customer journeys in line with human-centred design principles,
- Developing an interim report for validation with service leads and SMEs across Fife Council,
- Collecting, updating, assessing, and validating both staffing figures and non-staffing budgets with all in-scope service leads,
- Conducting one-on-one interviews and joint workshops with Fife Council SMEs to co-create a future state model of No Wrong Door localised to Fife; this included co-designing future service models/pathways and aligning on assumptions to drive future model FTE requirements.

PHASE 2: Full Business Case & Pre-Deployment Planning – FUTURE PHASE

The second phase of work would commence November 2023 through to April 2024, focusing on readying Fife for transformation and implementation of No Wrong Door. This pre-deployment testing and validation phase would require further definition of the detailed operating model (i.e., setting out new roles, capability, and change management requirements), and the development of a detailed implementation plan and timeline.

This phase would also require a delineation of full costs, benefits, and plans to mitigate known risks. In parallel, Fife Council will be required to make key decisions related to leadership posts.



Deciding on key leadership positions, will be critical to future strategic and operational oversight of No Wrong Door.

Key deliverables during the second phase of work would include a full business case, change impact assessment, implementation plan, and new management role descriptions.

PHASE 3: Implementation, Monitoring, Evaluation & Continuous Improvement – *FUTURE PHASE*

The third phase of work would commence June 2024, focusing on bringing No Wrong Door to life through mobilisation of change management initiatives and implementing the new model. This phase may require 12-24 months, subject to Fife Council's organisational change readiness, scale of change, and complexity of implementation.

This phase would implement those plans clearly laid out during Phase Two, including new leadership roles to be introduced in Q1 2024/2025. These leadership roles would spearhead and manage the portfolio of change to delivery augmented and net-new capabilities (i.e., skills, digital, data, analytics), finalising and onboarding new team structures, and institutionalising new ways of working. This rollout would begin April/May 2024.

Of note, this phase would also lay the groundwork for future monitoring, evaluation, and continuous improvement of No Wrong Door in Fife Council.

6.4. Investment Costs to Stand Up the Wellbeing and Prevention Directorate

To ready Fife Council for a successful implementation, the next phase of work would require strategic transformation capacity to lead Fife through design sprints across five key workstreams, establish clear governance structures, and provide tactical programme management support.

The five initial proposed key workstreams are:

1. Data, Insight and Customer View,
2. Triage and Relationship Management,
3. Community and Partner Integration,
4. Knowledge/Self-service & IAG,
5. Universal Skills & Culture.

Detailed design work led through each workstream, including detailed implementation costs and benefits, would be consolidated into a Full Business Case to enable Fife Council's transition from planning into the implementation phase.



Table 8: Wellbeing and Prevention Full Business Case Development

	KEY ACTIVITIES	DELIVERABLES
<i>MOBILISATION</i>	<ul style="list-style-type: none"> • Confirm governance arrangements, workstreams, and delivery plan with existing SMG and Sponsor. 	<ul style="list-style-type: none"> • Programme Definition Document (PDD), • Delivery Plan
<i>OPERATING MODEL WORKSTREAM DESIGN SPRINTS</i>	<ul style="list-style-type: none"> • Data, Insight & Customer View, • Triage & Relationship Management, • Community & Partner integration, • Knowledge/ Self-service & IAG, • Universal Skills & Culture. 	<ul style="list-style-type: none"> • Workstream plans & deliverables agreed, • Fortnightly highlight report with progress
<i>FULL BUSINESS CASE DEVELOPMENT</i>	<ul style="list-style-type: none"> • Summarise findings from the design sprints into a Full Business Case for first implementation phase, • Assess overall impact, costs, benefits, • Develop a Tranche 1 implementation plan. 	<ul style="list-style-type: none"> • Full Business Case, • Tranche 1 implementation plan

6.5. Stakeholder Management and Communications

At present, the programme is in the early stages of development, so it is expected that the stakeholders to be involved and the communication methods used to engage with them will evolve as the programme progresses. In addition to the stakeholder groups which have been engaged to date through workshops and interviews, an initial 'stakeholder mapping' exercise will have been undertaken in the next phase. The purpose of this will be to understand the potential levels of interest in and influence over the programme that various stakeholders have.

At Outline Business Case stage, this initial stakeholder mapping will be used to develop a full Stakeholder Management and Communications Plan, which will include full details of who will be consulted, for what purpose, when how and how often.

6.6. Programme Assurance

Programme assurance is a management practice that focuses on ensuring the successful delivery and outcomes of a programme. Programme assurance, similar to project assurance, provides independent and objective assessments to confirm that the programme is being managed effectively, following best practices, and is likely to achieve its intended outcomes.

These are the proposed key components and objectives for the programme:

1. **Independent Review:** Programme assurance is typically conducted by individuals or teams who are independent of the programme management team. This independence ensures that assessments and recommendations are objective and free from any conflicts of interest.



2. **Scope and Objectives:** The assurance team must have a clear understanding of the programme's scope, objectives, strategic alignment, and expected benefits. This knowledge serves as the foundation for their assessments.
3. **Quality Assurance:** Programme assurance evaluates the quality of programme deliverables, processes, and governance structures. It ensures that the programme adheres to established quality standards and best practices.
4. **Governance and Compliance:** Assurance reviews the programme's adherence to governance frameworks, regulatory requirements, and compliance standards. It ensures that the programme follows established policies and procedures.
5. **Risk Management:** The assurance process assesses how well risks are identified, assessed, and managed throughout the programme. It aims to ensure that risks are appropriately addressed and mitigated.
6. **Financial and Resource Management:** Programme assurance examines financial management, including budgeting, cost control, and resource allocation across multiple projects within the programme. It ensures that resources are used efficiently.
7. **Schedule and Progress:** Assurance monitors the program's schedule and progress, ensuring that it remains on track and that milestones and deadlines are being met.
8. **Stakeholder Engagement:** The process evaluates how well the programme engages with stakeholders, communicates progress, and manages stakeholder expectations across various projects within the program.
9. **Change Management:** Assurance reviews how changes to the programme's scope, objectives, or requirements are managed and whether they are documented, communicated, and integrated effectively into the program.
10. **Issue Resolution:** The process assesses how issues and problems are identified and resolved within the programme. It evaluates the effectiveness of issue management at both the programme and project levels.
11. **Benefits Realisation:** Programme assurance evaluates the programme's ability to track and realise the expected benefits and outcomes outlined in the programme's business case or strategic objectives.
12. **Reporting and Recommendations:** After the assessment is completed, the programme assurance team provides a report that outlines their findings and recommendations. These recommendations help the programme management team make necessary adjustments and improvements.
13. **Continuous Improvement:** Programme assurance is an ongoing process and should be conducted at key programme milestones to ensure that the programme continues to meet its objectives and adapt to changing circumstances.

Programme assurance is crucial for managing complex programmes as this is critical to the Council's success. It provides stakeholders with confidence that the programme is being managed effectively, risks are being addressed, and benefits are being realised. This highlights the need for good



governance, compliance, risk management and financial resource control as part of the process. By identifying potential issues early, it allows for timely corrective actions and proactive management of the programme.



7. APPENDIX

7.1. Appendix A: Root Cause Correlations Analysis

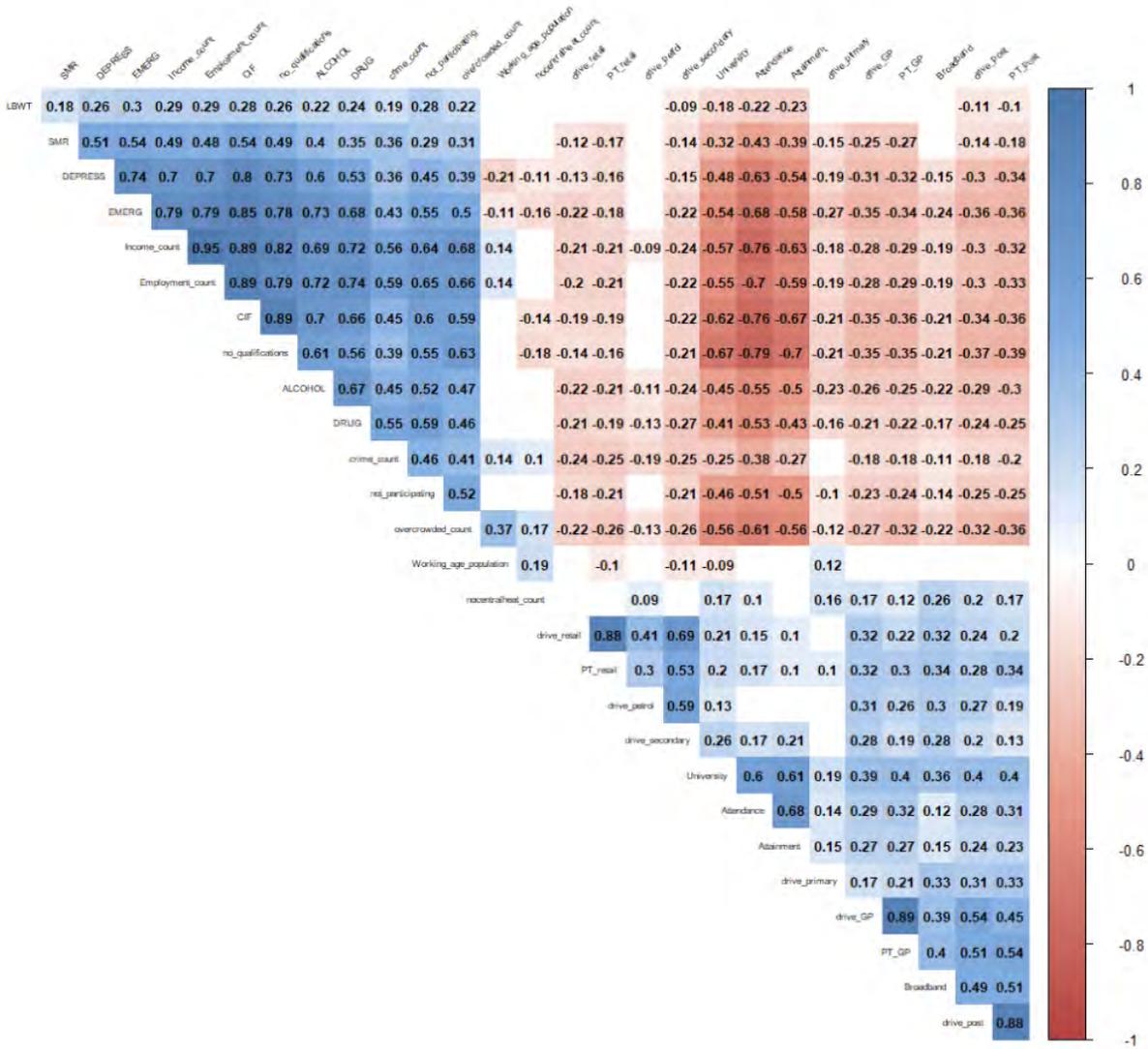
Understanding root causes and correlations is key to designing how services should be set up.

We used the publicly available Scottish Indices of Multiple Deprivation Data as a starting point to indicate relationships between different risk factors using data relevant to the 11 risk factors:

1. Housing tenure and affordability (The nature of housing tenure – is it secure and can you afford housing costs),
2. Individuals who are unemployed (Higher than average unemployment),
3. Individuals with low income,
4. People who are in debt and those where debt is increasing,
5. School exclusion / school attendance,
6. Educational attainment,
7. Social isolation / loneliness,
8. Mental wellbeing / special needs / disabilities,
9. Substance misuse,
10. Domestic abuse,
11. Lack of connectivity (Remote communities with limited internet connection and transportation links).

Dark blue shading (below) illustrates a strong positive correlation and darker red a strong inverse correlation. Correlations do not explain causes but show us relationships. This chart shows that there are several correlations between data points linked to the IMD data, further indicating the value of integrating services. Ideally, we would use Council and partner case data to develop a more sophisticated understanding of correlations in demand for services. However, in order to do this effectively we would need a much more granular and consistent data set than we have currently been able to access.





7.2. APPENDIX B: Legal Constraints and Dependencies

Legislation / statutory guidance	Impact / Overview
Children Act 1989	<p>Introduces principle that children are best looked after within their families, with their parents playing a full part in their lives, unless compulsory intervention in family life is necessary. The Act makes provisions for:</p> <ul style="list-style-type: none"> • the concept of parental responsibility, • the ability of unmarried fathers to share that responsibility by agreement with the mother, by joint registration at birth or by court order, • the local authority's functions to provide services which support children and their families, • the local authority's duty to return a looked after child to his/her family unless this is against his/her interests; and • the local authority's duty, unless it is not reasonably practicable or consistent with his/her welfare, to endeavour to promote contact between a looked after child and his/her parents or others.
Children Act 2004	<p>Places a duty on local authorities to make arrangements through which key agencies co-operate to improve the wellbeing of children and young people and widen services' powers to pool budgets in support of this.</p> <p>Places a responsibility for key agencies to have regard to the need to protect children and promote their welfare in exercising their normal functions. It also established statutory Local Safeguarding Children Boards to replace the existing non-statutory Area Child Protection Committees.</p> <p>Provides for regulations to require children's services authorities to prepare and publish a Children and Young People's Plan (CYPP) which will set out their strategy for services for children and relevant young people.</p>
Getting it right for every child (GIRFEC) Practice Guidance 4 - Information sharing	<p>This guidance aims to clarify the circumstances in which information can be shared with another agency, the considerations that need to be considered to ensure sharing information with another agency is appropriate, and the importance of involving children, young people and families.</p> <p>National Guidance for Child Protection in Scotland states:</p>



Legislation / statutory guidance	Impact / Overview
	Where there is a child protection concern, relevant information should be shared with police or social work without delay, provided it is necessary, proportionate and lawful to do so.
Human Rights Act	Sets out the fundamental rights and freedoms that everyone in the UK is entitled to under the UNCHR. Requires all public bodies and other bodies carrying out public functions to respect and protect human rights.
Data Protection Act	Controls how personal information is used by organisations, businesses or the government. Data protection rules ensure that data is: <ul style="list-style-type: none"> • Used fairly and lawfully, • Used for limited, specifically stated purposes, • Used in a way that is adequate, relevant and not excessive, • Used accurately, • Kept for no longer than is absolutely necessary, • Handled according to people’s data protection rights, • Kept safe and secure; and • Not transferred outside the European economic area without adequate protection.
Caldicott Principles	Sets the framework for the quality standards that Caldicott Guardians use to oversee the management of confidentiality and access to personal information. The 'Caldicott' principles and recommendations apply specifically to user-identifiable information and emphasise the need for controls over the availability of such information and access to it.
Anti-social Behaviour Crime and Policing Act 2014	Makes provision for: <ul style="list-style-type: none"> • A civil injunction to prevent anti-social behaviour. • An order on conviction to prevent behaviour which causes harassment, alarm or distress. • the police to disperse people who are causing, or likely to cause, harassment, alarm or distress or who are, or are likely to be, taking part in crime or disorder. • Powers to deal with community protection and makes provision for a community protection notice, a public spaces protection order and provisions to close premises associated with nuisance or disorder. • The possession of houses on anti-social behaviour grounds. Part 6 contains provisions on establishing a community



Legislation / statutory guidance	Impact / Overview
	remedy document and dealing with responses to complaints of anti-social behaviour.
Landlord and Tenant Act 1987	An Act to confer on tenants of flats rights with respect to the acquisition by them of their landlord's reversion; to make provision for the appointment of a manager at the instance of such tenants and for the variation of long leases held by such tenants; to make further provision with respect to service charges payable by tenants of flats and other dwellings; to make other provision with respect to such tenants; to make further provision with respect to the permissible purposes and objects of registered housing associations as regards the management of leasehold property; and for connected purposes.
Housing Act 1996	An Act to make provision about housing, including provision about the social rented sector, houses in multiple occupation, landlord and tenant matters, the administration of housing benefit, the conduct of tenants, the allocation of housing accommodation by local housing authorities and homelessness; and for connected purposes.
Regulation of Care (Scotland) Act 2001	<p>The main aim of the Regulation of Care (Scotland) Act 2001 is to improve standards of social care services.</p> <p>The act meant that far more care services and staff came under scrutiny and had to conform to established standards.</p> <p>Failure of a care service or an individual to comply with the act and associated regulations means they can be de-registered and no longer able to provide services.</p>
Community Care and Health (Scotland) Act 2002	<p>The Community Care and Health (Scotland) Act introduced 2 new changes:</p> <ul style="list-style-type: none"> • The introduction of free personal care for older people, regardless of income or whether they live at home or in residential care, • The creation of rights for informal or unpaid carers, with the intention of providing adequate support services to ensure the continuation of caregiving in the community. <p>The act created the right to a separate carer's assessment and the responsibility of health boards to produce 'carer</p>



Legislation / statutory guidance	Impact / Overview
	<p>information strategies' which must be submitted free of charge to carers.</p> <p>The act was amended in June 2018 (The Community Care (Personal Care and Nursing Care) (Scotland) Amendment (Regulations) 2018) as Parliament agreed to extend free personal care to people under the age of 65 regardless of their condition, by 1 April 2019.</p>
<p>Crime and Disorder Act 1998</p>	<ul style="list-style-type: none"> • Abolished the presumption of "doli incapax", the rule that a child aged 10 to 13 is presumed to be unable to form the necessary criminal intent. • Created the anti-social behaviour order, designed to prohibit individuals from indulging in specific activities that are deemed to be anti-social. • Created two new schemes for dealing with youth crime: child safety orders, which apply to children under the age of 10, and parenting orders, which are made against the parents of a child who has been given an anti-social behaviour order. • Creates sex offender orders, which bar offenders from activities and areas frequented by children. • Introduces separate offences for crimes that were aggravated by the victim's race or presumed race. • Obliges local authorities, the police and other local bodies to draw up a crime and disorder strategy covering their area. • Creates a statutory duty on those working in the youth justice system to observe a principal aim of preventing offending by children and young people.
<p>Misuse of Drugs Act 1971</p>	<p>Offences relating to possession, supply and production of controlled drugs are generally prosecuted under the Misuse of Drugs Act 1971.</p> <p>Controlled drugs are divided into different 'classes' for the purposes of the Act and the type of drug will have a bearing on the approach taken by the prosecution and the Court. Cannabis was recently reclassified as a Class 'B' drug. Possession of cannabis in relatively small amounts may be dealt with by way of a Fiscal Fine rather than formal prosecution. Possession of Class 'A' drugs such as heroin, cocaine or MDMA (ecstasy) is almost invariably prosecuted as a matter of Crown Office policy.</p>



Legislation / statutory guidance	Impact / Overview
Rehabilitation of Offenders Act 1974	<p>The Rehabilitation of Offenders Act 1974 ("the 1974 Act") provides for a system of protection to individuals with convictions or non-court disposals (commonly known as alternatives to prosecution ("AtPs")). This protection is such that a person is not required to self-disclose these matters in certain circumstances as laid out in the 1974 Act. The 1974 Act restricts the self-disclosure of previous convictions/AtPs. Without it the common law position would still apply whereby a person asked about any convictions or AtPs would have a responsibility to tell the truth.</p>
Psychoactive Substances Act 2016	<p>This Act creates a blanket ban on the production, distribution, sale and supply of psychoactive substances in the United Kingdom.</p> <ul style="list-style-type: none"> • Section 2 defines a "psychoactive substance" for the purposes of the Act. Schedule 1 lists substances, such as food, alcohol, tobacco, caffeine, medicinal products and controlled drugs, which are excluded from the definition. • Sections 4 to 9 make it an offence to produce, supply, offer to supply, possess with intent to supply, import, export, or possess in a custodial institution psychoactive substance. The maximum sentence for all these offences is seven years' imprisonment, except for possession in a custodial institution, which carries a maximum sentence of two years. Section 11 and Schedule 2 provide for exemptions to these offences and enable regulations to be made to provide for further exemptions. • Sections 12 to 35 provide for four civil sanctions – prohibition notices, premises notices, prohibition orders and premises orders (breach of the two orders will be a criminal offence) – to enable the police and local authorities to adopt a graded response to the production, supply etc of psychoactive substances in appropriate cases. • Sections 36 to 54 provide for powers to stop and search persons, vehicles and vessels, to enter and search premises (under warrant) and to forfeit seized psychoactive substances and other items.
Getting it right for every child Statutory Guidance –	<ul style="list-style-type: none"> • Getting it right for every child (GIRFEC) (see glossary) is the Scottish Government's commitment to provide all children, young people and their families (for definition of child or young person and



Legislation / statutory guidance	Impact / Overview
<p>Assessment of Wellbeing 2022 – Part 18 (section 96) of the Children and Young People (Scotland) Act 2014</p>	<ul style="list-style-type: none"> • family see glossary) with the right support at the right time – so that every child and young person in Scotland can reach their full potential. • The statutory guidance on wellbeing is intended for practitioners (see glossary) and service leads in services that work with children, young people and their families and is issued under section 96 (3) of the Children and Young People (Scotland) Act 2014 (the Act). • The guidance clarifies how the eight wellbeing indicators (SHANARRI) (see glossary) are used in assessing the wellbeing (see glossary) of children and young people and will explain what wellbeing is in the context of the Act.
<p>Adoption and Children (Scotland) Act 2007</p>	<p>The Act imposes a duty on all of Scotland's 32 local authorities to provide an adoption service in their area.</p>
<p>Children and Young People (Scotland) Act 2014</p>	<p>Bills and legislation Children and Young People (Scotland) Act 2014 – introduces provisions to better ensure permanence planning for looked after children.</p>
<p>The Looked After Children (Scotland) Regulations 2009</p>	<p>The Looked After Children (Scotland) Regulations 2009 – bring together the care planning services offered to children looked after at home, with the care provision required when children are separated from their birth parents. See 2011 Guidance on the Looked After Children (Scotland) Regulations 2009 and Adoption and Children (Scotland) Act 2007 in our website archive.</p>
<p>Adoption and Children (Scotland) Act 2007</p>	<p>Adoption and Children (Scotland) Act 2007 – modernises, improves and extends the adoption system in Scotland.</p>
<p>The Support and Assistance of Young People Leaving Care (Scotland) Regulations 2003</p>	<p>The Support and Assistance of Young People Leaving Care (Scotland) Regulations 2003 – deals with the provision of aftercare services for young people who have been looked after by local authorities.</p>
<p>The Secure Accommodation (Scotland) Regulations 1996</p>	<p>The Secure Accommodation (Scotland) Regulations 1996 – concerns the use of secure accommodation for any child who is being looked after by a local authority, or for whom the local authority is responsible under Criminal Procedure legislation.</p>



Legislation / statutory guidance	Impact / Overview
The Residential Establishments - Child Care (Scotland) Regulations 1996	The Residential Establishments - Child Care (Scotland) Regulations 1996 – makes provision with respect to residential establishments in which a child who is looked after by a local authority under the Children (Scotland) Act 1995 may be placed.
Children (Scotland) Act 1995	Children (Scotland) Act 1995 – sets out many of the duties, powers and responsibilities that Scottish local authorities hold in respect of their looked after children and care leavers.
Foster Children (Scotland) Act 1984	Foster Children (Scotland) Act 1984 – consolidates certain enactments relating to foster children as they have effect in Scotland.
Foster Children (Private Fostering) (Scotland) Regulations 1985	Foster Children (Private Fostering) (Scotland) Regulations 1985 – sets out regulations for private fostering in Scotland.
Education (Scotland) Act 2016	An Act of the Scottish Parliament to make provision in relation to school education about priorities, objectives and reducing pupils' inequalities of outcome; to modify the Education (Additional Support for Learning) (Scotland) Act 2004 and section 70 of the Education (Scotland) Act 1980; to make provision in relation to Gaelic medium education, the provision of school meals, the appointment of Chief Education Officers, the registration of independent schools and teachers in grant-aided schools and the standards of education and training of persons to be appointed as head teachers; to enable provision to be made requiring a minimum number of hours of school education to be provided; to enable provision to be made about school clothing grants; to extend the duty to provide early learning and childcare to certain children; and for connected purposes.
Early Years Foundation Stage	This framework seeks to maximise positive opportunities for children to get the start in life that will provide a strong platform for the future success of Scotland. We know that children are the future of Scotland and we know that early years experiences provide a gateway to learning and skills that will power Scotland's knowledge economy. Equally importantly, it seeks to address the needs of those children whose lives, opportunities and ambitions are being constrained by Scotland's historic legacies of poverty, poor health, poor attainment and unemployment.



Legislation / statutory guidance	Impact / Overview
<p>Additional support for learning: statutory guidance 2017</p>	<p>The Education (Additional Support for Learning) (Scotland) Act 2004 (“the Act”) [1] provides the legal framework for identifying and addressing the additional support needs of children and young people who face a barrier, or barriers, to learning. The Act aims to ensure that all children and young people are provided with the necessary support to help them work towards achieving their full potential. It also promotes collaborative working among all those supporting children and young people and sets out the rights of children, young people and parents within the system.</p> <p>This is the third edition of the code and replaces all previous versions. This third edition takes account of the amendments in the 2016 Act which extended certain rights to children aged 12 and over [5] . It explains the duties on education authorities and other agencies to support children’s and young people’s learning. It provides guidance on the Act’s provisions as well as on the supporting framework of secondary legislation.</p>
<p>National guidance for child protection in Scotland 2021</p>	<p>This guidance describes the responsibilities and expectations for all involved in protecting children and will support the care and protection of children.</p>





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Report prepared by Inner Circle Consulting
[NOVEMBER 2023]

Chief Officer – Recruitment – Organisational Change

Report by: Sharon McKenzie, Head of Human Resources

Wards Affected: n/a

Purpose

This report provides an update on a number of areas of immediate implementation arising from the separate report on Change Planning and Organisational Change on this agenda. These changes deal with recommendations to alter the role and remit of the post of the Executive Director (Education and Children’s Services), to relocate the post of Head of Service (Children and Families and Criminal Justice), including the role of Chief Social Work Officer (CWSO) to the Communities Directorate and to proceed with recruitment for both posts.

Recommendation(s)

Cabinet is asked to:-

- (1) agree organisational changes in the senior leadership model in Education and Children’s Services and Communities as set out in section 2 of this report; and
- (2) agree the recruitment strategy for the post of Executive Director (Education) and the post of Head of Service (Children and Families and Criminal Justice) and Chief Social Work Officer.

Resource Implications

There will be costs associated with the recruitment to these posts but there are no additional financial implications linked to these proposals and there will be some salary savings whilst arrangements are made to fill the posts.

Legal & Risk Implications

None.

Impact Assessment

An EqIA has not been needed for the purpose of this report.

Consultation

The Group Leaders have been consulted on the proposals in this report.

There has been discussion with the Joint TU Secretary as is required under the Council’s Managing Change policy and the Council’s Executive Team met with the Trade Unions on 13th November to provide an opportunity for fuller engagement.

1.0 Background

- 1.1 The Chief Executive presented a report to Cabinet in June setting out interim arrangements for the post of Executive Director (Education and Children's Services). In that report the Chief Executive stated his intention to consider the operating model and the senior leadership arrangements for the council alongside the outputs from the Change Planning work on People and Place and No Wrong Door work. He advised he would submit a further report to Cabinet on specific senior leadership structural considerations.
- 1.2 The report on Change Planning and Organisational Change sets out the outline business case on transformational change stemming from the detailed design work around People and Place and the adoption of a No Wrong Door approach. Whilst a detailed report on change with a full business case will be considered by Cabinet in Spring 2024, the Chief Executive now wishes to set out changes to the executive and strategic leadership arrangements for the Education and Children's Service Directorate. These changes also impact on the Communities Directorate.
- 1.3 A key part of the change planning programme work will be the focus on providing detailed design support on the People and Place "no wrong door" model. This work will develop and deliver a business case and a potential operating model which focuses on a people centred delivery model. This is in line with the council's ambition to have services which are localised, agile and flexible, with the ability to respond to community demand, both collaboratively and efficiently. The proposals contained in this report do not impact on this ongoing work.

