

## Policy and Co-ordination Committee



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

Thursday, 19th November, 2020 - 10.00 a.m.

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### AGENDA

#### Page Nos.

1. **APOLOGIES FOR ABSENCE**
2. **CHANGE OF MEMBERSHIP** - The Committee are asked to note that Councillor David Barratt has replaced Councillor Alice McGarry as a member of the Policy and Co-ordination Committee.
3. **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.
4. **MINUTES**
  - (i) Policy and Co-ordination Committee of 8th October, 2020. 3 – 5
  - (ii) Appointments Sub-Committee of 28th September and 2nd November, 2020. 6 – 7
  - (iii) The following Sub-Committee minutes are submitted for noting only:-
    - Assets and Corporate Services of 20th August and 29th October, 2020 8 – 18
    - Community and Housing Services of 3rd September, 2020 19 – 22
    - Economy, Tourism, Strategic Planning and Transportation of 1st October, 2020 23 – 28
    - Education and Children's Services of 1st September and 3rd November, 2020 29 – 40
    - Environment and Protective Services of 17th September, 2020 41 - 44
5. **COVID-19 UPDATE** – Verbal update by the Chief Executive.
6. **GENERAL FUND REVENUE BUDGET 2021-24** - Report by the Executive Director (Finance and Corporate Services). 45 – 57
7. **CAPITAL INVESTMENT PLAN UPDATE - PROJECTED OUTTURN 2020-21** - Report by the Executive Director (Finance and Corporate Services). 58 - 63
8. **SHORT-TERM FINANCIAL STRATEGY AND REVENUE BUDGET MONITORING 2020-21** - Report by the Executive Director (Finance and Corporate Services). 64 – 83
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12. <b>SCOTTISH GOVERNMENT TOWN CENTRE FUND – ADDITIONAL ALLOCATION OF £1.56M AND PROGRESS UPDATE</b> - Report by the Head of Business and Employability.	176 – 185
13. <b>HOUSING REVENUE ACCOUNT (HRA) CONSULTATIVE BUDGET 2021-22</b> - Joint report by the Head of Housing Services and Head of Finance.	186 - 193
14. <b>ADVERTISING ON COUNCIL ASSETS</b> - Report by the Executive Director (Communities).	194 – 203
15. <b>ANNUAL PROCUREMENT REPORT</b> - Report by the Head of Revenue and Commercial Services.	204 – 270
16. <b>DIGITAL STRATEGY 2020 TO 2023</b> - Report by the Head of ICT.	271 - 324
17. <b>SEVERE FLOODING – AUGUST 2020</b> – Report by the Head of Assets, Transportation and Environment.	325 - 343

**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.**

Morag Ferguson  
Head of Legal and Democratic Services  
Finance and Corporate Services  
Fife House  
North Street  
Glenrothes  
Fife, KY7 5LT

12th November, 2020.

If telephoning, please ask for:

Michelle McDermott, Committee Officer, Fife House

Telephone: 03451 555555, ext. 442238; email: michelle.mcdermott@fife.gov.uk

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**THE FIFE COUNCIL - POLICY AND CO-ORDINATION COMMITTEE – REMOTE MEETING**

8th October, 2020.

10.00 a.m. – 11.30 a.m.

**PRESENT:** Councillors David Ross (Convener), David Alexander, David Barratt (substituting for Karen Marjoram), John Beare, Tim Brett, Altany Craik, Neil Crooks, Dave Dempsey, Linda Erskine, David Graham, Andy Heer, Helen Law, Carol Lindsay, Mino Manekshaw, Alice McGarry, Tony Miklinski, Fay Sinclair, Ross Vettraino, Craig Walker and Jan Wincott (substituting for Judy Hamilton).

**ATTENDING:** Steve Grimmond, Chief Executive; Eileen Rowand, Executive Director (Finance and Corporate Services), Les Robertson, Head of Revenue and Commercial Services, Helena Couperwhite, Manager (Committee Services) and Michelle McDermott, Committee Officer, Legal and Democratic Services, Finance and Corporate Services; Keith Winter, Executive Director (Enterprise and Environment); John Mills, Head of Housing Services and Craig Waddell, Corporate Development Service Manager, Communities and Neighbourhoods Service, Communities Directorate.

**APOLOGY FOR ABSENCE:** Councillor Donald Lothian.

**230. DECLARATIONS OF INTEREST**

No Declarations of Interest were submitted in terms of Standing Order 7.1.

**231. MINUTE**

The Committee considered the minute of the Policy and Co-ordination Committee of 27th August, 2020.

**Decision**

The Committee approved the minute.

**232. RECOVERY AND REFORM**

The Committee considered a report by the Chief Executive providing members with an update on the identified reform priorities following a motion agreed at the Policy and Co-ordination Committee on 27th August, 2020.

The Convener tabled a list of additional urgent issues for consideration by Working Groups as follows:-

**Transport**

Policy approach to spaces for people and active travel

**Education/**

**Education**

- Maintaining a healthy environment in schools
- Policy approach to school and class closures
- Remote learning and connectivity
- Sustaining extra curricular activities – including music tuition
- Preparedness and contingency plans for Nat 5 assessments and Higher / Advanced Higher exams
- Consistency in approaches across schools – e.g. homework

**Local Economic Recovery**

- Addressing unemployment
- Engagement with stakeholders

**Environment/Climate Change**

- Rise in usage of single use plastics and disposable material
- Fly tipping
- Policy approach to opening and operation of recycling centres

**Sustaining Services**

Development of blended face to face and remote meetings

**Decision**

The Committee agreed the terms of the report and to the additional urgent issues as tabled by the Convener.

**233. HOUSING REVENUE CAPITAL ACCOUNT: PROPERTY ACQUISITIONS POLICY AND TARGET TO MARCH 2021**

The Committee considered a report by the Head of Housing Services seeking agreement on the proposed revision to the current Property Acquisitions Policy and to an additional fifty housing properties to be acquired by March, 2021.

**Decision**

The Committee agreed:-

- (1) to the proposed revisions to the current policy as detailed in Appendix 2 of the report; and
- (2) that Housing, Estates and Legal Services strive to acquire a total of 100 housing acquisitions by March, 2021.

**234. BAD DEBTS 2019/20**

The Committee considered a joint report by the Head of Revenue and Commercial Services and Head of Housing Services summarising the irrecoverable bad debts that have had to be written off during 2019-20 by the Finance and Corporate Services Directorate and Housing Services.

**Decision/**

**Decision**

The Committee noted the contents of the report.

**235. EDINBURGH AND SOUTH EAST SCOTLAND CITY REGION DEAL**

The Committee considered a report by the Executive Director (Enterprise and Environment) seeking approval from members to adopt the draft Supplementary Agreement amending the Minute of Agreement for the Joint Committee for the Edinburgh and South East Scotland City Region.

**Decision**

The Committee agreed to:-

- (1) adopt the draft Supplementary Agreement amending the Minute of Agreement for the Joint Committee for the Edinburgh and South East Scotland City Region as detailed in Appendix 1 of the report;
- (2) the amendment of the terms of the Minute of Agreement considered by Council on 23rd November, 2017 to reflect the principles of broader regional collaboration as outlined in para. 2.4 of the report; and
- (3) delegate to the Executive Director (Enterprise and Environment) and the Head of Legal and Democratic Services the finalisation and signing of the Supplementary Agreement.

**236. TAY CITIES REGIONAL DEAL**

The 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 6 of Part 1 of Schedule 7A to the Act.

The Committee considered a report by the Executive Director (Enterprise and Environment) presenting the Tay Cities Region Deal in advance of the signing of the Deal.

**Decision**

The Committee:-

- (1) agreed recommendations (i), (ii) and (iv) as detailed in the report; and
  - (2) otherwise noted the terms as set out in the report.
-

**THE FIFE COUNCIL - APPOINTMENTS SUB-COMMITTEE – REMOTE MEETING**

**28 September, 2020**

**9.30 a.m. – 10.15 a.m.**

**PRESENT:** Councillors Linda Erskine, David J Ross, Fay Sinclair and Ann Verner.

**ATTENDING:** Carrie Lindsay, Executive Director, Education & Children's Services; Anne-Marie Cardle, HR Service Manager and Kirsty McElroy, HR Business Partner, Human Resources.

**22. APPOINTMENT OF CONVENER**

It was agreed that Councillor Sinclair be appointed Convener of the Sub-Committee for this meeting.

**23. SHORTLISTING FOR HEAD OF EDUCATION & CHILDREN'S SERVICES (PRIMARY SCHOOLS & IMPROVEMENT SUPPORT)**

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.

Job details, person specifications, candidate summary sheet and application forms for five candidates were considered by the Appointments Sub-Committee.

**Decision**

The selected candidates listed in the appendix to the principal copy of this minute were shortlisted for interview for the post of Head of Education & Children's Services (Primary Schools and Improvement Support). It was noted that the interviews would be held on Monday 2nd November 2020.

**THE FIFE COUNCIL - APPOINTMENTS SUB-COMMITTEE - REMOTE MEETING**

**2 November, 2020**

**10.00 a.m. - 1.40 p.m.**

**PRESENT:** Councillors Fay Sinclair (Convener), Linda Erskine, David J. Ross and Ann Verner.

**ATTENDING:** Carrie Lindsay, Executive Director, Education & Children's Services, Education; and Anne-Marie Cardle, HR Service Manager, Human Resources.

<b>24.</b>	<b>APPOINTMENT OF CONVENER</b>
	It was agreed that Councillor Sinclair be appointed Convener of the Sub-Committee for this meeting.
<b>25.</b>	<b>APPOINTMENT OF HEAD OF EDUCATION (PRIMARY SCHOOLS &amp; IMPROVEMENT SUPPORT)</b>
	<p>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.</p> <p>The Sub-Committee considered the relevant application forms and supporting information submitted for the applicants to be interviewed for the post of Head of Education (Primary Schools &amp; Improvement Support).</p>
	<b><u>Decision</u></b>
	Thereafter, the selected candidates listed in the Appendix to the principal copy of this minute were interviewed and, following discussion, it was agreed that the post of Head of Education (Primary Schools & Improvement Support) be offered to Angela Logue.

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

20th August, 2020

10.00 a.m. – 11.35 a.m.

**PRESENT:** Councillors Craig Walker (Convener), David Alexander, Alistair Bain, Alex Campbell, Mick Green, Gary Guichan, Kathleen Leslie, David MacDiarmid, Karen Marjoram, Graham Ritchie and Andrew Verrecchia.

**ATTENDING:** Keith Winter, Executive Director, Enterprise and Environment; Ken Gourlay, Head of Assets, Transportation and Environment; Alan Paul, Senior Manager (Property Services); Eileen Rowand, Executive Director, Finance & Corporate Services; Barbara Cooper, HR Service Manager; Katie Feechan, Accountant, Finance; Donna Grieve, Accountant, Finance, Finance & Corporate Services; Tim Kendrick, Community Manager (Development); Sharon Douglas, Community Investment Team Manager; Jacqui Prokes, Corporate Development Lead Officer, Communities and Neighbourhoods; Alison Marr, Solicitor, Diane Bernet, Committee Officer (minute taker); Elizabeth Mair, Committee Officer (observer), Legal & Democratic Services.

**APOLOGIES FOR ABSENCE:** Councillors Alistair Cameron and Alex Campbell.

**136. DECLARATIONS OF INTEREST**

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

**137. MINUTE OF ASSETS AND CORPORATE SERVICES COMMITTEE OF  
16TH JANUARY, 2020**

The Committee considered the minute of the meeting of the Assets and Corporate Services Committee of 16th January, 2020.

**Decision**

The Committee agreed to approve the minute.

*Councillor Verrecchia joined the meeting during consideration of the following item.*

**138. SUPPORTING COMMUNITIES - PROGRESS REPORT SUBSIDISED LEASE  
POLICY**

The Committee considered a joint report by the Head of Communities and Neighbourhoods and the Head of Assets, Transportation and Environment presenting progress on the subsidised lease policy implementation arrangements since/



since November 2019 and seeking approval for amended standard lease values included within the policy.

**Decision**

The Committee:-

- (1) approved the lease values of £250 (small), £500 (medium) and £750 (large) be adopted as the values for lease preparations in relation to buildings on or adjacent to sports sites; and
- (2) noted the emerging issues in reviewing the leases portfolio and plans to address these as detailed in the report.

**139. LAND ADJACENT TO 64 NEW ROW, DUNFERMLINE**

The Committee considered a joint report by the Head of Assets, Transportation and Environment and the Head of Communities and Neighbourhoods seeking approval of a request to lease a small area of land held on the Dunfermline Common Good Account at the junction of New Row and Park Avenue, Dunfermline.

**Decision**

The Committee:-

- (1) agreed to approve the proposal that an area of land extending to circa 15 sqm<sup>2</sup> and held on the Dunfermline Common Good Account be leased to the Alhambra Theatre Trust (or nominee) on a 25 year lease; and
- (2) noted the Head of Legal and Democratic Services would obtain any necessary consents required from the Sheriff for the lease of Common Good property; and all otherwise on terms and conditions to the satisfaction of the Head of Assets, Transportation and Environment and the Head of Legal and Democratic Services.

*Councillor Leslie left the meeting prior to consideration of the following item.*

**140. LAND ADJACENT TO 19 PARK AVENUE, DUNFERMLINE**

The Committee considered a joint report by the Head of Assets, Transportation and Environment and the Head of Communities and Neighbourhoods seeking approval of a request to sell a small area of land held on the Dunfermline Common Good Account at Park Avenue, Dunfermline.

**Decision**

The Committee:-

- (1) agreed to approve the sale of the area of land extending to 42m<sup>2</sup> and held on the Dunfermline Common Good Account, to the proprietor of 19 Park Avenue, Dunfermline; and
- (2)/

- (2) noted that the Head of Legal and Democratic Services would require to obtain any necessary consent from the Sheriff for the sale of Common Good property; and all otherwise on terms and conditions to the satisfaction of the Head of Assets, Transportation and Environment and the Head of Legal and Democratic Services.

**141. THE FIFE COUNCIL (65 (WEST) CAMPBELL STREET, DUNFERMLINE)  
COMPULSORY PURCHASE ORDER 2017**

The Committee considered a joint report by the Head of Assets, Transportation and Environment and the Head of Legal and Democratic Services seeking authority to promote a compulsory purchase order to rectify the Council's title to former flat No 65 (west) Campbell Street, Dunfermline allowing the property to be sold and brought back into beneficial use.

**Decision**

The Committee, using the powers conferred by Section 189(1) of the Town and Country Planning (Scotland) Act 1997 and the Acquisition of Land (Authorisation Procedure) (Scotland) Act 1947:

- (1) resolved to make The Fife Council (65 (West) Campbell Street, Dunfermline) Compulsory Purchase Order 2020 ("the CPO") to acquire all of the land detailed in Appendix 1 of the report and shown on the map at Appendix 2, for the purposes of securing the land required for –
  - (a) the carrying out of development, redevelopment or improvement; and
  - (b) required for a purpose which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated;
- (2) authorised the Head of Assets, Transportation and Environment and the Head of Legal and Democratic Services to advertise the CPO and take all other necessary steps to obtain title to the land; and
- (3) authorised negotiation of any claims for compensation payable to the owners of the land, should any come forward following advertisement of the CPO.

*Councillor Leslie re-joined the meeting during consideration of the following item.*

**142. COMMUNITY ASSET TRANSFER APPLICATION BY ST. ANDREWS  
ENVIRONMENTAL NETWORK - ST. ANDREWS CUSTOMER SERVICES  
CENTRE**

The Committee considered a joint Report by the Head of Communities and Neighbourhoods and the Head of Assets, Transportation and Environment providing information on a formal Community Asset Transfer request received from St. Andrews Environmental Network (StAndEN) under Part 5 of the Community Empowerment (Scotland) Act 2015 (the "Act") - to purchase St. Andrews Customer Services Centre, St. Mary's Place, St. Andrews.

**Decision/**

**Decision**

The Committee agreed to refuse the Community Asset Transfer request from StAndEN for the sale of St. Andrews Customer Services Centre, St. Mary's Place, St. Andrews in terms of Part 5 of the Act for the following reasons (see also Paragraphs 3.4, 3.5 and 3.6 of the report):

- (1) the request did not supply enough evidence of the funding and ongoing operation of the proposal;
- (2) the projected benefits did not demonstrate enough community benefit relative to the value forgone and adverse impact on the delivery of Council Services;
- (3) lack of evidence of consultation and support for loss of existing services; and
- (4) agreeing to the request would restrict the Council's ability to carry out its functions per Section 82(3)(h) of the Act.

*Councillor Verrecchia left the meeting during consideration of the following item.*

**143. COMMUNITY ASSET TRANSFER APPLICATION BY CRAIL COMMUNITY PARTNERSHIP - PINKERTON TRIANGLE**

The Committee considered a joint report by the Head of Communities and Neighbourhoods and the Head of Assets, Transportation and Environment providing information on a formal Community Asset Transfer request received from Crail Community Partnership under Part 5 of the Community Empowerment (Scotland) Act 2015 to purchase Pinkerton Triangle.

**Decision**

The Committee agreed to approve the Community Asset Transfer request at less than market value at the nominal price of £1 and all otherwise on terms and conditions to the satisfaction of the Head of Assets, Transportation and Environment and the Head of Legal and Democratic Services.

**144. COMMUNITY ASSET TRANSFER APPLICATION BY CRAIL COMMUNITY PARTNERS BOW BUTTS PARK**

The Committee considered a joint report by the Head of Communities and Neighbourhoods and the Head of Assets, Transportation and Environment providing information on a formal Community Asset Transfer request received from Crail Community Partnership under Part 5 of the Community Empowerment (Scotland) Act 2015 to purchase land at Bow Butts Park, Crail.

**Decision**

The Committee agreed to approve the Community Asset Transfer request at less than market value at the nominal price of £1 and all otherwise on terms and conditions to the satisfaction of the Head of Assets, Transportation and Environment and the Head of Legal and Democratic Services.

145./

**145. COMMUNITY ASSET TRANSFER APPLICATION BY CRAIL COMMUNITY PARTNERSHIP - KILMINNING SOUTH**

The Committee considered a joint report by the Head of Communities and Neighbourhoods and the Head of Assets, Transportation and Environment providing information on a formal Community Asset Transfer request received from Crail Community Partnership under Part 5 of the Community Empowerment (Scotland) Act 2015 to purchase Kilminning South.

**Decision**

The Committee agreed to approve the Community Asset Transfer request at less than market value at the nominal price of £1 and all otherwise on terms and conditions to the satisfaction of the Head of Assets, Transportation and Environment and the Head of Legal and Democratic Services.

**146. PROPERTY ASSET STRATEGY ANNUAL UPDATE**

The Committee considered a report by the Head of Assets, Transportation and Environment providing a progress update against the Council's Property Asset Strategy, Building Success for the year to 31st March, 2020. The report also outlined work during the year under review, key challenges and opportunities and future work plans.

**Decision**

The Committee:-

- (1) noted the contents of the report; and
- (2) endorsed the progress made for 2019/20 against the agreed Property Asset Strategy.

**147. 2019/20 CAPITAL MONITORING PROJECTED OUTTURN - ENTERPRISE & ENVIRONMENT DIRECTORATE**

The Committee considered a joint report by the Executive Director, Finance and Corporate Services and the Executive Director, Enterprise and Environment providing an update on the Capital Investment Plan and advising on the provisional financial position for the 2019/20 financial year for areas in scope of the Assets and Corporate Services Sub-Committee in relation to Assets only.

**Decision**

The Committee acknowledged the current performance and activity across the 2019/20 Financial Monitoring as detailed in the report.

**148. 2019/20 REVENUE MONITORING PROJECTED OUTTURN - ENTERPRISE & ENVIRONMENT DIRECTORATE**

The Committee considered a joint report by the Executive Director, Finance and Corporate Services and the Executive Director, Enterprise and Environment providing an update on the provisional financial position for 2019/20 for the areas in scope of the Assets and Corporate Services Sub-Committee in relation to Assets only.

**Decision**

The Committee acknowledged the current financial performance and activity as detailed in the report.

**149. 2019/20 CAPITAL MONITORING PROJECTED OUTTURN - FINANCE & CORPORATE SERVICES DIRECTORATE**

The Committee considered a report by the Executive Director, Finance and Corporate Services providing an update on the Capital Investment Plan and advising on the financial position for the 2019/20 financial year for the Finance and Corporate Services Directorate.

**Decision**

The Committee acknowledged the current performance and activity across the 2019/20 Financial Monitoring as detailed in the report.

**150. 2019/20 REVENUE MONITORING PROJECTED OUTTURN - FINANCE & CORPORATE SERVICES DIRECTORATE**

The Committee considered a report by the Executive Director, Finance and Corporate Services providing an update on the 2019/20 provisional outturn for the Finance and Corporate Services Directorate.

**Decision**

The Committee acknowledged the current financial performance and activity as detailed in this report.

**151. FINANCE & CORPORATE SERVICES PERFORMANCE REPORT**

The Committee considered a report by the Executive Director, Finance and Corporate Services presenting the performance scorecard for the Finance and Corporate Services Directorate for 2019/20.

**Decision**

The Committee noted:-

- (1) the Finance and Corporate Services performance information presented in the Services' Performance Report 2019/20 appended to the report, specifically/

specifically achievements in relation to: the gender pay gap; council tax collection; and budgetary control;

- (2) the arrangements set out in Section 1 of the report to fulfil the Council's obligation to comply with Audit Scotland's 2018 SPI Direction;
- (3) information regarding the Directorate's workforce profile; and
- (4) the Annual Workforce Report data for Finance and Corporate Services.

#### **152. BEVERIDGE BOWLING CLUB, BEVERIDGE PARK, KIRKCALDY**

The Committee considered a report by the Head of Assets, Transportation and Environment, as required by the List of Officer Powers, advising of the conclusion of the minute of variation and extension of the lease of Beveridge Park Bowling Club and its assignment to the Scottish Charitable Incorporated Organisation, Beveridge Park Bowling Club, at concessionary rent using delegated powers. Though the decision to dispose was delegated to Officers, as the rent is at less than Best Consideration, it was a transaction where the Disposal of Land by Local Authorities (Scotland) Regulations 2010 applied and there was a need to report back to this Committee the ways in which the terms of the regulations had been met.

##### **Decision**

The Committee noted:-

- (1) the variation, extension and assignment of the lease of Beveridge Park Bowling Club, at less than Best Consideration; and
- (2) the extension of the lease of Beveridge Park Bowling Club to 25 years from the date of the assignment at a rent of £1,200 per annum reduced by back to letter to £50 per annum from the 1st April, 2017.

#### **153. REVIEW OF LEASES AND UTILITY COSTS**

The Committee considered a report by the Head of Assets, Transportation and Environment advising of the completion of the review examining the recovery of utility costs arising from Fife Council properties occupied by third parties under a lease or license.

##### **Decision**

The Committee noted:-

- (1) the contents of the report; and
- (2) that new agreements and measures were being introduced to continue to reduce non-recoverable costs.

154./

**154. DECISIONS TAKEN UNDER DELEGATED AUTHORITY MARCH TO JULY 2020**

The Committee considered a report by the Head of Legal and Democratic Services advising of decisions taken by officers acting under delegated authority and that were within the remit of the Assets and Corporate Services Committee (now Sub-Committee).

**Decision**

The Committee acknowledged the decisions taken under delegated authority, as set out in the Appendix to the report.

**155. ASSETS & CORPORATE SERVICES COMMITTEE WORK PROGRAMME**

**Decision**

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

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

29th October, 2020

10.00 a.m. – 11.25 a.m.

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

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

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

**156. DECLARATIONS OF INTEREST**

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

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

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

**Decision**

The Committee agreed to approve the minute.

**158. CHANGE TO MEMBERSHIP**

**Decision**

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

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

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

**Decision/**



**Decision**

The Committee: -

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

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

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

**Decision**

The Committee: -

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

**161. ANNUAL HEALTH & SAFETY REPORT**

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

**Decision**

The Committee: -

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

**162./**

**162. SECURITY ARRANGEMENTS FOR VACANT PROPERTY**

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

**Decision**

The Committee: -

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

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

**Decision**

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

**THE FIFE COUNCIL - COMMUNITY AND HOUSING SERVICES SUB-COMMITTEE –  
REMOTE MEETING**

**3rd September, 2020**

**10.00 a.m. – 12.25 p.m.**

**PRESENT:** Councillors Judy Hamilton, Lesley Backhouse, Ken Caldwell, Alistair Cameron, Neil Crooks, Linda Erskine, Fiona Grant, Helen Law, Donald Lothian, Alice McGarry, David J Ross, Alistair Suttie, and Darren Watt.

**ATTENDING:** Michael Enston, Executive Director - Communities; John Mills, Head of Housing Services, Vania Kennedy, Service Manager - Income Poverty and Private Housing, Gordon Binnie, Housing Manager - Area Housing Management, Housing Services; Diarmuid Cotter, Head of Customer and Online Services; Emma Richards, Accountant, Finance; and Wendy Macgregor, Committee Officer, Legal & Democratic Services.

**ALSO IN ATTENDANCE:** Bill Campbell, Fife Federation of Tenants and Residents Association.

Prior to the start of the meeting, the Convener extended condolences on behalf of the Committee, to the families of Alan Bisset and Jane Shevlin, who had sadly passed away. Alan Bisset, was a well respected and helpful employee of Fife Council and had worked with communities, Councillors and Officers on the delivery of many projects over the years. Jane Shevlin was a dedicated tutor in the Adult Basic Education Service and was committed and caring to all her learners. Both Alan and Jane would be greatly missed.

**173. DECLARATIONS OF INTEREST**

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

**174. CHANGE OF MEMBERSHIP**

The Committee were asked to note that Councillor David J Ross had replaced Councillor Richard Watt as a member of the Community and Housing Services Sub-Committee. The Convener on behalf of the Committee, welcomed David J Ross to the meeting.

**Decision**

The Committee noted that Councillor David J Ross had replaced Councillor Richard Watt as a member of the Community and Housing Services Sub-Committee.

**175. MINUTE OF MEETING OF COMMUNITY AND HOUSING SERVICES COMMITTEE OF 13TH FEBRUARY, 2020.**

The Committee considered the minute of the meeting of the Community and Housing Services Committee of 13th February, 2020.

**Decision/**

**Decision**

The Committee agreed to approve the minute.

**176. FIFE TENANT SCRUTINY PANEL - SATISFACTION WITH REPAIRS**

The Committee considered a joint report by the Head of Housing Services, Head of Assets, Transportation and Environment and the Head of Customer and Online Services, providing a summary of the findings of the Fife Tenant Scrutiny Panel exercise on Satisfaction with housing repairs.

**Decision**

The Committee:-

1. noted the findings of the panel; and
2. agreed to the amended recommendation to read - "that Housing Services, Building Services and Customer and Online Services should implement the actions resulting from the recommendations made by the panel and should consider the implications of the outcome."

**177. HOUSING REGULATORY REQUIREMENTS AND 'PATHWAY TO IMPROVMENT' 2019-22**

The Committee considered a report by the Head of Housing, which provided members with recommendations for submission of the Annual Assurance Statement to the Scottish Housing Regulator, based on regulatory guidance issued in 2019, and the outcomes of the annual update of the 'Pathway to Improvement' 2019-22.

**Decision**

The Committee:-

1. noted the performance in year one of the Pathway to Improvement for 2019-22, as detailed in Section 5.0, Appendix 2 of the report;
2. agreed the draft Annual Assurance Statement 2020 based on the compliance position at March 2020, as detailed in Section 6.0, Appendix 1 of the report; subject to the agreed amendments; and
3. agreed to submit the final draft Annual Assurance Statement 2020 to the Scottish Housing Regulator by the deadline of 31st October, 2020.

**178. LOCAL HOUSING STRATEGY (LHS) 2020-2022**

The Committee considered a report by the Head of Housing, seeking approval of the Local Housing Strategy 2020-2022, provided as a two-year interim statement to meet the requirements of Scottish Government guidance, leading to the development of a five-year Local Housing Strategy from 2022-2027.

**Decision/**

**Decision**

The Committee:

1. agreed to the recommendation from Fife Housing Partnership to endorse the Local Housing Strategy 2020-2022 as the lead strategic housing plan for Fife, subject to the agreed amendments; and
2. noted that a further 5 year Local Housing Strategy 2022-2027 would be presented to a future meeting of the Community and Housing Sub-Committee for consideration.

**179. MAYVIEW FLATS, ANSTRUTHER (INQUIRY) - REVIEW/CONSULTATION**

The Committee considered a report by the Head of Housing, providing members with the findings from the independent research report 'Review of Housing Management Policy & Approach: Mayview Flats', which was requested by the North East Area Committee in March 2019 following the decision to demolish the 44 flats at Mayview, Anstruther. The Committee was asked to consider the wider implications for Fife Council's housing management approach to housing neighbourhoods under stress.

**Decision**

The Committee:

1. noted the content of the report;
2. noted the verbal input from the meeting of the North East Fife Area Committee held on 2nd September, 2020: and
3. agreed that the learning points identified should inform development of the new Local Housing Strategy and housing management practice.

**180. CUSTOMER AND ONLINE SERVICES PERFORMANCE REPORT**

The Committee considered a report by the Head of Customer and Online Services, which presented the performance scorecard for the Customer and Online Services for 2019/20.

**Decision**

The Committee noted:-

1. the Customer and Online Services performance information detailed in Appendix 1 of the report;
2. the arrangements set out in section 1 of the report, to fulfil the Council's obligation to comply with Audit Scotland's 2018 SPI Direction;
- 3./

3. the information regarding the Directorate's workforce profile; and
4. the Annual Workforce Report data for Customer and Online Services.

**181. 2019/20 CAPITAL MONITORING**

The Committee considered a joint report from the Executive Director, Finance and Corporate Services and the Executive Director, Communities, providing an update on the Capital Investment Plan and advising members of the provisional financial position for the 2019/20 financial year.

**Decision**

The Committee noted the current performance and activity across the 2019/20 Financial Monitoring as detailed in the report.

**182. 2019/20 REVENUE MONITORING**

The Committee considered a joint report by the Executive Director, Finance and Corporate Services and the Executive Director, Communities, providing members with an update on the provisional outturn position for the 2019/20 financial year for the areas within the scope of the Community and Housing Services Sub Committee.

**Decision**

The Committee noted the current financial performance and activity detailed in the report.

**183. DECISIONS TAKEN UNDER DELEGATED AUTHORITY**

The Committee considered a report by the Head of Legal and Democratic Services, advising members of the decisions taken by officers, acting under delegated authority, within the remit of the Community and Housing Services Sub Committee.

**Decision**

The Committee noted the report.

**184. COMMUNITY AND HOUSING SERVICES FORWARD WORK PROGRAMME**

**Decision**

The Committee noted the work programme.

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**THE FIFE COUNCIL - ECONOMY TOURISM STRATEGIC PLANNING AND  
TRANSPORTATION SUB-COMMITTEE - REMOTE**

1 October, 2020

10.00 a.m. – 12.35 p.m.

**PRESENT:** Councillors Altany Craik (Convener), John Beare, Ian Cameron, Dave Coleman, Bill Connor, Ian Ferguson, Sharon Green-Wilson, Jean Hall-Muir, Jane Ann Liston, Mino Manekshaw, Ross Paterson, David J Ross, Ann Verner and Jan Wincott

**ATTENDING:** Keith Winter, Executive Director, Enterprise & Environment; Ken Gourlay, Head of Assets, Transportation and Environment, Derek Crowe, Senior Manager (Roads & Transportation Services), Frances Ratcliffe, Lead Consultant - Bridges & Structures, Steven Sellars, Lead Consultant, Road Safety & Travel Planning, Assets, Transportation & Environment; Pam Ewen, Head of Planning, Bill Lindsay, Service Manager, Development Plan, Gordon Mole, Head of Business and Employability, Pamela Stevenson, Service Manager - Economic Development, Economy, Planning & Employability Services; Jackie Johnstone, Accountant, Finance and Elizabeth Mair, Committee Officer, Legal & Democratic Services.

**APOLOGIES FOR ABSENCE:** Councillor Colin Davidson

**129. DECLARATIONS OF INTEREST**

Councillor Ann Verner declared an interest in paragraph 134 - Support for Voluntary Organisations below, as she was a Council representative on the Opportunities Fife Partnership, however she considered that this was covered by a Specific Exclusion so she would remain and participate.

Councillor Altany Craik declared an interest in paragraph 138 - Business Gateway Fife Annual Performance 2019/20 as a Board member of Business Gateway, however, he considered that this was covered by a Specific Exclusion so he would remain.

**130. MINUTE**

The Sub-Committee considered the minute of the meeting of the Economy, Tourism, Strategic Planning & Transportation Committee of 20 January 2020.

**Decision**

The Sub-Committee approved the minute.

131./

**131. COVID-19 - BUSINESS SUPPORT**

Pamela Stevenson, Service Manager, Economic Development, gave a verbal update on support given to businesses in Fife during the COVID-19 pandemic to date, highlighting initiatives which had been implemented and work being undertaken to identify the ongoing impact on businesses.

**Decision**

The Sub-Committee noted the update given.

**132. INTERIM REGIONAL SPATIAL STRATEGY - EDINBURGH AND SOUTH EAST SCOTLAND**

The Sub-Committee considered a report by the Head of Planning requesting ratification of the interim Regional Spatial Strategy for the Edinburgh and South East Scotland Area which was approved for submission to the Scottish Government by the SESplan Joint Committee at its meeting on 21 September 2020.

**Motion**

Councillor David J Ross, seconded by councillor Dave Coleman moved that:-

Due to the importance of the Interim spatial strategy to the people of Fife, the Sub-Committee does not endorse the strategy until further consultation has taken place.

**Amendment**

Councillor John Beare, seconded by Councillor Altany Craik, moved that:-

The Sub-Committee agree the recommendations as set out in the report.

**Vote**

Amendment - 10

Motion – 4

The Sub-Committee agreed in terms of the Amendment.

**Decision**

The Sub-Committee agreed to:

- (1) ratify the interim Regional Spatial Strategy as set out in Appendix 1 to the report;
- (2) note the next steps for submission of the interim Regional Spatial Strategy to the Scottish Government as set out in section 3.0 of the report; and,
- (3) authorise the Head of Planning, through the SESplan Board, to make minor changes to the documents, as required, prior to submission to the Scottish Government.



### 133. SCOTTISH PLANNING POLICY AND HOUSING TECHNICAL CONSULTATION

The Sub-Committee considered a report by the Head of Planning to enable Members to consider the Scottish Government's proposed policy amendments to the Scottish Planning Policy (SPP) (2014) to clarify specific parts of the SPP that related to planning for housing, allowing a Fife Council response to contribute to the final interim changes to the SPP.

#### **Decision**

The Sub-Committee:

- (1) agreed Fife Council's draft response to the Scottish Government Technical Consultation on Scottish Planning Policy and Housing; Proposed Policy Amendments, as outlined in Appendix 1 to the report; and
- (2) delegated it to the Head of Planning, in consultation with the Convener and Vice-Convener, to submit the finalised Fife Council response to the Scottish Planning Policy and Housing; Proposed Policy Amendments by the Scottish Government deadline of 9th October 2020.

### 134. SUPPORT FOR VOLUNTARY ORGANISATIONS

The Sub-Committee considered a report by the Head of Business and Employability presenting recommendations for the level of support to voluntary organisations within the Enterprise and Environment Directorate for the period 2020-2022.

#### **Decision**

The Sub-Committee:-

- (1) approved the level of funding to voluntary organisations by the Assets, Transportation & Environment Service as detailed in Appendix 1 to the report;
- (2) approved the allocations given through Service Level Agreements from Business and Employability, as detailed in Appendix 2 to the report; and
- (3) noted the allocations awarded by the Opportunities Fife Partnership for the delivery of Employability Pathway activities, to be used as part of the match for the European Programme, as detailed in Appendix 3 to the report.

### 135. FIFE BRIDGE STRENGTHENING PROGRAMME UPDATE

The Sub-Committee considered a report by the Head of Assets, Transportation & Environment providing an update and seeking approval for the updated Fife Bridge Strengthening Programme following the announcement of the return of the railway to Leven and reflecting the impact of project growth at the A91 New Bridge, Guardbridge.

#### **Decision**

The Sub-Committee approved the proposed timetable and list of priority capital projects forming the Fife Bridge Strengthening Programme up to financial year 2025/26 as detailed in Table 1 within the report.

**136. FIFE'S ROAD CONDITION REPORT 2020**

The Sub-Committee considered a report by the Head of Assets, Transportation & Environment advising of the results of the 2018-20 Scottish Road Maintenance Condition Survey (SRMCS), reporting on road defect performance 2019-20 in Fife and providing an update on future budget allocations.

**Decision**

The Sub-Committee:-

- (1) noted the current performance, activity and resources as detailed in the report; and
- (2) approved the continued use of the existing methodology for the distribution of roads related capital resources as detailed in section 3.0 of the report.

The meeting adjourned at 11.30 a.m.

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The meeting reconvened at 11.45 a.m.

**137. FIFE ROAD CASUALTY STATISTICS 2019**

The Sub-Committee considered a report by the Head of Assets, Transportation & Environment advising on the numbers and severity of crashes and casualties on Fife's roads in 2019 and the performance against the Scottish Government Road Safety Casualty Reduction targets.

**Decision**

The Sub-Committee noted:-

- (1) Fife's road casualty statistics for 2019 and the performance in respect of the Scottish Government targets for 2020; and
- (2) that Fife's road safety partners would continue to innovate and work together to meet the challenging casualty reduction targets for 2020.

**138. BUSINESS GATEWAY FIFE ANNUAL PERFORMANCE 2019/20**

The Sub-Committee considered a report by the Head of Business and Employability providing an annual overview of the performance of Business Gateway Fife Ltd in delivering services during the period April 2019 to March 2020, including Fife Council's financial assistance to businesses scheme. The report provided information on performance and highlighted areas of service development.

**Decision/**

**Decision**

The Sub-Committee noted:-

- (1) the performance, expenditure and activity information on Business Gateway Fife for 2019/20, as detailed in the report; and
- (2) the progress made in terms of ongoing service and system integration to improve business efficiency and performance at Business Gateway Fife.

**139. 2019/20 REVENUE MONITORING PROVISIONAL OUTTURN**

The Sub-Committee considered a joint report by the Executive Director, Finance & Corporate Services and the Executive Director, Enterprise & Environment providing an update on the financial position for the 2019/20 financial year for the areas in scope of the Economy, Tourism, Strategic Planning & Transportation Sub-Committee.