2.0 Proposed Changes and Next Steps

Executive Director (Education and Children's Services)

- 2.1 An interim arrangement was agreed for the management of the Education and Children's Services Directorate when the then Executive Director (Education and Children's Services) retired from the council in August 2023. The post was left vacant pending the review of the People and Place change work. Whilst there is still work to be done to further develop a final recommended operating model, the Chief Executive has now reconsidered the interim arrangements and wishes to proceed with a permanent appointment to the Executive Director post. The reduction in strategic leadership in the Directorate has been visible and has added to the stretched capacity across the Directorate. The Chief Executive's priority is around ensuring children and young people are enabled to achieve their full potential. Continuing challenges in this space are key to the Chief Executive's decision, as well as the need to manage the significant risk in this area of the council's work. In the longer term, there is also a need for an executive post in this area and the conclusion reached is that it should not be delayed pending the wider review work.
- 2.2 For ease of reference, the current services reporting to the Executive Director (Education and Children's Services) are as follows;
 - Education Services covering
 - Secondary Schools and Specialist Support
 - Primary Schools and Improvement Support
 - Early Years and Directorate Support
 - Children and Families and Criminal Justice and role of Chief Social Work Officer

- 2.3 However, in recognition of the clear focus on efficiency in the delivery of services, better integration of service functions and the prioritisation of frontline services to communities, the Chief Executive intends to separate the functions covered by Children's Services and relocate these to the Communities Directorate. This proposal aligns with the direction of travel set out in the outline business case and continues to build on the move to preventative services; improving, adapting and evolving services to best meet the needs of individuals, families and communities. By relocating the function at this early stage, it also means that the Children and Families Service and Criminal Justice Services will be at the heart of the People and Place development work set out in the No Wrong Door approach.
- 2.4 Alongside the post of Executive Director (Education), the post of Head of Service (Children and Families and Criminal Justice) and Chief Social Work Officer is also vacant at this time, with interim arrangements in place. It is now intended to advertise both posts. The Head of Service (Children and Families and Criminal Justice) and Chief Social Work Officer post will be advertised as part of the Communities Directorate reporting to the Executive Director (Communities). An overarching narrative will be embedded into the recruitment campaign to describe the journey we are on in relation to a move to People and Place. With a renewed focus on Education, the Executive Director post will also be positioned with a clear alignment to People and Place but it will be a stand alone post representing the ambition and aspirations around this strategic function.
- 2.5 The intention is to move swiftly to advertise these posts and to run a recruitment campaign early in the New Year. Arrangements will be made to establish two Appointments Sub-Committees to support these appointments. Going forward there will likely be other changes to Directorates and Services and potentially to leadership structures. These will be reported in due course and will be managed in accordance with the council's arrangements for Managing Change. Transformation and change of the nature described can be disruptive and engagement and communication with all employees will be required, as will consultation with the Joint Trades Unions. The dialogue with the Joint Trades Unions is in hand.

3.0 Conclusions

- 3.1 It is in the council's best interests to ensure there is sufficient senior leadership capacity across its existing Directorates and the arrangements set out in this report will provide the strength and resilience needed now to address the challenges and priorities and to manage the risks across these key areas of the council.

Report Author:

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Templehall Community Hub – New Build Project

Report by: Paul Vaughan, Head of Communities and Neighbourhoods Service

Wards Affected: 9, 10, 11 and 12

Purpose of Report

The purpose of this report is to provide members with an update on the progress of the new build Templehall Community Hub and integration of assets.

Recommendation

The Committee is asked to:

- (i) note the council's agreed capital plan allocation of £15.300m to this project;
- (ii) approve the integration of the existing Community Centre, Local Office, Argos Centre and library service (operated by Fife Cultural Trust) into the new hub; and
- (iii) approve the project Business Case referenced in the report.

Resource Implications

The agreed capital budget for the project is £15.300m. External funding bids previously submitted to Regeneration Capital Grant Funding and Levelling Up Funding were not successful. The programme of works is scheduled to start at the end of 2024 and will need to have sufficient resources in place to deliver the project.

Legal & Risk Implications

There will be risk to future continuity of service if the project is delayed.

A value engineered project cannot integrate all the services from facilities earmarked for demolition. Existing facilities will be retained which will result in ongoing revenue liability and limit the scope of any future housing master plan proposals.

Reduced building liability risks by integrating four facilities into one integrated hub will not be achieved if the project does not progress.

The displacement of existing activities from the Argos Centre is not compatible with alternative facilities during the closure of the facility for the duration of the project.

The volatility in the construction industry, in terms of availability of materials and resources, may be a factor in further increases in construction costs and extend timelines for delivery.

The funding model for the project is very much predicated on the tender returns coming in on budget and no escalation of onsite costs after the project commences on site.

Impact Assessment

An EqIA is not required as the report is not proposing any changes to existing policies and practices. The designs proposed for the layout of the new facility comply with the requirements of the Building (Scotland) Regulations 2004 and the aims of the Disability Discrimination Act (DDA) 2005.

Consultation

There has been extensive consultation and community engagement throughout the duration of the project development. Options appraisal was discussed with elected members recommending the preferred option of an integrated hub and rationalising the number of council assets in the locality.

A feasibility was commissioned via HubCo to provide an outline design (see Background Papers section at end of report) to support the consultation with internal stakeholders, operators and councillors.

The consultation was developed and progressed from the original business case (**Appendix 1** - PF01 Final Business Case). This highlights the aspiration of collapsing four facilities into one integrated facility as the preferred business option. The project has developed since then via the extensive consultation programme with a fully resourced technical, client and area team.

Communication continues within the Communities Directorate, Ward members, Fife Cultural Trust (Library services) and other Services who have been informed of the project options and outcomes.

Following on from the extensive public consultation which took place in Templehall during January 2019, robust feedback was gathered from local community groups, centre groups, focus groups, online surveys and large-scale consultation events. Community dialogue commenced in September 2023; four information sessions were held in the Community Centre. Publicity for the events was wide ranging, information session invites/comment cards were delivered to all the residents in the streets surrounding the existing centre and proposed site. Publicity and comment cards were distributed to local shops and businesses. Banners, comment boxes and invite/comment cards were distributed to five prominent public/community venues and remained as static displays. Local partnership groups were invited to attend and promote the events.

An in-depth SWAY document was produced explaining the history and background of the project to date, providing information on the previous engagement feedback gathered, the scope and detail of current design plans, the location of the build and the cleared site for a Housing Services' led development opportunity.

A QR code to link to this information was inserted onto all printed and online publicity and paper copies were provided from the existing Templehall centre.

The information SWAY will be updated at each stage of the project and DCAL signs will be created and will be located on Templehall centre and the Annexe building. This will provide a QR code and link to updated SWAY information.

Each time the SWAY is updated, this will be communicated via local social media channels, in-house and via Neighbourhood Development Partnership links with residents and community groups so that local people can access the updated information via the QR code. Paper copies will also be available within the existing Templehall centre if required.

1.0 Background

- 1.1 The council agreed to new design principles around integrated community facilities at Executive Committee in December 2016. This included a commitment to the integration of services, in particular when using capital money to build or refurbish our assets and facilities. The project delivers against this political commitment.
- 1.2 Reports to Area Committee and strategic committees outline the background of the development of the project within the wider context of the redesign of community assets. In this case, the aim of this project is to merge disparate rundown local facilities into a single modern facility (on the site of the existing Argos Centre) which will be inclusive to all and provide a “no wrong door” approach to a range of services and community spaces based in the heart of the neighbourhood. The facilities include:-
 - Templehall Community Centre
 - Templehall local office
 - Argos Centre
 - Templehall Library (operated by Fife Cultural Trust)
- 1.3 This project is embedded within the Capital Plan Strategy for 2023-2033 particularly “Community Led Services” and “Assets and Infrastructure Investment” under improved stewardship of assets, alignment with the Plan for Fife, “no wrong door” approach and addressing climate change.
- 1.4 The project potentially could result in revenue savings for the council and, moving forward, it will also ensure sustainable outcomes for the local community by providing more integrated and joined-up services in a building which meets all modern energy efficiency targets within the context of the climate change agenda. The reduction in the number of facilities will reduce the backlog maintenance liability to Fife Council.
- 1.5 The council’s commitment to ensure new facilities integrate energy efficient measures within construction schemes is included in the project cost. The project incorporates the Council’s Passivhaus standards.
- 1.6 The proactive and extensive consultation with the community has confirmed the requirement to develop a design concept for a facility of (1500sq m). This project reduces the number of facilities into one facility and integrates most of the community’s aspirations into one integrated facility and also paves the way for the future housing master plan in Templehall.
- 1.7 Following the Community Engagement, Housing Services are in the process of developing a housing master plan (a separate project) the first phase of which has commenced at the former Fair Isle clinic.
- 1.8 After construction completion of the new community hub, the operations from the Community Centre, Library and local office will transition across to the new hub. Thereafter, the demolition of the surplus assets will commence.

2.0 Project Update and Progress

- 2.1 This facility will provide a significant impact in terms of improved community cohesion and provide a key local focal point from which to develop asset-based community development approaches as well as building on the human, social and physical capital that exists within the community. This project will build on, and complement, the recent development of the Templehall master plan, community representatives and partner

organisations to regenerate the whole of Templehall neighbourhood. A new community hub facility will provide a modern fit for purpose building to meet the needs and aspirations of the community in a more focused, cohesive and easily accessible way.

- 2.2 The outcome of the project would benefit the community by integrating a number of services within one facility offering a wide range of localised activities benefitting existing customers and attracting new customers. Reducing a number of assets with total sq.m of 2391 sq.m into one facility of 1500 sq.m. The reduction of 891 sq.m (37% decrease) on completion of the demolition of the redundant facilities will potentially generate operational and business efficiencies to the council in the following areas:-
- **Fixed costs** - for utilities, rates, water, maintenance and some semi variable costs such as materials required for the operational upkeep of each
 - **Building related costs** - for longer term planned maintenance requirements and upkeep of each asset will generate more capacity to reallocate maintenance budgets for other assets
 - **Variable costs** - workforce reductions could generate short-term revenue savings. Alternatively, existing workforce can be redeployed more effectively across the C&N (Community & Neighbourhoods) operational facilities.
 - **Uplift from additional income** - the new integrated Hub will generate more income through careful programming from flexible spaces and maximising the use of additional facilities such as the Multi Use Games Area and learning kitchen
 - **Carbon Footprint** - reduction of the carbon footprint including reduction in energy costs
 - **Sustainable and legally compliant facilities** - less reliance on building maintenance and statutory compliance upgrades
- 2.3 The consequence of the delivery of this project will result in an opportunity for delivery of a separate Housing Service led project to regenerate the Templehall area and have a positive economic impact on the locality High Street. The new build design embeds the principles of Passivhaus energy management to a high quality with operational benefit. Fife Council's commitment to this design standard was endorsed by the Council in June 2021.
- 2.4 There will be revenue savings by integrating the library into the community hub facility estimated to be £0.040m, this is based on 22/23 revenue budget and future projected running costs.

3.0 Operational Business Case

- 3.1 The new Integrated community hub will be operated by the council's Halls and Centre's Team who already manage the existing community facilities in Templehall. The library service will continue to be managed by Fife Cultural Trust. The Halls and Centre Team are reviewing and updating their management, operational, policies and procedures for the new facility to anticipate increased usage of the facility including the additional scope to accommodate specific user groups.
- 3.2 The importance of the co-location of the library (operated by FCT) sitting alongside the wider community provision within the Hub will provide customers with a joined up cohesive service. FCT will develop their operational business case over the next few years focused on partnership working around programming a range of complementary activities which can be implemented when the service relocates into the Community Hub.

- 3.3 The project will result in business efficiencies for the council and, moving forward, it will also ensure sustainable outcomes for the local community by providing more integrated and joined-up services. The revenue consequences are currently assumed to generate a small saving; however, the council will assess the business efficiency opportunities over the first year of operations.

4.0 Conclusion

- 4.1 The delivery of Templehall Community Hub Facility Project is of strategic importance to Kirkcaldy Area and delivers on the council's commitment of design principles around co-location and integrated community facilities.
- 4.2 The development of the project could potentially achieve revenue savings, reduce the number of local assets into a state-of-the-art integrated community hub and provide the opportunity of additional housing in the heart of Templehall in the future.

List of Appendices

Appendix 1 - PF01 Outline Business Case

Background Papers

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

- Executive Committee Report 28/03/2017 "Capital Investment Plan 2017-27 Governance Arrangements"
- Council Capital Investment Plan 2019-29 agreed in February 2019
- Council Capital Investment Plan 2021-31 agreed in February 2021
- Council Capital Investment Plan 2023-33 agreed in June 2023
- Policy and Co-ordination Committee Report 24/01/2019 "Capital Investment Plan – Area Community Facilities – Templehall and Abbeyview Community Hubs"
- HubCo Feasibility Report - <https://sway.office.com/QQP8li159jYDqJ29?ref=Link>

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	Proposal & Outline Business Case	Document ref
		PF01

Project ref & title	Templehall Community Hub Facility Project
Programme or eVision (If applicable)	Design Principles - Integration of facilities (Dec 2016 Exec Committee)
Project Delivery Lead	Debbie Chapman, Capital Project Manager (Client) John Peden, (Technical/Design)
Project Manager & Sponsor	Debbie Chapman, Capital Project Manager (Client) Julie Dickson, Community Manager (Sponsor) Paul Vaughan, Head of Communities & Neighbourhoods
Approval board(s)	Investment Strategy Group & Strategic Cabinet Committee
Date & version	01.11.23 V1.6

Document history

Date	Version	Last revised by	Details of revision
05/12/18	V1.0	Janice Spence	First draft
28/02/22	V1.1	Leah Levein	Second draft
19/07/22	V1.2	Andy MacLellan	Third draft
26/07/22	V1.3	Debbie Chapman/Andy MacLellan/John Peden	Final Business case
27/07/22	V1.4	Debbie Chapman/Andy MacLellan/Eleanor Hodgson/Paul Vaughan	Final Business case & revenue projections
09.06.23	V1.5	Debbie Chapman/Andy MacLellan/Eleanor Hodgson/Lesley Kenworthy	Final Business case & revenue projections – Capital Plan Review
01.11.23	V1.6	Debbie Chapman/Andy MacLellan/Eleanor Hodgson/Lesley Kenworthy	Final Review

Section 1: Proposal

1.1 What is the project going to do?

This project will provide a modern, integrated new build facility in Templehall to replace the cluster of ageing, poor quality facilities that exist in the area. The aim of the project is to provide a facility which is welcoming and inclusive to all. The Hub design will accommodate a range of services in one place. This vision allows local people to visit a welcoming first point of contact where additional services can be visited and accessed with ease which adopts the Council's "no wrong door" strategic approach. The proposed hub design and operating model will allow community members to become aware of and be able to access a wide range of support and advise services right on their doorstep, it will encourage engagement in of a range of indoor and outdoor leisure activities to improve health outcomes and provide spaces which offer a range of family, community and youth activity, aimed at supporting people to be independent, resilient and have control in their lives.

1.2 Why should we do it and what will happen if we do not?

1.2.1 Project background

The Templehall Community Hub Project arose following the completion of a Local Community Planning exercise, linked to an Asset Management review of community assets in each of the Council's 7 Local Area Committee boundaries.

The Templehall Community Hub Project has been included in Fife Council’s Local Community Asset Planning Programme. The asset planning process was developed to identify the physical assets needed to support the agreed outcomes in each of the 7 Area Local Community Plans and the Plan for Fife 2017-2027.

This project will aspire to bring together the services currently delivered from:

- Templehall Local Office
- Templehall Library
- Argos Centre
- Templehall Community Centre

1.2.2 Project justification

This facility will provide a significant impact in terms of improved community cohesion and provide a key local focal point from which to develop asset-based community development approaches as well as building on the human, social and physical capital that exists within this local community.

This project will build on, and compliment, the recent development of the Templehall masterplan by Fife Council, community representatives and partner organisations to regenerate the whole Templehall neighbourhood. A new Community Hub facility will provide a modern fit for purpose building to meet the needs and aspirations of the community in a more focused, cohesive and easily accessible way.

The new building will be a local focal point for the community, retain identity within the community and will have a significant impact in terms of improved community cohesion and community pride.

The project will deliver on the priorities of the Plan for Fife, the Kirkcaldy Local Community Plan and the Templehall master plan. The Templehall master plan built on themes from the Templehall Neighbourhood Development Plan (2017-2021) The master plan was developed and led by a local steering group in collaboration with Community groups, Community Council, Tenants and Residents Groups, Local Church’s, third sector partners, Police, NHS, Health and Social Care and Fife Council and was further developed in partnership with local Elected Members.

Wide reaching and comprehensive community consultation was undertaken in 2019 to create this Vision for Templehall.

The key Vision of the Templehall master plan is to create an area which is:

<p>A connected area</p> <p>A climate resilient place</p> <p>A home for all</p> <p>A lifetime neighbourhood</p> <p>A healthy neighbourhood</p> <p>An enabling place</p>	<p>Design principles:</p> <ul style="list-style-type: none"> • Ensure easy access and wayfinding between different facilities, amenities and open spaces • Increase access to greenspace for the domestic properties that currently have no greenspace within 250m walking distance <ul style="list-style-type: none"> • Cleared site for a future Housing Services led development • For any building(s) Net Zero carbon should be achieved to minimise communities’ operating costs • Provide opportunity for HUB activities to take place outdoors, such as exercise, art, food growing
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This project has the capacity to provide a community hub to roll out the themes of the Templehall Neighbourhood plan and the Templehall master plan and is wholly consistent with the desired outcomes of the national regeneration strategy – Achieving a Sustainable Future.

It also equates with the Plan for Fife’s Four principles for renewal:

- Work as a single team around People and Place
- Tackle problems and find solutions together
- Make a difference
- Make time for people

The Plan for Fife aims to build on our learning from the pandemic and to embed these approaches in new ways of working across Fife’s public sector. These new ways of working have been set out as four principles for public service renewal.

These principles involve:

Bringing local services together as part of a local people and place leadership approach; Involving communities in developing solutions and making decisions through approaches like participatory budgeting and neighbourhood planning; and giving local staff and communities the freedom to develop local response. The initial community engagement for this project took place in 2019 and was undertaken to refine the design concept for the integrated hub and agree the scope and services to be co- located within an integrated hub. This included engagement with 20 local Focus groups, 4 public pop-up sessions, on-line survey with 181 responses, a large Family event, Drop in events to local facilities and groups, comment boxes in local facilities and ongoing engagement with the Templehall Neighbourhood Development Group.

This concluded with a Hub consultation report which detailed the key services and opportunities that should be included in a hub setting alongside some design principles to support accessibility for all age groups and abilities.

The results of this consultation exercise now need to be revisited and presented to the Community. A further Community engagement strategy has been agreed which will update community members on the benefits of the revised location and will take on comments to agree the final design.

The Community dialogue will highlight that this location and design will significantly improve the current Argos youth offer by the provision of the additional benefits detailed below:

- A Training kitchen with 8 workspaces
- Biodiversity/Growing Spaces and a family outside decked area with adjacent play space
- Bike Storage
- Flood lit Multi Use Games Area (MUGA)
- Sports and Performing Arts space
- Small Spaces where staff can provide 1:1 emotional support/Benefits and Welfare Advice
- Café Area and dedicated Youth Spaces
- Access for the library service (pop up) and community activity within flexible activity space on site
- On site computer learning suite
- Disabled access (including provision of changing places unit)
- Public Wi-Fi

The provision of the facilities will allow wide and varied usage by different client groups at the same time. In particular children and young people. The locality facility operator, locality officers, youth workers, active communities team and librarians will collaborate & work together to ensure that the links are made between school and community, plan, and programme appropriate opportunities for the community,

The new building will be a local focal point for the community, retain identity within the community and will have a significant impact in terms of improved community cohesion and community pride.

The building annual revenue costs (heating, lighting, rates, insurance etc) may reduce while creating more green space and outdoor MUGA. It will also reduce the Council’s backlog maintenance liability and will provide a building that is fit for purpose.

1.2.3 Urgency and consequences

The current community buildings are run down, require regular repairs and maintenance and health and safety upgrades. They are not fit for purpose for range of activities that the community and partner organisations offer. The existing buildings have been adapted for use as best they can be but there is a real need to provide one modern “fit for purpose” hub facility that will meet the needs and aspirations of the community, promote integrated working and will build on the recent positive regeneration activity that has taken place in the Templehall neighbourhood.

The current position in regards revenue costs and repair/maintenance liability for the existing assets is unsustainable for such over provision of buildings within a small urban geographical area, particularly given the financial position and reducing budgets within the Council. It should be noted however that any saving from within the Corporate Planned Maintenance would not be cashable, as would be diverted to prioritisation of maintenance works across the Council Buildings Estate. As a result, no major maintenance improvements have been planned. If, however, an integrated solution is not agreed, certain elements such as heating or roofing may need to be reviewed and prioritised for maintenance investment.

1.2.4 Lessons learned

Utilisation

Analysis of the space data available at the time of the initial review, highlighted that overall, the Council has too much community space suggesting that there are opportunities to rationalise the number of assets. Other local authorities have integrated dedicated library spaces into larger facilities attracting additional users and creative based activities. The opportunity of including the library service (pop up) will increase user numbers at the facility.

Repairs & Maintenance

Effective maintenance of the building estate is seen as key to supporting the continuity of council operations and the provision of a safe and effective environment. By reducing the community estate, investment in planned maintenance can be used more effectively.

Running Costs

Opportunities to co-locate services, lease/dispose of buildings in line with this proposal will be more sustainable in the long term. The new facility will be more sustainable in the long term with less reliance on short to medium building maintenance works (which is currently the case for the existing assets). Increase income opportunities as a result of less maintenance closures will stabilise net operating costs for the facility.

1.3 What are the key deliverables/outputs of the project?

The delivery of a multi-service, multi-purpose integrated community facility under one roof

The key deliverables of the project are:

- Establish Project outline and procurement plan
- Procure appropriate services
- Timeline building works
- Sequencing of phasing out the existing estate of 4 assets
- Ground preparation works
- Relocating activities from Argos Centre during the works
- Development of state-of-the-art community hub facility
- Relocate services from Library, Community Centre, local office and Argos centre into the new integrated facility
- Pre-opening orientation and fixture and fittings fit out
- Commence Demolition works of the Community Centre, and Library
- Liaise with Housing Services on their development plans for a housing master plan on the cleared site

1.4 What are the desired outcomes and benefits?

Outcome	Benefit
Rationalise the estate to achieve running cost savings.	<ul style="list-style-type: none"> Reduction in the Council's carbon footprint. Overall running cost reduction including energy costs.
Quality buildings in the right place to attract communities and other stakeholders.	<ul style="list-style-type: none"> Building estate centred round localised priorities. Sustainable and legally compliant buildings. Improvements funded through the council's capital plan.
Deliver space efficiency and flexibility that improves and broadens the usage of buildings	<ul style="list-style-type: none"> Maximise Utilisation. Area of building includes usable space with minimal non-public spaces
Affordable estate	<ul style="list-style-type: none"> Investment based on core facts. Reduction in running costs. Reduction in backlog maintenance liability. Less reliance on capital investment in future Opportunity for a cleared site for new housing mix in Templehall
Improve delivery of frontline services in line with Council need and Community requirements	<ul style="list-style-type: none"> Increased customer satisfaction. Improved access to Fife Council Services. Integrated and efficient operational model

1.5 What are the known costs and timescale? How will this be funded?

1.5.1 Costs

Total expected one-off cost	Total expected recurring cost
A total cost of £15.300m which is made up of £14.975m Capital Expenditure based on a new build facility (1500 sq. m) on the existing Argos Centre site which will include outdoor facilities and car parking. Outline cost plan provided by property services QS. The facility will integrate Passivhaus energy efficient design. Demolition costs are anticipated to be approx. £0.300m for the Library, Argos Centre and existing Community Centre	4 x existing assets respective revenue cost liabilities will be combined to support the revenue operating costs for the new build facility (smaller asset footprint 2391 sq. m reduced to 1500 sq. m). Estimated revenue operating cost of £0.250m. NB the running costs are based on indicative programme of the new Hub which is still to be finalised. This will be confirmed once a further detailed review of the operational programme is concluded.

1.5.2 Resource requirement

- Communities Project Team
- Project Manager & Sponsor
- Kirkcaldy Area Team
- Design & Technical Services
- Stakeholder Representatives:
 - Finance
 - Customer Online Services
 - Communities & Neighbourhoods Service
 - Property Services
 - Elected members
 - Housing Service
- Community representatives/consultation and users
- Estates Service
- Fife Cultural Trust

1.5.3 Project timeline

It is anticipated that this project will take approximately 24 months to deliver.

1.5.4 Funding availability

£15.300m capital secured (Council Capital Plan).

1.5.5 Resource availability

All project management resources required to deliver this construction project have been made available from existing resources within the Council.

1.6 What are the known pre-start-up risks?

Risk description	Probability score (1-5)	Impact score (1-5)	Overall score (probability x impact)
Operating Model – Service Delivery Failure to agree alternative service delivery methods.	2	5	10
Financial Failure to deliver project as a result of funding availability/costs escalate during project delivery	4	5	20
Financial Inadequate revenue identified to continue to deliver the required services.	2	4	8
Resources Increased demand for design and technical services cannot be met.	3	4	12
Reputation There is a risk of reputational damage as a potential consequence of council asset closures and disposal on the open market.	4	4	16

Note: Once the project enters the Plan stage, the project's pre-start-up risks should be copied into the project's Risk Log. The Risk Log will supersede the items detailed in the above table.

1.7 Proposal sign-off

Approved by	Role	Date approved
Investment Strategy Group	Capital Plan monitoring	03.07.23 (pending)
Debbie Chapman/Andy MacLellan/Paul Vaughan	Project Manager & Sponsor	19.06.23
Eleanor Hodgson	Accountant	19.06.23

Section 2: Business Case

2.1 What is the scope of the project?

2.1.1 Output

Project outputs are defined in [Section 1.3](#) of this document. Any updates to project outputs will be made in Section 1.3.

2.1.2 Resources

Project resources are defined in [Section 1.5.2](#) of this document. Any updates to project resources will be made in Section 1.5.2.

2.1.3 Customers

Primarily, but not limited to the Templehall Community, Templehall management committee and users of existing facilities from out with the community of Templehall and beyond

2.1.4 Staff

Existing staff with responsibilities for delivering services from the buildings will be integrated within the new facility or redeployed in other locality facilities to maximise the resource within the area.

2.1.5 Service delivery

It is anticipated that the service delivery will improve as a result of this project.¹

2.1.6 Business process

Not significant	Yes/No
Modify existing Service business processes	Yes/No
Create new Service business processes	Yes/No
Modify existing corporate business processes	Yes/No
Create new corporate business processes	Yes/No

2.2 How will 'business as usual' be maintained whilst change is implemented?

Existing service delivery will be maintained within Templehall Community Centre, FCT (Fife Cultural Trust) operated Library until the new facility is completed, at which point services will relocate into the new facility. Service delivery from the Argos Centre will be relocated to Templehall Community Centre until the new facility is completed. The operational business case will articulate the integration of services into the new facility

2.3 Who are the key stakeholders?

- Community groups and users of the existing buildings
- Area Team, Communities & Neighbourhoods
- Templehall Neighbourhood Development Group
- Templehall master plan Delivery groups
- Customer Service Delivery
- Fife Cultural Trust library service
- Finance & Corporate Services
- Property & Estates Services
- Housing Services

2.4 What are the options to deliver the project (minimum of 3)?

Option 1:	New Integrated Community Hub (1500sq. m) (Collapsing 4 assets into 1)
Cost	£14.975m (costs are based on PS cost plan (attached). In addition, the project budget covers circa £0.300m demolition costs. Total project budget £15.300m.
Time	Approximately 2 yrs. to deliver.