**Decision**

The Sub-Committee noted the current financial performance and activity as detailed in the report.

**140. 2019/20 CAPITAL MONITORING PROVISIONAL OUTTURN**

The Sub-Committee considered a joint report by the Executive Director, Finance & Corporate Services and the Executive Director, Enterprise & Environment providing an update on the Capital Investment Plan and advising on the provisional financial position for the 2019/20 financial year for areas in scope of the Economy, Tourism, Strategic Planning & Transportation Sub-Committee.

**Decision**

The Sub-Committee noted the current performance and activity across the 2019/20 Financial Monitoring as detailed in the report.

**141. DECISIONS TAKEN UNDER DELEGATED AUTHORITY MARCH 2020 TO JULY 2020**

The Sub-Committee considered a report by the Head of Legal & Democratic Services advising of decisions taken by officers, acting under delegated authority and within the remit of the Economy, Tourism, Strategic Planning & Transportation Sub-Committee.

**Decision**

The Sub-Committee noted the decisions taken under delegated authority as set out in the Appendix to the report.

**142./**

**142. URGENT BUSINESS**

In terms of Standing Order 3.8, the Convener agreed that the following item be considered as a matter of urgency:-

Decision Taken Under Delegated Authority – Car Parking Recovery Plan – Kirkcaldy Special Measures – 2020/21

**143. DECISION TAKEN UNDER DELEGATED AUTHORITY – CAR PARKING RECOVERY PLAN – KIRKCALDY SPECIAL MEASURES – 2020/21**

The Sub-Committee considered a report by the Head of Legal & Democratic Services advising of a decision taken by the Executive Director, Enterprise & Environment, acting under delegated authority, to extend the suspension of parking charges at The Postings Car Park until 1 November 2020, which was within the remit of the Economy, Tourism, Strategic Planning and Transportation Sub-Committee.

**Decision**

The Sub-Committee noted the decision taken under delegated authority to extend the suspension of parking charges at The Postings Car Park until 1 November 2020.

**144. ECONOMY, TOURISM, STRATEGIC PLANNING AND TRANSPORTATION SUB COMMITTEE FORWARD WORK PROGRAMME**

The Sub-Committee noted the current forward work programme for the Economy, Tourism, Strategic Planning & Transportation Sub-Committee.

**THE FIFE COUNCIL - EDUCATION & CHILDREN'S SERVICES SUB-COMMITTEE –  
REMOTE MEETING**

**1st September, 2020**

**10.00 a.m. – 11.23 a.m.**

**PRESENT:** Councillors Fay Sinclair (Convener), David Barratt, James Calder, Bobby Clelland, Dave Dempsey, Linda Erskine, Ian Ferguson, Julie Ford, Helen Law, Kathleen Leslie, Rosemary Liewald, Dominic Nolan, Alistair Suttie, Jan Wincott (substituting for Councillor Gary Guichan); Mr. George Haggarty, Mr. William Imlay and Mr. Bailey-Lee Robb.

**ATTENDING:** Carrie Lindsay, Executive Director, Education & Children's Services; Shelagh McLean, Head of Education & Children's Services (Early Years and Directorate Support); Angela Logue, Head of Education & Children's Services; Louise Playford, Service Manager (School Estate); Stuart Booker, Improvement Officer (Strategy & Knowledge Management); Avril Graham, Sustainable Estate Officer; Gary Peattie, Team Manager, Childcare Services; Jacqueline Price, Education Manager (Early Years), Education; Alison Binnie, Business Partner, Finance; and Diane Barnett, Committee Officer, Legal & Democratic Services.

**APOLOGIES FOR ABSENCE:** Councillor Ross Paterson and Mr. Alastair Crockett.

Prior to consideration of formal Committee business, Carrie Lindsay, Executive Director, Education and Children's Services, provided a brief summary of events over the last few months and culminating in a return to school for all pupils. Also acknowledged was the dedication of Education staff and the advice and support from Public Health and the Council's Environmental Health colleagues, facilitating arrangements for schools re-opening.

**171. DECLARATIONS OF INTEREST**

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

**172. MINUTES**

- (a) Minute of Meeting of Education and Children's Services Committee of 11th February, 2020

The Committee considered the minute of the Education and Children's Services Committee of 11th February, 2020.

Arising from the minute, with reference to Paragraph 162. - Building Fife's Future - Inverkeithing High School Site Selection Update - the Committee was advised that a report relating to final site selection would be submitted, for this Committee's consideration, at a future meeting (date to be advised).

**Decision/**

**Decision**

The Committee noted the update and otherwise agreed to approve the minute.

- (b) Minutes of Meeting of the Education Appointment Committee of 28<sup>th</sup> February, 9<sup>th</sup> March, 17<sup>th</sup> March, 11<sup>th</sup> May, 22<sup>nd</sup> May, 29 May, 8<sup>th</sup> June and 25<sup>th</sup> June, 2020

**Decision**

The Committee agreed to approve the minutes.

**173. STATUTORY CONSULTATION REPORT ON THE PROPOSAL TO CLOSE GATESIDE PRIMARY SCHOOL AND REZONE THE CATCHMENT AREA OF STRATHMIGLO PRIMARY SCHOOL**

The Committee considered a report by the Executive Director, Education and Children's Services, presenting the statutory Consultation Report, in terms of the Schools (Consultation) (Scotland) Act 2010, in respect of the proposal to close Gateside Primary School and rezone the catchment area of Strathmiglo Primary School.

This report also sought approval to proceed with the recommendation contained within the Consultation Report.

**Decision**

The Committee agreed to approve the proposal to:-

- (1) close Gateside Primary School on 18 December 2020;
- (2) rezone the catchment area of Strathmiglo Primary School, to incorporate all of the current catchment area for Gateside Primary School, from 18 December 2020;
- (3) meantime, in recognition of the continuation of the mothballing of Gateside Primary School, continue to offer a catchment area place at Strathmiglo Primary School for all pupils currently living in the Gateside Primary School catchment area; and
- (4) seek alternative uses for the Gateside Primary School site.

**174. CHILDCARE SERVICES AND PLAY PRACTICE DEVELOPMENT**

The Committee considered a report by the Executive Director, Education and Children's Services seeking approval on proposals to modernise Childcare Services in Fife, moving to a more commercialised model of delivering services.

**Decision/**

**Decision**

The Committee, whilst acknowledging the information presented in the report:-

- (1) agreed to continue consideration of the proposed commercialised model of delivering services to a future meeting of this Committee; and
- (2) delegated to officers to arrange a member workshop in the interim to enable a more detailed analysis of the proposals for future delivery of services.

**175. EDUCATION & CHILDREN'S SERVICES DIRECTORATE PLAN 2020-2023**

The Committee considered a report by the Executive Director, Education and Children's Services seeking approval of the approach to strategic planning being undertaken by the Directorate and to endorse the Directorate's Agile Action Plan for 2020-21 - which the Directorate had developed to meet the Council's statutory responsibilities for strategic planning of services for children and young people in a way that best supports the Directorate's approach to recovery from the Covid-19 pandemic and the Council's reform agenda.

**Decision**

The Committee agreed:-

- (1) to approve the approach taken by the Directorate and to endorse the Agile Action Plan 2020-21; and
- (2) to consider any further update reports as progress was made.

**176. EDUCATION AND CHILDREN'S SERVICES DIRECTORATE – REVENUE BUDGET 2019-20 – PROVISIONAL OUTTURN**

The Committee considered a joint report by the Executive Director, Education and Children's Services and the Executive Director, Finance and Corporate Services advising of the provisional outturn for the 2019-20 Education and Children's Services Directorate Revenue Budget, for the areas in scope of the Education and Children's Services Sub-Committee.

**Decision**

The Committee:-

- (1) noted the provisional outturn position (subject to audit) for 2019-20, as detailed in the report, and the reasons for the main variances;
- (2) noted that the Education and Children's Services Directorate continued to implement the Children and Families Strategy to reduce the reliance on purchased care placements and increase the number of children who can be looked after safely at home or in kinship care; and
- (3) otherwise noted the contents of the report.

**177. EDUCATION AND CHILDREN'S SERVICES DIRECTORATE – CAPITAL INVESTMENT PLAN 2019-20 – PROVISIONAL OUTTURN**

The Committee considered a joint report by the Executive Director, Education and Children's Services and the Executive Director, Finance and Corporate Services providing a summary of the Education and Children's Services Directorate financial position against the capital budget, for the financial year 2019-20, as well as an overview of progress on individual projects within the capital investment plan.

**Decision**

The Committee:-

- (1) acknowledged the provisional outturn position for the 2019-20 Capital investment Plan, the figures were provisional, being subject to audit; and
- (2) noted the reported spend of £47.114m represents 95.7% of the approved capital programme for 2019-20.

**178. DECISIONS TAKEN UNDER DELEGATED AUTHORITY - MARCH TO AUGUST 2020**

The Committee considered a report by the Head of Legal and Democratic Services advising of decisions taken by officers acting under delegated authority and that were within the remit of this Sub-Committee.

**Decision**

The Committee:-

- (1) noted the decisions taken under delegated authority, by the Executive Director, Education and Children's Services, as set out in the Appendix to the report, namely:
  - Annual Uplift in Payments to Foster Carers for Financial Year 2020/21;
  - Support for Voluntary Organisations; and
  - Appointment to Fife Corporate Parent Board; and
- (2) agreed to consider a report on the remit and activities of the Fife Corporate Parent Board at its next meeting on 3rd November, 2020.

**179. EDUCATION & CHILDREN'S SERVICES COMMITTEE WORK PROGRAMME 2020**

The Committee considered the draft Forward Work Programme 2020.

**Decision**

The Committee:-

- (1)/



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- (1) noted the Education and Children's Services Sub-Committee Forward Work Programme 2020; and
  - (2) agreed to update the Forward Work Programme to include the update/ reports outlined at Paragraphs 172, 174 (2), 175 (2) and 178 (2) above, respectively, ie:
    - Building Fife's Future - Inverkeithing High School Site Selection Update;
    - Childcare Services and Play Practice Development;
    - Agile Action Plan for 2020-21 Update; and
    - Fife Corporate Parent Board
-

**THE FIFE COUNCIL - EDUCATION & CHILDREN'S SERVICES SUB-COMMITTEE - REMOTE MEETING**

3rd November, 2020

10.05 a.m. – 1.15 p.m.

**PRESENT:** Councillors Fay Sinclair (Convener), James Calder, Bobby Clelland, Dave Dempsey, Linda Erskine, Ian Ferguson, Julie Ford, Gary Guichan, Helen Law, Kathleen Leslie, Rosemary Liewald, Dominic Nolan, Ross Paterson, Alistair Suttie and Craig Walker; Mr. Alastair Crockett, Mr. George Haggarty and Mr. William Imlay.

**ATTENDING:** Carrie Lindsay, Executive Director, Education & Children's Services; Kathy Henwood, Head of Education & Children's Services (Children & Families and Criminal Justice Services); Maria Lloyd, Head of Education & Children's Services (Secondary Schools and Specialist Support); Angela Logue, Head of Education & Children's Services (Primary Schools & Improvement Support; Shelagh McLean, Head of Education & Children's Services (Early Years and Directorate Support); Sarah Else, Education Officer, Avril Graham, Sustainable Estate Officer, Jane Gray, Education Officer (Acting), Jacqueline Price, Education Manager (Early Years); Rona Weir, Education Officer, Gary Peattie, Team Manager, Childcare Services, Vivienne Sutherland (Principle Educational Psychologist), Education & Children's Services; Alan Paul, Senior Manager (Property Services); Louise Playford, Service Manager (School Estate), Property Services; and Diane Barnet, Committee Officer, Legal & Democratic Services.

**ALSO ATTENDING:** Lee Cowie (Clinical Service Manager), Fife Child & Adolescent Mental Health Services (CAMHS) for Item No. 184.

**APOLOGY FOR ABSENCE:** Mr. Bailey-Lee Robb, MSYP.

<b>180.</b>	<b>CHANGE OF MEMBERSHIP</b>
	<u><b>Decision</b></u>
	The Committee noted that Councillor Craig Walker had replaced Councillor David Barratt as a member of the Education and Children's Services Sub-Committee. The Convener, on behalf of the Sub-Committee, welcomed Councillor Walker to the meeting and thanked Councillor Barratt for his contribution to date.
<b>181.</b>	<b>DECLARATIONS OF INTEREST</b>
	No declarations of interest were made in terms of Standing Order No. 7.1.
<b>182./</b>	

182.	<b>MINUTE(S)</b>
	<p>(a) <u>Minute of Meeting of Education and Children’s Services Sub-Committee of 1st September, 2020</u></p> <p>The Committee considered the minute of the Education and Children's Services Committee of 1st September, 2020.</p> <p><b><u>Decision</u></b></p> <p>The Committee agreed to approve the minute.</p>
	<p>(b) <u>Minutes of Meeting of the Education Appointment Committee of 11th September and 7th and 8th October 2020</u></p> <p><b><u>Decision</u></b></p> <p>The Committee agreed to approve the minutes.</p> <p><i>Mr. Crockett joined the meeting during consideration of the following item.</i></p>
183.	<b>BUILDING FIFE’S FUTURE – INVERKEITHING HIGH SCHOOL OPTIONS’ APPRAISAL</b>
	<p>In accordance with Fife Council Standing Order No. 2.3 (5), Councillor Sharon Green-Wilson made representation to the Sub-Committee on this item in support of the proposal to agree Option 5, Site 10, Fleet Grounds for the replacement for Inverkeithing High School.</p> <p>The Committee, having noted Councillor Green-Wilson's comments, considered a report by the Executive Director, Education and Children's Services providing the outcome of the options' appraisal of educational requirements and technical assessments for the two site options for the replacement for Inverkeithing High School.</p> <p><b><u>Motion</u></b></p> <p>Councillor Sinclair, seconded by Councillor Liewald, moved to agree Option 5, Site 10, Fleet Grounds as the preferred location for the replacement for Inverkeithing High School, subject to an addition to recommendation (3) ii) - to authorise Officers to engage with the Communities Directorate with a view to retaining the community use wing at the existing school.</p> <p><b><u>First Amendment</u></b></p> <p>Councillor Leslie, seconded by Councillor Dempsey, moved as the first amendment that -</p> <p>'Committee agrees that Option 4 is the preferred location for the replacement Inverkeithing High School subject to:</p> <ul style="list-style-type: none"> <li>• a/</li> </ul>

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- a full planning assessment for Site 4 and Site 22 to determine an outcome for progression ;
- the entering into an option agreement with the landowner(s) as per the above decision ;
- the outcome of a consultation to be carried out under the Schools (Consultation) (Scotland) Act 2010; and
- authorise the Head of Legal and Democratic Services and the Head of Assets, Transportation and Environment to agree terms for the purchase of the land.

This should run concurrent with Officers continuing to explore funding sources with the Scottish Government.'

### **Second Amendment**

Councillor Erskine, seconded by Councillor Guichan moved as a second amendment to agree to Option 5, Site 10, Fleet Grounds as the preferred location for the replacement for Inverkeithing High School, subject to a strengthening of recommendation (3) ii) -

'To prepare and bring a future report to the Policy and Co-ordination Committee to investigate the retention, refurbishment and future investment of the Community Use Wing at Inverkeithing High School.'

With the consent of Councillors Sinclair and Liewald (for the motion) and Councillors Erskine and Guichan (for the second amendment), it was agreed to conjoin the second amendment with the motion, which became the substantive motion for the purposes of the vote.

### **Roll Call**

#### **For the Motion** - 14 votes

Councillors Clelland, Erskine, Ferguson, Ford, Guichan, Law, Liewald, Paterson, Sinclair, Suttie and Walker; Mr. Alistair Crockett, Mr. George Haggarty and Mr. William Imlay, religious representatives.

#### **For the Amendment** - 4 votes

Councillors Calder, Dempsey, Leslie and Nolan.

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

### **Decision**

The Committee:-

- (1) agreed Option 5; Site 10, Fleet Grounds, as the preferred location for the replacement for Inverkeithing High School, subject to:  
i)/

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	<ul style="list-style-type: none"> <li>i.) the entering into of an option agreement with the landowner(s) for the acquisition of a suitable site forming part of the land owned by the Ministry of Defence at Fleet Grounds;</li> <li>ii.) completion of a full planning assessment for development on the Fleet Grounds site; and</li> <li>iii.) the outcome of a consultation to be carried out under the Schools (Consultation) (Scotland) Act 2010;</li> </ul> <p>(2) authorised the Head of Legal and Democratic Services, in conjunction with the Head of Assets, Transportation and Environment, to agree terms for an Option Agreement with the Ministry of Defence for the purchase of the Fleet Grounds site; and</p> <p>(3) authorised officers to:</p> <ul style="list-style-type: none"> <li>i.) continue to explore potential funding sources;</li> <li>ii.) prepare and bring a future report to the Policy and Co-ordination Committee to investigate the retention, refurbishment and future investment of the Community Use Wing at Inverkeithing High School;</li> <li>iii.) prepare the Brief for the option;</li> <li>iv.) appoint a Design Team to prepare designs for the new school; and</li> <li>v.) report back to a future meeting of this Sub-Committee.</li> </ul> <p style="text-align: center;">The meeting adjourned at 11.27 a.m.</p> <hr style="width: 20%; margin: auto;"/> <p style="text-align: center;">The meeting reconvened at 11.35 a.m.</p> <p><i>Councillor Ford left the meeting prior to consideration of the following item.</i></p>
<b>184.</b>	<b>OUR MINDS MATTER: FIFE SCHOOLS' COUNSELLING SERVICE UPDATE</b>
	<p>The Committee considered a report by the Executive Director, Education and Children's Services providing an update on work to support young people's mental health, specifically in relation to the development of the Fife Schools' Counselling Service.</p>
	<b><u>Decision</u></b>
	<p>The Committee:-</p> <ul style="list-style-type: none"> <li>(1) noted the progress of the implementation of the Schools' Counselling Service and associated Our Minds Matter (OMM) developments;</li> <li>(2) endorsed proposed next steps to extend the Schools' Counselling Service and/</li> </ul>

**2020 ECS 74**

	<p>and Our Minds Matter developments as a continued response to the impacts of the COVID-19 context; and</p> <p>(3) approved the proposal to bring a further report to the Education and Children's Services Sub-Committee in May, 2021.</p>
<b>185.</b>	<b>ATTAINMENT SCOTLAND FUND</b>
	<p>The Committee considered a report by the Executive Director, Education and Children's Services outlining the progress of the Attainment Scotland Fund (ASF) - which encompasses the Schools Fund and Pupil Equity Fund - providing an update on the work of schools in their practice to address the challenge of Closing the Poverty Related Attainment Gap. The report presented an overview of the rationale, implementation and impact, to date, of the Attainment Scotland Fund across Fife school establishments.</p>
	<b><u>Decision</u></b>
	<p>The Committee:-</p> <p>(1) noted the contents of the report;</p> <p>(2) agreed to continue to seek updates of the impact of interventions on improving educational outcomes for our children, at a Fife wide level through this Committee and locally through Area Committees;</p> <p>(3) at Area Committee, agreed Officers would link with the Area Convener to determine how they wished to best be informed as to the work and impact of the Pupil Equity Fund within their area; and</p> <p>(4) noted the work of schools in developing their practice to address the challenge of Closing the Poverty Related Attainment Gap.</p>
<b>186.</b>	<b>CHILDCARE SERVICES AND PLAY PRACTICE DEVELOPMENT</b>
	<p>The Committee considered a report by the Executive Director, Education and Children's Services seeking approval on proposals to modernise Childcare Services in Fife, moving to a more commercialised model of delivering services.</p> <p><b><u>Motion</u></b></p> <p>Councillor Sinclair, seconded by Councillor Ferguson moved to approve the recommendations detailed in the report relating to proposals to modernise Childcare Services in Fife.</p> <p><b><u>Amendment</u></b></p> <p>Councillor Law, seconded by Councillor Erskine moved as an amendment to defer the report to allow for further consideration of the impact of the proposals for change on already disadvantaged communities.</p> <p><b><u>Roll Call/</u></b></p>

	<p><b><u>Roll Call</u></b></p> <p><b><u>For the Motion</u></b> - 11 votes</p> <p>Councillors Dempsey, Ferguson, Leslie, Liewald, Nolan, Sinclair, Suttie and Walker and Mr. Alistair Crockett, Mr. George Haggarty and Mr. William Imlay, religious representatives.</p> <p><b><u>For the Amendment</u></b> - 6 votes</p> <p>Councillors Calder, Clelland, Erskine, Guichan, Law and Paterson.</p> <p>Having received a majority of votes, the motion was accordingly carried.</p>
	<p><b><u>Decision</u></b></p>
	<p>The Committee:-</p> <ol style="list-style-type: none"> <li>(1) noted the range of services operating before the COVID-19 closure of schools, early learning and childcare services;</li> <li>(2) noted the benefits of the proposals for change; and</li> <li>(3) agreed that Childcare Services progress the proposed next steps.</li> </ol>
<p><b>187.</b></p>	<p><b>CHILD POVERTY ACTION PLAN</b></p>
	<p>The Committee considered a report by the Executive Director, Education and Children's Services providing an overview of the Child Poverty Action Plan for Fife, as required in the Child Poverty Act (Scotland) 2017. The report was to be read in conjunction with the Fife Local Child Poverty Action Report (LCPAR). The LCPAR was produced in partnership with services across Fife, NHS and third sector partners who form the Local Child Poverty Action Group. This group reports to the Welfare Reform and Anti-Poverty (WRAP) Partnership and to the Children in Fife Partnership and both groups report to the Fife Partnership Board on the Plan for Fife outcomes.</p>
	<p><b><u>Decision</u></b></p>
	<p>The Committee:-</p> <ol style="list-style-type: none"> <li>(1) noted the contents of the report;</li> <li>(2) noted the progress of the work to date and next steps;</li> <li>(3) approved the actions for Fife Council Education and Children's Services within the LCPAR; and</li> <li>(4) additionally, agreed that the content of the report be shared with the Anti-Poverty Working Group of the Communities and Housing Services Sub-Committee to inform the wider work of the Council's anti-poverty agenda.</li> </ol>
<p><b>188./</b></p>	

188.	<b>THE CHILDREN AND FAMILIES STRATEGY FOR 2020-23: BELONGING TO FIFE - PHASE 3</b>
	<p>The Committee considered a report by the Executive Director, Education and Children's Services providing an update on the current Children and Families Strategy 2015-2020 and an overview of the three-year plan 2020-2023, to achieve improved outcomes for children and young people by ensuring that they are supported to:</p> <ul style="list-style-type: none"> <li>• remain in their own families and communities wherever it is safe to do so;</li> <li>• develop meaningful relational based supports; and</li> <li>• access a range of targeted supports that are visible and available within local communities.</li> </ul>
	<b><u>Decision</u></b>
	<p>The Committee:-</p> <ol style="list-style-type: none"> <li>(1) agreed to approve the Strategy going forward; and</li> <li>(2) requested regular updates for this Sub-Committee's consideration as the Strategy progressed.</li> </ol>
189.	<b>EDUCATION &amp; CHILDREN'S SERVICES SUB-COMMITTEE FORWARD WORK PROGRAMME 2021</b>
	<p>The Committee considered the Education and Children's Services Sub-Committee Forward Work Programme 2021.</p>
	<b><u>Decision</u></b>
	<p>The Committee noted the Education and Children's Services Sub-Committee Forward Work Programme 2021.</p> <hr style="width: 20%; margin-left: auto; margin-right: auto;"/>



**THE FIFE COUNCIL - ENVIRONMENT & PROTECTIVE SERVICES SUB-COMMITTEE - REMOTE**

**17 September, 2020**

**10.00 a.m. - 11.45 a.m.**

**PRESENT:** Councillors Ross Vettraino (Convener), David Barratt, Rod Cavanagh, Gavin Ellis, Derek Glen, David Graham, Jean Hall Muir, Judy Hamilton, Andy Heer, Gordon Langlands, Derek Noble, Dominic Nolan, Jonny Tepp and Jan Wincott.

**ATTENDING:** Keith Winter, Executive Director - Enterprise & Environment, Ken Gourlay, Head of Assets, Transportation and Environment, Nigel Kerr, Head of Protective Services, Ross Spalding, Service Manager (Climate Change & Zero Waste), Fife Resource Solutions, Enterprise & Environment; Barry Collie, Accountant, Finance and Elizabeth Mair, Committee Officer, Legal & Democratic Services.

**ALSO IN ATTENDANCE:** Chief Superintendent Derek McEwan and Superintendent John Anderson, Police Scotland; Local Senior Officer Mark Bryce and Group Commander Calum Bruce, Scottish Fire & Rescue Service.

**150. DECLARATIONS OF INTEREST**

Councillors David Barratt and Jan Wincott both declared an interest in paragraph 155 - Zero Waste Fife - Resources Strategy and Action Plan below, as they were on the Board of Fife Resource Solutions, however they considered that this was covered by a Specific Exclusion so they would remain and participate.

**151. MINUTE**

The Sub-Committee considered the minute of meeting of the Environment & Protective Services Committee of 6 February 2020.

**Decision**

The Sub-Committee agreed to approve the minute.

**152. JOINT HEALTH PROTECTION PLAN 2020-22**

The Sub-Committee considered a report by the Head of Protective Services seeking approval of the Joint Health Protection Plan 2020-22 developed jointly between NHS Fife, Fife Council and partners.

**Decision**

The Sub-Committee agreed to approve the Joint Health Protection Plan 2020-22.

**153./**

**153. PROTECTIVE SERVICES ENFORCEMENT POLICY**

The Sub-Committee considered a report by the Head of Protective Services advising of the outcome of a review of the Protective Services enforcement policy, covering Environmental Health, Trading Standards, Building Standards and Public Safety, carried out following changes to the Directorate structure which included Protective Services becoming a standalone Service.

**Decision**

The Sub-Committee approved the adoption of the amended Protective Services Enforcement Policy.

**154. REVIEW OF MOSSMORRAN & BRAEFOOT BAY COMMUNITY & SAFETY COMMITTEE**

The Sub-Committee considered a report by the Head of Protective Services providing an update on the review of the two working groups set up as part of the planning conditions for the Mossmorran and Braefoot Bay facilities and seeking approval for a change in the Constitution and Terms of Reference of the Mossmorran and Braefoot Bay Community and Safety Committee and associated groups.

**Decision**

The Sub-Committee:-

- (1) approved the proposals as detailed in section 4 of the report;
- (2) remitted it to the Head of Protective Services to implement these changes through engagement with the Mossmorran and Braefoot Bay Community and Safety Committee and associated groups; and
- (3) agreed that the updated and revised governance documents be submitted to a future committee meeting for approval.

**155. ZERO WASTE FIFE - RESOURCES STRATEGY AND ACTION PLAN UPDATE**

The Sub-Committee considered a report by the Head of Assets, Transportation & Environment providing an update on progress towards delivery of the Zero Waste Fife – Resources Strategy and Action Plan.

**Decision**

The Sub-Committee agreed:

- (1) to approve the action plan for 2020-22 as set out in Appendix 1 of the report;
- (2) the development of two additional targets to monitor progress as highlighted in section 3 of the report; and
- (3) the reporting period set out in section 3.3 and Appendix 1 of the report.

**156. POLICE SCOTLAND, FIFE DIVISION PERFORMANCE REPORT - QUARTERS 2 & 3 2019/2020**

The Sub-Committee considered a report by the Chief Superintendent, Police Scotland, presenting the Fife Division Performance Report for Quarters 2 & 3, 2019-2020.

**Decision**

The Sub-Committee agreed to note:-

- (1) the performance information contained in the report and appendix; and
- (2) that the performance figures for Quarter 4 would be circulated to members for information.

**157. POLICE SCOTLAND, FIFE DIVISION PERFORMANCE REPORT QUARTER 1 2020/21**

The Sub-Committee considered a report by the Chief Superintendent, Police Scotland, presenting the Fife Division Performance Report for Quarter 1, 2020-2021.

**Decision**

The Sub-Committee agreed to note the performance information contained in the report and appendix.

**158. SCOTTISH FIRE & RESCUE SERVICE LOCAL PLAN ANNUAL PERFORMANCE REPORT**

The Sub-Committee considered a report by the Local Senior Officer, Scottish Fire & Rescue Service, providing incident information for the period 1st April 2019 to 31st March 2020 to enable the Committee to scrutinise the Fife Local Senior Officer Area against its key performance indicators (KPIs).

**Decision**

The Sub-Committee noted the progress across a range of KPI's as contained within the report.

**159. 2019/20 REVENUE MONITORING PROVISIONAL OUTTURN**

The Sub-Committee considered a joint report by the Executive Director, Finance & Corporate Services and the Executive Director, Enterprise & Environment, providing an update on the provisional outturn financial position for the 2019/20 financial year for the areas in scope of the Environment & Protective Services Sub-Committee.

**Decision**

The Sub-Committee noted the current financial performance and activity as detailed in the report.

**160. 2019/20 CAPITAL MONITORING PROVISIONAL OUTTURN**

The Sub-Committee considered a joint report by the Executive Director, Finance & Corporate Services and the Executive Director, Enterprise & Environment, providing an update on the Capital Investment Plan and advising on the provisional financial position for the 2019/20 financial year for areas in scope of the Environment & Protective Services Sub-Committee.

**Decision**

The Sub-Committee noted the current financial performance and activity as detailed in the report.

**161. DECISION TAKEN UNDER DELEGATED AUTHORITY**

The Sub-Committee considered a report by the Head of Legal & Democratic Services advising of a decision taken by officers, acting under delegated authority and within the remit of the Environment & Protective Services Sub-Committee.

**Decision**

The Sub-Committee noted the decision taken under delegated authority, as set out in the appendix to the report.

**162. ENVIRONMENT & PROTECTIVE SERVICES SUB-COMMITTEE WORK PROGRAMME**

The Committee considered the current Environment & Protective Services Sub-Committee work programme. The Executive Director, Enterprise & Environment, advised that the work programme would be reviewed in light of recent changes to the Council's governance arrangements.

**Decision**

The Committee noted the current Environment & Protective Services Sub-Committee work programme which would be updated as appropriate and in light of recent changes to the Council's governance arrangements.

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19<sup>th</sup> November 2020  
Agenda Item No. 6

## General Fund Revenue Budget 2021-24

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

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Wards Affected: All

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### Purpose

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The purpose of this report is to outline the financial challenge the Council faces in the medium term and the approach to respond to this.

### Recommendation(s)

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Members are asked to:

- a) agree the strategy contained in section 6 of the report as the basis for the development of a balanced budget for 2021-22;
- b) note that the figures are subject to change following the UK Comprehensive Spending Review and the Scottish Government Budget. The budget gap will be communicated to Group Leaders by the Executive Director of Finance and Corporate Services once the information is available; and
- c) note that details of directorate proposals, fiscal flexibilities and corporate solutions will be provided to Group Leaders this year to allow Political Groups to develop budget proposals.

### Resource Implications

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The report identifies significant resource implications that must be considered in the determination of the budget for 2021-24. Given the financial challenges and uncertainty faced by the Council, mainly as a result of the current COVID-19 pandemic and many financial uncertainties, the budget process has been reduced to one year instead of the normal three year period, however, medium term financial planning continues in preparation for future years. In addition, options for closing the budget gap are more limited than normal given that services are not operating as usual and the level of ongoing change and uncertainty around how services will need to operate going forward, makes service redesign more challenging. This will be addressed through the new recovery and reform groups.

In order to balance the budget, previously proposed Changing to Deliver and Service Change Plan options will be re-examined. There will a review and assessment on the use of fiscal flexibilities to offset ongoing financial pressures associated with COVID-19 and the Section 95 Officer will review all possible corporate solutions as a means of balancing the budget in the short term.

### Legal & Risk Implications

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It is a statutory requirement for the Council to set a balanced budget and an appropriate level of Council Tax to finance the budget.

## Impact Assessment

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An EqIA has not been completed because the report does not involve any change in policy.

## Consultation

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None in relation to this report.

## 1.0 Background

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- 1.1 This report outlines the financial context and challenges in which the Council will set its General Fund Revenue budget for 2021-22 and is based on best estimates with sensitivity analysis highlighting the implications of changes to the underlying assumptions.
- 1.2 The Council is operating in a complex and challenging environment not only with responding to and recovering from a global pandemic but also against a backdrop of increasing costs, uncertainty over future funding levels, increasing demand for services and public expectations.
- 1.3 Due to the unprecedented circumstances arising from the COVID-19 pandemic, the 2021-22 budget process will be a departure from the “norm” and will be a one-year budget setting process but still set within the principles of the Medium Term Financial Strategy (MTFS). A return to a longer-term strategy will be adopted from 2022-23 onwards.

## 2.0 Financial Outlook

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- 2.1 In reviewing the Council’s immediate financial position, it is essential to consider the economic outlook and what this might mean for public sector and local government funding.
- 2.2 This is a difficult task at present given the uncertainties that continue in relation to COVID-19 and Brexit related uncertainties. At present, most analysts (including the OBR and the Bank of England) are issuing multiple scenario forecasts due to the very high degree of uncertainty over economic, social and health matters.
- 2.3 The UK Government have confirmed that they will be not publish an Autumn Budget but will announce a one-year Comprehensive Spending Review (CSR), recently confirmed as 25th November. The CSR sets out departmental spending plans, whilst the Budget is where the Government sets out its tax and departmental policy, informed by OBR forecasts. This delay ultimately impacts on the timing of the Scottish Budget. The Cabinet Secretary for Finance has indicated that she will publish the Scottish Budget on the 28<sup>th</sup> January and therefore the parliamentary process is likely to conclude in late February at the earliest. This timeframe is similar to the 2020 budget process. It is proposed that we proceed on the basis that the budget is set at full Council on 25<sup>th</sup> February 2021. The timescales for budget motions and amendments is likely to be shortened and this will have been considered at the Council meeting on the 12<sup>th</sup> November. This is in line with the process followed last year after the General Election.

## On-Going Economic and Budget Implications of the Pandemic

- 2.4 Although no new resource spending has been announced, the UK Government have authorised almost £50 billion in extra public spending, including £15 billion on PPE and £10 billion on the test and trace programme. The overall total support provided by the UK Government since March equates to around £180 billion, a 20% increase on what had been expected in March. This funding, together with expected falls in tax revenues, the UK deficit is estimated to be around £360 billion in this financial year. This equates to around 18% of GDP, which is almost twice the size of the deficit recorded at the peak of the global financial crisis of a decade ago.
- 2.5 As a result of this increased spending, the Scottish Budget for 2020-21 has also increased significantly, by approximately £7.2bn, mostly due to COVID-19 Barnett consequentials being added to day-to-day spending
- 2.6 As the effects of the pandemic continue and more analysis becomes available, there are worrying signs that the global shift in the spread of the disease will have severe negative economic effects.
- 2.7 The pattern of economic recovery will differ across countries and across industries. The prospects for areas like tourism and hospitality remain highly uncertain, as do the prospects for manufacturers who depend heavily on exports or global supply chains.

## Impact of Pandemic on English Local Authorities (LA)

- 2.8 Although no Scottish based data is available as yet, a recent report published by the Institute of Fiscal Studies (IFS) on the financial risks facing English Councils, may have similar relevance north of the border. The report identified a number of conclusions:
- 2.9 Overall, geographical differences in demographic and economic structures make different Councils more vulnerable to different effects of the crisis – on health, on families and children, and on jobs and incomes. This means the demands and costs facing each LA will change in different ways and at different times. Moreover, differences in the extent to which each LA relies on different revenue sources, and in their financial reserves and commitments, mean they face differing degrees of financial risk and have differing degrees of financial resilience.
- 2.10 The report also identified that LAs serving more affluent communities, and especially shire districts, appear to be exposed to greater revenue risks due to their reliance on local taxes and other income (rather than central government grants). Whilst LAs serving more deprived communities were found to experience particular increases in service needs and challenges where the coronavirus crisis hit individuals and families who already suffering disadvantage. These effects could be long lasting.

## Scottish Budget

- 2.11 The Scottish Fiscal Commission (SFC) is clear that continuing high uncertainty for the economic outlook for Scotland will negatively impact the Scottish economy in the short term.
- 2.12 Given the tax and spending powers of the devolution settlement, it is unclear what the position of Scotland is for financing a longer lockdown or more generous business and household support.

- 2.13 There are also concerns around the Scottish economy and how it impacts on the Scottish Government's budget via the Fiscal Framework. Prior to the pandemic, Scotland was experiencing lower than expected Income Tax revenues and associated payback to the UK Treasury of overpaid estimated Scottish budgets. This situation may be exacerbated if the Scottish economy during the recovery, as a result of disproportionate tourism and North Sea oil impacts.
- 2.14 Overall, the emerging picture is still difficult to interpret as the cumulative effect incorporates varying impacts where it is unclear which will ultimately dominate, in budgetary terms.

### Local Government

- 2.15 As detailed in a separate agenda item, a Financial Strategy for the current financial year has been developed and is continually being updated to respond to the financial impact and recovery from the pandemic. Work is continuing to assess the recurring financial impact of the pandemic and any financial burden which may continue and impact on the 2021-22 budget process and beyond.
- 2.16 Planning is continuing on the basis that the next Scottish budget, most likely a one-year budget, will be announced in late January, shortly followed by the release of the Local Government Settlement. All needs-based indicators, both revenue and capital and all other relevant issues that impact on the local government financial settlement, will be updated and revised with the most relevant information. This will impact on the overall share of the grant that Fife will receive and therefore has a fundamental effect on the total funding received from Scottish Government.
- 2.17 During the final stages of the Budget Bill for 2020-21, the Scottish Government allocated a further £95 million revenue funding for local authorities. A total of £6.5m was allocated to Fife. For the purposes of planning, it has been assumed that this funding is baselined.
- 2.18 The 2020-21 Settlement included a further increase in ring-fenced funding, this created a negative impact on other 'non-protected' service areas.
- 2.19 The above factors combined make it difficult to forecast the level of funding that the Council will receive in grant given the level of uncertainty that exists. However, this does not negate the need to plan and assumptions must be made to allow the Council to manage its finances and set a balanced budget.

## **3.0 Financial Planning**

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- 3.1 In determining the future budget gap for 2021-24, an assessment of significant pressures and income levels anticipated has been undertaken based on the best available information. These underlying assumptions will be kept under review to ensure the Council continues to plan on a sound basis.
- 3.2 A total budget requirement is arrived at based on the cost of continuing to deliver existing levels of service, savings already approved and accounted for, pay awards and other pressures. This work outlines that the budget required to enable the Council to continue delivering services at the current levels is £896.8m in 2021-22, rising thereafter.