Quality	This option will provide a new modern state of the art facility and address building condition issues by the demolition of the Templehall Community Centre. Templehall Library facility, Templehall former local officer, Templehall Argos centre. The new state of the art facility will also include outdoor facilities.
Resource	As identified in 1.5.2
Scope	Assets identified in section 1.2.1 & 1.2.2
Risk	<ul style="list-style-type: none"> • More demand on the activity spaces provided in the new facility. There would be limited opportunity to provide the range of activities that the community and partner organisations currently provide from existing buildings • Operational management experience required within the new facility to support creative solutions to maximise use of space • Housing Services led development master plan delays on cleared site
Benefits	<ul style="list-style-type: none"> • Achieves a reduction in number of buildings • Enhances service co-location • Revenue savings from the demolition of Templehall community centre, local office, Argos centre and Library facility- Achieves a reduction in ongoing building revenue and maintenance costs • Complements recent regeneration work by improving visual impact and community pride by improving the community centre • Passivhaus facility • Long term capital investment savings • Opportunity for more mixed housing within the middle of Templehall

Option 2:	New Integrated Hub (1000sq2) (collapsing 3 assets into 1)
Cost	Estimate. £10.500m
Time	Approximately 21 months to deliver
Quality	This option will provide a smaller state of the art new facility. However, will only address some of the building condition issues within the area by demolition Templehall Community Centre, Argos Centre and the local office. Will not resolve the deterioration of the local library facility as this will be retained. Reduced cleared site for housing development opportunity.
Resource	As identified under section 1.5.2
Scope	All assets identified in section 1.2.1
Risk	<ul style="list-style-type: none"> • PS Planned maintenance budgets may not prioritise continued maintenance of the library • Currently no business operating model to support 3 assets • Increased revenue liabilities • Less opportunity to improve and diversify service delivery from the new community hub. • Reputational damage to FC • More demand on the activity spaces provided in the new facility due to the limited spaces available and may not meet all the community needs from the existing community centre. • There would be limited opportunity to provide the range of activities that the community and partner organisations currently provide from existing buildings • Limited options to develop a Housing Services led master plan
Benefits	<ul style="list-style-type: none"> • Enhances service and community integration • Improvements to the fabric of the building • Prolongs the lifespan of the asset • Revenue savings from the demolition of Templehall community centre and Argos centre- Achieves a reduction in ongoing building revenue and maintenance costs • Complements recent regeneration work by improving visual impact and community pride by improving the community centre • Achieves a reduction in the number of buildings

Option 3:	Maintaining existing assets
Cost	Planned Maintenance costs will be determined via the Property Services - Planned Maintenance
Time	Approximately 18 months to deliver
Quality	Planned Maintenance Works will continue to the existing assets which will only improve the fabric and building management services.
Resource	As identified under section 1.5.2
Scope	All assets identified in section 1.2.1
Risk	<ul style="list-style-type: none"> • PS Planned maintenance budgets may not prioritise maintenance for these assets • Currently no business operating model to support this solution • Reduction in income levels • More demand on the activity spaces provided in the new facility due to the limited spaces available and may not meet all the community needs from the existing community centre. • There would be limited opportunity to provide the range of activities that the community and partner organisations currently provide from existing buildings • No opportunity for a Housing Services led master plan on cleared site • Reputational damage to FC • No enhancements and no improvement to the community's experience. Increase maintenance closures, loss of revenue, public resistance, Political scrutiny. The range and reliability of programme delivery will be compromised. No opportunity to integrate the FCT Library Service. Increased operational risk and no opportunity of co-ordinated integration of operational management of assets
Benefits	<ul style="list-style-type: none"> • Improved fabric and building management services. Prolonged building life cycle.

2.5 What is the recommended option from Section 2.4 to deliver the project?

Option 1 predicated on securing funding to deliver the project

2.6 What is the outline plan and cost break-down?

2.6.1 Outline Plan

Stage	Outputs/deliverables	Timescale
	Outline Cost plan available	July 2022
	Tender returns	January 2025

Note: Once the project enters into the Plan stage, and moves to developing the Project Plan, the Project Plan will supersede the Outline Plan detailed above.

2.6.2 Budgets

Total capital budget	Total revenue budget
£15.300m secured – Integrated Community Facility	Revenue budget available from combined budgets from the 4 assets approx. £0.290m. This excludes ongoing building maintenance costs for the 4 assets.

2.6.3 Cost break-down – will be detailed as part of the full business case

Item description	One-off cost	Recurring cost	Funding source	Funding available
Construction including risk contingency	£13.650m	-NA	Capital plan	Yes
Risk	Included above	-		
Furniture, Fixtures & Fittings	£0.250m	-		
Professional Fees	£1.100m	-		
Demolition Estimated Cost	£0.300m			

Operating Budget ²		Available budget of £0.290m. New facility will have a smaller asset footprint with an estimated revenue operating cost of £0.250m as such can generate business efficiencies and generate more income. Please refer to note in 1.5.1.	Revenue budget	Yes
Totals	£15.300m	£0.250m		

2.6.4 How realistic is the approach?

The approach is consistent with previous new build & facility enhancement projects to maximise use of space, minimise costs and increase income levels

2.7 What are the benefits of the project and what measures will be used to show their realisation?

Benefit name	Rationalised Fife Council Estate - Design Principles - Integration of facilities (Dec 2016 Exec Committee)
Measure	<ul style="list-style-type: none"> Reduction in the number of Fife Council Community Assets
Baseline(s) per measure	<ul style="list-style-type: none"> Current Assets from Asset register.
Target per measure	<ul style="list-style-type: none"> FC Community assets reduced from 4 to 1.
Benefit Owner	Project Sponsor
Timescale	6 months post completion of demolition of assets
Programme end benefit(s)	(Reference Integrated Community Facilities)

Benefit name	Building Quality
Measure	<ul style="list-style-type: none"> No of Community Assets in "A" Condition
Baseline(s) per measure	<ul style="list-style-type: none"> Building in "A" condition.
Target per measure	<ul style="list-style-type: none"> "A" Condition Asset
Benefit Owner	Project Sponsor
Timescale	<ul style="list-style-type: none"> Measured Annually
Programme end benefit(s)	(Reference Integrated Community Facilities)

Benefit name	Efficient use of space
Measure	1. Utilisation 2. Percentage of space accessible to the public.
Baseline(s) per measure	1. 80% 2. 80%
Target per measure	1. >75% 2. >75%
Benefit Owner	Project Sponsor
Timescale	6 months after project completion
Programme end benefit(s)	(Reference Integrated Community Facilities)

Benefit name	Affordable Estate
Measure	1. Reduction in building running costs 2. Reduction in backlog maintenance liability. 3. Increase in letting income
Baseline(s) per measure	1. As per existing budget. 2. As per existing liability 3. As per existing income
Target per measure	1. <25% 2. Initial increase of 20% then in line with inflation
Benefit Owner	Project Sponsor
Timescale	12 months after project completion.
Programme end benefit(s)	(Reference Integrated Community Facilities)

Benefit name	Improved delivery of frontline services
Measure	1. Increased Customer Satisfaction. 2. Increased usage figures 3. Increased access to Fife Council services. 4. Range of activities available
Baseline(s) per measure	Current recorded level.
Target per measure	>80%
Benefit Owner	Project Sponsor
Timescale	12 months after project completion.
Programme end benefit(s)	(Reference Integrated Community Facilities)

2.8 What are the key assumptions and dependencies?

2.8.1 Assumptions

The strategic assumption is that the future estate will be smaller and based around local priorities and Plan 4 Fife priorities

1.8.2 Dependencies

As a result of the flexible and varied use of the space, working relations between Services are crucial to project success.

Community buy in underpins the success of the project

2.9 What are the known pre-start-up risks?

Project pre-start-up risks have already been identified in [Section 1.6](#) of this document. Any updates to project pre-start-up risks will be made in Section 1.6.

2.10 What are the permitted tolerances set for this project?

Tolerance table

	Amber status	Red status <i>(Triggers exception report to Project Sponsor/Project Board)</i>
Cost	Up to 10% over either capital or revenue budgets, compared to the original expected project costs and budgetary requirements.	Any percentage over budget that exceeds the amber cost threshold.
Time	Up to 8 weeks late against the original project schedule.	Any schedule delay that exceeds the amber time threshold.
Quality	Elements of acceptance criteria likely to be missed which have no particular impact on the Business Case (should define these quality elements specifically for this project).	Elements of acceptance criteria that have slipped beyond what is defined within the amber quality threshold (this should be quality elements that have an impact on the Business Case).
Resource	Resources available, but minor delay in obtaining them, or up to 10% more resource required than originally anticipated.	Resources cannot be secured within a reasonable timescale, threatening other tolerances, or any additional resource required above the amber resource threshold.
Scope	Define what elements of the project scope that can slip to move the project's scope status to amber.	Any element of project scope slippage out with, or over and above, what is defined under amber for scope.
Risk	All risks can be managed within the project with an overall score of up to 15.	Any risk exceeding the amber threshold sees the entire Risk element of the project slip to red.
Benefits	Define deviations permitted for each benefit measure target, which consequently moves the project's benefits status to amber. This should be slippage with minor impacts to the Business Case that does not affect overall project viability.	Red status will occur when any permitted deviations are exceeded as defined under amber. This should be slippage that has significant impacts to the Business Case and could threaten overall project viability.

Section 3: Project Structure

3.1 What is the governance arrangement?

Project has Governance Group, Project Team, Sponsor.	Yes
Project has no formal Project Board and reports directly to the Project Sponsor. (Community Manager & Kirkcaldy Area Elected members)	Yes

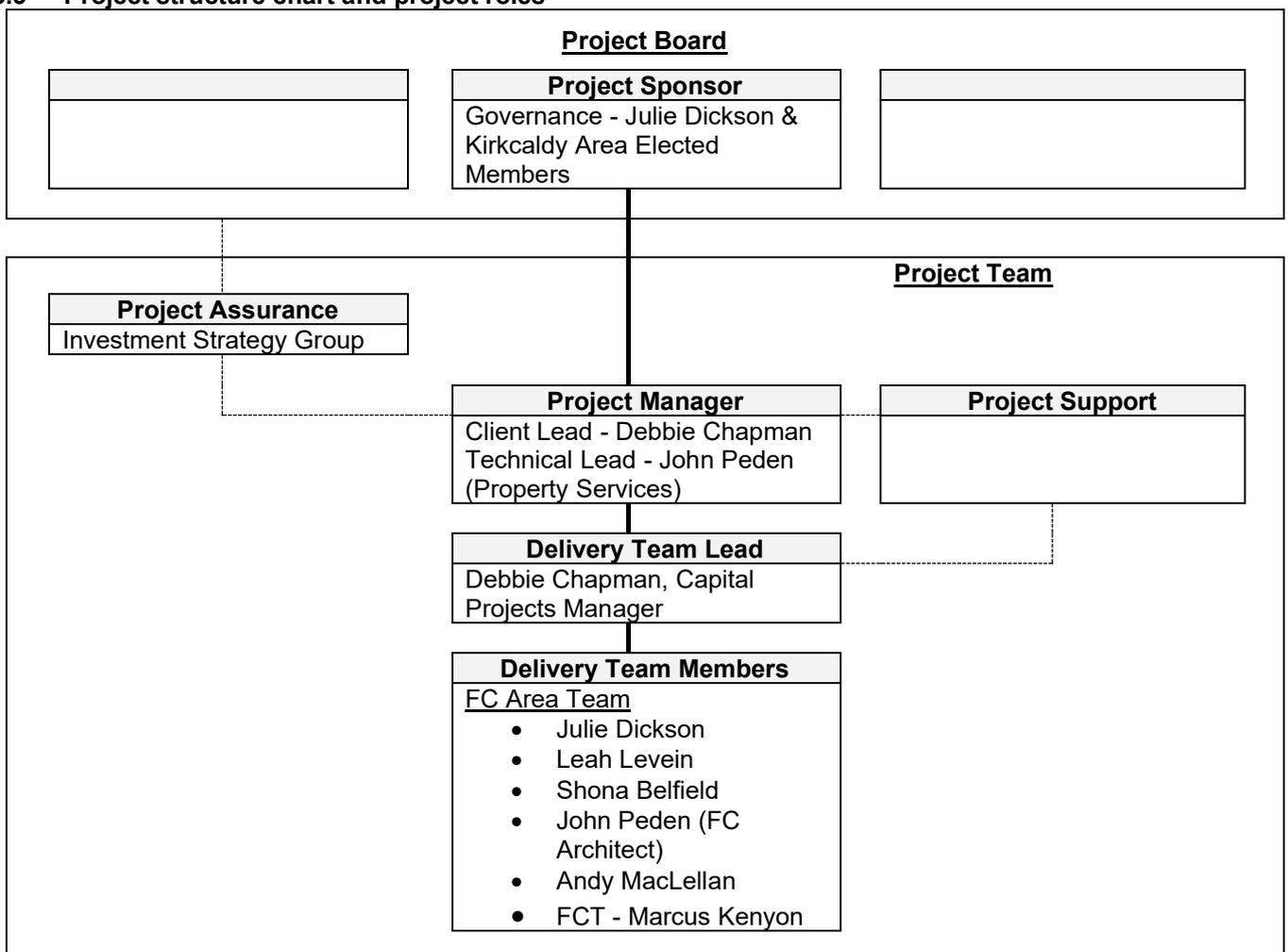
3.2 What skills, knowledge and experience are required for successful project delivery?

Skills, knowledge & experience description	Essential	Desirable
Project Management & Programme Support	Yes/No	Yes/No
Client Representation (capital, locality teams, operators and FCT (Fife Cultural Trust))	Yes/No	Yes/No
Property Design & Technical Services	Yes/No	Yes/No
Facilities & Asset Management	Yes/No	Yes/No
Financial Management	Yes/No	Yes/No
Data Analysis	Yes/No	Yes/No
Human Resources	Yes/No	Yes/No
Negotiation	Yes/No	Yes/No
Business Technology Solutions (IT)	Yes/No	Yes/No

3.2.1 Is the required mix of 'essential' skills, knowledge and experience available to the Project Manager?

Yes – within Fife Council and via the HUB (external design team)

3.3 Project structure chart and project roles



3.4 Business Case sign-off

Approved by	Role	Date approved
Investment Strategy Group	Endorsement of project business case and funding	03.07.23
Andy Maclellan	Community Projects Manager	19.06.23
Paul Vaughan	Project Sponsor	27.07.22
Eleanor Hodgson/Lesley Kenworthy	Finance Representative/ Service Accountant	01.11.23

Section 4: Project Delivery Resources

4.1 Who are the key resources the project may need to engage with at an early stage?

Capital Projects Delivery Programme

Property Services

Asset Management

Procurement

HUB external design team

Elected Members

Accountants Finance

Housing Service

Kirkcaldy Area team

Kirkcaldy facility operators

FCT Library service

30 November 2023
Agenda Item No. 11

Community Asset Transfer Application by Wormit Boating Club

Report by: Alan Paul, Head of Property Services and Paul Vaughan, Head of Communities and Neighbourhoods Service

Wards Affected: 16

Purpose

The purpose of this report is to seek approval for a Community Asset Transfer request received from Wormit Boating Club under Part 5 of the Community Empowerment (Scotland) Act 2015 to purchase land at Wormit pier and grounds.

Recommendation(s)

It is recommended that Committee members approve the asset transfer request at less than market value at the price of £13,000 and all otherwise on terms and conditions to the satisfaction of the Head of Property Services and the Head of Legal and Democratic Services.

Resource Implications

If the request is approved, there will be a potential loss of a capital receipt of £52,000.

Legal & Risk Implications

There are no material risks or legal implications anticipated from the disposal.

Impact Assessment

An EqIA is not required because the report does not propose a change to existing policies and practices.

Consultation

Wormit Boating Club has undertaken consultation with its members, the local community and stakeholders as part of the application process. Local ward members are also aware and are fully supportive of the application.

Fife Council, as required under Community Empowerment legislation, notified the local community of the request for community asset transfer and published the Community Asset Transfer application on Fife.gov.uk.

1.0 Background

- 1.1 Part 5 of the Community Empowerment (Scotland) Act 2015 enables community transfer bodies to request the ownership, lease or management of publicly owned buildings or land. The Community Transfer Body (CTB) and its request must meet the requirements of the Act before the Council can validate and consider the request.
- 1.2 Wormit Boating Club (WBC) has leased the land it occupies from Fife Council since 1968. During that time, the club has successfully managed its activities and the assets it owns which stand on the land. Due to an increased interest and desire to engage in watersports from the people of North East Fife, WBC has seen a year-on-year increase in its membership and new sections formed within the club in addition to the more established ones of sailing and rowing, such as kayaking, paddle boarding and open water swimming. The purpose of the proposal is to provide accessible leisure use of the river; develop excellence in watersports; and enhance people's knowledge of the scientific and cultural traditions associated with the waters.

2.0 Process for Dealing with Community Asset Transfer Applications

- 2.1 Part 5 of the Community Empowerment (Scotland) Act (the "Act") came into force in January 2017. The Act provides a process for Community Transfer Bodies (CTB) to request the sale, lease or management of buildings and land within the ownership of public authorities. The council has a two-stage process for dealing with (1) CAT enquiries and (2) formal CAT requests. Stage 1 is not required in terms of the Act but encourages organisations to make an informal application in order for the council to assess the extent of any advice or support necessary for organisations to make the most of the opportunities that the Act offers. A CTB can submit a formal request in terms of the Act at any time. The Community Asset Transfer Team has set up an evaluation panel to evaluate and score requests in accordance with the criteria set down by the Act. A scoring matrix has been developed in order to allow requests to be evaluated objectively, fairly and transparently. The evaluation panel will score a request and make a recommendation to either accept or reject a request.
- 2.2 Section 82 (5) of the Act states that an authority must agree to a request unless there are reasonable grounds for refusing it. Reasonable grounds for refusal must be determined in the circumstances of each individual case. However, they are likely to include cases where:-
 - the benefits of the asset transfer request are judged to be less than the benefits of an alternative proposal;
 - where agreeing to the request would restrict the relevant authority's ability to carry out its functions; or
 - failure to demonstrate the benefits or delivery of the proposal.
- 2.3 Once the committee decides to either approve or refuse the application, the Act requires that the Decision Notice states reasons for the decision reached by the committee. These are set out in Appendix 1.

3.0 CAT Application by Wormit Boating Club

- 3.1 Wormit Boating Club (WBC) has been in existence for over hundred years and has long supported the needs of the local community in accessing and enjoying activities on the River Tay. Like many coastal communities, the villages of Wormit and Newport have a rich history of being connected with the water, both as a way to earn a living and as a source of leisure. Despite changing needs, Wormit has maintained a strong connection with the water through its base at Woodhaven and has grown a substantial community of users, whose interests range across sailing, rowing, and more recently kayaking, paddle boarding and open water swimming.
- 3.2 Run by volunteers, WBC has leased the land it occupies from Fife Council since 1968. The Club has successfully built, and now manages, a range of properties on the site, including the clubhouse, race box, safety boat shed, equipment storage shed, hardstanding car park areas and a gated compound for boats. Due to increased interest and desire to engage in watersports from the people of North East Fife, WBC has seen a year-on-year increase in its membership (currently 215 members). However, it is currently struggling to meet this increased demand for various reasons including: the clubhouse not being accessible to disabled people and being too small to accommodate the increasing number of activities such as sailing and rowing, kayaking, paddle boarding and open water swimming.
- 3.3 By acquiring Woodhaven Pier and grounds, WBC will be able to provide safe, accessible leisure use of the river; develop excellence in watersports and enhance people's knowledge of the scientific and cultural traditions associated with the waters. WBC has offered to purchase the Pier and grounds for £13,000.

4.0 Community Empowerment (Scotland) Act Evaluation

- 4.1 The CAT evaluation panel individually scored the Applicant's application with a subsequent consensus evaluation and scoring meeting held on 4 October 2023. The panel considered the request using evaluation criteria as laid down by the Act. A copy of the completed scoring matrix is attached at Appendix 2. The panel considered that the Applicant's proposal would:

- improve the facilities including building a new clubhouse and providing enhanced storage;
- enable WBC to be seen as a centre of national significance by providing innovative, creative and inclusive use of shared common waters;
- improve the site for the benefit of WBC and the wider community;
- enhancing the opportunities for more people to reconnect with activities that are carbon-neutral, health-enhancing, culturally rich and available to all.

The price offered by the Applicant is £13000. The market value of the Asset is £65,000.

- 4.2 After assessing the application under the Community Empowerment (Scotland) Act 2015, the CAT evaluation panel decided that the organisation would:-
- Develop a thriving place that is safe, well designed, accessible, affordable and maintained and which makes best use of its assets and facilities while sustaining them for future generations
 - Offer greater participation levels in watersports and improved wellbeing
 - Provide access opportunities to education and wider skills acquisition
 - Enable its members and community to live a fulfilling and decent life

- Increase access to watersports activities open to people of all ages and abilities including those with disabilities
- Increase the range and numbers of community land-based activities

4.3 WBC received a consensus score of 90 points out of a maximum of 124 points and the panel recommended approval of the transfer on the basis of conditions to be confirmed by the Head of Legal and Democratic Services and the Head of Property Services.

5.0 Disposal of Properties for Less than Best Consideration

5.1 Where the council is considering a proposal that land (or buildings) be disposed of at 'less than the best consideration that can reasonably be obtained,' in situations like the current one, it needs to follow the process set out in the Disposal of Land by Local Authorities (Scotland) Regulations 2010.

The process consists of three steps:-

- The council must appraise and compare the costs and other disbenefits and the benefits of the proposal;
- Be satisfied that the disposal for that consideration is reasonable; and
- Be satisfied that, as regards some or all of the local authority area or persons resident or present there, the disposal is likely to contribute to the promotion of improvement of economic development or regeneration; health; social well-being; or environmental well-being.

5.2 The asset has been valued at £65,000 and WBC Footprint East Neuk has offered a nominal purchase price of £13,000.

5.3 The benefits of the application are that the organisation will promote community participation in healthy recreation, in particular by enhancing facilities for safe boating and watersports, for the benefit of people in North East Fife and surrounding areas.

5.4 Disbenefits are the loss of circa £52,000 from the disposal at less than market value of £13,000.

5.5 Comparison: After comparing the benefits and disbenefits of the asset transfer request, the scoring panel has concluded that the benefits outweigh the disbenefits and that the disposal consideration is reasonable.

6.0 Conclusion

6.1 Following evaluation of the CAT request in terms of the Act, the evaluation panel and CAT team are recommending the approval of the disposal of Wormit Pier and grounds to Wormit Boating Club.

List of Appendices

1. Reasons for Approval or Refusal of Request
2. Scoring Matrix
3. Wormit Boating Club site plan

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Reasons for Approval or Refusal of Request

Approval of request

Matters to be considered

1. Has the organisation demonstrated the need for the proposal in their community?
Does it have community support?

2. Benefits of the request

The Council needs to consider whether agreeing to the proposal would be likely to promote or improve:

- Economic development
- Regeneration
- Public Health
- Social well-being
- Environmental well-being, or
- Reduce inequality of outcome which result from socio-economic disadvantage.

3. Ability to deliver

The Council must consider whether the proposal is sustainable and whether the organisation has the ability to deliver. Has the organisation:

- provided evidence on how they intended to fund the proposal. Have they identified all costs associated with delivering the proposal and how these would be covered in the short and long term?
- provided evidence of the appropriate skills and experience required to manage and maintain the asset.
- Demonstrated that the projected benefits were based on robust information and the proposal demonstrated value for money.

4. Will the proposal restrict the delivery of the Council's functions?

Consider whether the proposal will contribute to achieving local and national outcomes.

5. Is there an alternative proposal?

This can be another community asset transfer request or the Council's own requirement for the asset. Assess the benefits of the request against those of the alternative proposal.

Refusal of request

Matters to be considered

1. Has the organisation demonstrated the need for the proposal in their community? Does it have community support? If the proposal has attracted opposition and causes division within the community then it does not have a net benefit.
2. Benefits of the request
The Council needs to consider whether agreeing to the proposal would be likely to promote or improve:
 - Economic development
 - Regeneration
 - Public Health
 - Social well-being
 - Environmental well-being, or
 - Reduce inequality of outcome which result from socio-economic disadvantage.
3. Ability to deliver
The Council must consider whether the proposal is sustainable and whether the organisation has the ability to deliver. Has the organisation:
 - provided evidence on how they intended to fund the proposal. Have they identified all costs associated with delivering the proposal and how these would be covered in the short and long term?
 - provided evidence of the appropriate skills and experience required to manage and maintain the asset.
 - Demonstrated that the projected benefits were based on robust information and the proposal demonstrated value for money.
 - What is the impact of project failure?
4. Will the proposal restrict the delivery of the Council's functions?
Will there be an unacceptable impact on the Council's ability to deliver its functions? For example, it may interfere with operations or require the Council to put alternative arrangements in place at substantial cost.
5. Is there an alternative proposal?
This can be another community asset transfer request or the Council's own requirement for the asset. Assess the benefits of the request against those of the alternative proposal.
6. Other obligations or restrictions
Is the asset leased by the Council and there are restrictions on assignation or subletting? Is the asset common good and consent from the Sheriff is required? This would not prevent the transfer but there would be additional cost involved in obtaining consents. Consider whether this cost would have to be met by the organisation.

Scoring Matrix for Stage 2 Applications under Part 5 – Community Empowerment (S) Act 2015

Name of applicant: Wormit Boating Club
Asset being applied for: Wormit pier and land

Assessment Criteria	Score
Section A – About the Proposal	3
A.1 - Are the aims and objectives of the proposal clearly defined?	
A.2 - Has the organisation described what services they will deliver and explained why they are required?	3
A.3 - Has the organisation described why they require the asset and what difference this will make to delivery of services in their area?	3
A.4 - How does the proposal compare with similar services being delivered in the same area? What is the additionality/displacement?	2
A.5 – Have they described their experience of delivery the services?	3
A.6 – Are there similar projects in the area? What will this add?	3
	Section A=17
Section B – Wider support and wider public support	3
B.1 - Has the applicant organisation demonstrated that there is sufficient demand for the proposal?	
B.2 - Local community support Has the organisation demonstrated that there is sufficient support from the local community? This should be based on widespread consultation of those who would be served by the asset as well as support from community partners. Evidence of stakeholder consultation is required including details of who was consulted, how, what the response was etc.	3
B.3 - Partnerships - Has the organisation provided details of any partnership arrangements required to deliver the proposal successfully?	3
B.4 - Equality - Has the organisation demonstrated how it will take into account the different needs of the community? Does the application demonstrate where a proposal may reduce inequalities?	3
	Section B=12
Section C - Impact/ Benefits	3
C.1 - Assess whether agreeing to the request would be likely to: promotes or improve: Economic development Regeneration Public health Social well-being Environmental well-being Reduce inequalities	

C.2 – Have they demonstrated how they will take into account the differing needs of the community and demonstrate how they will reduce inequalities? Note any practical, physical or financial barriers to accessing services and how they will address these for all sections of the community.	2
C.3 – Regarding the Services being provided – how will this reduce public sector costs of providing the same or similar services in the area?	2
Section C=7	
Section D – Organisational Viability	4
D.1 - Has the organisation demonstrated that they have experience of managing an asset?	
D.2 - Has the organisation demonstrated that they have experience in delivering the proposed services?	3
D.3 - Has the organisation provided details of individuals who have the skills to a) manage the project b) run and manage the asset? This should include details of the individual skills and experience.	4
D.4 - Has the organisation demonstrated they have clear governance and decision-making procedures for managing the asset and delivering the services e.g. there needs to be a clear process for making decisions including who will be responsible for booking rooms, dealing with site problems, compliance with legal issues such as health and safety.	3
D.5 - Has the organisation demonstrated they have a clear understanding as to what is required in relation to managing an asset? E.g. insurance, maintenance of the building, boilers, firefighting equipment and electrical items, EPC, legionella testing etc.	4
D.6 - Has the organisation provided details of the monitoring arrangements to be put in place to ensure the project delivers its key objectives?	3
Section D=21	
Section E – Financial Information	
E.1 - Has the applicant organisation provided their projected income and expenditure and cash flow forecasts? Have they demonstrated there is sufficient projected cash flow to show the proposal is financially viable?	3
E.2 - Has the organisation demonstrated the need as to why the asset should be transferred at less than best consideration?	3
E.3 - Use of Resources Has the organisation identified all the resources required to deliver the benefit? Consider: <ul style="list-style-type: none"> • Funding obtained so far • Funding and support required from the Council • Other sources of funding • Number of employees or volunteers available to run/maintain the asset 	1
E.4 - Has the organisation demonstrated prioritisation of resources in the longer term in order to contribute to sustainable development? Demonstrate future funding or self-financing arrangements. Are the assumptions credible/ evidenced?	3
E.5 - Have they identified resources for long term sustainability? Future funding or self-financing arrangements.	3

E.6 – What overall benefit will there be to public sector costs? Try to quantify the community benefit in financial terms.	2
	Section E=15
Section F – Property	
F.1 - If the organisation seeks a discount then the benefit of the request should be proportionate to the value of the asset and the level of discount. Has the discount been justified?	N/A
F.2 - Will the project have an overall financial benefit on public sector costs (e.g. removes the maintenance burden from the Council)	3
F.3 – Has sufficient consideration been given to property costs?	3
F.4 – Has the organisation provided sufficient evidence that they merit and can sustain exclusive use of the asset (based on current user information provided)?	3
	Section F=9
G. Local and National Outcomes	
G.1 - Consider how the proposed benefits of the asset transfer request will contribute to achieving the Council’s outcomes or to national outcomes more generally.	3
G.2 - Consider how the proposal will impact on the Council’s own delivery of services.	3
G.3 - To what extent does the proposal contribute to local or national priorities? Produce a clear plan for achieving intended outcomes (ideally showing links to local or national outcomes).	3
	Section G=9

Total consensus score: 90/124

Assessment Scoring Matrix

To assess proposed use and financial arrangements for the asset. Must be proportionate and appropriate.

-2	Has negative impact on the Councils activities
-1	Has negative impact on existing provision/ existing benefit
0 = Poor	Little or no response in regards to the submission with ill defined unrealistic ambitions
1 = Weak	The submission contains only minor detail and is not based on robust information
2 – Moderate	The submission provides a level of detail which enables understanding with acceptable projected benefits
3 = Strong	The submission provides sufficient evidence that the issue has been taken into account with sound, sustainable Best Value characteristics
4 = Very Strong	The applicant has included all issues in the submission and has provided additional information which enables detailed understanding with strong and sustainable Best Value characteristics with robust related project benefits

Property Name and Address Wormit Boating Club & Watersports Hub (SCIO), 2 St Fort Road, Wormit DD6 8LA, (Woodhaven Pier)



30th November 2023
Agenda Item No. 12

Fife’s Air Quality Strategy 2021-2025 – Revocation of Bonnygate, Cupar and Appin Crescent, Dunfermline Air Quality Management Areas

Report by: Nigel Kerr, Head of Protective Services

Wards Affected: Cupar and Dunfermline Central

Purpose

To advise members of the planned revocation of the Bonnygate, Cupar and Appin Crescent, Dunfermline Air Quality Management Areas Orders.

Recommendation(s)

Members are asked to:-

- (1) note the scientific evidence and proposed arrangements for the revocation of the Bonnygate, Cupar and Appin Crescent, Dunfermline Air Quality Management Areas (AQMA) including the enactment of associated formal Revocation Order presented in the Appendices of this report;
- (2) agree the Revocation of the Bonnygate, Cupar and Appin Crescent, Dunfermline Management Orders; and
- (3) support the provision of an elected members' briefing note to City of Dunfermline Area and North East Fife Area Committee members summarising the revocation process of these two AQMA.

Resource Implications

Administrative arrangements for the revocation of two Air Quality Management Areas are relatively minimal and can be readily accommodated within existing budgets set for Protective Services.

Legal & Risk Implications

The council is required by the Environment Act 1995 to produce, and implement, an Air Quality Strategy and work towards achieving air quality objectives for prescribed pollutants.

Where evidence shows that the air quality objectives are being met in an AQMA (for the required period of time) then the Order is to be revoked in accordance with this legislation.

Impact Assessment

An Equality Impact Assessment (EqIA) is not necessary as the report does not propose a change to existing policies.

The Fairer Scotland Duty, which came into force on 1 April 2018, requires the Council to consider how it can reduce inequalities of outcomes caused by socioeconomic disadvantage when making strategic decisions. There are no negative impacts identified as part of this review as it will aim to protect and enhance health and wellbeing for all.

Consultation

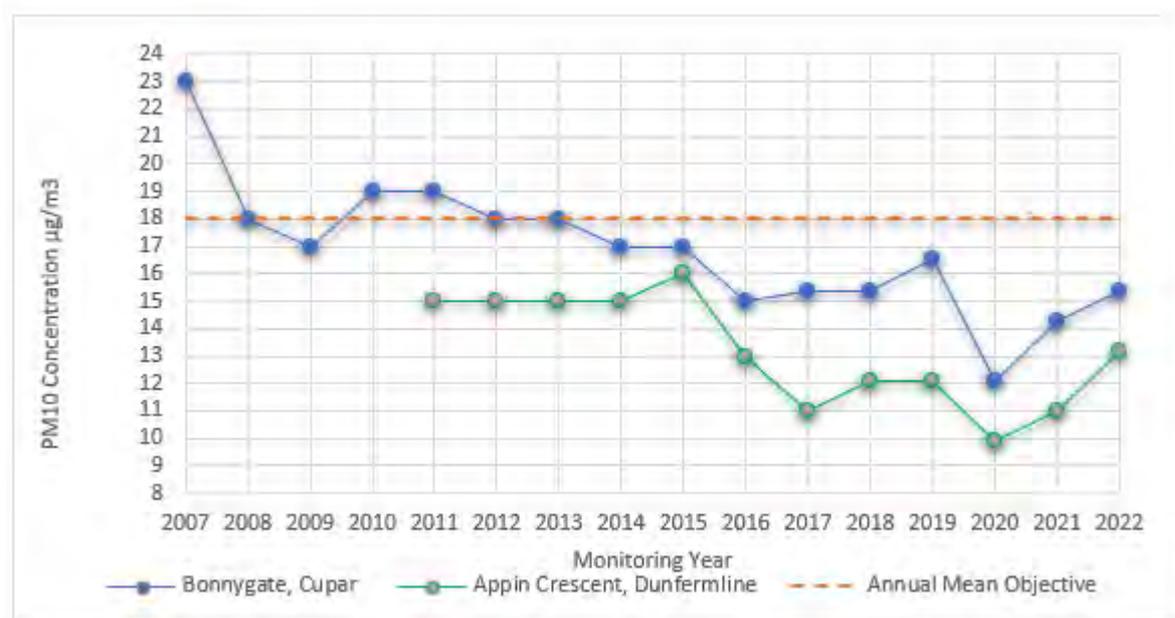
The Scottish Government and Scottish Environment Protection Agency (SEPA) were consulted as statutory consultees on the revocation process. They have both supported these revocation proposals. A comprehensive range of other consultees, including Historic Scotland, Nature Scotland, Transport Scotland and representative organisations of local communities, have been notified. There have been no objections to revoking these AQMAs.

The Heads of both Legal and Democratic Services and Finance have also been consulted in the preparation of this report.

1.0 Background

- 1.1 Fife Council is required by environmental legislation to periodically review and assess air quality in relation to statutory objectives. Protective Services undertakes extensive automatic and diffusion tube air quality monitoring throughout Fife. Pollution from road vehicle emissions is the key air quality issue in Fife with Nitrogen Dioxide (NO₂) and Particulate Matter (PM₁₀ & PM_{2.5}) being the pollutants of concern. Particulate Matter (PM₁₀ and PM_{2.5}) are respirable fractions of particles less than 10 and 2.5 microns in diameter, respectively.
- 1.2 Where exceedances of air pollutant objectives are identified or considered likely, the local authority must declare an Air Quality Management Area (AQMA) and prepare an Air Quality Action Plan (AQAP) setting out the measures it intends to put in place to achieve the objectives. The Bonnygate, Cupar AQMA was declared in October 2008 (for both NO₂ and PM₁₀) while the Appin Crescent, Dunfermline AQMA was originally declared in November 2011 for NO₂ and was amended in August 2012 as to also include PM₁₀.
- 1.3 Action Plans have been prepared and updated as appropriate for the Bonnygate, Cupar and Appin Crescent, Dunfermline AQMAs.
- 1.4 Both the Appin Crescent and Bonnygate AQAPs have been successful in improving air quality within the AQMAs. A major demonstration of this improvement came in 2021 with the removal of NO₂ from the AQMA Orders due to the significant decline of this pollutant.
- 1.5 A similar decline in PM₁₀ concentrations had also been recorded, however, this had to be verified following the results of an intercomparison study of particulate monitors across Scotland (commissioned by the Scottish Government). The study concluded that a correction factor should be applied to the data. The corrected data confirmed that PM₁₀ objectives have been met for several years beyond the three-year minimum required for revocation, see Figure 1.

Figure 1 - PM₁₀ automatic monitoring results for 2007 to 2022 in Cupar and Dunfermline



2.0 Issues and Options

- 2.1 Automatic monitoring data has shown that PM₁₀ concentrations have been below the annual mean objective of 18 µg/m³ in the Appin Crescent AQMA since 2011 and in the Bonnygate AQMA since 2014.
- 2.2 As a result, the Scottish Government and SEPA have advised that, in accordance with the technical guidance, both AQMAs should be fully revoked.
- 2.3 Fife Council has compiled the required scientific evidence to support the revocation (detailed in our report, “Proposal for Amendment of Bonnygate, Cupar and Appin Crescent, Dunfermline Air Quality Management Areas, August 2023) which has been accepted by the Scottish Government and SEPA.
- 2.4 The AQMAs will be revoked via an Order as per Section 83(2)(b) of the Environment Act 1995. This Order will come into effect one month after the date of this committee meeting.
- 2.5 Fife Council will continue to implement measures detailed within the Appin Crescent and Bonnygate Action Plans (both updated in 2021). Monitoring of NO₂ and PM₁₀ will continue in order to ensure improvements in air quality are maintained.
https://www.fife.gov.uk/data/assets/pdf_file/0027/252864/AQAP_Appin-Crescent_200721.pdf
https://www.fife.gov.uk/data/assets/pdf_file/0028/252865/AQAP_Bonnygate_2021-2025_200721.pdf.
- 2.6 Fife Council has been commended for its efforts by the Scottish Government, SEPA, Environmental Standards Scotland and Defra and has been cited as demonstrating “best practice” in this field of work. Fife’s ongoing commitment to improve and maintain good air quality is outlined in Fife’s Air Quality Strategy for 2021-2025
https://www.fife.gov.uk/data/assets/pdf_file/0033/252996/Fife-AQS_200721-Final-Issue-Alt-Text-2.pdf. The Strategy for 2025 onwards will refer to the revocation process and the ongoing implementation of action plan measures.

3.0 Conclusions

- 3.1 Air quality within Fife's two AQMAs has improved as a result of completed and ongoing AQAP measures.
- 3.2 Due to the success of the AQAP measures, statutory objectives are being met. In accordance with statutory technical guidance, Fife Council moves to revoke the AQMAs.
- 3.3 The measures detailed within the Appin Crescent and Bonnygate Action Plans will continue to be implemented.
- 3.4 Monitoring of NO₂ and PM₁₀ will continue to ensure improvements in air quality are maintained.

List of Appendices

1. Equality Impact Assessment Summary Report
2. Revocation Orders

Background Papers

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

- Fife's Air Quality Strategy 2021-2025
https://www.fife.gov.uk/data/assets/pdf_file/0033/252996/Fife-AQS_200721-Final-Issue-Alt-Text-2.pdf
- Updated Appin Crescent, Dunfermline Air Quality Action Plan 2021-2025
https://www.fife.gov.uk/data/assets/pdf_file/0027/252864/AQAP_Appin-Crescent_200721.pdf
- Updated Bonnygate, Cupar Air Quality Action Plan 2021-2025
https://www.fife.gov.uk/data/assets/pdf_file/0028/252865/AQAP_Bonnygate_2021-2025_200721.pdf
- Scottish Government Local Air Quality Management - New Policy Guidance PG(S) (23)
https://www.scottishairquality.scot/sites/default/files/publications/2023-04/Air-Quality-Cleaner-Air-for-Scotland-2-LAQM-PG%28S%29-23-revision-final-22-March-23_0.pdf
- Local Air Quality Management - New Technical Guidance TG(22)
https://www.scottishairquality.scot/sites/default/files/publications/2023-04/LAQM-TG22-August-22-v1.0_0.pdf
- Environmental Standards Scotland. "Air Quality Investigation Improvement Report" (September 2022)
[20220929-ESS-AIR-QUALITY-INVESTIGATION-REPORT-IESS.21.013.pdf](https://www.environmentalstandards.scot/20220929-ESS-AIR-QUALITY-INVESTIGATION-REPORT-IESS.21.013.pdf)
([environmentalstandards.scot](https://www.environmentalstandards.scot))

Report Contact

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Equality Impact Assessment Summary Report

Which Committee report does this IA relate to (specify meeting date)?

Cabinet Committee

Thursday 30th November 2023

Fife's Air Quality Strategy 2021-2025 – Revocation of Bonnygate, Cupar and Appin Crescent, Dunfermline Air Quality Management Areas

What are the main impacts on equality?

None.

What are the main recommendations to enhance or mitigate the impacts identified?

None.

If there are no equality impacts on any of the protected characteristics, please explain.

Clean air should be available to all. The air quality review and assessment process aims to protect and enhance health and wellbeing for all.

Further information is available from: Name / position / contact details:

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Lead Officer (Land & Air Quality)

Fife House Glenrothes

Telephone: Ext. 440461

Email: Kenny.bisset@fife.gov.uk

Fife Council**Environment Act 1995, Part IV, Section 83(2)****Fife Council Appin Crescent, Dunfermline Air Quality Management Area Revocation Order 2023 (“Appin Crescent, Dunfermline AQMA Order”)****Order revoking an Air Quality Management Area (AQMA)**

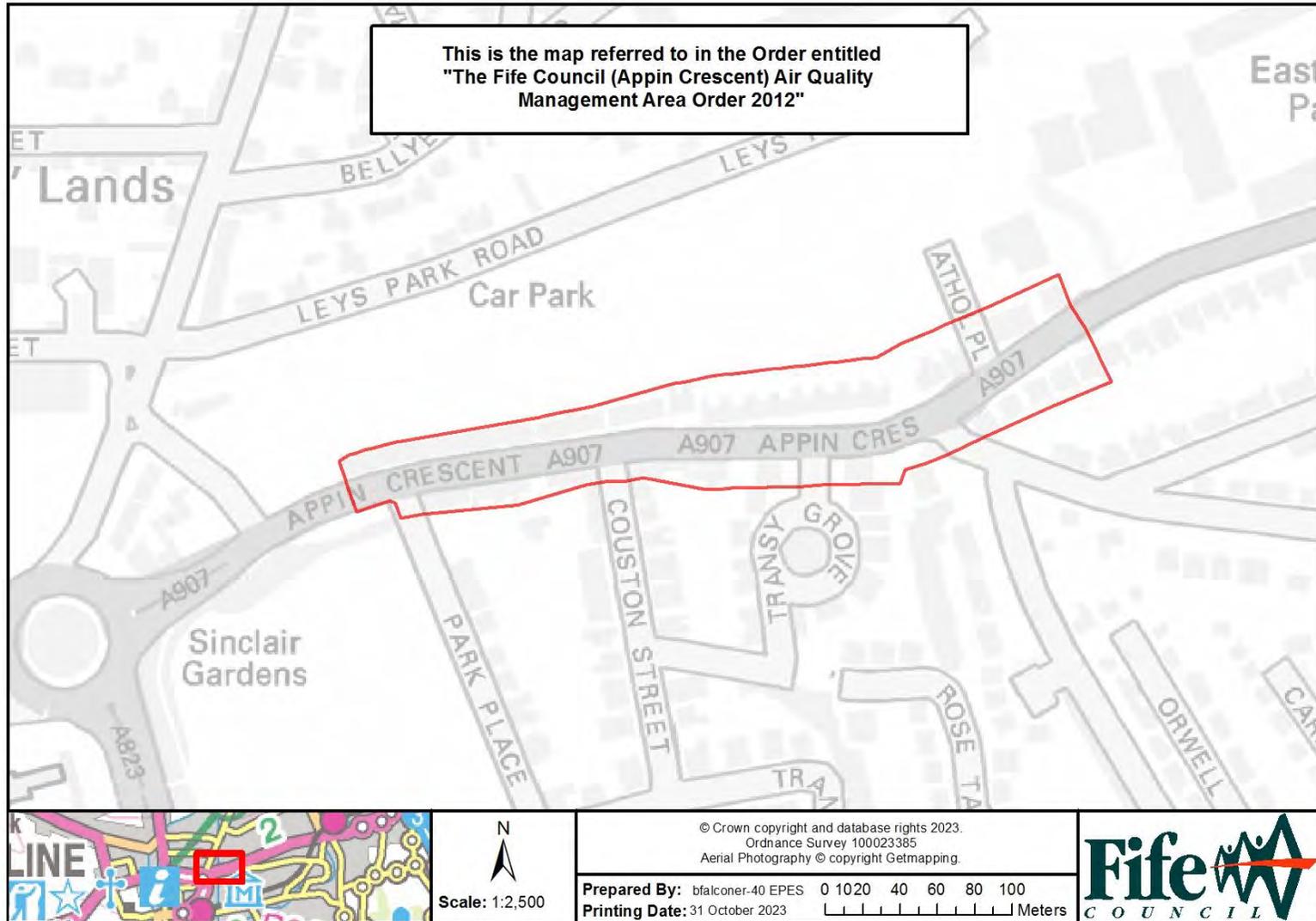
Whereas Fife Council (“the Council”) having caused to be conducted a review and assessment of air quality in Appin Crescent, Dunfermline is satisfied that the air quality objectives in respect of the PM₁₀ annual mean objective as specified in the Air Quality (Scotland) Regulations 2000 (as amended by the Air Quality (Scotland) Amendment Regulations 2002 and 2016) will be met in the area described in the Schedule below for reasons of previous, current and projected compliance with the relevant air quality objectives.

The Council in exercise of the powers conferred on it by Section 83(2) of the Environment Act 1995 hereby makes the following Revocation Order for the Appin Crescent, Dunfermline AQMA designated in August 2012 respectively.

IT IS HEREBY ORDERED THAT:

1. The AQMA known as the Appin Crescent, Dunfermline AQMA designated for a likely breach of the PM₁₀ annual mean objective and as described in the Schedule below shall be revoked.
2. The Order shall be cited as the Fife Council Appin Crescent, Dunfermline Air Quality Management Area Revocation Order 2023.
3. The Order shall come into force on **28th December 2023**.
4. The Order and Schedule referred to herein may be inspected free of charge at Land & Air Quality Team, Protective Services, Fife Council, Fife House, North Street, Glenrothes, Fife, KY7 5LT or on-line within the air quality section of the Fife Council website at www.fife.gov.uk/airquality.

Figure 1: Appin Crescent, Dunfermline AQMA Boundary



Fife Council

Environment Act 1995, Part IV, Section 83(2)

Fife Council Bonnygate, Cupar Air Quality Management Area Revocation Order 2023 (“Bonnygate, Cupar AQMA Order”)

Order revoking an Air Quality Management Area (AQMA)

Whereas Fife Council (“the Council”) having caused to be conducted a review and assessment of air quality in Bonnygate, Cupar is satisfied that the air quality objectives in respect of the PM₁₀ annual mean objective as specified in the Air Quality (Scotland) Regulations 2000 (as amended by the Air Quality (Scotland) Amendment Regulations 2002 and 2016) will be met in the area described in the Schedule below for reasons of previous, current and projected compliance with the relevant air quality objectives.

The Council in exercise of the powers conferred on it by Section 83(2) of the Environment Act 1995 hereby makes the following Revocation Order for the Bonnygate, Cupar AQMA originally designated in October 2008.

IT IS HEREBY ORDERED THAT:

1. The AQMA known as the Bonnygate, Cupar AQMA designated for a likely breach of the PM₁₀ annual mean objective and as described in the Schedule below shall be revoked.
2. The Order shall be cited as the Fife Council Bonnygate, Cupar Air Quality Management Areas Revocation Order 2023.
3. The Order shall come into force on **28th December 2023**.
4. The Order and Schedule referred to herein may be inspected free of charge at Land & Air Quality Team, Protective Services, Fife Council, Fife House, North Street, Glenrothes, Fife, KY7 5LT or on-line within the air quality section of the Fife Council website at www.fife.gov.uk/airquality.

Schedule

The designated area outlined in red on the attached map and known as the Bonnygate, Cupar AQMA shall be revoked.

The designated area consists of the following location:

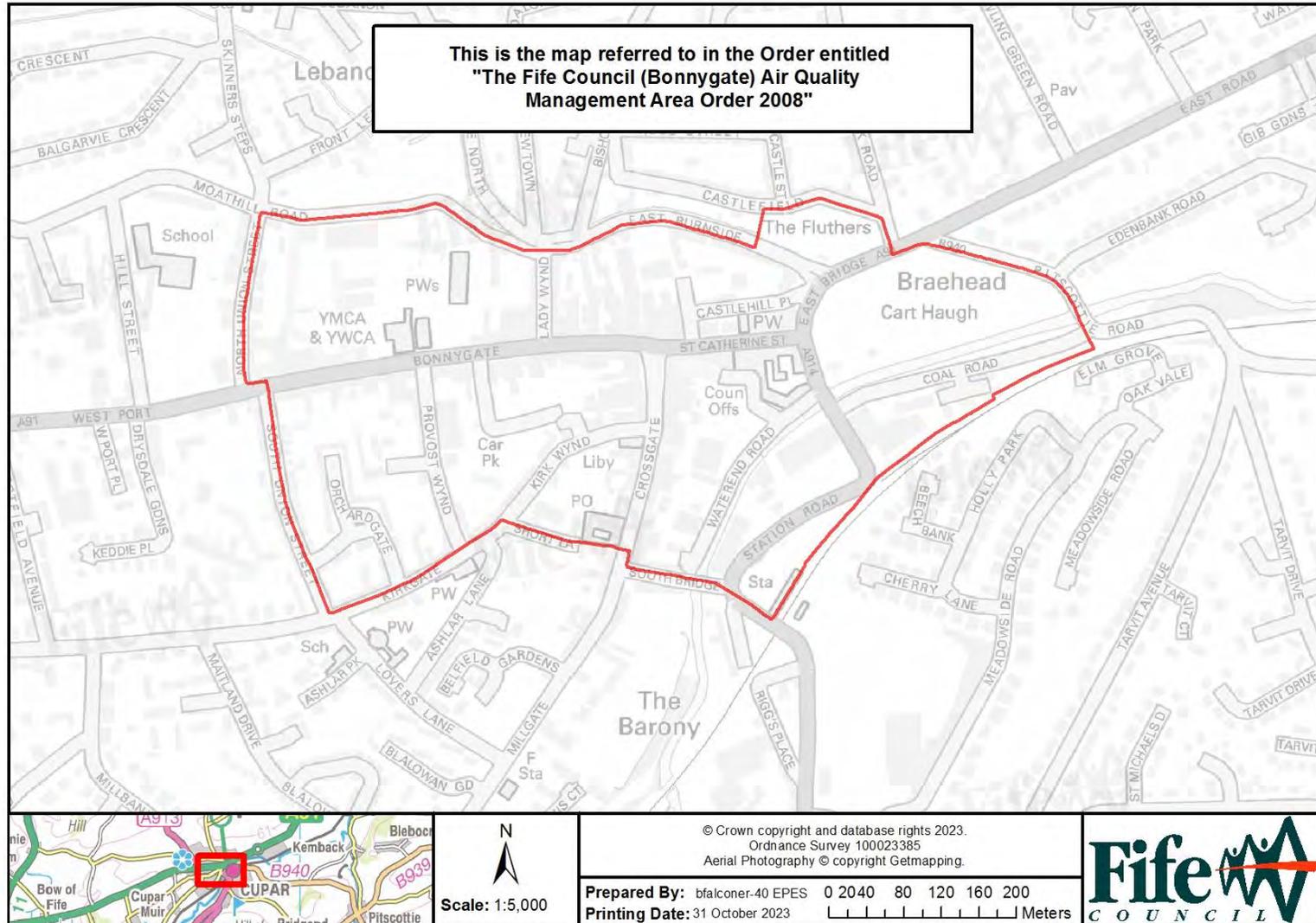
An area of central Cupar centred on Bonnygate A91 (as defined in Figure 1).

Subscribed for and on behalf of Fife Council

On the **TBC** 2023

By **TBC**

Figure 1: Bonnygate, Cupar AQMA Boundary



Local Transport Strategy for Fife

Report by: John Mitchell, Head of Roads and Transportation Services

Wards Affected: All

Purpose

The purpose of this report is to seek committee approval for the Local Transport Strategy for Fife 2023-2033.

Recommendation(s)

It is recommended that committee approves:-

- (1) the Local Transport Strategy for Fife 2023-2033, as detailed in Appendix 1, and delegates to the Head of Roads and Transportation Services to make any minor amendments prior to publication; and
- (2) that update reports on the delivery plan be presented to the Environment, Transportation and Climate Change Scrutiny Committee as appropriate.

Resource Implications

There are considerable resource implications to deliver the strategy with input across a range of services, delivery partners and stakeholders. While existing council budgets are available, a range of potential internal, external, grant and developer funding sources are acknowledged within the strategy. Individual projects will be developed through business cases, including the identification of resources and funding.

Legal & Risk Implications

There are no legal or risk implications based on this report.

Impact Assessment

A Strategic Environmental Assessment has been undertaken to assess the environmental effects of the proposed strategy. This is summarised in the Fife Environmental Assessment Tool, contained in Appendix 2.

An Equality Impact Assessment has been undertaken and the summary form is presented in Appendix 3.

Consultation

Fife Council's Finance and Legal Services have been consulted in preparing this report. The Local Transport Strategy has been developed through extensive consultation with the community, elected members, stakeholders, council Services and the Fife Partnership over the past two years.