## 4.0 Budget Gap

- 4.1 It is clear from Section 2 of this report that there is a high level of uncertainty at both a macro and micro economic level that will impact on future financial resources for the Council. Given that the settlement is likely to be announced in early 2021, the Council will have a limited period of time in which to respond to definitive levels of funding.
- 4.2 In order to continue planning, an anticipated budget gap has been developed and sensitivity analysis used to illustrate the impact of the grant level after new burdens, pay inflation and Council Tax income varying from the assumptions used. No demographic pressures have been included within the Core Assumptions.
- 4.3 The assumptions have been developed following work carried out by Directors of Finance across Scotland along with local input. The assumptions have been influenced based on the advice of an independent economic advisor who is contracted to provide advice to all local authority Directors of Finance. Table 1 below outlines the core assumptions being used to calculate a baseline budget gap for Fife Council.

**Table 1: Core Assumptions**

	<b>2021-22 £m</b>	<b>2022-23 £m</b>	<b>2023-24 £m</b>
Grant	1% Reduction	1% Reduction	1% Reduction
Pay Award	1% Increase	1% Increase	1% Increase
Non-Pay Inflation (Specific Items Only)	2.5% Increase	2.5% Increase	2.5% Increase
COVID-19 Cost Pressures	£13.2m	£6.5m	£0m
<i>Council Tax</i>	<i>3% Increase</i>	<i>3% Increase</i>	<i>3% Increase</i>
<i>Health &amp; Social Care Partnership Grant</i>	<i>1% Reduction</i>	<i>1% Reduction</i>	<i>1% Reduction</i>

- 4.4 Table 2 outlines the Net funding gap for 2021-22 is £26.3m prior to accounting for any potential increase in Council Tax or H&SC Grant reduction.

**Table 2: Budget Gap**

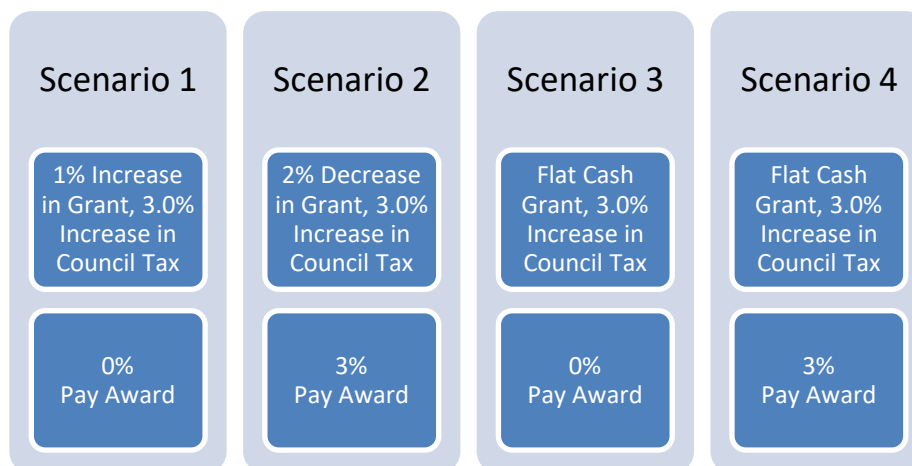
	<b>2021-22 £m</b>	<b>2022-23 £m</b>	<b>2023-24 £m</b>
Net Expenditure	896.8	903.1	910.5
Net Funding	870.5	864.8	859.6
<b>Net Funding Gap</b>	<b>26.3</b>	<b>38.3</b>	<b>50.9</b>
<i>Council Tax</i>	<i>5.2</i>	<i>10.6</i>	<i>16.2</i>
<i>Health &amp; Social Care Partnership Grant Reduction</i>	<i>1.5</i>	<i>3.0</i>	<i>4.5</i>
<b>Indicative Funding Gap</b>	<b>19.6</b>	<b>24.7</b>	<b>30.2</b>

- 4.5 The indicative budget gap above assumes a 3% increase in Council Tax and that a grant reduction will be passported to the Health and Social Care Partnership. It is acknowledged that these are ultimately member decisions.
- 4.6 Estimated costs associated with COVID-19 of £13.2m contribute to the indicative funding gap. New national fiscal flexibilities have been agreed with the Scottish Government and are aimed at helping Councils fund the one-off costs that will necessarily be incurred. Work is ongoing to review the fiscal flexibilities and what these provide by way of funding in a Fife context. The working assumption at the moment is that these will cover the COVID-19 cost pressures highlighted in Table 1 above.

## 5.0 Sensitivity Analysis

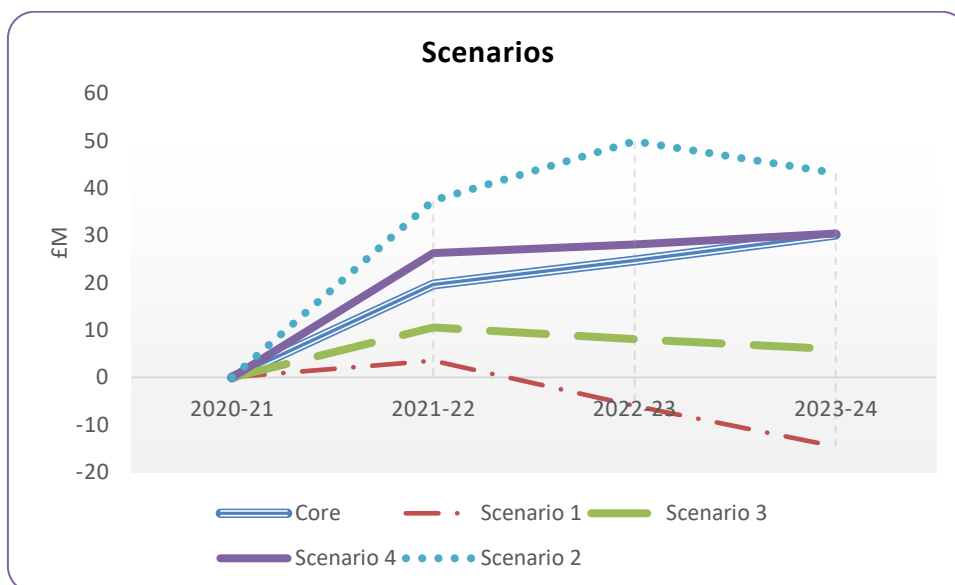
- 5.1 Sensitivity Analysis has been used to illustrate the risks associated with the budget gap and to aid understanding of the implications if assumptions change. This effectively tests ‘what if’ scenarios and enables the Council to determine the potential fluctuation which could exist within the estimated budget gap.
- 5.2 To understand the implications of change in assumptions a number of scenarios have been developed which include a combination of different changes to our core assumptions as detailed in Table 1 above. The scenarios which have been considered for modelling purposes are: -

**Chart 1: Modelling Scenario Assumptions**



- 5.3 This analysis indicates that the budget gap for 2021-22 could range between £3.5m and £37.3m depending on movements in factors where the sensitivity analysis has been used to assess risk.
- 5.4 Small changes in some of the assumptions in each of the scenarios can result in significant movement in the gap. The sensitivity is demonstrated across the scenarios in Graph 1 below.
- 5.5 Scenario 1 assumes the Council receives more income and costs reduce from the core assumptions. The impact of this would significantly reduce the budget gap from £19.6m to £3.5m for 2021-22. The likelihood of this occurring is low.
- 5.6 Scenario 2 assumes the Council’s income is reduced and costs increase. The impact would be an increase in the budget gap from £19.6m to £37.3m.
- 5.7 Scenarios 3 and 4 demonstrate similar outcomes to scenarios 1 and 2 but with a lesser degree of variation to the core assumptions detailed within Table 3 above.

**Graph 1: Variation from Core Assumptions Modelling Scenarios**



5.8 The indicative funding gap is based on the central scenario and this is what should be used by Political Groups when considering options to close the budget gap. These scenarios in the graph above demonstrate the degree of variation which could occur within the estimated budget gap. The budget gap is based on best assumptions available at the time, however it is important that this is kept under review as part of the Council’s medium-term financial planning.

## 6.0 Budget Strategy and Process

6.1 In light of the uncertainty around recovery from the pandemic and all of the factors detailed in this report, the budget process must be adapted to recognise the current circumstances. The immediate focus will be on the budget process for the short term and to provide the basis for the Council to set a balanced budget for 2021-22 while scenario planning for future years will continue. The main assumptions will continue to be centred around the Medium-Term Financial Strategy with some actions differing due to the change in financial circumstances mainly associated with COVID-19. The main assumptions are as follows: -

- Council Tax is increased by 3%;
- the reduction of grant that the Council receives after providing for new burdens will be shared by all Services including the Health and Social Care Partnership;
- previous proposals relevant to the financial year 2021-22 and the changing to deliver programme will be re-examined and brought forward to address the core budget gap;
- proposals will take cognisance of previously approved savings and any change in circumstance as a result of COVID-19;
- demographic growth will not be funded in 2021-22 given the uncertainty surrounding the scale of the financial challenge. All Services and the H&SC Partnership are expected to continue to redesign services and work in partnership with other bodies to meet the cost of additional pressures within available resources during 2021-22;

- Services will fund revenue consequences of capital with provision incorporated into all business cases and services will also be able to retain income generated from increasing fees and charges
  - a package of measures known as fiscal flexibilities has been announced by the Scottish Government as a result of the financial impact of COVID-19. These measures allow for revised accounting treatment relating to PPP projects, treatment of capital receipts and Loans Fund repayments. Work continues at a national level to formulate the required changes to accounting regulations. It is likely that these flexibilities will be a necessary feature in balancing the budget and an evaluation of these will be brought forward as soon as more details become available and once the Section 95 Officer has reviewed these. These flexibilities will be restricted to dealing with the financial consequences of COVID-19; and
  - further review and assessment of potential corporate and technical solutions in areas such as Contingencies, Loan Charges, Statutory Penalties and costs associated with Workforce Change.
- 6.2 The degree of flexibility in considering proposals will be influenced by a number of factors including the level of grant after new burdens that will be received, the availability of balances in the short term to balance the budget, growth and the consideration of member proposals to address the budget gap.
- 6.3 It is intended to share proposals and the potential value associated with flexibilities and potential corporate and technical solutions with Group Leaders as soon as is practical as part of the budget process.
- 6.4 The actual budget gap will be shared with Group Leaders once this is calculated following receipt of the Local Government Finance Settlement and a budget report will then be considered by the Council at the dedicated meeting to set the budget.

## **7.0 Risks and Reserves**

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- 7.1 The Council does not hold reserves to cover financial risks in full. This reflects that not all risks will come to fruition and that action will be taken to mitigate risk and adjust the budget strategy in light of actual events. The Executive Director (Finance and Corporate Services) will consider the level of reserves and the need for restoration as part of budget process.
- 7.2 The Risk Register (Appendix A) highlights any financial risks that might need to be funded from General Fund Balances should these risks come to fruition. The quantified risks total £42.9m and represent a variety of scenarios related to the assumptions made in calculating the budget gap, demand for Services outstripping the available budget and environmental factors. In addition, there are external factors which may or may not impact on the Council's funding and balances position, but these are not quantifiable at this stage due to the level of uncertainty, e.g. economic impacts and potential equal pay claims. It is estimated that available balances will cover 38.7% of quantified financial risks but it should be noted that the risk scores for more than half of the financial risks are relatively low. However, there are also a number of financial risks that cannot yet be quantified.
- 7.3 A separate report on this agenda indicates that the projected outturn for 2020-21 is an overspend of £3.471m. This impacts on the level of uncommitted reserves which are projected to be £18.057m at 31 March 2020, reducing to £16.614m by 2022-23.

- 7.4 Action continues in year to bring current net expenditure in line with budget. This position is not sustainable and continued overspending will impact on future reserves position and will breach the policy minimum. Executive Directors continue to actively consider corrective action that can be taken to eradicate overspends in their areas of responsibility, however options are limited given the continued challenges surrounding COVID-19.
- 7.5 The projected level of reserves at the end of March 2021 currently represents 1.9% of the estimated budget. However, it is anticipated that the level of projected reserves will increase once funding commitments are known and quantified, such as the Loss of Income Scheme. The percentage is likely to increase to above 2%. The Council policy is to maintain a minimum level of balances of 2% over rolling 3-year period, meaning that in the current year and two subsequent years the uncommitted balances should not fall below 2% on average. The Executive Director (Finance and Corporate Services) will keep this position under review and based on current estimates the intention is not to restore balances. This may need to change if the financial challenge increases.

## **8.0 Conclusion**

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- 8.1 The current global pandemic compounds the level of uncertainty in relation to the immediate and longer-term future funding and costs for the Council. This makes it difficult for the Council to plan over the longer term. Due to the unprecedented times, a short-term budget process has been developed within the confines of the established planning framework to respond to these financial challenges and ensure the financial sustainability of the Council. The indicative budget gap for 2021-22 is estimated to be £19.6m and is based on the central planning assumption set out in the report. This budget process will need to be kept under review and adapt in response to events and new information being available. The sensitivity analysis has been used to demonstrate the potential impact of changes to assumptions on the budget gap.
- 8.2 A budget strategy and process have been outlined in this report that will provide a basis for the Council to advance its budget planning over the coming year. A more robust review of the MTFs will be carried out in the next financial year when it is anticipated that a longer-term budget process will resume. The financial risk register has been reviewed and updated in conjunction with development of the planning assumptions and the budget process.

### **List of Appendices**

Appendix A – Financial Risk Register

### **Report Contact**

Eileen Rowand  
Executive Director  
Finance and Corporate Services Directorate  
Fife House  
North Street  
Glenrothes KY75LT  
Telephone – 03451 555555 ext 444120

## Fife Council - Financial Risk Register

Appendix A

No.	RISK <i>Threat to achievement of business objective</i>	Scope/potential consequences of risk	Assessment of Risk (likelihood x impact) <i>Assume No Controls in Place</i>			Risk Control Measures in Place	Are all Controls Operational? Y/N/ Partial	Potential Financial Risk Annual Basis £m	Assessment of Residual Risk (likelihood x impact) <i>With Controls Measures</i>		
			Likelihood	Impact	Risk Score				Likelihood	Impact	Risk Score
1	Future demographics	Additional revenue costs associated with increased demand from Services as a result of changing demographics.	5	5	25	Medium Term Finance Strategy requires that the Directorate should meet any recurring revenue costs	Y	5.0	3	5	15
2	Inability to achieve savings	Increased risk due to budget not being met, may result in overspend and future reduced service provision as a consequence.	5	4	20	Tracking through monitoring process. Monitoring indicates around 58% of savings are on target for delivery in 2020/21 (Revenue Monitoring Report). Services are required to substitute savings to contain expenditure within budget. Carry Forward scheme means that overspends can be recovered from future years service budgets.	Y	4.0	3	4	12
3	Inflation costs due to economic factors	High inflationary increases resulting in increased service budget pressures could lead to overspend.	4	4	16	Limited non-pay inflationary costs included within budget model. Services to comply with Medium Term Finance strategy which assumes that Services manage costs within available resources.	Partial	4.8	2	4	8

# Fife Council - Financial Risk Register

Appendix A

No.	RISK <i>Threat to achievement of business objective</i>	Scope/potential consequences of risk	Assessment of Risk (likelihood x impact) <i>Assume No Controls in Place</i>			Risk Control Measures in Place	Are all Controls Operational? Y/N/ Partial	Potential Financial Risk Annual Basis £m	Assessment of Residual Risk (likelihood x impact) <i>With Controls Measures</i>		
			Likelihood	Impact	Risk Score				Likelihood	Impact	Risk Score
4	Demand for Children and Families Services	Continued demand for C&F services	5	3	15	Medium Term Finance Strategy requires that the Directorate should meet any recurring revenue costs. Additionally a strategy is being developed to reduce the level of overspend and manage this across the Education & Children's Services Directorate.	Y	3.2	5	3	15
5	Environmental Impacts for example flooding events, severe winter and oil spillage	Strain on budget and internal resources.	4	3	12	Bellwin Scheme available , but only when significantly high costs are incurred and within certain criteria. Not available to cover lower costs of adverse winter weather.	Y	1.7	4	1	4
6	Revenue Consequences of Capital	Recurring revenue costs resulting from Capital Investment which are not properly resourced within Service's budgets.	5	2	10	Medium Term Finance Strategy requires that services should meet any recurring revenue costs. Business case process should identify revenue costs.	Y	2.0	3	2	6
7	Health and Social Care Overspend	IJB overspends and the Council is currently liable for 28% of total overspend.	5	2	10	3 year Financial Strategy. Robust revenue monitoring and regular reporting to IJB. Risk share arrangement is the control to minimise the risk to the Council.	Y	1.7	4	2	8

# Fife Council - Financial Risk Register

Appendix A

No.	RISK <i>Threat to achievement of business objective</i>	Scope/potential consequences of risk	Assessment of Risk (likelihood x impact) <i>Assume No Controls in Place</i>			Risk Control Measures in Place	Are all Controls Operational? Y/N/ Partial	Potential Financial Risk Annual Basis £m	Assessment of Residual Risk (likelihood x impact) <i>With Controls Measures</i>		
			Likelihood	Impact	Risk Score				Likelihood	Impact	Risk Score
8	Financial Guarantees	Two Financial Guarantees with Fife Resource Solutions in respect of defaults from Energy to Waste agreements. A pension guarantee with Business Gateway that should they be unable to continue to participate in the fund, their Assets and Liabilities would be pooled with Fife Councils.	2	5	10	Close monitoring of FRS and business plans and activities.	N	16.0	1	5	5
9	Debt Charges - Interest Rates rise at a faster rate than forecasted	Higher debt charges result in corporate overspend.	3	2	6	Effective Treasury Management Strategy.	N	0.5	2	1	2
10	Health and Social Care Grant Reduction	The level of proposed grant reduction is not applied to Health and Social Care resources as previously agreed.	5	1	5	The medium term finance strategy assumes that H&S receive the same reduction.	Y	1.5	2	1	2
11	Increase in scale of bad debts owed to the Council (AR, Council Tax, NDR). Welfare Reform compounding this issue.	Potential pressure on revenue budgets as greater amounts need to be written off.	5	1	5	Bad Debt provision in place, proved adequate for C/Tax and NDR historically. More robust policy framework now in place. Any debt written off is in line with policy. Debt recovery arrangements indicate this risk is being managed.	Y	0.5	3	1	3
12	Inability to achieve projected savings from previous years from Corporate Programmes	Increased risk of overspend due to savings not being met, may result in future reduced service provision as a consequence.	5	1	5	Robust financial monitoring arrangements are in place.	Partial	1.0	3	1	3



## Fife Council - Financial Risk Register

Appendix A

No.	RISK Threat to achievement of business objective	Scope/potential consequences of risk	Assessment of Risk (likelihood x impact) Assume No Controls in Place			Risk Control Measures in Place	Are all Controls Operational? Y/N/ Partial	Potential Financial Risk Annual Basis £m	Assessment of Residual Risk (likelihood x impact) With Controls Measures		
			Likeli- hood	Impact	Risk Score				Likeli- hood	Impact	Risk Score
13	Major Capital projects which cannot progress	Potential need to move costs previously capitalised to revenue in circumstances where the project can no longer progress as planned.	4	1	4	Robust Capital Strategy, Capital Monitoring. Investment Strategy Group and Investment Accountant provide support and challenge in this area	Y	1.0	3	1	3
14	Future Equal Pay Claims	Potential requirement to settle further Equal Pay claims.				Currently under review	N	TBC			
15	Historic Child Abuse Claims	Potential requirement to settle Historic Child Abuse claims				Currently under review.	N	TBC			
16	Insurance Renewals	Insurance market is hardening in the current climate and there is a risk that the Council may need to go out to tender at this time. Nationally other Councils are experiencing significant increases in premiums and it is unlikely that Fife will be any different	5			Close working with Insurance brokers and procurement to secure the best outcomes but currently difficult to quantify	Y	TBC	4		
17	Brexit	Increased uncertainty around the future availability of resources as a consequence of Brexit including supply chain/price volatility				Currently under review by BREXIT IMT	N	TBC			

Projected General Fund balance as at 31 March 2021 (P&C Report Nov 2020)

£18.0m

Further Commitments

£1.4m

Projected General Fund balance as at 31 March 2023

£16.6m

Risk Per Risk Register

£42.9m

% of Risks per Risk Register covered by Unallocated Balances

38.7%

19th November, 2020.