1.0 Background

- 1.1 In April 2021, the Economy, Tourism Strategic Planning and Transportation Sub-Committee agreed that Fife Council should update the Local Transport Strategy for Fife to ensure that it remains relevant and up to date (2021.ETSPT.70 para. 164 refers).
- 1.2 The Local Transport Strategy sets the vision and priorities for transport in Fife over the next ten years. It helps guide the management and development of transport, including active travel, public transport and the road network, ensuring that external funding and development opportunities are fully maximised. It covers services that Fife Council directly provides, as well as those that will be delivered in partnership.
- 1.3 Whilst the Local Transport Strategy is a non-statutory document, it holds particular reference and relevance in helping to demonstrate the development of key projects, including public consultation and support to secure Scottish Government funding. It will help to support Fife Council in undertaking statutory duties, including those related to the Climate Change (Emissions Reductions Targets) (Scotland) Act 2019 Act and the Transport (Scotland) Act 2019.
- 1.4 The strategy has been developed through:
 - An appraisal in line with the Scottish Transport Appraisal Guidance (STAG)
 - Extensive public and stakeholder consultation
 - Analysis of transport data and modelling
- 1.5 The key development stages have included:
 - **April 2021 – March 2022:** Development of the Case for Change and widespread public consultation to seek feedback on transport issues
 - **April – September 2022:** Appraisal of the proposed options and agreement of the emerging policies with Councillors
 - **September 2022 – February 2023:** Development of the draft strategy and extensive consultation and input from Services across Fife Council
 - **February – April 2023:** Widespread public consultation on the draft strategy, comprising a Fife-wide survey; pop-up community events; and workshops with a range of interest groups including Local Area teams, High School pupils and Fife Centre for Equalities
 - **18 April 2023:** Draft strategy presented to the Environment, Transportation & Climate Change Scrutiny Committee for final comment
- 1.6 The feedback from consultation on the draft Strategy highlighted the following, which are reflected in the final document:
 - Support for its vision and priorities
 - The need for a more succinct list of practical actions
 - Suggestions for further policies and actions

2.0 Issues and Options

- 2.1 The vision of the strategy is that, by 2033, the transport system in Fife will support communities with affordable, seamless and sustainable access to all aspects of their daily lives.
- 2.2 The vision is supported by four priorities:
- Fair access to daily activities
 - Safe and secure travel for all
 - A just transition to net zero
 - A resilient transport network
- 2.3 The full detail of the priorities and the 65 actions are outlined in the strategy document within Appendix 1.
- 2.4 The strategy is a key document in helping to deliver the priorities of the Plan for Fife, the objectives of the National Transport Strategy 2 and the Climate Fife: Sustainable Energy and Climate Action Plan 2020-2030, with actions that will drive transport emissions reduction and adaptation to extreme weather. The strategy has been developed in parallel with the review of the Local Development Plan and shares its focus on place and local living. Equally, it promotes the principle of community wealth building, with actions by local areas and community groups.
- 2.5 The strategy recognises Fife's mixed geography of urban and rural areas. It promotes the Sustainable Transport Hierarchy as set out in National Transport Strategy 2, which prioritises walking, wheeling, cycling and public transport and notes that private vehicles continue to play an important role for certain trips.
- 2.6 The strategy promotes the Sustainable Investment Hierarchy set out in National Transport Strategy 2. Hence, there is a greater focus on behaviour change to increase sustainable travel choices that reduce inequalities, as well as making better use of existing infrastructure assets.
- 2.7 Subject to committee approval, the finalised strategy will be published and promoted through a communications programme. Update reports detailing the delivery outcomes of the strategy will be presented to future Environment, Transportation and Climate Change Scrutiny Committees, as appropriate.

3.0 Conclusions

- 3.1 The Local Transport Strategy for Fife 2023-2033 has been developed through extensive community and stakeholder consultation and reflects the current opportunities and challenges in helping to deliver future transport provision in Fife.

List of Appendices

1. Local Transport Strategy for Fife 2023-2033
2. Fife Environmental Assessment Tool
3. Equality Impact Assessment Summary Report

Report Contacts

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Local Transport Strategy for Fife 2023-33

Fair, sustainable access for all

(November 2023)



Foreword

I am delighted to introduce Fife Council's new Local Transport Strategy, which sets out its vision for fair, sustainable access for all, and its priorities for transport over the next ten years.

The strategy reflects the views of Fife's communities, partners and stakeholders, gathered through extensive consultation.

The strategy sets out how we will tackle some big challenges. The transport system must support Fifiers to get to work, education and health appointments, to tackle poverty and promote economic recovery. And we must transition to net zero emissions and protect our infrastructure to address the Climate Emergency.

Our delivery of the ambitious objectives and actions will empower our communities and encourage investment in Fife.

We want to reduce the need for you to travel and make it easier to walk, wheel, cycle, and take the bus and train. Everyone has a part to play in delivering the strategy, so we look forward to working with you as we strive towards our vision.



Cllr. Altany Craik

Spokesperson – Finance, Economy & Strategic Planning, Fife Council

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4 Fair access to daily activities.....	8
5 Safe and secure travel for all.....	14
6 A just transition to net zero.....	16
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1 Introduction

1.1 Purpose

The Local Transport Strategy for Fife sets out Fife Council's vision and priorities for transport for the next ten years, until 2033.

The strategy will help us tackle the most important transport issues by prioritising our operations and investments. This will help us make the most of current and future opportunities, for example grant funding and evolving technology.

This document outlines our vision, objectives and policies. Detailed actions are provided in Appendix A.

1.2 Methodology

The strategy has been developed based on evidence from transport modelling and public data as well as extensive consultation. In total, we undertook 33 stakeholder events and received 1855 responses to our surveys.

We have assessed the effects of the strategy on the environment and on all Fifers in our Strategic Environmental Assessment (Appendix B) and Equality Impact Assessment (Appendix C).

2 Context

2.1 Fife's transport system

We use transport to access our daily activities. In 2019 in Scotland, people made an average of 2.7 trips per day¹ to socialise, commute to work or education, go shopping or attend healthcare appointments. Access improves our physical and mental wellbeing, supports our economy and enables tourism.

Accessing activities online or living close by can reduce the need for us to travel.

The movement of goods (freight and parcels) provides essential supplies for people and businesses.

Fife Council provides a range of transport services and supports other services by working with partners, including Transport Scotland, Regional Transport Partnerships, Network Rail and bus and rail operators (Figure 1).

¹ Transport Scotland (2020) Covid-19 Weekly Transport Trends. Available at: <https://www.transport.gov.scot/news/transport-secretary-comments-on-weekly-transport-trends/> (Accessed: 07 February 2023)

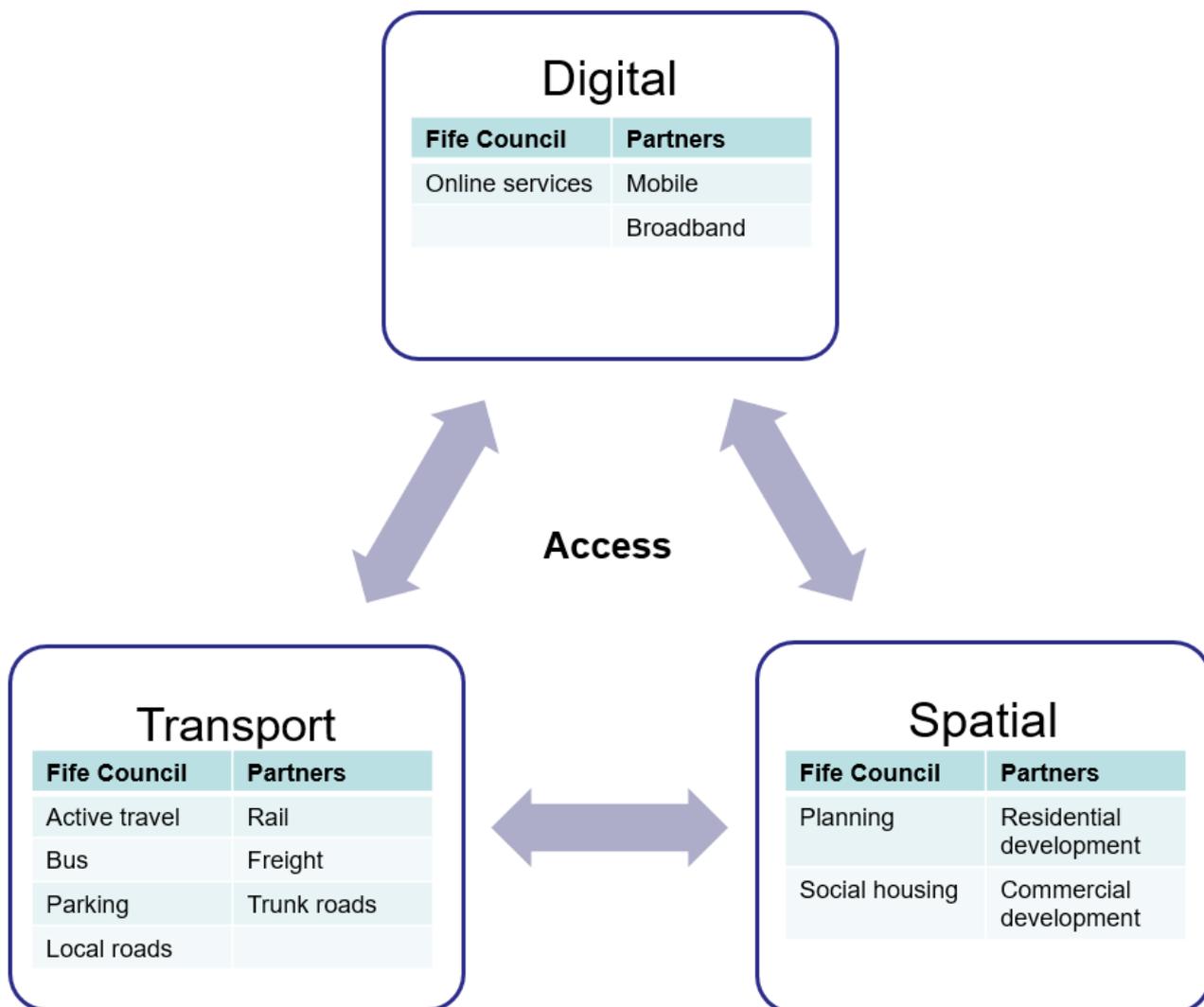


Figure 1. Fife Council's role in providing access to daily activities

This strategy considers the services that Fife Council directly provides and those it delivers in partnership.

2.2 Progress since 2006

Many of the proposals set out in the previous Local Transport Strategy for Fife 2006-2026 have been delivered, including:

- Halbeath Park and Ride
- Levenmouth Rail Link, due to be opened in 2024
- New active travel routes, including links to new schools
- Ongoing delivery of the Strategic Development Area housing developments

Local Transport Strategy for Fife 2023-2033

The Queensferry Crossing has also been delivered by Transport Scotland, safeguarding a vital connection.

Despite much progress, most journeys are still made by car (Table 1). Between 2009 and 2019, there was a decline in bus use and only a minor increase in walking.

During the COVID-19 pandemic, walking, wheeling and cycling increased while public transport passenger numbers decreased. Since the pandemic, travel has largely returned to normal, with lower passenger numbers remaining on public transport.

Table 1. Mode of travel in Fife²

Mode of travel	Journeys in Fife (2019)
Car	70%
Walking, wheeling and cycling	20%
Public transport	10%

Walking, wheeling and cycling

Walking, wheeling and cycling is also known as active travel. Wheeling includes the use of wheelchairs, mobility scooters and pushchairs; cycling includes bicycles, adapted cycles and box bikes.

2.3 Policy context

The Local Transport Strategy will help deliver the priorities of the Plan for Fife and National Transport Strategy 2 (Table 2).

² Transport Scotland (2020) Transport and Travel in Scotland 2019. Local Authority Table. Available at: [Transport and Travel in Scotland 2019: Results from the Scottish Household Survey | Transport Scotland](#) (Accessed 26 October 2023)

Table 2. How the strategy supports local and national priorities

Priority	How this strategy supports the priority
Plan for Fife (2017-2027): Fife’s community plan	
Opportunities for all	Increases access to opportunities that support a fulfilling and decent life
Thriving places	Shapes and connects places that promote people’s wellbeing
Inclusive growth and jobs	Increases access to employment, especially in rural areas and Mid-Fife
Community-led services	Based around the needs of service users; focus on community-led delivery
National Transport Strategy 2 (2020): Sets a vision for Scotland’s transport system for the next 20 years	
Reduces inequalities	Provides fair access to activities and improves affordability
Takes climate action	Prioritises the just transition to net zero and climate change adaptation
Helps deliver inclusive economic growth	Increases access to employment, especially in rural areas and Mid-Fife
Improves our health and wellbeing	Improves safety and security and encourages healthy travel choices

The Local Transport Strategy is also closely aligned with other recent and emerging policy (Table 3).

Table 3. Related recent and emerging policy

Document	Purpose
Transport Scotland: Strategic Transport Projects Review 2	Informs strategic transport investment in Scotland for the next 20 years
Scottish Government Update to the Climate Change Plan 2018-2032	Sets out the pathway to targets set by the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019
South East of Scotland Regional Transport Partnership (SEStran) 2035 Regional Transport Strategy	Provides a framework and direction for transport in the south east of Scotland
Tayside and Central Regional Transport Partnership (Tactran) Regional Transport Strategy	Provides a framework and direction for transport in the Tayside and Central region of Scotland
Fife’s Economic Strategy 2023-2030	Sets out the approach to support Fife’s economy
Climate Fife: Sustainable Energy and Climate Action Plan 2020-2030	Fife’s response to the Climate Emergency
Fife Council: Local Development Plan 2	Sets out planning policies and proposals for the development and use of land across Fife

3 Our vision and priorities: Fair, sustainable access for all

Vision: Fife's transport system supports our communities with affordable, seamless and sustainable access to all aspects of our daily lives.

Our vision is supported by the following four priorities.

3.1 Fair access to daily activities

Access to work, education, healthcare, leisure and green space is crucial for our wellbeing and our economy. We will provide opportunities for all by focussing on walking, wheeling, cycling and public transport; and supporting town centres.

3.2 Safe and secure travel for all

Our transport system is for all members of the community. We will focus on improving safety, security and accessibility for all Fifers, especially groups who have previously been disadvantaged using transport.

3.3 A just transition to net zero

Fife Council declared a Climate Emergency in September 2019 and has committed to a just transition to net zero by 2045. We will provide leadership in working with others to decarbonise the transport sector, by encouraging sustainable travel and enabling the roll-out of zero emission vehicles.

3.4 A resilient transport network

Our transport network is crucial to keeping Fife moving. We will focus on maintenance and resilience to keep our infrastructure in good condition and tackle extreme weather caused by climate change.

3.5 Our vision in practice

The Levenmouth Reconnected Programme is an example of how we are working towards our vision. We will provide a step change in sustainable transport infrastructure, with partners, to deliver:

1. Levenmouth Rail Link: Reopening of Leven and Cameron Bridge stations and provision of direct rail services to Edinburgh
2. Levenmouth Connectivity Project: Connecting the communities of Levenmouth with a walking, wheeling and cycling network that is accessible to all, including links to the new railway stations
3. Levenmouth Bus Service Action Plan: Improving bus network connections between the communities of Levenmouth and the new railway stations
4. Levenmouth Reconnected Programme: Grant funding to maximise the social and economic opportunities of the new rail link
5. Engagement and education to encourage the community - especially school children - to walk, wheel and cycle
6. Support community groups to deliver the priorities of the Plan 4 Levenmouth Area Local Community Plan

Figure 2 illustrates our vision in practice.



Figure 2. Our vision in practice

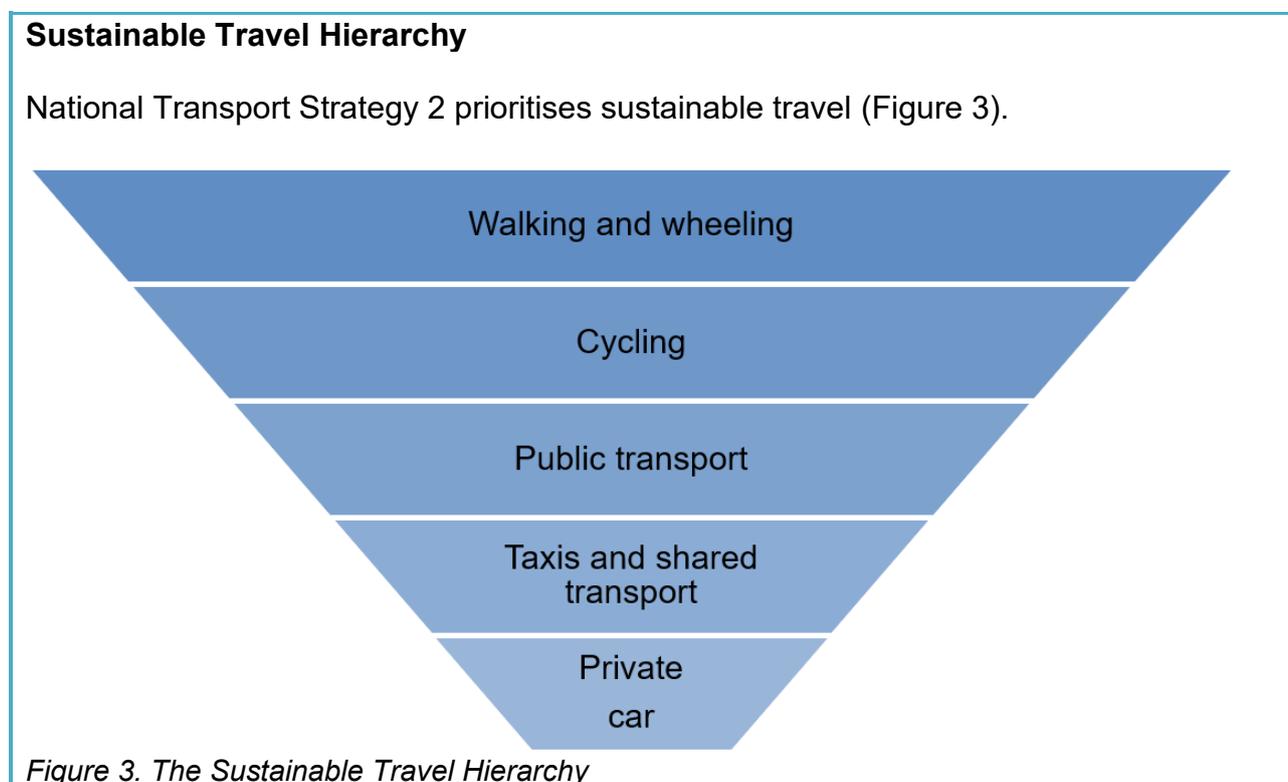
4 Fair access to daily activities

Access to work, education, health services, leisure and green space is crucial for our wellbeing and our economy.

Fife's mixed geography of urban and rural areas means that many people rely on their car to get about. However, cars are expensive. In Fife's most deprived areas, only 60% of households have access to a car, while in the least deprived, 90% have access.^{3,4}

Households in Scotland currently spend approximately 15% of their total expenditure on transport and vehicles.⁵

We acknowledge the role of travel by car in Fife, but we must focus on improving travel by other modes of transport.



Policy 1: Adopt the Sustainable Travel Hierarchy.

³ Scotland's Census (2011) Scotland's Census 2011 Results. Available at: <https://www.scotlandscensus.gov.uk> (Accessed 16 December 2022)

⁴ Scottish Government (2020) Scottish Index of Multiple Deprivation 2020. Available at: <https://www.gov.scot/collections/scottish-index-of-multiple-deprivation-2020/> (Accessed 16 December 2022)

⁵ Transport Scotland (2023) Scottish Transport Statistics 2022. Chapter 10 – Transport Finance. Available at: <https://www.transport.gov.scot/publication/scottish-transport-statistics-2022/chapter-10-transport-finance/> (Accessed 18 May 2023)

This approach supports the Plan for Fife and National Transport Strategy 2 priorities ‘opportunities for all’ and ‘reduces inequalities’.

4.1 Access by walking, wheeling and cycling

Half of journeys in Fife are under 3km,⁶ short enough to be walked, wheeled or cycled within 15 minutes. However, 31% of Fifers are classified as obese,⁷ partly due to a lack of physical activity. Active travel is an affordable, healthy, low-carbon form of transport, providing local access and links to public transport.

Objective 1: Increase the proportion of trips that are walked, wheeled or cycled to 30% by 2033, from a baseline of 23% in 2019.

70% of consultation respondents find it easy to walk, wheel or cycle for short trips. However, respondents also told us that the network is disjointed; feels unsafe; and lacks cycle parking and wayfinding.

We will set out how we will improve active travel in Fife, including traffic-free routes, parking, wayfinding, bike provision and education, in our upcoming Active Travel Strategy.

Policy 2: Support community groups from all areas to deliver community-led active travel projects.

Policy 3: Support the adoption of new types of personal mobility, for example e-bikes, where they are legal and safe.

4.2 Access by public transport

Fife is served by an extensive rail, bus and demand responsive transport (on-demand minibuses) network. Buses in Fife carried 33.8 million passengers in 2018/19 and annual rail passengers doubled to 6.1 million between 1998 and 2018.⁸

⁶ Transport Scotland (2023) Transport and Travel in Scotland 2021. Local Authority Tables. Available at: [Transport and Travel in Scotland 2021: Results from the Scottish Household Survey](#) (Accessed 28 September 2023)

⁷ Scottish Government (2019) Scottish Health Survey. Available at: <https://scotland.shinyapps.io/sg-scottish-health-survey> (Accessed: 05 October 2023)

⁸ Office of Rail and Road (2022) Estimates of station usage. Available at: <https://dataportal.orr.gov.uk/statistics/usage/estimates-of-station-usage> (Accessed: 05 October 2023)

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Most bus services in Fife are provided on a commercial basis. However, Fife Council subsidises around 10% of services, generally in the evenings, at weekends and in rural areas. Subsidised routes carried 2.3 million passengers in 2019.

85% of consultation respondents said it is easy to travel by car, while only 39% said it is easy to travel by public transport. The following factors make it difficult to use public transport:

- Lack of timetable and ticket integration between competing commercial public transport operators
- Fare costs, which are rising at twice the rate of motoring costs⁹
- Journey time and frequency, which is up to four times as long as driving for some journeys in Fife
- Lack of early, late and weekend services

Many areas of Fife are well served by public transport, especially in the main towns and cities and around the Forth Bridgehead. However, some areas are poorly served, especially North East Fife and the West Fife villages (Figure 4).

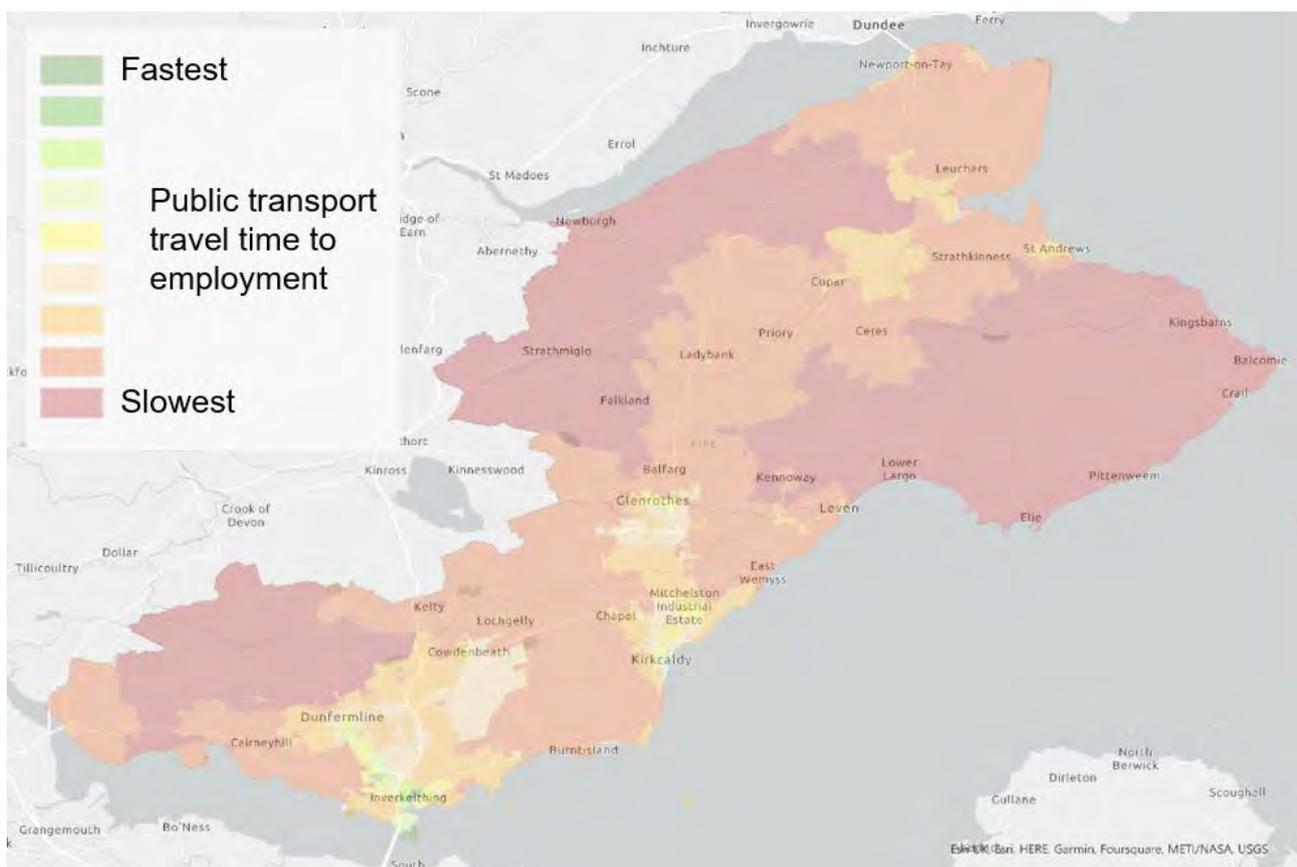


Figure 4. Level of access to work by public transport across Fife

⁹ Department for Transport (2022) Transport expenditure. Available at: <https://www.gov.uk/government/statistical-data-sets/transport-expenditure-tsgb13> (Accessed: 05 October 2023)

Objective 2: With partners, increase the proportion of Fife communities with access to key daily activities within one hour by public transport by 20% by 2033.

Objective 3: With partners, increase the proportion of trips by bus to 10% by 2033, from a baseline of 6% in 2019.

Recent cuts in commercial bus services are a result of changing demand following the COVID-19 pandemic.

Bus Partnership Fund

Fife Council is a member of the Fife Bus Partnership and Tayside Bus Alliance. These partnerships are developing ambitious schemes, including bus priority measures, to improve journey times and reliability across Fife.

We will work with bus operators to improve bus services within our remit through Bus Service Improvement Partnerships.

Demand responsive transport

Go-Flexi and Fife Bus provide on-demand bus services for some rural areas and for people who are not able to access mainstream passenger transport.

Policy 4: Support community transport providers (including minibus services) to complement the public transport system.

Fife Council supports the delivery of the Scottish Government's under 22 and over 60 free bus travel schemes. Fife Council also funds its own rail concession scheme for people over 60 years old, providing discounted travel between Fife stations.

Policy 5: Support:

- Improved integration between transport modes, including ticketing and timetables
- Fair rail fares across Scotland
- Free bus and discounted rail travel for those who need it most.

Public transport is well-suited for regional journeys. Fife has excellent links to Edinburgh, however journeys between West Fife and the Forth Valley and between Fife and Perth take approximately twice as long as by car. There is also no direct rail access to St Andrews.

Objective 4: With partners, reduce public transport journey times between Dunfermline and Stirling and between Glenrothes and Perth by 20% by 2033.

Objective 5: With partners, reduce public transport journey times between St Andrews and Scotland's major towns and cities by 2033.

The increase in rail passengers before the COVID-19 pandemic highlights the potential of rail for regional, centre to centre trips, complementing a local bus network. However, further growth is constrained by the capacity of Fife's railways, and passenger numbers during off-peak times remain low.

Fife Council will work with partners to enhance existing rail routes and support new rail links and stations in Fife. We will also focus on improving access to the rail network via walking, wheeling, cycling and bus in line with Scotland's Railway's Sustainable Travel to Stations strategy.

4.3 Access to town centres

Our town and city centres are evolving, with a decline in retail and a new focus on diversification to include residential, leisure, community and other uses. We will support access to town centres in line with the current FIFEplan policy for 'town centres first'.