Agenda Item No. 7

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## Capital Investment Plan Update – Projected Outturn 2020-21

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

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Wards Affected: All

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### Purpose

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The purpose of this report is to provide a strategic financial overview of the Capital Investment Plan and to advise on the projected outturn for the 2020-21 financial year.

### Recommendations

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The Policy and Co-ordination Committee is asked to note: -

- i) the projected outturn position, the risks and mitigating actions for the major projects within the Capital Investment Plan;
- ii) the projected outturn position for the 2020-21 Capital Investment Plan;
- iii) that more detailed capital outturn reports for 2020-21 will be submitted to relevant Committees of the Council, in accordance with agreed financial reporting arrangements and;
- vi) that budget variances will be managed by the appropriate Directorate in conjunction with the Investment Strategy Group.

### Resource Implications

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None.

### Legal & Risk Implications

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Potential risks include the impact of COVID-19 on the costs of construction projects, availability of funding streams for larger capital projects and the capacity to complete some projects on time, again, as a result of COVID-19. There is a further risk that if expenditure is not of a sufficient scale, government grant may need to be repaid. Further explanation of the current risks are contained in section 2.2.

### Impact Assessment

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An EqIA is not required because the report does not propose a change or revision to existing policies and practices.

### Consultation

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Financial projections are agreed in consultation with each Directorate and are based around the expected progress of individual projects.

# 1.0 Background

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- 1.1 The purpose of this report is to advise members of the projected outturn position for the Council's Capital Investment Plan (the Plan) for the financial year 2020-21. The report also highlights the projected outturn position for major projects over £5.000m along with any potential risks associated with these projects. Explanation is provided at Section 2.3 where there is deemed to be a greater level of financial risk linked to major projects. The Plan covers capital expenditure on all Council Services including Housing, which is managed as a separate programme.

## 2.0 Issues

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### 2.1 Major Projects

- 2.1.1 Appendix 1 provides a summary of the projected outturn for major projects within the Plan. There are 22 projects in this category with an overall budget of £791.140m at this stage, it is anticipated that there will be an overspend of £0.111m which is due to Depot Rationalisation.

### 2.2 Potential Risks and Issues

- 2.2.1 Due to the impact of COVID-19, on site construction work was put on hold on 23rd March 2020, with the exception of some critical projects. There is potential that COVID-19 will impact on project costs and will extend many project delivery dates as contractors continue to make adjustments to working arrangements to accommodate new requirements, such as social distancing. Some claims from contractors were received in relation to closing down, maintaining and re-opening sites and also in relation to preparation for work on site recommencing, for example, in relation to Madras College. Monitoring of the impact of these additional costs and timescales is ongoing and it is likely that the overall scale of any additional costs will be clearer in the coming months.
- 2.2.2 The Capital Plan includes £120m investment in respect of Secondary Schools in West Fife. This investment required is likely to be substantially higher than the approved funding to meet the infrastructure requirements for all secondary schools in the area. It is intended to address both school condition and the need for additional school places arising from housing development. However, the Scottish Government funding model has changed since the Capital Plan was approved, moving from a capital grant model to a revenue funded model. Discussions around the funding of the Council element are progressing with the Scottish Government and the Scottish Futures Trust and work is continuing with Fife College to develop the business case for the Dunfermline Learning Campus which will be the first building to be financed in this new way. Recognition of the change will need to be addressed in the next review of the Capital Investment Plan to ensure that financial planning is reflective of the new model and to ensure affordability across west Fife schools.
- 2.2.3 Within Early Learning and Childcare (ELC), the delivery date of August 2020 has been removed by the Scottish Government in light of COVID-19. A new implementation date has still to be announced, however, once this is known, delivery of the remaining projects will need to be managed within the timeframe. There is a risk that contingency arrangements may be required in the short term to provide places should these projects be delayed, which include retaining 600hrs provision in some settings and phasing over time to 1140 provision as building works are completed.

- 2.2.4 General Capital Grant provided by the Scottish Government is applied to finance local authority capital programmes before the application of any other capital or revenue resources such as capital receipts or borrowing. All local authorities must make full use of the grant in the applicable financial year and any unused grant is repaid to the Scottish Government unless otherwise agreed in writing by Scottish Ministers.
- 2.2.5 The ongoing effects of the pandemic, alongside the closure of all but essential projects for the first quarter of 2020-21, has impacted on the Capital Investment Plan and, although budgets were reprofiled in June 2020, there is still an on ongoing risk of further slippage resulting in a risk that any unused grant will need to be repaid to the Scottish Government.
- 2.2.6 Based on our current forecasts, we expect expenditure to be well above the full grant level of £25m, but this is being kept under review.

### **2.3 Financial Performance – 2020-21 Total Expenditure - Projected Outturn**

- 2.3.1 Appendix 2 provides a summary by capital theme of projected expenditure and income for 2020-21 showing the total expenditure budget of £144.508m and projected spend of £144.330m in the 2020-21 financial year, £0.178m slippage across the plan. Comparable expenditure for the previous 3 years was £175.104m (2019-20), £144.083m (2018-19) and £140.253m (2017-18). The forecast level of slippage is relatively low at this stage due to the budgets being reprofiled, recognising delays as a result of the lockdown earlier in the year. However, there is a risk that this position could change significantly. There is limited information to assess the speed at which projects can progress in the current circumstances and there also remains a degree of uncertainty around impact of costs as a result of COVID-19.

## **3.0 Budgets and Funding**

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### **3.1 Budget**

The Capital Investment Plan 2019-29 was approved by Fife Council in February 2019. At the end of each financial year, any budget which has not been spent is rolled forward into the next financial year as slippage. Services are asked to re-profile their project budgets in light of this slippage and the result of this can be seen in the movement from the approved budget to the current budget as detailed in Appendix 2.

There have been no changes to the current budget in the approved plan since the last report.

### **3.2 Total Expenditure**

Services have recently reviewed expected project delivery timescales and budgets were re-profiled to more accurately the timing of expenditure into future years to reflect a more realistic investment profile where appropriate. As such, no major variances is expected at this time. This will be kept under review and Committee will continue to be updated on any issues arising as the financial year progresses.

### **3.3 Total Income**

Capital expenditure is funded from several income sources, some of which contribute specifically to individual projects in the plan. These income sources are Capital Financed from Current Revenue (CFCR), Scottish Government Specific Capital Grant and other grants and contributions (e.g. lottery funding). Appendix 2 shows that there is a total income budget of £54.765m against a forecast of £46.531m giving a projected variance of £8.234m.

The variance relates to reduced CFCR from HRA Revenue to Capital. The Housing Revenue Account is incurring revenue costs relating to Building Services and Property Services for the cost of staff downtime and, as a consequence, the funding will remain in revenue where the cost will be incurred.

### **3.4 Total Funding**

Within the total funding section of Appendix 2, the other income such as General Capital Grant and Capital Receipts are not specifically related to any capital project but is funding for the plan overall. The balance of required funding in the year is met from borrowing through the Council's Loans Fund.

Borrowing for HRA Capital expenditure has increased and is greater than budget in the current year to offset the reduction in the level of CFCR noted in paragraph 3.3. However, the borrowing requirement is likely to reduce as more detail about the rate of progress of capital projects is known.

## **4.0 Conclusions**

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- 4.1 Against the current total expenditure budget of £144.508m, the Council is showing projected spend of £144.330m in the financial year and slippage of £0.178m
- 4.2 This level of expenditure demonstrates progress on the delivery of a wide range of capital projects continuing the major capital investment made by Fife Council in recent years, however, there is still a level of uncertainty associated with speed of delivery and future costs.
- 4.3 There are 22 projects within the Plan which have a value of £5.000m or greater. The overall budget for these projects is £791.140m, the Council is showing projected spend of £791.251m and an overspend variance of £0.111m.
- 4.4 If significant variances arise, these will be reviewed by the Investment Strategy Group in conjunction with the appropriate Directorate and reflected in any future capital plan reports.

### **List of Appendices**

1. Major Capital Projects Total Cost Monitor
2. Monitoring Report by Capital Theme

### **Report Contact**

Laura Robertson  
Finance Operations Manager  
Finance & Corporate Services  
Fife House, North Street, Glenrothes  
Telephone: 03451 55 55 55 (Ext. 450552)  
Email: [laurac.robertson@fife.gov.uk](mailto:laurac.robertson@fife.gov.uk)

**FIFE COUNCIL**  
**CAPITAL INVESTMENT PLAN 2020-29**  
**TOTAL COST MONITOR - MAJOR CAPITAL PROJECTS**

	Service	Original Approved Budget £m	Current Project Budget £m	Total Projected Outturn £m	Variance £m	Variance %	Current Project Status	Expected Project Completion Date
<b>Opportunities for All</b>								
Madras College - Langlands	E&CS	50.170	58.270	58.270	0.000	0.00%	Current Project	2021-22
Early Learning and Childcare	E&CS	28.376	31.481	31.481	0.000	0.00%	Current Project	2020-21
Primary School Development	E&CS	90.953	88.042	88.042	0.000	0.00%	Current Project	2028-29
Secondary Schools West Fife	E&CS	117.572	120.483	120.483	0.000	0.00%	Future Project	2028-29
Extension Secondary School - Auchmuty	E&CS	9.620	9.620	9.620	0.000	0.00%	Future Project	2022-23
Extension Secondary School - Viewforth	E&CS	5.989	5.989	5.989	0.000	0.00%	Future Project	2025-26
New Secondary School - Glenrothes /Glenwood	E&CS	27.532	27.532	27.532	0.000	0.00%	Future Project	2028-29
Methil Care Home	H&SC	6.620	6.620	6.620	0.000	0.00%	Current Project	2021-22
Cupar Care Home	H&SC	5.580	5.580	5.580	0.000	0.00%	Current Project	2022-23
Anstuther Care Home	H&SC	6.145	6.145	6.145	0.000	0.00%	Feasibility	2023-24
		<b>348.557</b>	<b>359.761</b>	<b>359.761</b>	<b>0.000</b>	<b>0.00%</b>		
<b>Thriving Places</b>								
Dunfermline Strategic Transportation Intervention Measures	ATE	39.323	39.317	39.317	0.000	0.00%	Current Project	2028-29
Glenrothes District Heat	ATE	10.320	10.449	10.449	0.000	0.00%	Current Project	2020-21
Improving Health Through Sport and Leisure	Communities	10.000	5.110	5.110	0.000	0.00%	Current Project	2021-22
Area Community Facilities	Communities	6.000	5.350	5.350	0.000	0.00%	Current Project	2021-22
		<b>65.643</b>	<b>60.226</b>	<b>60.226</b>	<b>0.000</b>	<b>0.00%</b>		
<b>Inclusive Growth and Jobs</b>								
Edinburgh City Deal	EPES	47.861	48.490	48.490	0.000	0.00%	Feasibility	2028-29
		<b>47.861</b>	<b>48.490</b>	<b>48.490</b>	<b>0.000</b>	<b>0.00%</b>		
<b>Housing Revenue Account</b>								
Affordable Housing	Housing	281.869	280.344	280.344	0.000	0.00%	Current Project	2022-23
		<b>281.869</b>	<b>280.344</b>	<b>280.344</b>	<b>0.000</b>	<b>0.00%</b>		
<b>Maintaing Our Assets - Specific Projects</b>								
West Fife Depot	ATE	4.525	8.308	8.419	0.111	1.34%	Current Project	2019-20
Mobile and Flexible Working	BTS	6.700	6.211	6.211	0.000	0.00%	Current Project	2027-28
Local Area Network	BTS	7.800	7.800	7.800	0.000	0.00%	Future Project	2027-28
Burial Provision	ATE	6.700	6.700	6.700	0.000	0.00%	Future Project	2027-28
Reception Hall for Anaerobic Digestion Plant	ATE	5.000	5.000	5.000	0.000	0.00%	Future Project	2026-27
Balwearie High School	E&CS	8.300	8.300	8.300	0.000	0.00%	Future Project	2024-25
		<b>39.025</b>	<b>42.319</b>	<b>42.430</b>	<b>0.111</b>	<b>0.26%</b>		
<b>Grand Total</b>		<b>782.955</b>	<b>791.140</b>	<b>791.251</b>	<b>0.111</b>	<b>0.01%</b>		

**FIFE COUNCIL  
CAPITAL INVESTMENT PLAN 2020-21  
MONITORING REPORT**

Appendix 2

<b>Capital Theme</b>	<b>Approved Budget £m</b>	<b>Current Budget £m</b>	<b>Actual to Date £m</b>	<b>Projected Outturn £m</b>	<b>Projected Variance £m</b>	<b>Projected Outturn as % of Plan</b>
Opportunities for All	49.618	38.869	3.948	39.022	0.153	100%
Thriving Places	14.352	7.659	0.517	7.985	0.326	104%
Inclusive Growth and Jobs	7.189	3.421	0.459	3.477	0.056	102%
Maintaining Our Assets - Rolling Programmes	26.623	25.561	2.253	24.975	(0.587)	98%
Maintaining Our Assets - Specific Programmes	9.198	7.920	3.547	7.944	0.024	100%
Housing Revenue Account	69.523	61.078	5.712	60.928	(0.150)	100%
Corporate Items	0.000	0.000	0.000	0.000	0.000	0%
<b>TOTAL EXPENDITURE</b>	<b>176.503</b>	<b>144.508</b>	<b>16.436</b>	<b>144.330</b>	<b>(0.178)</b>	<b>100%</b>
Scottish Government Specific Capital Grants	(7.403)	(9.151)	(7.160)	(9.151)	0.000	100%
Other Grants and Contributions	(6.029)	(13.346)	(0.764)	(13.292)	0.054	100%
Capital Financed from Current Revenue (CFCR)	(33.923)	(32.268)	0.000	(24.088)	8.180	75%
<b>TOTAL INCOME</b>	<b>(47.355)</b>	<b>(54.765)</b>	<b>(7.924)</b>	<b>(46.531)</b>	<b>8.234</b>	<b>85%</b>
<b>TOTAL NET EXPENDITURE</b>	<b>129.148</b>	<b>89.743</b>	<b>8.511</b>	<b>97.799</b>	<b>8.056</b>	<b>109%</b>
Scottish Government General Capital Grant	(25.033)	(25.033)	(10.327)	(25.033)	0.000	100%
Capital Receipts	(5.240)	(2.120)	(0.375)	(2.274)	(0.154)	107%
NHT Loan Repayments	0.000	(0.093)	(0.093)	(0.093)	0.000	100%
Borrowing from Loans Fund - General Fund	(61.939)	(42.366)	0.000	(42.274)	0.092	100%
Borrowing from Loans Fund - HRA	(36.936)	(20.130)	0.000	(28.124)	(7.994)	140%
<b>TOTAL FUNDING</b>	<b>(129.148)</b>	<b>(89.743)</b>	<b>(10.795)</b>	<b>(97.798)</b>	<b>(8.056)</b>	<b>109%</b>

19th November, 2020

Agenda Item No. 8

## Short Term Financial Strategy and Revenue Budget Monitoring 2020-21

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

Wards Affected: All

### Purpose

The purpose of this report is to provide members with a strategic overview of Fife Council's forecast financial position for 2020-21. Significant financial pressures have emerged as a result of the COVID-19 pandemic as outlined in previous reports. This report provides an update detailing the changes to both the anticipated financial impact and the impact on the financial strategy to ensure the Council remains financially sustainable.

### Recommendations

Members are asked to:-

- (i) note the updated high-level financial position as detailed in this report;
- (ii) note that the estimated shortfall in funding is well within the agreed financial strategy to use up to £10m of Council balances;
- (iii) instruct all Services to continue to mitigate additional costs and to contain expenditure within the approved budget provision wherever possible;
- (iv) approve the commitments against balances to be reduced as detailed in section 7;
- (v) note that further monitoring reports will be submitted to the Policy and Co-ordination Committee and relevant Sub-Committees as outlined in section 8;
- (vi) agree to a temporary extension to a variation within the financial regulations to ensure the continued operation of the Supplier Relief Scheme (para 3.9); and
- (vii) agree to a temporary extension to the policy of deferral rather than abatement of debt (para 3.10).

### Resource Implications

Dealing with the emergency and critical responses resulting from COVID-19 continues to have significant impact on the Council's finances and resources. Previous reports identified the financial consequences as the Council continues to comply with updated Government guidance associated with COVID-19. The response to the pandemic continues to impact on costs and loss of income is likely to continue in the short and medium-term. The financial consequences are continually being evaluated and are



estimated to exceed the Council's resources. Overall cost pressures are now estimated to be in the region of £76m for the financial year. An update on the options to offset these costs is set out in a table in Section 3 of this report. It shows that, at present, there remains a funding gap of £3.5m before consideration of the use of balances. The table sets out all known changes to the available funding. The aim of the financial strategy is to ensure the financial sustainability of the Council in the medium term, recognising some of the financial challenges are likely to reach beyond the end of the current financial year.

Fife Council was recently placed in COVID protection level Tier 3 meaning that the current restrictions and associated financial consequences are set to continue. There is the risk that the financial impact may increase and place pressure on the financial strategy.

The Executive Director (Finance and Corporate Services) has a statutory duty as Section 95 Officer to ensure that the Council operates within available resources and remains financially sound over the short, medium and long term. The current crisis is challenging the ability of the Council to operate within available resources and action continues to be taken at both a local and a national level to ensure that this duty can be fulfilled. The report provides an update on the current position and outlines that further work continues to be advanced to secure the financial stability of the Council.

The level of overspend within services impacts the level of available reserves. The COVID-19 pandemic has resulted in significant additional costs and loss of income to the Council and the funding strategy has been developed to mitigate against these. The projected outturn position now includes both the expected costs, loss of income and the proposed mitigations to be adopted.

## **Legal & Risk Implications**

There are no direct legal implications arising from this report.

## **Impact Assessment**

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An EqIA is not required because the report does not propose a change or revision to existing policies and practices.

## **Consultation**

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None.

# **1.0 Background**

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- 1.1 This report provides a further update and builds upon earlier financial reports provided as the events of the COVID-19 pandemic unfolded. Section 2 provides a high-level update detailing what has changed across the financial assumptions since the previous report.

- 1.2 Section 3 of the report details the proposed financial strategy for 2020-21 in order to maintain a balanced financial position for the year and to ensure that a clear plan is in place and all financial pressures are minimised where possible. The strategy continues to build on the information which has been developed over the last few months and considered at previous committees since the onset of the COVID-19 pandemic.
- 1.3 In order to demonstrate where the pressures are impacting across the Council, the current forecast for all Council services has also been provided. Section 4 summarises the projected position for 2020-21 based on the most recent forecast and reflects up to date estimated costs associated with the COVID-19 pandemic and the associated funding solutions identified to date. It also provides a summary of the main budget variances across Services and Directorates.
- 1.4 Progress on agreed savings is reported in Section 5 and an update on the anticipated level of balances is contained in Section 7.
- 1.5 More detailed financial reports will be presented to the relevant Sub-Committees as part of the Council's wider scrutiny and performance management reporting arrangements. However, as previously reported, these arrangements have departed from normal practice this year given the challenging circumstances the Council has been faced with. Strong financial governance remains in place with increased frequency of reporting to this committee. An update on the changes for the current reporting period are detailed in section 8 of this report.

## **2.0 Financial Pressures Update**

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- 2.1 The previous report to this Committee set out financial pressures facing the Council in 2020-21 and, at that time, pressures, including the impact of COVID-19, were estimated to be in the region of £78m. Since then, government guidance has been evolving as lockdown measures continue to change, short term "circuit breakers" and a new Tiered protection approach has been introduced. The financial consequences continue to be reviewed and updated where new guidance is assumed to impact on costs or income. The latest estimate of pressures facing the Council has reduced and is now estimated to be in the region of £76m. This represents a reduction in estimated general fund revenue pressures of around £2m. The reasons for this reduction are outlined in the following paragraphs.
- 2.2 The overall net reduction is as a result of a significant reduction (circa £5m) in non-COVID-19 pressures offset by an increase in estimated pressures associated with COVID-19.
- 2.3 There are two areas where there has been a material increase in estimated costs as a result of COVID-19. Firstly, the cost of purchases of PPE has increased by £2.8m and the cost of heating in schools has increased by £2.5m.
- 2.4 There has been a further reduction in the estimated costs to reconfigure buildings of approximately £0.400m. This is mainly because the original estimate assumed that measures would need put in place to ensure social distancing throughout schools. The guidance for schools has now been produced and removed the need, particularly in primary schools, for social distancing to be applied to children. The reconfiguration required in these buildings has not been as radical as originally assumed and as a result the cost estimates have been reduced.

- 2.5 There has been a reduction of £2.681m in the estimated costs associated with Children and Families as detailed in Section 4. Flexibilities within Education funding streams are also available to offset some of these costs.
- 2.6 Services continue to adopt cost control measures and mitigate costs wherever possible, including maximising the use of grant funding.
- 2.7 All of the known pressures associated with COVID-19 have been built into the overall forecast position for the Council. In addition to this, there has also been a decrease in other non-COVID-19 overspends since the previous report and the value and reasons for the variances across services are detailed later in this report.

### **3.0 2020-21 Financial Strategy**

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- 3.1 Since the last report there has also been a change in the available funding options which now total £72m, an increase of £7m since the last report, leaving an overall funding gap of £3.5m. The changes in funding assumptions are outlined in the following paragraphs along with the proposed strategy to fund the remaining gap.
- 3.2 Since the last report, the Scottish Government have provided details of the distribution levels associated with both the second tranche of Education Teaching and Support Staff of £1.455m and the funding associated with Education Recovery - Logistics of £1.356m (Ph 1) and £2.034m (Ph2). This funding has now factored into the financial position
- 3.3 Distribution of the further £49m Barnett Consequentials has now been agreed and is also reflected in the overall funding strategy. This provides an additional £3.339m in funding for Fife.
- 3.4 Dialogue continues between COSLA and the Scottish Government in respect of the Loss of Income scheme and the likely funding available. Fife has participated in a peer review exercise associated with the scheme. Councils will be asked to complete returns identifying actual lost income over the first six months of the financial year before the distribution of the funding is agreed. However, it is clear that the quantum of funding available across Scotland will not cover the full extent of income lost over the year. Councils will receive an amount proportionate to the level of income lost. ALEO's lost income will be included within this return. As the level of funding available to Fife is not yet known, there is no assumption built into the funding strategy. The funding received through the Loss of Income Scheme will reduce the remaining £3.5m funding shortfall and subsequently reduce the use of Council balances.
- 3.5 There have been additional increases to General Revenue Grant in relation to Scottish Welfare fund (£1.514m), Council Tax Reduction (£1.190m), Discretionary Housing Payments (£0.350m) and Registrars of Deaths (£0.041m).
- 3.6 The overall funding identified to date to cover the Council's additional cost pressures is summarised in the following table and identifies a shortfall of £3.5m excluding new undistributed funding from the Scottish Government and before the use of Council balances. An updated full list of Scottish Government funding announced to date has recently been provided separately to members identifying the known allocations to Fife.

	£m	£m
<b>Net Additional Costs Previously Reported</b>		<b>77.881</b>
Forecast Reduction		(1.656)
Revised Estimated Additional Costs		<b>76.225</b>
Less: Funding identified to date	64.802	
Adjustments to Funding Options since last report:		
Education Teaching and Support Staff Tranche 2	1.455	
Education Recovery Funding (logistics)		
• Tranche 1	1.356	
• Tranche 2	2.034	
Further £49m UK Consequentials	3.339	
General Revenue Grant increase for COVID-19		
• Scottish Welfare Fund Crisis grants	1.514	
• Council Tax Reduction	1.190	
• Discretionary Housing Payments	0.350	
• Register of Deaths	0.041	
Other Adjustments:		
Removal of HRA balances from Funding Strategy	(1.279)	
Updated assumptions within Funding Strategy	(1.500)	
Other miscellaneous adjustments	(0.548)	
<b>Total available funding identified to date</b>		<b>72.754</b>
<b>REVISED FUNDING GAP (ALSO SEE APPENDIX 1)</b>		<b>3.471</b>
<b>SG Funding yet to be distributed:</b>		
Loss of Income Scheme		TBC
Others e.g. food - TBC		TBC

3.7 The table above outlines the updated financial strategy to ensure that all financial pressures for the year are fully funded. It is intended to use all available funding options as a priority. This will leave an estimated shortfall of £3.5m which is well within the previously agreed strategy of funding any shortfall up to £10m from Council balances.

- 3.8 Since the last report, a package of measures known as Fiscal Flexibilities has been announced by the Scottish Government. These measures allow for revised accounting treatment relating to PPP projects, treatment of capital receipts and Loans Fund repayments. Work continues at a national level to formulate the required changes to accounting regulations. On this basis and given the level of funding that has been made available in the current year, it is unlikely these flexibilities will be utilised this financial year but will be a necessary feature in formulating our ongoing budget strategy as detailed in item 5 on this agenda.
- 3.9 A temporary variation to the Financial Regulations was previously agreed for a period of six months to allow the implementation and operation of the supplier relief scheme. This scheme is designed to assist suppliers who are critical to the operation of the Council when business as usual returns. The variation permits payment to be made to suppliers for services that are not delivered. A set of criteria and a clear decision-making process is already in place to deal with this. It is proposed that the temporary extension to the financial regulations is extended for a further six months at which time a review will take place to assess whether any further extension is required.
- 3.10 It has been recognised that in some cases where money is due to the Council, some individuals or businesses may find it difficult to pay the money due. A temporary measure was previously agreed which allowed those who could afford to pay, to pay and allowed a deferral of money due from those who cannot afford to pay. This is a clear policy of deferral rather than abatement of debt. Whilst this does bring some financial risk to the Council, particularly where businesses may not survive the pandemic, debt recovery processes are in place to ensure that debt is recovered where possible. It is proposed that this policy continues and is extended for a further six months and will be reviewed again to assess the need for any further extension.

## 4.0 Revenue forecast – Main Variances

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### 4.1 General Fund Services

All the above pressures and funding sources have been built into the forecasts for all services and the variances have been shown for both the consequences of COVID-19 and other 'normal' variances. Moving forward it may likely become difficult to differentiate between the two as services move to operating in a new or altered way.

Overall there is a forecast overspend of £3.471m across all General Fund Services, which equates to 0.41% of budgeted expenditure. It is currently assumed that the forecast overspend of £3.471m on General Fund services will reduce balances by this amount, however it is expected that this amount will reduce once additional funding from the Scottish Government is distributed.

The annual total expenditure budget, as shown in Appendix 1, has increased since the budget position was previously reported. The changes are summarised below: -

	Total Expenditure £m
<b>Current 2020-21 Budget (June 2020)</b>	842.885
Redetermination from Scottish Government	4.878
<b>Current 2020-21 Budget (August 2020)</b>	847.763

Appendix 1 details the forecast and variances against budget broken down across all General Fund Services. The following paragraphs provide a brief explanation of the main areas where there are variances of +/-£0.250m or 0.25%, whichever is the greater, between the budget and forecast expenditure and income.

The variance narrative has been expanded to detail the variances applicable to COVID-19 and the variance that results from non-COVID-19 matters.

#### 4.1.1 **Education and Children's Services**

Directorate position: - Variance £3.803m overspend, movement (£2.524m)

*Devolved School Management: - Variance £0.226m underspend, movement (£0.226m)*

There is a projected underspend of £0.226m within Special Education due to vacancies within the Pupil Support Service. Some additional costs due to COVID-19 are included in the projected outturn, for example costs in relation to the appointment of additional newly qualified teachers of £3.636m, however, these costs will be funded by additional funding announced by the Scottish Government which has also been factored into the forecast. Further additional costs relate to delays in implementing approved savings within the DSM due to the impact of COVID-19 of £1.700m, however, it is assumed that these will be accommodated from flexibilities allowed by the Scottish Government to meet additional costs arising from the pandemic. Funding flexibilities of £1.700m has been used to offset projected COVID-19 costs in the DSM in line with the agreed financial strategy.

*Non-DSM/Childcare:- Variance £2.409m overspend, movement (£0.263m)*

The projected overspend mainly relates to maternity pay and long-term absence, and overspends of £2.749m and £0.616m respectively, are included within the projection. These costs are in relation to teachers, but are borne by the non-devolved central Education budget and not the DSM. These overspends are partially offset by a projected underspend in Early Years, of £0.376m, mainly due to the timing of recruiting of EYO Modern Apprentices and also an underspend on non-domestic rates. Additionally, there is an underspend in Special Education of £0.317m due to projected underspends on employee costs from a number of vacancies across this area.

In relation to COVID-19, additional costs are being incurred within Non Devolved Education in relation to school transport of £0.582m, reconfiguration costs for school buildings of £1.595m, supply teacher/temporary teacher and additional activity centre pay costs of £0.760m, additional IT costs of £0.501m, PPE costs of £3.803m, emergency childcare for key workers of £0.208m and projected loss of income in relation to Childcare Services of £1.375m and Music Service of £0.450m. It should be noted that some of these costs are estimates which will require to be refined as more information becomes available. Some of these costs will be offset by additional funding from the Scottish Government, however some will require to be met from the flexibilities for Education funding available to the Council this financial year. Currently, £7.368m of this funding flexibility has been assumed to offset increased cost to the non-devolved Education budget within this forecast.

*Children and Families / Criminal Justice Service: Variance £1.620m overspend, movement (£2.035m)*

The position for the Children and Families Service is a projected overspend, mainly due to projected overspends on third party payments, Family Placements (mainly Kinship Care) of £1.115m due to increase in demand for family placement services which is in line with the services strategy of shifting the balance of care, Continuing Care of £0.835m due to higher than anticipated demand for this service, and Grants to Voluntary Organisations of £0.360m due to unachieved savings. These overspends are partially offset by underspends in staffing costs of £0.859m due to staff turnover, and travel costs of £0.372m due to the impact of COVID-19 restrictions meaning less travel is required. The movement since the last report is mainly due to reductions in employee costs of £0.662m as vacancies have been held, purchased placements of £0.787m in line with the strategy of shifting the balance of care and travel and other costs of £0.631m offset by an increase in Family Placement costs of £0.333m. This is a significant turnaround in financial performance in this area given the scale of the overspend last year which was circa £10m

In relation to COVID-19, the projected costs include additional agency and overtime costs of £0.107m to cover staff absences. Child protection activity has increased nationally has this been reflected in Fife with projected new care packages for children of £0.750m. Also included are additional costs for our in-house foster carers, additional maintenance costs for young people and additional IT equipment of £0.208m. These additional estimated costs have been partially offset by the application of flexibilities in funding from Looked After Children Attainment Funding of £0.420m.

#### 4.1.2 **Health and Social Care**

Social Care: - Variance £1.751m overspend, movement (£0.626m)  
(£1.781m IJB plus underspend of £0.030m Non IJB)

The Health & Social Care Partnership (H&SCP) is managed by the Integration Joint Board (IJB). The 2020-21 IJB budget was approved based on a balanced budget across the Partnership after savings and investment had been approved. The agreed integration scheme provides for circumstances where an overspend within the partnership arises. Based on the current agreement, any overspends which arise across the Partnership during the year will be funded 72% by NHS Fife and 28% Fife Council. The integration scheme is currently undergoing the planned five-year review and in the future the percentage shares may change once the review is complete. Included in the approved IJB budget was recognition that resources would move as a result of shifting the balance of care from a hospital setting to a home or homely setting hence is the reason for the scale of projected overspend on social care expenditure.

The projected outturn position for Fife Council Social Care is an overspend of £4.883m. The forecast includes income to be received from NHS of £4.100m for transfer of resource as set out in the approved partnership budget. The overspend will reduce to an estimated £1.751m after receiving income of £3.132m from NHS Fife in line with guidance for dealing with a partnership overspend within the current integration scheme.

The main variances are projected overspends on adult placements of £3.100m which includes £0.851m following transition of 3 packages from Children and Families to Adult Services. These are offset by underspends of £1.281m in Adults Supported Living as staffing vacancies are being held here in order to fund a proposed re-design of the service. There are also projected overspends on Homecare of £2.500m due to increased number of hours of care delivered

In addition, the impact of COVID-19 has meant that there is likely to be unachieved savings of £3.705m (81% of the approved savings target) due to the demands on staff time during the pandemic. These are currently contained within the H&SCP mobilisation plan but it remains uncertain whether the full funding will be made available by the Scottish Government. £1.1bn has been made available by the Cabinet Secretary and from this, funding has been provided in full to cover costs within the mobilisation plan up to June with the rest of the year being partially funded based on forecasts. Another iteration of the mobilisation plan is due to be submitted in October to the Scottish Government and funding reviews will take place in November and January. If full funding is not provided discussions between partners will be required.

A Finance Recovery Plan was submitted to the Integration Joint Board in September, an update will be provided to a future Board. The initial recovery plan has measures of £1.1m to be taken to reduce the level of projected overspend, £0.850m relates to actions for Fife Council to progress. These include recovery of high reserves and income from financial assessments.

There is also potential risk of a shortfall in funding of £0.962m resulting from the 3.3% uplift in payments to external care at home providers. This uplift was given to providers based on guidance from the Scottish Government and was above the increase agreed in the IJB approved budget for 2020-21. The total cost was £1.642m and, to date, H&SCP has only been guaranteed £0.680m income to cover this cost, the balance is included in the mobilisation plan.

The H&SCP mobilisation plan has forecast additional costs of £22m to deal with the effects of COVID-19, of which £15m relate to costs incurred by Fife Council. The current forecast assumes that all of this expenditure will be funded in full by the Scottish Government, with the exception of unachieved savings however this has not yet been confirmed and therefore there remains a risk to the H&SCP and to Fife Council that the funding might not cover 100% of these costs and as a result the overspend in this area could increase.

#### 4.1.3 **Enterprise and Environment**

Directorate position: - Variance £11.468m overspend, movement (£1.153m)

*Assets, Transportation and Environment: - Variance £10.165m overspend, movement (£0.939m)*

There is a projected loss of income of £5.096m within Building Services. This is due to the estimated impact of the COVID-19 pandemic on trading account income as the service has been unable to progress work during the lockdown period, as well as the implementation of additional health and safety measures post lockdown. The forecast position assumes that some operational cost ordinarily incurred in relation to maintenance and building costs for the HRA are shared with the HRA.



There is a projected net under recovery of income of £2.865m within Car Parking. This is due to the impact of the national lockdown and resultant suspension of all car parking charges as a result of the COVID-19 pandemic. Whilst charges were re-introduced in August, it is expected that demand will remain low for the foreseeable future.

Within Roads Operations there is also a projected net under recovery of income of £0.700m which is due to the reduced level of work carried out as a result of the COVID-19 pandemic.

There is a projected under recovery of income of £0.523m within Catering. This is due to the closure of staff canteens, commercial establishments and schools during the period of national lockdown due to the COVID-19 pandemic. Some Commercial establishments have re-opened along with staff canteens. Uptake of meals in schools is currently projected to have fallen by 37% since re-opening in August. There are also reduced staff costs across staff canteens, commercial establishments and schools as a result of the national lockdown and the ongoing situation caused by the COVID-19 pandemic.

The movement is primarily due to the continued impact of COVID-19 on service provision e.g. home working resulting in reduced costs of opening buildings and mileage claims.

*Economy, Planning and Employability: - Variance £1.197m overspend, movement (£0.214m)*

Of the total overspend, the main variances are within Business & Employability and Planning.

There is a projected overspend of £0.201m within Business & Employability which is mainly due to a potential reduction in income from Business Property rentals as a result of economic conditions due to the COVID-19. Tenants have taken up business support grants where possible but ongoing financial strain on these businesses is expected. The cost to the Council will be shortfall in rental income and dilapidation costs to bring vacated properties back to a suitable condition.

The projected overspend within Planning is anticipated to be £0.967m. The overspend is mainly due to shortfall in Planning Statutory fee income, which has been delayed due to lockdown and this continues to be at a reduced level compared to last financial year. Scottish Government had planned a national increase in fee rates this summer and it is expected that this could be postponed and there will no increase this financial year.

#### 4.1.4 **Communities**

Directorate position: - Variance £9.159m overspend, movement (£0.356m)

*Communities & Neighbourhood: - Variance £7.877m overspend, movement (£0.458m)*

Of the total overspend, £7.336m relates to the impact of COVID-19. The Council's Trusts are likely to suffer loss of income, each to varying degrees and this is estimated to be in the region of £5m as they have been unable to operate and generate income. Funding mechanisms are being investigated and the Council is working closely with these organisations in order to support them. Community Use is forecasting a reduction in income of £1.567m and Halls and Centres are anticipating a reduction of £0.743m in income due to closures as a result of COVID-19. £0.306m are in year savings which will be further delayed as a result of COVID-19.

In addition, there are non-COVID-19 related overspends of £0.360m relating to savings which have not been achieved in previous years and given the current circumstances it is unlikely that they will be achieved in 2020-21

Movement of £0.458m is from a reduction in projected expenditure for Building reconfiguration in line with COVID-19 Guidelines.

*Customer Service & Improvement: - Variance £1.340m overspend, movement £0.228m*

Of the total overspend, £0.437m relates to the impact of COVID-19, a movement of £0.264m. Income generated through the booking of weddings is still low and is now projected to underachieve by £0.274m in year. Increased spend on overtime has also continued due to contact centre staff working additional hours to maintain service levels and welfare fund staff working additional hours to process an increased number of claims.