Every town centre is different. In line with the Plan for Fife outcomes 'thriving places' and 'community-led services', we will support local communities to improve their town centres in the way that best suits the local place.

Objective 6: Contribute to an increase in footfall in major town and city centres by 10% by 2033.

Evidence shows that pedestrians spend more money in town centres than people arriving by car.¹⁰

Policy 6: Support town centre improvements which favour people and maintain appropriate access for disabled people, emergency services and deliveries.

¹⁰ Living Streets (2018) The Pedestrian Pound. Available at: [pedestrian-pound-2018.pdf \(livingstreets.org.uk\)](#) (Accessed 29 August 2022)

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Parking management, combined with alternative travel options, is a key measure to encourage sustainable transport. We will continue to manage parking supply in major towns and cities to balance economic and sustainable travel priorities.

5 Safe and secure travel for all

Our transport network should be accessible and safe for all members of the community.

Much of Fife's transport system, including all of Fife's bus stations, currently meets modern accessibility standards. However, some barriers remain across our public transport system, town centres and active travel routes. These can encourage private car use or lead to social isolation.

Health and demographics

10% of Fifers have health problems which limit activities 'a lot'. 20% of Fifers are over the age of 65 and this is forecast to increase to 28% by 2038.¹¹

Fife Equality Collective feedback

In March 2022, Fife Council heard feedback on challenges for disabled people at the Fife Centre for Equalities Equality Collective event 'Let's Plan Transport':

- "I get a lift, I have been using the same private taxi now for 20 years as I am disabled (thrombosis) and use crutches to get around. I stopped using the bus as there's big drops and not everyone lowers the access. [Because of this] I fell twice, on the way to college and then work and was covered in mud waist down but still had to work in the café."
- "In our village [East Wemyss] we really value the 13 bus, it is small and accessible and is good for buggies, wheelchairs etc. The conductor waits as you get on, it's really made a difference. You just could not get up the steps that were so high they are nearly your height spiralling up, when you have difficulty even with small steps."
- "From my experience of dealing with mental health and still trying to be active, travelling, going to appointments and so on is so very difficult as there is a lot of information but it's not clear, there's no clear help to get to where you need to go with all the changes"

Objective 7: Increase the proportion of bus infrastructure, active travel infrastructure and town centres that meet modern accessibility standards by 20% by 2033.

This approach aligns with the Plan for Fife outcome 'opportunities for all'.

Policy 7: The recommendations of proportionate equality impact assessments will be considered on all Roads & Transportation projects.

¹¹ Fife Partnership (2020) Fife Strategic Assessment. Available at: https://know.fife.scot/data/assets/pdf_file/0009/301311/Fife-Strategic-Assessment-2020.pdf (Accessed 05 October 2023)

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We will improve accessibility by enforcing the Transport (Scotland) Act 2019 footway parking ban and delivering a programme of bus stop and active travel accessibility improvements.

The transport system has traditionally been designed to serve commuters travelling to main centres and is less well suited to the varied trips undertaken by carers. This tends to favour predominantly male travel patterns. 60% of consultation respondents identifying as male find it easy to get to their work, education, health or leisure activities, compared with 51% of consultation respondents identifying as female and 50% identifying as another gender. Focussing on the Sustainable Travel Hierarchy and considering all trip types will support gender equality on our transport system.

5.1 Safety and security

Despite significant improvements over the past decades, in 2022, 8 people tragically died and 77 people were seriously injured in road accidents in Fife.

Fife Council shares the vision for road safety set out in Scotland's Road Safety Framework to 2030.

Objective 8: With partners, reduce road deaths and serious injuries by 50% by 2030, and by 60% for children. Seek to achieve Vision Zero, a long-term aim for no road casualties, by 2050.

We will continue to work on road safety improvements and encourage safe travel behaviours. We will also update the Fife Council policy on speed limits, taking into account the emerging National Strategy for 20mph.

Many people are discouraged from walking, wheeling, cycling and taking public transport because they feel unsafe from road traffic or anti-social behaviour. 52% of consultation respondents do not feel safe when walking, wheeling or cycling. 27% of respondents identifying as female and 33% identifying as another gender do not feel safe on public transport, compared with 22% of those identifying as male.

Objective 9: Increase the proportion of people who feel safe when walking, wheeling and cycling, and on public transport, by 20% by 2033.

Policy 8: Fife Council believes everyone has the right to travel safely. Any aggressive, bullying or harassing behaviour will not be tolerated on public transport.

6 A just transition to net zero

In September 2019, Fife Council declared a Climate Emergency. We agreed to provide leadership in working with others to seek to achieve a just transition to net zero by 2045. In our Climate Fife: Sustainable Energy and Climate Action Plan (2020-2030) we outlined our vision for a Fife that is:

- Climate friendly
- Climate ready
- Climate just

A just transition to net zero

Net zero emissions means not adding any more emissions to the atmosphere than we remove. A just transition should be fair for all members of the community.

Many consultation respondents are concerned about climate change:

- 72% are concerned about sea level rise, extreme weather and flooding
- 41% consider their carbon emissions when planning a journey
- 63% will consider more sustainable travel in the future

Objective 10: Provide leadership in working with others to reduce Fife's transport emissions by 56% by 2030, compared to a 1990 baseline.

We recognise the ambition of our target. Our current forecasts indicate transport emissions in Fife will reduce by 30% by 2035. We must reduce how much we travel; switch to walking, wheeling, cycling and public transport; and transition to zero emissions vehicles.

Reduced transport emissions will improve air quality in Fife. We will continue to monitor this through the Air Quality Strategy for Fife 2021 – 2025.

In line with the Plan for Fife vision for 'a fairer Fife', our transition to net zero must be just. Many Fifers do not have the luxury to choose different ways to travel and to buy expensive new technologies. Support needs to be focussed on those who need it most and the benefits of the transition must be shared among everyone.

6.1 Traffic reduction

Analysis of Scotland's transport system shows that a reduction in car travel is required to meet decarbonisation targets.¹²

Objective 11: Support a reduction in total car kilometres travelled by 20% by 2030, compared with a 2019 baseline.

Traffic volumes have remained largely constant in Fife since 2006, with a temporary reduction in 2020 due to the COVID-19 pandemic.

This trend must be changed through:

- A reduction in trips
- A switch to walking, wheeling, cycling and public transport

Measures set out in the priority 'fair access to daily activities' will support the reduction in traffic, for example improving digital services, walking, wheeling, cycling and public transport.

New roads encourage people to travel more by car, which in turn leads to more congestion.¹³ We must strike a balance between improving fair access and reducing our emissions.

Policy 9: Do not provide new road capacity unless:

- Other strategic priorities will be significantly disadvantaged or links to new developments are required; and
- The road prioritises walking, wheeling, cycling and public transport; and
- No traffic growth is generated.

6.2 Sustainable developments

Activities and services close to where people live can reduce the need for us to travel. Developments close to existing sustainable transport links, or with new infrastructure built in, can encourage us to travel sustainably. However, many new developments continue to be located and designed to suit car travel.

Fife Council is currently developing a new Local Development Plan, which will set out the planning policies and proposals for the development and use of land across Fife. The

¹² Transport Scotland (2021) Decarbonising the Scottish transport sector. Available at: [Decarbonising the Scottish transport sector | Transport Scotland](#) (Accessed: 05 October 2023)

¹³ Department for Transport (2018) Latest evidence on induced travel demand: an evidence review. Available at: <https://www.gov.uk/government/publications/induced-travel-demand-an-evidence-review> (Accessed: 21 December 2022)

Local Development Plan will be closely aligned with the priorities of the Local Transport Strategy.

Objective 12: All newly approved developments within settlements, with greater than five dwellings or employees, will be accessible by quality active travel and public transport by 2030.

Fife Council is currently investigating which parts of Fife it is possible for residents to meet the majority of their daily needs within a reasonable distance of their homes (known as 20-minute neighbourhoods or local living).

Objective 13: Contribute to an increase in the proportion of 20-minute neighbourhoods in Fife by 10% by 2033.

6.3 Digital access

In May 2023, 39% of the United Kingdom workforce worked from home at least some of the time.¹⁴ 30% of all retail sales are now online. Digital technology can reduce the need for us to travel.

Policy 10: Support the roll-out of broadband and mobile networks to improve digital connectivity.

Policy 11: Support hybrid working and provide online Fife Council services, but maintain appropriate in-person services for those who need them.

6.4 Transition to electric vehicles

There are currently 2300 electric vehicles registered in Fife.¹⁵ The number is forecast to increase to between 25,000 and 100,000 by 2030¹⁶ (up to half of all vehicles).

Fife Council currently provides 140 charging points throughout Fife.¹⁷

¹⁴ ONS (2023) Public opinions and social trends, Great Britain: working arrangements. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/datasets/publicopinionsandsocialtrendsgreatbritainworkingarrangements> (Accessed 26 October 2023)

¹⁵ Department for Transport and Driver and Vehicle Licensing Agency (2023) Licensed vehicles. Available at: <https://www.gov.uk/government/statistical-data-sets/all-vehicles-veh01> (Accessed: 19 October 2023)

¹⁶ Scottish Power Energy Networks (2021) SP Distribution Future Energy Scenarios: November 2021. Available at: <https://www.spenergynetworks.co.uk/userfiles/file/Annex%20A.6%20-%20SPD%20DFES%20-%20Main%20report.pdf> (Accessed: 17 September 2021)

¹⁷ As of 23 October 2023

New transport technology

New technology offers huge potential to improve our transport system.

Autonomous vehicles	Fully driverless vehicles are likely to be available to some users by the late 2020s, improving safety and allowing those who cannot drive to use a private car.
Battery electric vehicles	Zero emissions cars powered by electrical energy stored in batteries are being rapidly adopted. Increasing ranges of light commercial vehicles and buses are also becoming available.
Hydrogen propulsion	Zero emissions vehicles powered by hydrogen fuel cells are likely to be rolled out for heavy, long-distance vehicles by the late 2020s.
Micromobility	Motorised personal transport devices, such as e-scooters and e-bikes, are being increasingly trialled and adopted.
Mobility as a service	Integrated ticketing and subscription-based transport apps are being increasingly rolled out across Scotland.
Internet of things	Connection of infrastructure and vehicles to the internet, allowing remote data collection and control, is already widely available.

The electricity supply grid limits how much electric vehicle charging infrastructure can be installed. Many houses do not have off-street parking, which means home charging is not currently possible. These issues will be considered in our upcoming Public EV Charging Strategy & Expansion Plan.

Objective 14: Enable appropriate numbers of electric vehicle chargers and levels of reliability to match increasing demand.

Policy 12: Support the transition to zero emissions buses by working with Bus Service Improvement Partnerships.

6.5 Freight

The efficient movement of goods is essential to supporting Fife's economy. Many of Scotland's strategic freight facilities are in Fife, including major distribution centres and ports.

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Most of the freight in Scotland is carried by road, with only 2% of tonnage carried by rail and 27% carried by sea in 2020.¹⁸ We support the decarbonisation of the freight sector, including improved integration of rail and road freight and the roll-out of zero emissions heavy goods vehicles.

The increase in online shopping led to an increase in van emissions of 25% between 2012 and 2019.¹⁹ Many consultation respondents noted the high volumes of freight vehicles, especially in rural villages.

Objective 15: Support partners to reduce truck tonne kilometres by 15% by 2030, compared with a 2019 baseline, while maintaining effective movement of goods.

Policy 13: Support trials of autonomous vehicles, hydrogen vehicles and innovative delivery techniques like drones or box bikes.

6.6 Fife Council's services

Fife Council monitors and reports its carbon emissions as part of its legislative duties. We support national targets to reduce our own carbon emissions, however funding is urgently required to accelerate our transition.

Objective 16: Support the Scottish Government target to purchase no new petrol or diesel light commercial fleet vehicles by the end of 2025.

Objective 17: Reduce transport carbon emissions across Fife Council's services by 75% by 2030, compared to a 1990 baseline, with a view to achieving net zero emissions by 2045. This includes emissions from employee travel and commuting.

¹⁸ Transport Scotland (2023) Scottish Transport Statistics 2022. Dataset for Chapter 3, 7, and 9. Available at: [Scottish Transport Statistics 2022 | Transport Scotland](#) (Accessed: 19 October 2023)

¹⁹ ClimateXChange (2021) Last mile delivery in Scotland. Available at: <https://www.climatexchange.org.uk/research/projects/last-mile-delivery-in-scotland/> (Accessed: 7 September 2021)

7 A resilient transport network

Fife's walking, wheeling, cycling, bus, rail and road infrastructure provides essential connections for our daily activities.

Transport network maintained by Fife Council

Total length of segregated walking, wheeling and cycling routes: 330km
Total length of roads: 2470km

7.1 Road condition

In 2021/22 Fife Council resurfaced 3% of the road network. Approximately 34% of Fife's road network currently needs to be considered for maintenance, which is comparable with the average across Scotland.

Objective 18: Retain current transport network condition and availability from 2023.

Fife Council is investing to reduce the backlog of repairs to the road network. Regular inspections allow us to identify high-risk areas and programme maintenance before defects become a problem, which is better value for money than reactive repairs.

Road defects artificial intelligence

Fife Council is trialling a new artificial intelligence system to support our prioritisation of road maintenance. It is best used to complement existing road inspections.

5% of our bridges are restricted by weight, width or height.

Objective 19: Reduce the number of weight, width or height restricted bridges from 5% in 2023 to 3% by 2033.

Policy 14: Prioritise winter maintenance in line with the priorities of the Local Transport Strategy.

Biodiversity is under threat worldwide. There are opportunities to improve the condition of habitats and protect species around transport infrastructure corridors by reducing

unnecessary road space and increasing planting. This will support the Fife Local Biodiversity Action Plan.

Objective 20: All Fife Council transport projects will deliver biodiversity net gain by 2033.

7.2 Climate change adaptation

Fife's coastlines and rural areas are particularly susceptible to the effects of climate change, and ageing infrastructure, including railways, are not designed to cope with extremes of temperature, rainfall and sea level rise. Fife Council is committed to being 'climate ready', as set out in its Sustainable Energy and Climate Action Plan.

Climate change predictions

- Peak rainfall intensity will increase by 39% by 2080.
- The sea level in the Forth will rise by 0.86m by 2100.
- Peak river flows will increase by 56% by 2100.²⁰

The effects of climate change are already being felt: 56% of consultation respondents have experienced flooding in Fife. Increased flooding and closures will make it harder for people to travel and increase maintenance requirements.

We will work with partners to plan for the current and future effects of climate change. We will define and maintain acceptable levels of risk and take actions outlined in Local Flood Risk Management Plans.

²⁰ SEPA (2023) Climate change allowances for flood risk assessment in land use planning – LUPS-CC1-v3. Available at: <https://www.sepa.org.uk/media/594168/climate-change-guidance.pdf> (Accessed 20 October 2023)

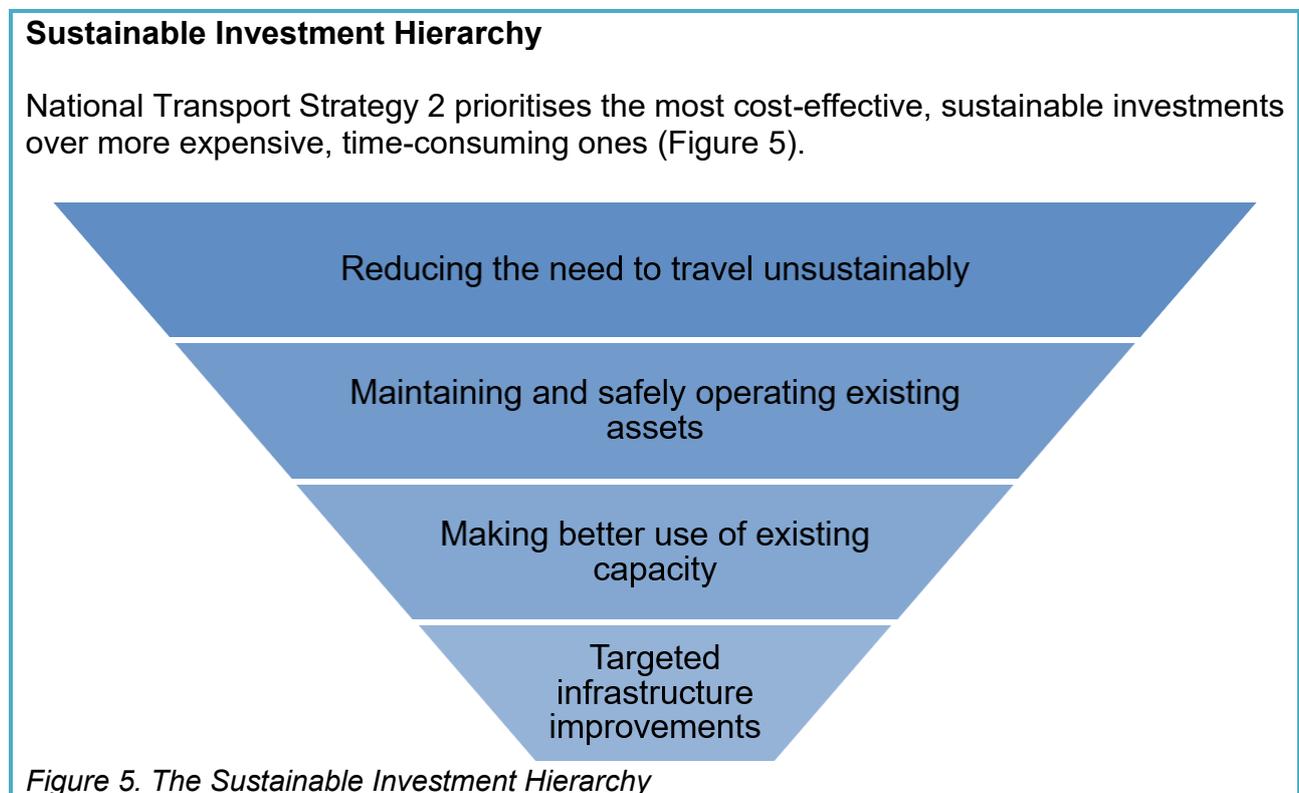
8 Delivering the strategy

8.1 Principles

The strategy sets out an ambitious vision for the future of transport in Fife. This section sets out how we will deliver on our priorities.

8.1.1 Focus on outcomes

Focussing on outcomes, rather than pre-conceived solutions, allows us to deliver measures that provide best value to the community.



Policy 15: Adopt the Sustainable Investment Hierarchy.

Supporting sustainable travel behaviour is the most cost-effective way to meet our priorities. Providing communication campaigns and education programmes, for example school travel plans and Bikeability cycle training enables people to make healthy, sustainable travel choices.

New technology provides opportunities for new sources of revenue for communities.

8.1.2 Community-led services

The Plan for Fife outcome ‘community-led services’ puts people and place at the heart of our decision-making.

Policy 16: Support all of Fife’s communities, including Fife Council Local Area Committees and community groups, to deliver actions from the Local Transport Strategy.

8.1.3 Funding

Delivery of the strategy will require extensive funding and resourcing. This will be met by our service budgets; funding from the Scottish and UK Governments; and other grant funding.

Grant funds often require delivery within a single year, with little time for forward planning. Furthermore, our revenue budgets limit how much new infrastructure we can take on. To allow for effective planning and resourcing, we will work with funders to encourage a pipeline of funding and increased revenue funding.

8.2 Delivery plan

A full list of actions to support our policies and objectives is provided in Appendix A. Fife Council will take opportunities to deliver actions as funding and resources become available.

Delivery of the strategy will be led by Fife Council Roads & Transportation Services. We will develop an annual delivery plan and update on monitoring.

Appendix A Objectives, policies and actions

Fair access to daily activities

Objectives

Reference	Objective
Objective 1	Increase the proportion of trips that are walked, wheeled or cycled to 30% by 2033, from a baseline of 23% in 2019.
Objective 2	With partners, increase the proportion of Fife communities with access to key daily activities within one hour by public transport by 20% by 2033.
Objective 3	With partners, increase the proportion of trips by bus to 10% by 2033, from a baseline of 6% in 2019.
Objective 4	With partners, reduce public transport journey times between Dunfermline and Stirling and between Glenrothes and Perth by 20% by 2033.
Objective 5	With partners, reduce public transport journey times between St Andrews and Scotland's major towns and cities by 2033.
Objective 6	Contribute to an increase in footfall in major town and city centres by 10% by 2033.

Policies

Reference	Policy
Policy 1	Adopt the Sustainable Travel Hierarchy.
Policy 2	Support community groups from all areas to deliver community-led active travel projects.
Policy 3	Support the adoption of new types of personal mobility, for example e-bikes, where they are legal and safe.
Policy 4	Support community transport providers (including minibuses) to complement the public transport system.
Policy 5	Support: <ul style="list-style-type: none"> Improved integration between transport modes, including ticketing and timetables Fair rail fares across Scotland Free bus and discounted rail travel for those who need it most.
Policy 6	Support town centre improvements which favour people and maintain appropriate access for disabled people, emergency services and deliveries.

Actions

Reference	Action	Timeframe
Action 1	Develop an Active Travel Strategy, including a plan for a Fife-wide walking, wheeling and cycling network.	Year 1
Action 2	Deliver the Levenmouth Connectivity Project Active Travel Network and River Park Routes to connect the communities of Levenmouth with a walking, wheeling and cycling network that is accessible for all.	Year 1

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Reference	Action	Timeframe
Action 3	Deliver Bikeability cycle training to places of education and workplaces.	Year 1
Action 4	Support the delivery of the St Andrews MaaSterplan, which will provide on-demand minibus services, shared cycles and a transport booking app.	Year 1
Action 5	Review the Fife Council Travel Plan to help employees travel more sustainably, and support Fife employers to develop travel plans.	Year 1
Action 6	Develop a guide to prioritising road space for different uses (strategic road space allocation framework).	Year 2-4
Action 7	Consider adopting traffic-free walking, wheeling and cycling routes as part of the public road network, by reviewing our policy on active travel route adoption.	Year 2-4
Action 8	Deliver a shared cycle scheme, mobility hub and/or car club at a transport interchange in Fife, and support schemes by public or private operators. Mobility hubs combine multiple transport options in one location, for example cycle parking, parcel lockers and electric vehicle charging. Car clubs are shared car schemes.	Year 2-4
Action 9	Review Fife Council-subsidised bus services to improve route coverage, frequency and operating hours.	Year 2-4
Action 10	Deliver bus priority lanes and junctions on key routes as part of the Fife Bus Partnership and Tayside Bus Alliance. This action includes the proposed Tay Bridge park and ride.	Year 2-4
Action 11	Improve bus connections with the Levenmouth Rail Link by delivering the Levenmouth Bus Service Action Plan.	Year 2-4
Action 12	Investigate the feasibility of extending Go-Flexi Demand Response Transport Services in rural areas, to complement and enhance the wider bus network.	Year 2-4
Action 13	Trial public transport measures to help people get to work, including on-demand minibuses and mapping of routes to work, in partnership with the Edinburgh and South East Scotland City Region Deal Workforce Mobility project.	Year 2-4
Action 14	Launch a refreshed Fife lift share scheme.	Year 2-4
Action 15	Improve access by walking, wheeling, cycling and bus to Fife Circle railway stations, by delivering the Cross-Forth Transport Appraisal. This action includes the proposed Rosyth railway station park and ride.	Year 2-4
Action 16	Support partners to deliver the Newburgh Transport Appraisal, which proposes reopening Newburgh railway station.	Year 2-4
Action 17	Review the Fife A92 Action Plan with partners, to improve active travel, public transport and road safety on the A92.	Year 2-4
Action 18	Investigate the feasibility of reopening the West Fife Rail Link for passengers between Dunfermline and Alloa.	Year 2-4
Action 19	Investigate the feasibility of faster, more direct bus routes between Dunfermline and Stirling and between Glenrothes and Perth.	Year 2-4
Action 20	Support partners to reinstate the passenger and freight ferry service between Rosyth and Europe.	Year 2-4

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Reference	Action	Timeframe
Action 21	Review the Fife Parking Strategy to provide a vision and action plan for parking in Fife.	Year 2-4
Action 22	Investigate the feasibility of a Low Traffic Neighbourhood as part of the Levenmouth Connectivity Project Active Travel Network. Low Traffic Neighbourhoods promote walking, wheeling and cycling and close some direct vehicle routes in a residential area to improve safety and air quality.	Year 5-10
Action 23	Investigate the feasibility of a town Circulation Plan in Fife. Circulation Plans promote walking, wheeling and cycling and close some direct vehicle routes in a town centre to improve safety and air quality.	Year 5-10
Action 24	Investigate options to take greater control of the bus system, including specifying routes and timings for bus companies (franchising) or publicly-owned bus services.	Year 5-10
Action 25	Support partners to upgrade the Edinburgh to Perth/Dundee railway lines to improve journey times and increase capacity for freight, as recommended in Strategic Transport Projects Review 2.	Year 5-10
Action 26	Investigate the feasibility of reopening Wormit railway station.	Year 5-10
Action 27	Investigate the feasibility of opening a railway station at Halbeath Park and Ride.	Year 5-10
Action 28	Support partners to extend the Edinburgh & South East Scotland Mass Transit (tram or bus) network to Dunfermline, as recommended in Strategic Transport Projects Review 2.	Year 5-10
Action 29	Investigate the feasibility of a Cross-Forth passenger ferry service from Fife to Edinburgh.	Year 5-10
Action 30	Support partners to deliver the St Andrews Transport Study, which proposes reopening the St Andrews Rail Link.	Year 5-10

Safe and secure travel for all

Objectives

Reference	Objective
Objective 7	Increase the proportion of bus infrastructure, active travel infrastructure and town centres that meet modern accessibility standards by 20% by 2033.
Objective 8	With partners, reduce road deaths and serious injuries by 50% by 2030, and by 60% for children. Seek to achieve Vision Zero, a long-term aim for no road casualties, by 2050.
Objective 9	Increase the proportion of people who feel safe when walking, wheeling and cycling, and on public transport, by 20% by 2033.

Policies

Reference	Policy
Policy 7	The recommendations of proportionate equality impact assessments will be considered on all Roads & Transportation projects.
Policy 8	Fife Council believes everyone has the right to travel safely. Any aggressive, bullying or harassing behaviour will not be tolerated on public transport.

Actions

Reference	Action	Timeframe
Action 31	Enforce the ban on footway parking in line with the Transport (Scotland) Act 2019.	Year 1
Action 32	Develop a new Road Safety Action Plan to prioritise road safety improvements and encourage safe driving, in partnership with the Road Casualty Reduction Group.	Year 1
Action 33	Progress Route Accident Reduction Plans to improve road safety on key routes, including the use of innovative technology such as vehicle-activated warning signs.	Year 1
Action 34	Review the Fife Council policy on speed limits, considering the emerging National Strategy for 20mph.	Year 1
Action 35	Improve accessibility and personal security at key bus stops and interchanges across Fife, based on a programme of audits.	Year 2-4
Action 36	Improve accessibility and personal security of key walking, wheeling and cycling routes across Fife, based on a programme of audits.	Year 2-4
Action 37	Investigate the feasibility of re-timing traffic signals to give more priority to walking, wheeling, cycling and public transport; and to improve traffic flows.	Year 2-4
Action 38	Support partners to deliver step-free access at all Fife railway stations.	Year 2-4

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Reference	Action	Timeframe
Action 39	Review the current School Streets trial and consider implementing in other locations across Fife. School Streets restrict non-residential traffic near schools during pick-up and drop-off times to improve safety and air quality for pupils.	Year 2-4
Action 40	Review the Fife Council street lighting policy to provide clarity on how traffic-free walking, wheeling and cycling routes should be lit.	Year 2-4
Action 41	Tackle anti-social behaviour at bus stations by increasing CCTV coverage and providing staff presence.	Year 2-4

A just transition to net zero

Objectives

Reference	Objective
Objective 10	Provide leadership in working with others to reduce Fife’s transport emissions by 56% by 2030, compared to a 1990 baseline.
Objective 11	Support a reduction in total car kilometres travelled by 20% by 2030, compared with a 2019 baseline.
Objective 12	All newly approved developments within settlements, with greater than five dwellings or employees, will be accessible by quality active travel and public transport by 2030.
Objective 13	Contribute to an increase in the proportion of 20-minute neighbourhoods in Fife by 10% by 2033.
Objective 14	Enable appropriate numbers of electric vehicle chargers and levels of reliability to match increasing demand.
Objective 15	Support partners to reduce truck tonne kilometres by 15% by 2030, compared with a 2019 baseline, while maintaining effective movement of goods.
Objective 16	Support the Scottish Government target to purchase no new petrol or diesel light commercial fleet vehicles by the end of 2025.
Objective 17	Reduce transport carbon emissions across Fife Council’s services by 75% by 2030, compared to a 1990 baseline, with a view to achieving net zero emissions by 2045. This includes emissions from employee travel and commuting.

Policies

Reference	Policy
Policy 9	Do not provide new road capacity unless: <ul style="list-style-type: none"> • Other strategic priorities will be significantly disadvantaged or links to new developments are required; and • The road prioritises walking, wheeling, cycling and public transport; and • No traffic growth is generated.
Policy 10	Support the roll-out of broadband and mobile networks to improve digital connectivity.
Policy 11	Support hybrid working and provide online Fife Council services, but maintain appropriate in-person services for those who need them.
Policy 12	Support the transition to zero emissions buses by working with Bus Service Improvement Partnerships.
Policy 13	Support trials of autonomous vehicles, hydrogen vehicles and innovative delivery techniques like drones or box bikes.

Actions

Reference	Action	Timeframe
Action 42	Deliver a communications campaign to improve air quality by discouraging engine idling.	Year 1

Local Transport Strategy for Fife 2023-2033

Reference	Action	Timeframe
Action 43	Develop a Public EV Charging Strategy & Expansion Plan, to enable the private sector and community groups to install and operate electric vehicle charge points.	Year 1
Action 44	Trial on-street residential electric vehicle chargers, where they are safe and do not obstruct footways.	Year 1
Action 45	Progress the roll-out of zero emissions fleet vehicles and install electric vehicle charge points at Fife Council buildings.	Year 1
Action 46	Develop a plan to transition to net zero transport in Fife, including analysis of options for meeting our climate targets.	Year 1
Action 47	Recycle the majority of road materials, and trial the use of alternative recycled materials on infrastructure projects.	Year 1
Action 48	Deliver a communications campaign to encourage a reduction in car travel, using the Transport Scotland 20% Traffic Reduction Toolkit.	Year 2-4
Action 49	Consider including the following policies in Fife Council's Local Development Plan 2: <ul style="list-style-type: none"> • New developments should be located where they minimise the need to travel, with higher density dwellings near existing sustainable transport links and the provision of local services (Transit-Oriented Development and 20-minute neighbourhood/local living principles). • All new developments (with greater than five dwellings or employees) must include sustainable transport, including active travel and public transport. • Funding from developers (developer contributions) should be used to fund sustainable transport interventions. • Developers must subsidise public transport services in new developments until passenger numbers can support a commercial service. • Reduce maximum parking spaces allowed in some types of new development and support developments with no or low levels of parking. 	Year 2-4
Action 50	Deliver active travel, public transport and road links to serve housing development in Dunfermline, through the Dunfermline Strategic Transport Intervention Measures.	Year 2-4
Action 51	Review what transport infrastructure is required to support Strategic Development Areas during the development of Local Development Plan 2.	Year 2-4
Action 52	Investigate the feasibility of upgrading the Rosyth Dockyard Branch Line, with partners, to improve rail freight access to the proposed Forth Green Freeport at Rosyth.	Year 2-4
Action 53	Map freight routes to identify where trips could be consolidated or combined, in partnership with freight operators.	Year 2-4
Action 54	Measure embodied carbon in all transport projects.	Year 2-4
Action 55	Include carbon as a criterion in procurement processes, to encourage suppliers and contractors to reduce carbon emissions.	Year 2-4

Local Transport Strategy for Fife 2023-2033

Reference	Action	Timeframe
Action 56	Support the electrification of Fife's railways by modifying Fife Council-owned infrastructure, including road bridges.	Year 5-10
Action 57	Promote the uptake of low emissions taxis by investigating options for funding, incentives and charge points.	Year 5-10
Action 58	Investigate the feasibility of a multi-modal freight logistics centre in mid-Fife. This could include rail freight, hydrogen refuelling, electric vehicle charging and driver welfare facilities.	Year 5-10

A resilient transport network

Objectives

Reference	Objective
Objective 18	Retain current transport network condition and availability from 2023.
Objective 19	Reduce the number of weight, width or height restricted bridges from 5% in 2023 to 3% by 2033.
Objective 20	All Fife Council transport projects will deliver biodiversity net gain by 2033.

Policies

Reference	Policy
Policy 14	Prioritise winter maintenance in line with the priorities of the Local Transport Strategy.

Actions

Reference	Action	Timeframe
Action 59	Deliver the Local Flood Risk Management Plans, in partnership. Measures to reduce the risk of flooding include natural drainage using planting, improvements to river catchments and a risk-based approach to road drainage maintenance.	Year 2-4
Action 60	Use technology to monitor transport infrastructure in extreme weather. For example, blocked drainage or landslides could be identified early using technology such as satellite data or remote monitoring.	Year 2-4
Action 61	Develop a climate change adaptation action plan, setting out our approach to protecting the transport network from the effects of extreme weather.	Year 2-4
Action 62	Commence a regime for inspecting and maintaining walking, wheeling and cycling infrastructure.	Year 2-4
Action 63	Develop a biodiversity action plan, setting out our approach to improving biodiversity across the transport network, including maps of available space for planting.	Year 2-4
Action 64	Deliver a programme of bridge improvements to reduce weight restrictions and improve walking, wheeling, cycling, bus and freight routes.	Year 5-10

Delivering the strategy

Policies

Reference	Policy
Policy 15	Adopt the Sustainable Investment Hierarchy.
Policy 16	Support all of Fife's communities, including Fife Council Local Area Committees and community groups, to deliver actions from the Local Transport Strategy.

Actions

Reference	Action	Timeframe
Action 65	Develop community-led local Area Transport Plans.	Year 1

Appendix 2. Fife Environmental Impact Assessment

Project name:	Local Transport Strategy for Fife 2023-2033	Committee report title:	Local Transport Strategy for Fife
Committee name & date:	Cabinet Committee, 30 November 2023	Have the proposals been subject to any other formal environmental assessment?	Strategic Environmental Assessment
Completed by:	Mark Murphy, Principal Consultant, Sweco	Completed on:	20 October 2023

A. Wildlife and biodiversity		Answer	Comments
Fife Council is committed to protecting and enhancing Fife's natural heritage.			
1	What impact will the proposals have on wildlife (including protected sites and species)?	A mixed impact (good and bad)	<p>Due to the nature of the proposals, no specific protected sites or species have been identified as being impacted. However, it is likely that future new transport infrastructure (for example road and rail projects), as part of the LTS, would have an adverse impact on wildlife through habitat fragmentation and potential vehicle strikes on species. The LTS includes a policy that will not support new road capacity unless certain criteria are met. The scale, location and the way projects are implemented largely dictates the potential effects.</p> <p>How the strategic priorities are weighted, and policies and options implemented, will significantly influence the effect on biodiversity.</p> <p>Using the sustainable travel hierarchy is likely to contribute towards the strategic priorities of; fair access to daily activities, safe and secure travel for all, just transition to net zero, and transport network resilience.</p> <p>Adopting policies and options that prioritise and implement the sustainable travel hierarchy over new road schemes is likely to reduce dependency on private vehicles and reduce the number of new roads being built over the course of the LTS, when compared to a future baseline that does not incorporate this approach. This is likely to have a beneficial impact on biodiversity where habitats are not disturbed or fragmented.</p> <p>Policy to include biodiversity net gain in transport projects and reduction in unused and / or unnecessary sealed surface space (tarmac, etc) and increased planting (in parallel with native planting and local biodiversity action plans) is likely to have a positive impact on wildlife in Fife.</p>

B. Impacts on people		Answer	Comments
Fife Council is committed to protecting and enhancing the wellbeing of our people.			
2	What impact will the proposals have on environmental nuisance? (i.e. visual impacts, traffic, noise, vibration, odour, dust, particulates, smoke)	Beneficial impact	<p>The current and increasing trend of private vehicle use on roads has environmental nuisance impacts on local receptors.</p> <p>Interventions to support low emission vehicles and Low Traffic Neighbourhoods are likely to reduce the emissions and magnitude of impact on local communities from tailpipe emissions and traffic noise.</p> <p>Improvements to public transport access such as: bus stop improvement programme, improvements to bus and rail service accessibility, rail corridor enhancements and Cross-Forth Transport Appraisal improvements to cross-Forth public transport services would improve alternatives to private vehicle use and promote behavioural change to reduce the number of trips by private vehicle.</p> <p>Lowering of speed limits and roll-out of 20mph speed limits is likely to improve noise environment for receptors in proximity to the affected road network. The World Health Organisation reported that speed management initiatives help reduce levels of emissions and traffic noise, making streets more liveable. WHO (2017) Managing Speed.</p> <p>No specific policy or option regarding impact on landscape and visual is currently included in the LTS.</p>
3	What impact will the proposals have on human health or wellbeing?	Beneficial impact	<p>Prioritisation of Fife-wide active travel network to include "Connected Neighbourhoods 20-minute neighbourhood improvements".</p> <p>Traffic reduction measures around Fife.</p>

C. Pollution	Soil and geology	Answer	Comments
Fife Council is committed to protecting and improving air, water and soil quality.			
4	What impact will the proposals have on pollution (including pollution to air, water or soil)?	Beneficial impact	<p>The current and increasing trend of private vehicle use on roads has pollution impacts on local receptors.</p> <p>Interventions to support low emission vehicles and Low Traffic Neighbourhoods are likely to reduce the emissions and magnitude of impact on air, water and soil from tailpipe emissions and road surface runoff.</p> <p>Improvements to public transport access such as: bus stop improvement programme, improvements to bus and rail service accessibility, rail corridor enhancements and Cross-Forth Transport Appraisal improvements to cross-Forth public transport services would improve alternatives to private vehicle use and promote behavioural change to reduce the number of trips by private vehicle.</p> <p>Lowering of speed limits and roll-out of 20mph speed limits is likely to improve pollution impacts for receptors in proximity to the affected road network. The World Health Organisation reported that speed management initiatives help reduce levels of emissions and traffic noise, making streets more liveable. WHO (2017) Managing Speed.</p>

D. Climate change		Answer	Comments
Fife Council is committed to cutting carbon emissions and making Fife more resilient.			
5	What impact will the proposals have on greenhouse gas emissions?	Negative / harmful impact	<p>The construction of new transport infrastructure such as roads and railway stations will likely lead to increased carbon and greenhouse gas emissions.</p> <p>The construction and improvement of road infrastructure for private vehicles is likely to increase overall use and increase tailpipe emissions.</p> <p>How the strategic priorities are weighted, and policies and options implemented will significantly influence the effect greenhouse gas emissions associated with the LTS.</p> <p>Using the sustainable travel hierarchy is likely to contribute towards the strategic priorities of; fair access to daily activities, safe and secure travel for all, just transition to net zero, and transport network resilience.</p> <p>Adopting policies and options that prioritise and implement the sustainable travel hierarchy over new road schemes is likely to reduce dependency on private vehicles and reduce the number of new roads being built over the course of the LTS, when compared to a future baseline that does not incorporate this approach. This is likely to have a beneficial impact during operation for greenhouse gases.</p> <p>Reduction of embodied carbon in infrastructure projects and implementing sustainable procurement practices for high carbon activities will reduce the greenhouse gas emissions that otherwise would have been released.</p> <p>Proposals include support decarbonisation rail and bus services, and the Fife Council fleet. This is likely to have a beneficial impact during operation for greenhouse gases.</p> <p>Adoption of the sustainability hierarchy, decarbonisation of travel, and implementing sustainable procurement for high carbon activities is likely to reduce emissions but it is not possible, at this stage, to conclude that the proposed policies and options are sufficient to make the significant and urgent changes needed to be compatible with the budgeted UK's 1.5°C trajectory in terms of rate of emissions reduction. Should the LTS achieve a net increase in emissions below the budgeted 1.5°C scenario, this would be considered minor adverse effect.</p>

6	What impact will the proposals have on resilience to the adverse effects of severe weather events, including flooding and landslips?	Beneficial impact	<p>Climate resilience asset monitoring programme to monitor transport network assets and understand real-time resilience risks, and network resilience plan to undertake a study on the effects of climate change and disruption on the transport network will likely improve resilience.</p> <p>Nature-based solutions and a proactive drainage maintenance regime will likely improve resilience and have wider benefits to wildlife and local communities.</p>
7	What impact will the proposals have on flooding and sites designated as being at risk of flooding or sea level rise?	Don't know	<p>Flood risk protection programme to look at flood risk reduction would likely have a beneficial impact.</p> <p>There are some options with indicative geographic locations which may potentially adversely impact flood risk depending on final design and approach to mitigation and enhancement specific to that project.</p>
E. Resources and waste		Answer	Comments
Life Council is committed to using resources efficiently and mir		Please clarify your response	
8	What impact will the proposals have on how much waste is generated or how waste is managed?	Beneficial impact	<p>Incorporation of “use recycled materials on infrastructure projects” and sustainable procurement practices to target embodied carbon of infrastructure projects is likely to have a positive impact.</p>
9	What impact will the proposals have on energy use and the consumption of material resources?	Beneficial impact	<p>The LTS includes a policy that will not support new road capacity unless certain criteria are met.</p> <p>How the strategic priorities are weighted, and policies and options implemented will significantly influence the effect on material use.</p> <p>Using the sustainable travel hierarchy is likely to contribute towards the strategic priorities of; fair access to daily activities, safe and secure travel for all, just transition to net zero, and transport network resilience.</p> <p>Adopting policies and options that prioritise and implement the sustainable travel hierarchy over new road schemes is likely to reduce the number of new roads being built (and associated materials required) over the course of a LTS, when compared to a future baseline that does not incorporate this approach, and likely have a positive impact.</p> <p>Reduction of embodied carbon in infrastructure projects and implementing sustainable procurement practices is shown in practice to reduce costs and materials required.</p> <p>Improving access to active travel, public transport and adoption of the sustainability hierarchy is likely to reduce consumption of material resources.</p>

F. Cultural heritage		Answer	Comments
Fife Council is committed to protecting Fife		Please select an option:	Please clarify your response
10	What impact will the proposals have on cultural heritage (including designated heritage / archaeology sites or listed buildings)?	No impacts / not applicable	No specific policy or option regarding cultural heritage is currently included in the LTS.

Good practice	6
Data gaps or mixed impacts	2
Environmental red flags	1
No impacts identified	1

Equality Impact Assessment Summary Report

Which Committee report does this IA relate to (specify meeting date)?

Cabinet Committee (30 November 2023)

What are the main impacts on equality?

Transport is crucial for all Fifiers to access their daily activities, but it disadvantages those who do not have access to a car and some protected characteristics, especially women and disabled people. The Equality Impact Assessment indicates that the four priorities of the Local Transport Strategy generally improve equality:

- Fair access to daily activities: tackles socio-economic disadvantage by focussing on those who do not have access to a car
- Safe and secure travel for all: tackles issues of accessibility, road safety and personal security
- A just transition to net zero: supports the fair decarbonisation of transport and will particularly benefit children and young people
- A resilient transport network: keeps the transport network operational to support the other priorities

What are the main recommendations to enhance or mitigate the impacts identified?

Minor mitigation is required for some strategy actions. General recommendations include the following:

- Set up a transport/equality working group to review the delivery of the strategy
- Ensure new online services are fully accessible and manage data privacy appropriately
- Ensure traffic reduction measures do not disadvantage those who rely on a car
- Ensure electric vehicle charging is rolled out equitably

If there are no equality impacts on any of the protected characteristics, please explain.

Not applicable

Further information is available from: Name / position / contact details:

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Treasury Management Annual Report 2022-23 and Update 2023-24

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

Wards Affected: All

Purpose

This Annual Report and Update is prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) publication, Treasury Management in the Public Services – Code of Practice and Cross Sectorial Guidance Notes. This report provides an update against the Annual Treasury Policy and Investment Strategy for both the previous year and the current year to date.

Recommendations

The Cabinet Committee is asked to consider and comment on the contents of this report.

Resource Implications

None.

Legal & Risk Implications

Treasury Management within Fife Council is governed by the following legislation and guidance:

1. Local Government in Scotland Act 2003 and the Local Government Investments (Scotland) Regulations 2010.
2. The CIPFA Prudential Code and Treasury Management Code of Practice.

Impact Assessment

An Equalities Impact is not required because the report does not propose a change or revision to existing policies and practices.

Consultation

None.

1.0 Background

- 1.1 The council is required, through regulations issued under the Local Government in Scotland Act 2003, to produce an annual treasury management review of its activities and the actual prudential and treasury indicators for 2022-23. This report also meets the requirements of both the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (the Code) and CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.2 The regulatory environment for Treasury Management places responsibility on members for the review and scrutiny of treasury management policy and activities.

2.0 Prudential and Treasury Indicators

- 2.1 The Prudential Code plays a key role in the capital finance in local authorities. A local authority can determine its own programmes for capital investment but must ensure it acts prudently, i.e. the Code requires the authority to take account of affordability when it makes decisions on borrowing. The Code also requires an authority to report on various indicators which are detailed below and reported in full in Appendix 1. The indicators are calculated over a five-year period, showing past and future years. The following paragraphs provide some explanation of the main components of the Prudential Indicators.

2.2 Capital Expenditure

A report detailing the 2022-23 outturn expenditure for the council's Capital Investment Plan was reported to this committee on 29 June 2023. The table below shows a summary of this expenditure as well as the prior year's expenditure for comparison purposes.

	2021-22	2022-23
	£m	£m
General Fund	89.911	103.964
Housing Revenue Account	73.894	85.399
Total Capital Expenditure	163.805	189.362

2.3 Capital Financing Requirement

The underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). The CFR results from the capital activity of the council and what resources have been used to pay for the capital spend. It represents capital expenditure in 2022-23 and prior years which has not yet been paid for from revenue or other resources.

The council's CFR for the year is shown below and represents a key prudential indicator. The CFR includes leasing schemes and the Council's Public and Private Partnerships (PPP) and similar contracts for the construction and servicing of several secondary and primary schools.

	2021-22 £m	2022-23 £m
Opening Capital Financing Requirement	1,118.254	1,133.121
Capital Expenditure	163.805	189.362
Capital Income	(106.187)	(122.175)
Repayments of Principal	(36.339)	(38.201)
PPP and Lease repayments incl Service Concession Arrangements	(6.412)	37.945
Closing Capital Financing Requirement	1,133.121	1,200.053

2.4 Net Debt

To ensure borrowing levels are prudent over the medium term, the council's debt must only be for capital purposes. Gross external debt should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2023-24 and the next two financial years, this is known as the operational boundary and is detailed at para. 2.5 below. This allows some flexibility for limited early borrowing for future years.

The 2022-23 Borrowing Strategy identified a new long-term borrowing requirement of £97.690. During 2022-23 one new long-term loan was taken from the PWLB for £30.000m.

The table below highlights the council's external debt position on 31 March in each of the last two financial years and shows that external debt has decreased.

	2021-22 £m	2022-23 £m
Long- and Short-Term Debt	940.794	919.364
PPP and Lease Liabilities	81.861	76.230
Total External Debt	1,022.655	995.595

2.5 Operational Boundary / Authorised Limit for External Debt

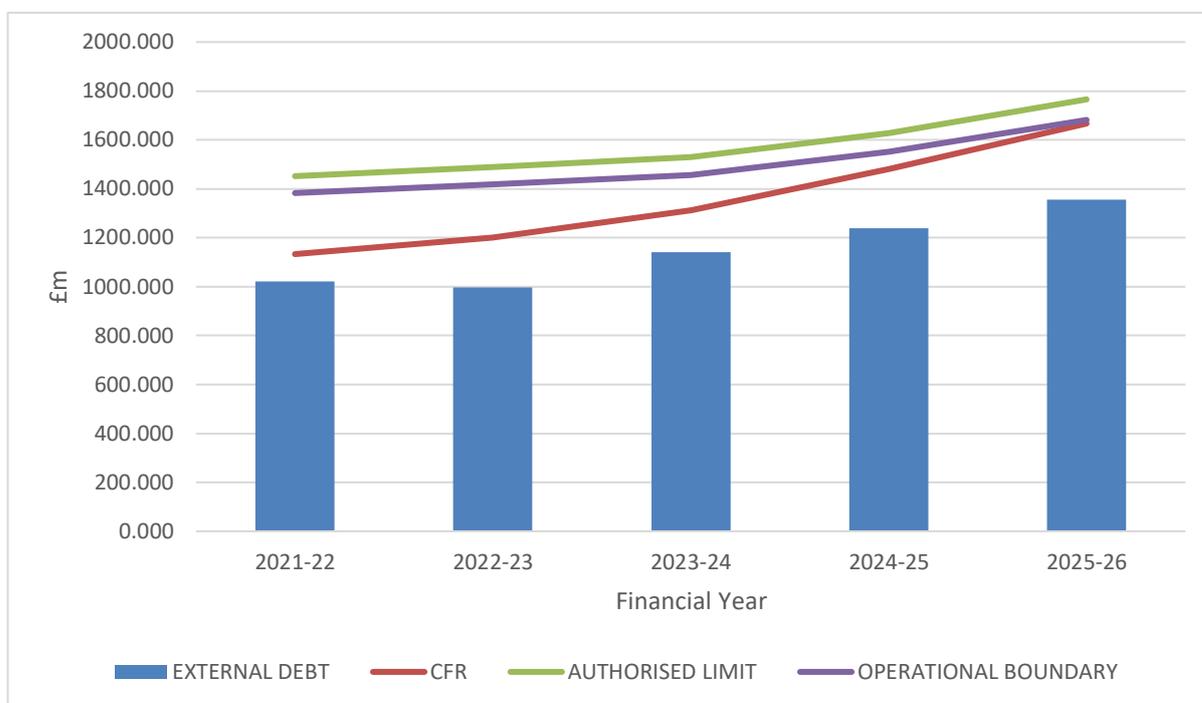
These are approved limits which are used to monitor operationally the total borrowings of the council on a day-to-day basis. The authorised limit is the maximum borrowing limit, and the Council does not have the power to borrow above this level. The table below demonstrates the council has maintained total external debt in 2022-23 within the limits approved by Fife Council.

	2021-22 £m	2022-23 £m
Total External Debt	1,022.655	995.595
Approved Operational Boundary for External Debt	1,382.634	1,418.129
Approved Authorised Limit for External Debt	1,451.766	1,489.036

2.6 Comparison of Borrowing Parameters to Actual External Borrowing

The table below provides details of the actual and estimated external debt for Fife Council, in relation to its approved borrowing parameters for 2021-26.

	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m
CFR	1,133.121	1,200.053	1,311.699	1,479.969	1,666.831
External Debt	1,022.655	995.595	1,141.656	1,239.520	1,355.902
Operational Boundary	1,382.634	1,418.129	1,456.053	1,550.870	1,681.530
Authorised Limit	1,451.766	1,489.036	1,528.856	1,628.414	1,765.606



2.7 Financing Costs as a proportion of net revenue stream

This is a key indicator that identifies what proportion of the council's revenue funding is used to meet the financing costs of the Council borrowing. The higher this percentage, the less revenue resources there are available to spend on the direct provision of council services.

A limit has been set for the percentage of financing costs to net revenue stream for the Housing Revenue Account per the Housing Revenue Account Business Plan. The current level of debt is within this limit, however, future planned expenditure will increase the level of debt. There is no agreed limit in terms of General Fund, however, care needs to be taken to ensure that the level of expenditure required to service debt is sustainable given the financial challenges the council continues to face. This is reviewed routinely and in depth as part of the capital plan review.

	2021-22 £m	2022-23 £m
General Fund		
General Revenue Grant	605.234	584.275
Non-Domestic Rates	135.763	179.675
Council Tax	172.593	178.996
Net Revenue Stream	913.590	942.946
Total Financing Costs	58.349	11.996
% of Financing Costs to Net Revenue Stream	6.39%	1.27%
Housing Revenue Account		
Housing Lets	121.740	125.552
Garage Lets	2.869	2.849
Net Revenue Stream	124.609	128.401
Total Financing Costs	27.464	30.519
% of Financing Costs to Net Revenue Stream	22.04%	23.77%

For 2022-23, the financing costs (£11.996m) and % financing costs (1.27%) for General Fund are considerably less than 2021-22. This is because of the application of revised accounting arrangements associated with Service Concession arrangements. As previously reported, application of this guidance resulted in a “catch up benefit” which reduced the financing costs incurred in 2022-23.

3.0 Interest Rates

3.1 Forecast

The Borrowing Strategy for 2022-23 forecast short-term interest rates to be in the 0.75% - 1.70% range and long-term rates in the range of 2.0% - 4.0%.

3.2 Actual

During 2022-23, the rates available for investment was 2.2% and the cost of temporary borrowing was 4.1%

In the money market, long-term borrowing rates in the less than five year maturity range continued to be low.

4.0 Debt Rescheduling and Debt Outstanding

4.1 Performance

The council continually monitors its portfolio of debt for opportunities to manage the cost of borrowing. Over the years, Fife Council has been very active in this area by taking account of low short-term interest rates which has resulted in reduced financing costs.

4.2 Debt Rescheduling

Debt rescheduling refers to restructuring the terms of an existing loan to extend or reduce the repayment period or to take advantage of lower interest rates. In most circumstances this would also involve the payment of an additional one-off premium to the lender. No rescheduling was undertaken during 2022-23 and opportunities for debt rescheduling are kept under review.

4.3 Debt Outstanding

Appendix 2 shows the movement in borrowings and investments during the year. Net borrowing has increased by £18.830m in the year to a total of £847.634m.

4.4 Temporary Investments

Temporary investments represent the cash held by Fife Council at any given time. As per the Treasury Strategy, this is invested in triple A rated Money Market Funds until required as these provided higher interest rates than those of the Council's bank accounts.

5.0 Performance

5.1 Lending Limits and Breach of Limits

The council has a policy which limits the sums invested with any one institution at any one time. It is accepted that, on occasion, the investment limit may be breached for operational reasons such as public holidays which cannot be avoided. In accordance with procedures in the Treasury Policy Statement, details of such breach of limits are reported.

During 2022-23, there were no breaches of this limit.

There have been three breaches in the current financial year to 30 September 2023, whereby the amount invested in the RBS accounts was greater than the limit of £10.000m, namely: -

- **17 April 2023 - £10.332m** - This was as a result of daily transfers of investments to the Money Market Funds not being approved within the authorised time limit.
- **17 July 2023 - £13.000m** - This was a public holiday for Fife Council, but it was still a banking day. Monies were received in relation to Non-Domestic Rates and Housing Benefits which had not be included in the banking totals set up in advance for this date, therefore money was not transferred and held in current account.
- **7 September 2023 - £10.300m** - This was due to a temporary loan advance of £10.000m crediting the bank account later in the day. This coupled with a technical issue meant it was not included in the banking totals set up for the transfer to the Money Market Funds that day.

Processes and procedures are being reviewed to ensure that any breaches are kept to a minimum.

5.2 Maturities

The council's strategy provides for a maximum of 15% of long-term debt maturing in any one year, based on loans running to their maturity date. n 2065-66, 9.50% of the current total long-term debt is due to mature and is the highest in any one year. We continue to operate within this limit.

The following table shows the percentage of long-term debt maturing in each of the next two years: -

Year	% of total Debt maturing (as at 31 March 2023)
2023-24	4.06
2024-25	0.13

5.3 Cost

Over recent years, Fife Council has been actively taking advantage of the low borrowing rates available and, as a result, the average cost of servicing Loans Fund Advances in the year was 3.54% for Loans Fund Interest and Expenses, (3.34% in 2021-22 and 3.53% in 2020-21).

5.4 Member and Officer Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. A training session, to support members' scrutiny role took place on a virtual basis on 20 June 2022.

Officers attended training webinars throughout 2022-23 hosted by Link Group along with the CIPFA Treasury Management Forum Conference held in November 2022.

6.0 Update 2023-24

6.1 Capital Investment Plan

The current Capital Investment Plan, which extends to the year 2033, was approved by Fife Council in June 2023 and the biennial Capital Investment Plan review will be undertaken in 2024-25. Any review of the ten-year plan will have an impact on Treasury Management.

6.2 Investment Portfolio 2023-24

In accordance with the Code, it is the council's priority to ensure security of capital and liquidity and to obtain an appropriate level of return which is consistent with the council's risk appetite. Interest rates during the current financial year have continued to increase and will be kept under review.

The council held £99.150m of short-term investments at 30 September 2023 (£71.730m at 31 March 2023) and the investment portfolio yield for the first six months of the year is 4.71%.

6.3 Borrowing

The council's capital financing requirement (CFR) for 2023-24 is £1,311.699m. The council may borrow from the Public Works Loan Board (PWLB) or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. Utilising cash flow funds in lieu of borrowing is a prudent and cost-effective approach in the current economic climate.

The Net Borrowing Requirement for 2023-24 was estimated at £150.277m and reported to this committee on 10 August 2023. As at the end of September 2023, two new PWLB long-term loans of £30.000m each have been taken and one PWLB loan of £30.000m has been repaid.

6.4 Debt Rescheduling

Following discussion and engagement with our Treasury Advisers, Link Group, it was deemed appropriate to action early repayment of seven LOBO loans. Working with Link, the lender offered heavily discounted premium terms which afforded the opportunity to repay the loans. Given the current market conditions and the risk that the interest rates could increase on the LOBOs, early repayment at a discounted premium was considered viable. The loans were repaid in September 2023 incurring a very small premium of £0.471m.

In addition this early repayment has provided an in year saving on interest of £1.757m. Some of these loans will need to be replaced on a like for like basis but, given the uncertainty around current interest rates, our cashflow position is continually reviewed and a borrowing strategy has been developed.

Following early repayment, the council still has LOBO loans to the value of £197.850m with four lenders.

Opportunities for debt rescheduling of these LOBOs and other market loans continue to be considered and pursued where appropriate.

6.5 Interest rate forecasts

The council's treasury advisor, Link Group, has provided the following forecast and commentary on interest rates in the UK.

	Dec23 %	Mar24 %	Jun24 %	Sep24 %	Dec24 %	Mar25 %	Jun25 %	Sep25 %	Dec25 %	Mar26 %
Bank Rate	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75
3mth	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80
6mth	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90
12mth	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00
5yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70
10yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60
25yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90
60yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70

Detailed economic and interest rate commentary from Link Group can be found in Appendix 3

This interest rate forecast is used to inform projections reported to this committee. Interest rate forecasts are also used when modelling of future year loan charges and testing affordability of future investment.

7.0 Conclusions

- 7.1 Performance against the approved 2022-23 Prudential and Treasury Indicators was within agreed limits for the financial year.
- 7.2 There was long-term borrowing undertaken in 2022-23 of £30.000m.
- 7.3 There was no breach of investment limits during 2022-23. The highest percentage of long-term debt maturing in one year is within the strategic range and the average cost of servicing Loans Fund Advances was 3.54%.
- 7.4 There have been two long-term loans taken to date, totalling £60.000m in 2023-24.

List of Appendices

1. Prudential Indicators 2023-26
2. Summary of Borrowing and Investments 2022-23
3. Link Group – Interest Rate Risk Commentary.

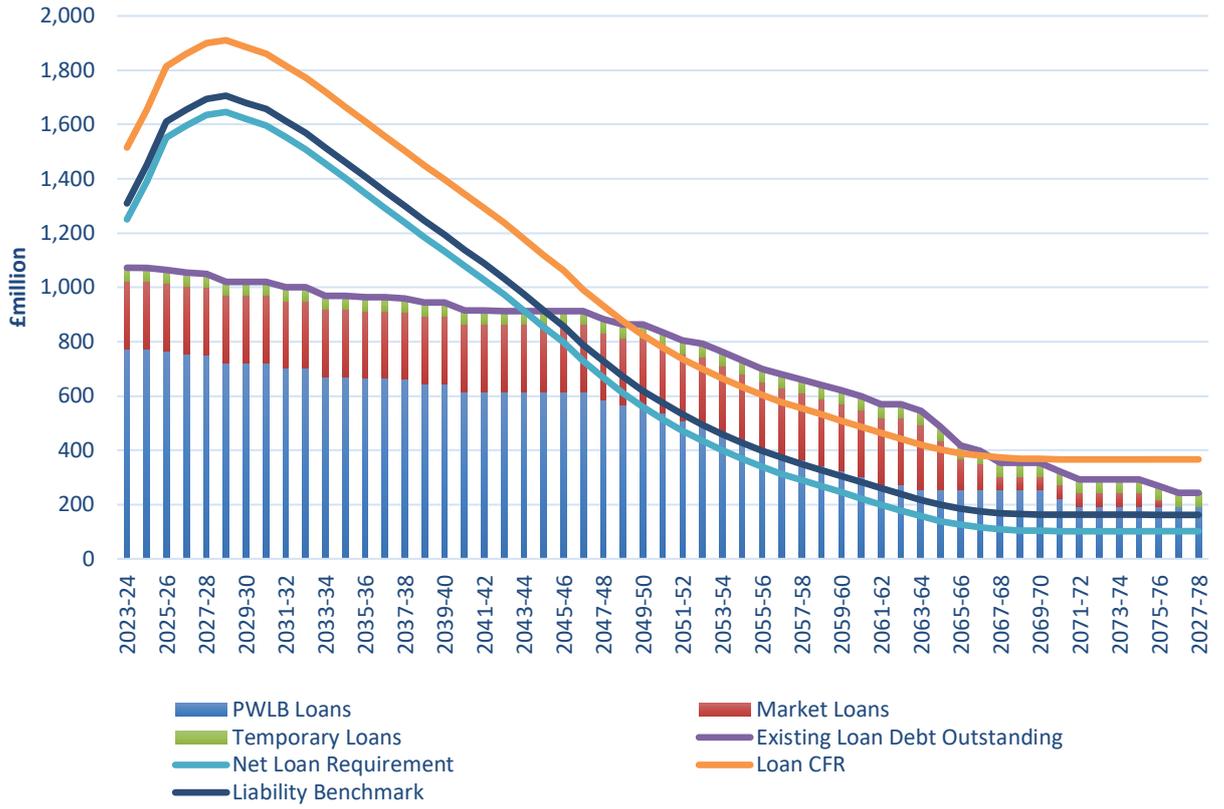
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Appendix 1

2021-22	2022-23		Estimate Sept 2023		
			2023-24	2024-25	2025-26
		Affordability Indicators			
£m	£m	Capital Expenditure	£m	£m	£m
89.911	103.964	General Fund	166.828	172.080	163.718
73.894	85.399	Housing Revenue Account	119.751	142.251	173.348
163.805	189.362		286.579	314.331	337.067
£m	£m	Financing Costs	£m	£m	£m
58.349	11.996	General Fund	49.976	55.856	57.152
27.464	30.519	Housing Revenue Account	31.083	39.244	45.208
85.813	42.515		81.059	95.100	102.359
£m	£m	Net Revenue Stream	£m	£m	£m
913.590	942.946	General Fund	961.453	941.085	941.085
124.608	128.401	Housing Revenue Account	135.751	140.107	145.904
1,038.198	1,071.347		1,097.204	1,081.192	1,086.989
		Ratio of Financing Costs to Net Revenue Stream			
6.39%	1.27%	General Fund	5.20%	5.94%	6.07%
22.04%	23.77%	Housing Revenue Account	22.90%	28.01%	30.98%
£m	£m	Capital Financing Requirement	£m	£m	£m
746.223	785.892	General Fund	846.551	944.608	1,040.617
386.898	414.161	Housing Revenue Account	465.148	535.361	626.213
1,133.121	1,200.053		1,311.699	1,479.969	1,666.831
1,022.655	995.595	External Debt	1,141.656	1,239.520	1,355.902
1,451.766	1,489.036	Authorised Limit for External Debt	1,528.856	1,628.414	1,765.606
1,382.634	1,418.129	Operational Boundary for External Debt	1,456.053	1,550.870	1,681.530
		Prudence Indicators			
£m	£m	Debt and the Capital Financing Requirement	£m	£m	£m
1,022.655	995.595	Forecast External Debt	1,141.656	1,239.520	1,355.902
1,133.121	1,200.053	Forecast Capital Financing Requirement	1,311.699	1,479.969	1,666.831
(110.467)	(204.458)		(170.043)	(240.449)	(310.929)
		Adoption of CIPFA Code of Treasury Management			
		Code adopted in 1996 and compliance maintained through the Treasury Management Strategy			
100%	100%	Fixed Interest Rate Exposure Upper Limit	100%	100%	100%
75%	75%	Variable Interest Rate Exposure Upper Limit	75%	75%	75%
0%	0%	Total Principal Sums Invested beyond 364 days	0%	0%	0%
		Maturity Structure of Borrowing			
		% of total debt maturing in any single year			
		Under 12 Months	50%		
		12 months and within 24 months	50%		
		24 months and within 5 years	50%		
		5 years and within 10 years	50%		
		10 years and above	100%		

Liability Benchmark - Fife Council



Summary of Borrowing and Investments 2022-23

	Opening Balance 2022-23 £m	Borrowed / (Invested) During 2022-23 £m	(Repaid) / Received During 2022-23 £m	Closing Balance 2022-23 £m
Public Works Loans Board	578.444	30.000	(21.630)	586.814
Market Loans	327.350	0.000	(16.800)	310.550
Temporary Borrowings	35.000	22.000	(35.000)	22.000
Total Borrowings	940.794	52.000	(73.430)	919.364
Temporary Investments	(111.990)	(987.650)	1,027.910	(71.730)
Net Borrowings	828.804	(935.650)	954.480	847.634

Note – the figures above exclude PPP and lease liabilities

Link Group Economics and Interest Rates

1. Economics and Interest Rates

3.1 Economics Update

- The first half of 2023/24 saw:
 - Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
 - Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
 - A 0.5% m/m decline in real GDP in July, mainly due to more strikes.
 - CPI inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022, but still the highest in the G7.
 - Core CPI inflation declining to 6.2% in August from 7.1% in April and May, a then 31 years high.
 - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose to 7.8% in August, excluding bonuses).
- The 0.5% m/m fall in GDP in July suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.
- The fall in the composite Purchasing Managers Index from 48.6 in August to 46.8 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0.2% q/q rise in real GDP in the period April to June, being followed by a contraction of up to 1% in the second half of 2023.
- The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.
- As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.
- The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.
- But the cooling in labour market conditions still has not fed through to an easing in wage growth. While the monthly rate of earnings growth eased sharply from an upwardly revised +2.2% in June to -0.9% in July, a lot of that was due to the one-off bonus payments for NHS staff in June not being repeated in July. The headline 3myy rate rose from 8.4% (revised up from 8.2%) to 8.5%, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular private sector wage growth eased a touch in July, from 8.2% 3myy in June to 8.1% 3myy, it is still well above the Bank of England's prediction for it to fall to 6.9% in September.

- CPI inflation declined from 6.8% in July to 6.7% in August, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.2%. That reverses all the rise since March and means the gap between the UK and elsewhere has shrunk (US core inflation is 4.4% and in the Euro-zone it is 5.3%). Core goods inflation fell from 5.9% to 5.2% and the further easing in core goods producer price inflation, from 2.2% in July to a 29-month low of 1.5% in August, suggests it will eventually fall close to zero. But the really positive development was the fall in services inflation from 7.4% to 6.8%. That also reverses most of the rise since March and takes it below the forecast of 7.2% the Bank of England published in early August.
- In its latest monetary policy meeting on 20 September, the Bank of England left interest rates unchanged at 5.25%. The weak August CPI inflation release, the recent loosening in the labour market and the downbeat activity surveys appear to have convinced the Bank of England that it has already raised rates far enough. The minutes show the decision was “finely balanced”. Five MPC members (Bailey, Broadbent, Dhingra, Pill and Ramsden) voted for no change and the other four (Cunliffe, Greene, Haskel and Mann) voted for a 25bps hike.
- Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. The statement did not say that rates have peaked and once again said if there was evidence of more persistent inflation pressures “further tightening in policy would be required”. Governor Bailey stated, “we’ll be watching closely to see if further increases are needed”. The Bank also retained the hawkish guidance that rates will stay “sufficiently restrictive for sufficiently long”.
- This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates at the next meeting on 2nd November, or even pause in November and raise rates in December.
- The yield on 10-year Gilts fell from a peak of 4.74% on 17th August to 4.44% on 29th September, mainly on the back of investors revising down their interest rate expectations. But even after their recent pullback, the rise in Gilt yields has exceeded the rise in most other Developed Market government yields since the start of the year. Looking forward, once inflation falls back, Gilt yields are set to reduce further. A (mild) recession over the next couple of quarters will support this outlook if it helps to loosen the labour market (higher unemployment/lower wage increases).
- The pound weakened from its cycle high of \$1.30 in the middle of July to \$1.21 in late September. In the first half of the year, the pound bounced back strongly from the Truss debacle last autumn. That rebound was in large part driven by the substantial shift up in UK interest rate expectations. However, over the past couple of months, interest rate expectations have dropped sharply as inflation started to come down, growth faltered, and the Bank of England called an end to its hiking cycle.
- The FTSE 100 has gained more than 2% since the end of August, from around 7,440 on 31st August to 7,608 on 29th September. The rebound has been primarily driven by higher energy prices which boosted the valuations of energy companies. The FTSE 100’s relatively high concentration of energy companies helps to explain why UK equities outperformed both US and Euro-zone equities in September. Nonetheless, as recently as 21st April the FTSE 100 stood at 7,914.

3.2 Interest Rate Forecasts

The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

The latest forecast on 25th September sets out a view that short, medium and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy.

Our PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps, calculated as gilts plus 80bps) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View	25.09.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75	2.75	2.75	2.75
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00
5 yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50
10 yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50
25 yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80
50 yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60

PWLB maturity certainty rates (gilts plus 80bps) year to date to 29th September 2023

Gilt yields and PWLB certainty rates were on a generally rising trend throughout the first half of 2023/24. At the beginning of April, the 5-year rate was the cheapest part of the curve and touched 4.14% whilst the 25-year rate was relatively expensive at 4.58%.

July saw short-dated rates peak at their most expensive. The 1-year rate spiked to 6.36% and the 5-year rate to 5.93%. Although, in due course, short-dated rate expectations fell, the medium dates shifted higher through August and the 10-year rate pushed higher to 5.51% and the 25-year rate to 5.73%. The 50-year rate was 4.27% on 5th April but rose to 5.45% on 28th September.

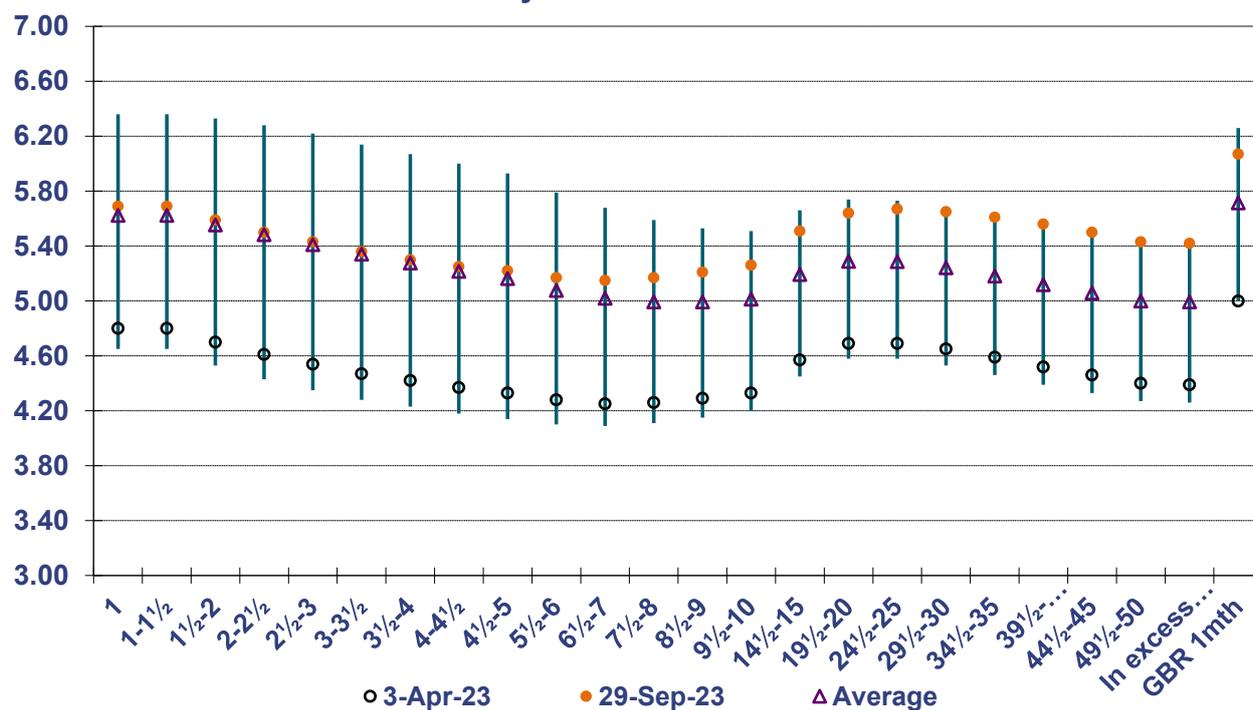
We forecast rates to fall back over the next two to three years as inflation dampens. The CPI measure of inflation is expected to fall below 2% in the second half of 2024, and we forecast 50-year rates to stand at 3.90% by the end of September 2025. However, there is considerable gilt issuance to be digested by the market over the next couple of years, as a minimum, so there is a high degree of uncertainty as to whether rates will fall that far.

The following graphs and tables are optional.

PWLB RATES 01.04.23 - 29.09.23



PWLB Certainty Rate Variations 3.4.23 to 29.9.23



HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.23 – 29.09.23

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.14%	4.20%	4.58%	4.27%
Date	06/04/2023	06/04/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.51%	5.73%	5.45%
Date	06/07/2023	07/07/2023	22/08/2023	17/08/2023	28/09/2023
Average	5.62%	5.16%	5.01%	5.29%	5.00%
Spread	1.71%	1.79%	1.31%	1.15%	1.18%

- The current PWLB rates are set as margins over gilt yields as follows: -
 - PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
 - PWLB Certainty Rate (GF)** is gilt plus 80 basis points (G+80bps)
 - PWLB Local Infrastructure Rate** is gilt plus 60 basis points (G+60bps)
 - PWLB Certainty Rate (HRA)** is gilt plus 40bps (G+40bps)
- The **UK Infrastructure Bank** will lend to local authorities that meet its scheme criteria at a rate currently set at gilt plus 40bps (G+40bps).

Pay Award and Real Living Wage

Report by: Sharon McKenzie, Head of Human Resources

Wards Affected: None

Purpose

This report outlines the implementation of the 2023/24 SJC and Chief Officer Pay Award. It also seeks authority to implement the revised Real Living Wage.

Recommendation(s)

Committee are asked to:

- (1) note that the 2023/24 SJC Pay Award may be implemented without a collective agreement following the decision of the COSLA Leaders meeting on 3 November 2023 to implement the pay offer with immediate effect and pending the outcome of the UNISON ballot; and
- (2) agree to implement the revised Real Living Wage rate for all eligible employees in the December 2023 payroll to take effect from 13 November 2023.

Resource Implications

There are additional costs associated with the proposals which are outlined in the report. The additional cost arising from implementing the pay offer and living wage will be addressed through the financial strategy.

Legal & Risk Implications

Fife Council's pay award is determined by national collective bargaining. On behalf of local authority employers, the COSLA Leaders group has delegated authority to agree the mandate for the negotiations and the terms of any offer to the Trades Unions. A revised offer was made to the Trades Unions on 3rd November 2023. Previously, GMB and Unite had accepted the offer made in September which Unison rejected. The revised offer is an improved offer and UNISON is balloting their members with a closing date of 27 November 2023. The UNISON recommendation is to accept the revised offer and, assuming agreement, a collective agreement will then follow.

If the revised offer is rejected, then the September pay award will still progress without a collective agreement in place. The Trades Unions' clear expectation is on implementation in time for Christmas and this has been communicated to employers. UNISON understand that the September offer is being implemented via an Industrial Relations circular to ensure payment before Christmas and have not objected to this. They have also confirmed that if any council, for reasons related to local implementation issues, are progressing the revised offer this will not be viewed as an imposition of the revised offer but a practical and pragmatic response to a local situation. Fife Council is one of those councils in this latter category and this understanding, provided via COSLA on behalf of the Trades Unions, provides mitigation of any risk of challenge to or rejection of the payment of the award.

There is a risk to the council's Living Wage accreditation if we do not implement the agreed rate. This would include potential reputational damage.

Impact Assessment

An Equality Impact Assessment has been undertaken for the Living Wage proposal and is available on request.

Consultation

Extensive consultation and negotiation has taken place nationally with the Trades Unions on the pay offer. Consultation has also taken place with Legal Services and there has been engagement with Group Leaders.

Discussions have taken place with colleagues in Finance and Legal to ensure all risks and costs have been considered.

1.0 Background

1.1 The pay bargaining process for 2023/24 for SJC, Craft and Chief Officers has, once again, been protracted leading to a high level of frustration across Trade Unions, officers and political Leaders. This has led to strike action mandates being issued in Fife by all three Trade Unions involved in the process. As a consequence, a review of national bargaining arrangements is underway, led by COSLA.

1.2 SJC Pay Award

1.2.1 On 21 September 2023, as mandated by Leaders, a revised offer for a minimum full year £2006 increase in annual salary for those on the Scottish Local Government Living Wage (SLGLW) and a minimum full year increase of £1929 or 5.5% (whichever was the greatest) for all those above the SLGLW from 1 April 2023 was made. The offer also included a further element of uplift from 1 January 2024 for those for whom the April 2023 offer had been more beneficial.

1.2.2 Following consultative ballots, GMB and Unite members voted to accept the pay offer. UNISON members rejected the offer and a programme of rolling industrial action started. UNISON members providing support to schools and nurseries have taken strike action in Fife on 26th, 27th and 28th September followed by a proposed further day of action on 8th November.

1.2.3 With two of the three Trades Unions voting to accept, a decision to implement the offer was taken by COSLA Leaders on 3 November 2023 and to agree a revised offer with additional backdating of the further 1 January 2024 uplift to 1 April 2023. This acknowledged that negotiations have been exhausted and was taken with legal advice. As a consequence, UNISON agreed to call off all planned strike action and to take the backdated element of the offer to their membership in a consultative ballot.

1.3 Real Living Wage

1.3.1 Fife Council has been an accredited Living Wage employer since 2016. Part of the commitment as an accredited employer is to implement the Living Wage rate within six months of the announced increase each year.

1.3.2 The current Living Wage Foundation rate is £10.90 per hour which is the minimum hourly pay applied by Fife Council. That rate will increase to £12.00 per hour and although accredited employers have until May to implement, the Living Wage Foundation are encouraging employers to implement as soon as possible. It is likely that there will be pressure from the Trade Unions to apply the revised rate sooner.

- 1.3.3 The Scottish Local Government Living Wage rate will increase to £11.89 from 1 April 2023 (not all Scottish Councils are accredited Living Wage employers) and Fife Council will pay £11.94 given the construct of the pay offer which was a £1.04 increase per hour. For information, the various minimum wage rates are set out below:-

Title	Regulator	Brief Description	Effective Date
National Minimum and National Living Wage	Statutory	Minimum for over 23 based upon Low Pay Commission assessment	April 2023 - £10.42
Real Living Wage	Voluntary	Voluntary rate based upon Living Wage Foundation calculation on the true cost of living.	September 2022 - £10.90 October 2023 – £12.00
Scottish Local Government Living Wage	SJC Pay Agreement	Rate set through SJC pay negotiations originally founded upon Real Living Wage +%.	£11.89- April 2023 as part of pay settlement

2.0 Issues and Options

2.1 Pay Award

- 2.1.1 With two Trades Unions having agreed the pay award, and in light of the consultative ballot being conducted by UNISON, the COSLA Leaders group moved to implement the 2023/24 SJC pay award with immediate effect. The legal consequences of this decision are set out above.
- 2.1.2 The cost of implementing the 2023/24 pay award for each bargaining group is outlined below:-

Category	2023-24 £m	2024-25 Increase £m	2024-25 Full Year £m
Chief Official	0.228	0.017	0.245
SJC	29.328	1.204	30.532
Craft/Trade	1.770	0.190	1.960
Total	31.326	1.411	32.737

- 2.1.3 By moving to implement the pay award now, all employees covered by the bargaining arrangements are not further impacted by a delay and will receive payment before Christmas.

2.2 Real Living Wage

- 2.2.1 As an accredited Living Wage employer, Fife Council must implement the revised rate of £12.00 per hour by May 2024 although the Living Wage Foundation encourage employers to implement as soon as they can. To recognise the impact of the cost-of-living challenges, particularly on lower paid employees, we propose that the revised £12.00 rate is implemented for affected employees from 13 November 2023. This will be paid in the salary due on 7 December 2023 and is in line with previous council decisions since 2018 to implement the revised rate as soon as is practicable.
- 2.2.2 The revised Fife Council Living Wage (FCLW) of £11.94 per hour, which is part of the pay award, will be backdated to April 2023 for employees paid on the FCLW scale when the current pay offer is implemented (December 2023). This means those employees will be paid £11.94 per hour from 1 April 2023 until 12 November 2023 and then £12.00 per hour from 12 November 2023 to 31 March 2024.

2.2.3 The estimated cost of applying the new rate from November 2023 is £0.050m in 2023/24 and £0.119m for the full financial year 2024/25.

3.0 Other Bargaining Groups

3.1 Craft (SNJC)

3.1.1 Craft Trade Unions are balloting their members on the current pay offer. This is due to close on 29 November.

3.2 Chief Officers

3.2.1 COSLA have issued an Industrial Relations circular relating to the Chief Officer bargaining group based on the SJC offer which will be implemented and backdated to April 2023 with a further uplift in January 2024 as follows:

From 1st of April 2023

- A 5.5% increase

From 1st of January 2024

- An additional increase bringing to 6.05% the overall value of the uplift from the rate in effect on 31 March 2023

3.3 SNCT

3.3.1 The Teachers (SNCT) pay award for 2023/24 runs until 1st August 2024 and there is no further update available on the pay claim for 2024/25.

4.0 Conclusions

4.1 We recognise the challenging timescales associated with the 2023/24 pay negotiations and implementation of the pay award and hope that there will be improvements in the collective bargaining process going forward.

4.2 We recognise the cost-of-living pressures for our employees and the benefit in making payment now to ensure as many employees as possible benefit from the new rates and backdating prior to Christmas.

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