There are unachieved savings of £0.473m included within the projected overspend. This is due to a delay in Customer Service Delivery savings of £0.273m in the current year and £0.200m from previous years. Work is continuing with the Customer Programme to deliver these savings.

There is also an estimated overspend of £0.475m across Revenue Services. The majority of this relates to reduced income. The introduction of Universal Credit has reduced the level of work being carried out for the DWP and has in turn reduced the level of funding received. This could have a significant impact on future years outturn so will require a review to determine the impact on future years.

The movement of £0.228m is mainly due to a decrease in the income generated through the booking of weddings and an increase in overtime costs as a result of the staff working additional hours to maintain service levels and to process an increased number of welfare fund claims.

#### 4.1.5 **Finance & Corporate Services**

Directorate position: - Variance £1.968m overspend, movement (£0.318m)

Of the total overspend, £1.504m relates to the impact of COVID-19. This includes BTS costs of £0.605m for remote working and IT equipment to enable home working. There is also a projected increase of £0.230m for greater use of Employee Counselling and Occupational Health services.

Lost income from liquor licencing is expected to be £0.085m for bars, restaurants and events, £0.050m for costs of flu vaccinations and there is a likely delay in savings from projects that were delayed and Buy Leave scheme resulting in a projected overspend of £0.409m.

COVID-19 pressures are partially mitigated by £0.414m from reduced staff travel due to home working.

Non-COVID-19 overspends of £0.877m are due to underlying pressures linked to the delivery of savings, mitigated by reduced costs related to pay and training.

#### 4.1.6 **Chief Executive**

Directorate position: - Variance £0.200 overspend, no movement

#### 4.1.7 **Other Variances**

*Loan Charges – Variance (£1.000m) underspend, no movement*

The 2016 loans fund regulations allowed for the reprofiling of debt repayments to be commensurate with the life of the asset life. Although the revised loans fund repayment/repayment policy was implemented in 2019/20 and subsequent budget savings were delivered in 2020/21, further work to reprofile older debt has been carried out. This results in a projected underspend of £1.000m.

*COVID-19 Non-specific Funding – Variance (£24.277m) underspend, movement £2.529m*

The funding sources in response to COVID-19 financial consequences include Scottish Government funding such as the Hardship Fund and Barnett Consequentials and some underspends, are currently held centrally and are offsetting the overspends across services. As these sums do not relate to any specific service, they are currently held centrally and a process for allocation has been developed and considered by Council Executive Team.

The COVID-19 non-specific funding will be allocated to Services at the end of the financial year once costs and funding are more certain. The timing of this is due to the fluid nature of both the costs and funding streams. This avoids unnecessary budget adjustments and increased complexity during the year. The overall position will continue to be monitored and reported routinely throughout the year.

#### 4.1.8 **Financing**

*Council Tax Income - £2.500m under recovery, no movement*

As a result of the COVID-19 pandemic recovery arrangements had initially been suspended. It is expected that the level of council tax collection is likely to reduce for 2020-21 and the level of under recovery represents a potential adjustment to the bad debt provision which may be required to reflect reduced collection levels and people's ability to pay.

### 4.2 **Housing Revenue Account**

#### 4.2.1 *Housing Revenue Account, Breakeven position, no movement*

The outturn for the Housing Revenue Account (HRA) is shown on Appendix 2 and indicates a breakeven position. As detailed in the paper there is a requirement that some operational costs ordinarily charged out by Building Services & Property Services in relation to maintenance and building work are shared with the HRA. This is reflected in the overspend of £5.877m for Repairs & Maintenance and the overspend of £3.839m for Other Expenditure. The movement against both of these lines reflects changes in how these costs will be charged to the HRA.

It is anticipated that Voids will overspend by £0.260m which is a result of properties remaining empty for longer periods of time due to social distancing measures put in place as a result of COVID-19. Bad Debts are estimated to be £0.800m lower than anticipated which is a result of the Hardship Fund and the COVID-19 fund, both totalling £1.000m. These were put in place to provide targeted support to tenants facing hardship as a result of the Universal Credit roll out and/or the impact of COVID-19. The HRA is expected to overachieve on their income target for the year by £0.640m which is mainly due to a number of additional new Affordable Housing properties and properties purchased through the acquisition policy becoming available to rent at the end of 2019-20. The cost of borrowing is also projected to be £0.525m underspent which will mitigate against overspends elsewhere across the HRA.

The planned Revenue Contribution to Capital (incl CFCR) will be reduced by £7.798m as a result of the financial impacts outlined above. Based on current capital projections, the underspend on CFCR could cause an increase in borrowing for HRA Capital. This is detailed in the Capital Investment Plan Update – Projected Outturn 2020-21 paper. This is not expected to have an adverse effect on the longer-term affordability of the HRA.

## **5.0 2020-21 Revenue Budget Savings Progress**

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- 5.1 Appendix 4 provides details of the achievements against the approved revenue budget savings for 2020-21 by Directorate.
- 5.2 The table demonstrates that overall the Council will achieve 58% of 2020-21 budget savings. This is lower than in previous years as the ability of services to deliver savings has been significantly impacted in several areas. However, services continue to deliver savings where possible in year but there is potential risk that delays could impact into the next financial year.
- 5.3 More detailed reports on the progress of savings will be presented to the relevant Sub-Committees as part of the Council's wider scrutiny and performance management reporting arrangements.

## **6.0 Balances**

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### **6.1 General Fund Services**

- 6.1.1 Appendix 4 shows a forecast of the balances' position for General Fund Services over a three-year period. The figures are based on the level of approved commitments.
- 6.1.2 The opening General Fund balance brought forward at 1 April 2020, including earmarked balances, was £32.689m.
- 6.1.3 Earmarked balances and other commitments against the General Fund balance include Council Tax Second Homes, Energy Management Revolving Fund (EMRF), and temporary investments.
- 6.1.4 In line with the agreed financial strategy, a review of all commitments against balances has been carried out and the outcome of this review is detailed below. This confirms that decommitments of £1.5m are achievable and this will increase the level of uncommitted balances by the same amount. The review was undertaken by Directorates and considered by Council Executive Team and established that there is capacity to reduce the following commitments without having an adverse effect on the projects or progress to be made.

<b>Commitment</b>	<b>Value £m</b>
Energy Management Revolving Fund	0.181
Carry forward – Capital Delivery Fund	0.260
Change Fund	0.450
Change Fund BTS Investment	0.500
Other Commitments	0.109
<b>Total reduction in Commitments</b>	<b>1.500</b>

- 6.1.5 Approving these reductions will mean that the uncommitted General Fund balance at 31 March 2021 is forecast to be £18.057m and £16.614m at 31 March 2023. This will bring balances in line with the policy minimum.
- 6.1.6 As outlined in section 3.8 of this report, it is proposed that any remaining overspend in the current year be funded from Council balances and, at this stage, it is expected that less than £3.5m will be used for this purpose as this figure will reduce further once distribution of the Loss of Income Scheme is agreed by the Scottish Government. This is a significant improvement since the last report and is well within the agreed strategy of using up to £10m from Council balances. In the meantime, every effort will be made to minimise the use of balances given the future financial uncertainties.
- 6.1.7 The level of balances forecast and the financial risk register are subject to a separate report, General Fund Budget 2021-24, on this agenda. There is continued risk associated with the COVID-19 pandemic around continued restrictions and potential changes to government guidelines as we continue to live with the virus. This will need to be assessed as a new risk going forward.

## **7.0 Governance and Scrutiny**

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- 7.1 As outlined in the previous report, the necessary focus over the first half of the year was to identify and assess the financial consequences of COVID-19 across the organisation. The next priority was to identify an organisation wide financial strategy to make sure that all the additional pressures can be funded within the year. Income and expenditure forecasts and funding estimates are now stabilising and becoming much clearer and a process is now being developed to allocate the various funding streams to Services where the pressures have emerged. Until this has been done, the more detailed Sub-Committee reports will contain significant overspends with the funding still held centrally awaiting allocation.
- 7.2 The Sub-Committee reports are now in production and will shortly be circulated around members of each of the |Sub-Committees. It is also proposed to hold informal meetings to give members the opportunity to review and scrutinise the reports albeit out-with the Committee setting. It is anticipated that normal reporting processes will resume thereafter.

## 8.0 Conclusions

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- 8.1 The Council is facing financial pressures amounting to £76m in 2020-21. However, a financial strategy is in place to deal with this in the current year. Funding solutions currently amount to £72m leaving a remaining gap of £3.5m. It is proposed that this is financed using £3.5m from Council balances, however, it is expected that additional funding from the Scottish Government will soon to be announced, thereby reducing the need to use balances.
- 8.2 Services will continue to tightly manage expenditure and contain and minimise costs wherever possible.
- 8.3 Taking earmarked funds and other potential commitments into account, the uncommitted General Fund balance at 31 March 2021 is forecast to be £18.057m.
- 8.4 The forecast outturn for the Council's Housing Revenue Account in 2020-21 is a breakeven position.

### List of Appendices

1. General Fund Revenue Summary 2020-21
2. Housing Revenue Account Summary 2020-21
3. Approved Savings 2020-21
4. Summary of Balances

### Report Contacts

Elaine Muir  
Head of Finance  
Finance & Corporate Services  
Fife House  
North Street  
Glenrothes  
Email: [elaine.muir@fife.gov.uk](mailto:elaine.muir@fife.gov.uk)

Laura Robertson  
Finance Operations Manager  
Finance & Corporate Services  
Fife House  
North Street  
Glenrothes  
Email: [LauraC.Robertson@fife.gov.uk](mailto:LauraC.Robertson@fife.gov.uk)

**FIFE COUNCIL**  
**GENERAL FUND REVENUE SUMMARY 2020-2021**

	Annual Budget £m	Forecast £m	Annual Variance £m	Previous Committee Annual Variance £m	Movement £m	Variance related to COVID-19 £m	Variance related to Non-COVID- 19 items £m
<b>EDUCATION &amp; CHILDREN'S SERVICES</b>							
Education (Devolved)	203.501	203.275	(0.226)	0.000	(0.226)	0.000	(0.226)
Education (Non Devolved)	109.633	112.042	2.409	2.672	(0.263)	0.000	2.409
Children and Families/CJS	63.180	64.800	1.620	3.655	(2.035)	0.645	0.974
	<b>376.314</b>	<b>380.117</b>	<b>3.803</b>	<b>6.327</b>	<b>(2.524)</b>	<b>0.645</b>	<b>3.158</b>
<b>HEALTH &amp; SOCIAL CARE</b>							
Health & Social Care	158.797	163.680	4.883	8.322	(3.439)	0.000	4.883
H&SC Payment from Health per Risk Share	0.000	(3.132)	(3.132)	(5.945)	2.813	0.000	(3.132)
	<b>158.797</b>	<b>160.548</b>	<b>1.751</b>	<b>2.377</b>	<b>(0.626)</b>	<b>0.000</b>	<b>1.751</b>
<b>ENTERPRISE &amp; ENVIRONMENT</b>							
Assets, Transportation and Environment	74.951	85.116	10.165	11.104	(0.939)	11.454	(1.289)
Economy, Planning and Employability	8.636	9.833	1.197	1.411	(0.214)	1.823	(0.626)
Property Repairs and Maintenance	15.081	15.187	0.106	0.106	(0.000)	0.106	(0.000)
	<b>98.668</b>	<b>110.136</b>	<b>11.468</b>	<b>12.621</b>	<b>(1.153)</b>	<b>13.383</b>	<b>(1.915)</b>
<b>COMMUNITIES</b>							
Housing & Neighbourhood Services	9.917	9.860	(0.057)	0.068	(0.125)	0.073	(0.130)
Communities & Neighbourhood	40.288	48.165	7.877	8.335	(0.458)	7.516	0.360
Customer Service Improvement	12.618	13.958	1.340	1.112	0.228	0.437	0.903
	<b>62.824</b>	<b>71.983</b>	<b>9.159</b>	<b>9.515</b>	<b>(0.356)</b>	<b>8.026</b>	<b>1.133</b>
<b>FINANCE &amp; CORPORATE SERVICES</b>							
Assessors	1.156	1.216	0.060	0.060	(0.000)	0.069	(0.009)
Finance	4.743	5.234	0.491	0.399	0.092	0.308	0.183
Revenue & Commercial Services	14.244	14.144	(0.100)	0.429	(0.529)	0.111	(0.211)
Human Resources	5.283	5.533	0.250	0.495	(0.245)	0.312	(0.062)
Business Technology Solutions	12.952	14.191	1.239	0.768	0.471	0.616	0.623
Legal & Democratic Services	3.682	3.710	0.028	0.135	(0.107)	0.088	(0.060)
	<b>42.060</b>	<b>44.028</b>	<b>1.968</b>	<b>2.286</b>	<b>(0.318)</b>	<b>1.504</b>	<b>0.464</b>
Miscellaneous	(1.182)	(1.182)	(0.000)	0.000	(0.000)	0.000	(0.000)
Housing Benefits	2.402	2.302	(0.100)	0.000	(0.100)	0.000	(0.100)
	<b>43.281</b>	<b>45.148</b>	<b>1.867</b>	<b>2.286</b>	<b>(0.419)</b>	<b>1.504</b>	<b>0.363</b>

**FIFE COUNCIL**  
**GENERAL FUND REVENUE SUMMARY 2020-2021**

	Annual Budget £m	Forecast £m	Annual Variance £m	Previous Committee Annual Variance £m	Movement £m	Variance related to COVID-19 £m	Variance related to Non-COVID- 19 items £m
<b>CHIEF EXECUTIVE</b>							
Chief Executive	0.291	0.291	0.000	0.000	0.000	0.000	0.000
Corporate and Democratic Core	2.204	2.404	0.200	0.200	(0.000)	0.000	0.200
	<b>2.495</b>	<b>2.695</b>	<b>0.200</b>	<b>0.200</b>	<b>(0.000)</b>	<b>0.000</b>	<b>0.200</b>
<b>SERVICE TOTALS</b>	<b>742.379</b>	<b>770.627</b>	<b>28.248</b>	<b>33.327</b>	<b>(5.078)</b>	<b>23.559</b>	<b>4.689</b>
<b>ADDITIONAL ITEMS</b>							
Loan Charges (including interest on revenue balances)	63.792	62.792	(1.000)	(1.000)	0.000	0.000	(1.000)
Capital Expenditure Financed from Current Revenue	1.336	1.336	0.000	0.000	0.000	0.000	0.000
Contingencies	15.979	13.979	(2.000)	0.000	(2.000)	0.000	(2.000)
COVID Funding Solution	24.277	0.000	(24.277)	(21.748)	(2.529)	(24.277)	0.000
	<b>105.384</b>	<b>78.107</b>	<b>(27.277)</b>	<b>(22.748)</b>	<b>(4.529)</b>	<b>(24.277)</b>	<b>(3.000)</b>
<b>TOTAL EXPENDITURE</b>	<b>847.763</b>	<b>848.734</b>	<b>0.971</b>	<b>10.579</b>	<b>(9.608)</b>	<b>(0.718)</b>	<b>1.689</b>
<b>FINANCED BY:</b>							
General Revenue Grant	(507.821)	(507.821)	0.000	0.000	0.000	0.000	0.000
Non Domestic Rates	(169.834)	(169.834)	0.000	0.000	0.000	0.000	0.000
Council Tax Income	(172.818)	(170.318)	2.500	2.500	0.000	2.500	0.000
Budgets Funded from Balances (previous years carry forwards etc)	2.710	2.710	0.000	0.000	0.000	0.000	0.000
<b>TOTAL INCOME</b>	<b>(847.763)</b>	<b>(845.263)</b>	<b>2.500</b>	<b>2.500</b>	<b>0.000</b>	<b>2.500</b>	<b>0.000</b>
<b>CONTRIBUTION (TO)/FROM BALANCES</b>	<b>0.000</b>	<b>3.471</b>	<b>3.471</b>	<b>13.079</b>	<b>(9.608)</b>	<b>1.782</b>	<b>1.689</b>



**FIFE COUNCIL**  
**HOUSING REVENUE ACCOUNT SUMMARY 2020-2021**

	#REF!	Forecast	#REF!	Previous Committee Annual Variance	Movement	Variance related to COVID-19	Variance related to Non- COVID-19 items
	£m	£m	£m	£m	£m	£m	£m
<b>BUDGETED EXPENDITURE</b>							
Repairs and Maintenance	34.866	40.743	5.877	9.372	(3.495)	5.877	0.000
Supervision and Management	15.970	15.809	(0.162)	(0.113)	(0.049)	(0.162)	0.000
Funding Investment							
Cost of Borrowing	27.067	26.542	(0.525)	0.000	(0.525)	0.000	(0.525)
Revenue Contribution (incl CFCR)	32.419	24.621	(7.798)	(8.180)	0.382	(9.480)	1.682
	110.323	107.715	(2.607)	1.080	(3.687)	(3.764)	1.157
Voids	2.102	2.362	0.260	0.000	0.260	0.300	(0.040)
Housing Support costs	(0.362)	(0.414)	(0.052)	0.000	(0.052)	(0.052)	0.000
Bad or Doubtful Debts	2.984	2.184	(0.800)	(0.800)	0.000	0.000	(0.800)
Garden Care Scheme	0.376	0.376	0.000	0.000	0.000	0.000	0.000
Other Expenditure	9.668	13.507	3.839	(0.280)	4.119	3.517	0.322
	<b>125.090</b>	<b>125.730</b>	<b>0.640</b>	<b>0.000</b>	<b>0.640</b>	<b>0.000</b>	<b>0.639</b>
<b>FINANCED BY</b>							
Dwelling Rents (Gross)	(117.973)	(118.591)	(0.618)	0.000	(0.618)	0.000	(0.618)
Non Dwelling Rents (Gross)	(3.458)	(3.484)	(0.026)	0.000	(0.026)	0.000	(0.026)
Hostels - Accommodation charges	(2.266)	(2.269)	(0.003)	0.000	(0.003)	0.000	(0.003)
Other Income	(1.393)	(1.386)	0.007	0.000	0.007	0.000	0.007
	<b>(125.090)</b>	<b>(125.730)</b>	<b>(0.640)</b>	<b>0.000</b>	<b>(0.640)</b>	<b>0.000</b>	<b>(0.640)</b>
<b>CONTRIBUTION (TO)/FROM BALANC</b>	<b>0.000</b>	<b>(0.000)</b>	<b>(0.000)</b>	<b>0.001</b>	<b>(0.000)</b>	<b>0.000</b>	<b>(0.000)</b>

**FIFE COUNCIL**  
**APPROVED SAVINGS FOR 2020-21**

Directorate	Savings Target £m	Forecast £m	(Under) / Over £m	Achieved %
<b>Education &amp; Childrens Services</b>	4.208	1.908	(2.300)	45%
<b>Enterprise &amp; Enviroment</b>	3.388	2.453	(0.935)	72%
<b>Communities</b>	1.998	1.319	(0.679)	66%
<b>Finance &amp; Corporate Services</b>	1.608	0.901	(0.707)	56%
<b>Health &amp; Social Care</b>	1.736	0.875	(0.861)	50%
	<b>12.938</b>	<b>7.456</b>	<b>(5.482)</b>	<b>58%</b>

## BALANCE - GENERAL FUND SERVICES

	2020-21 £m	2021-22 £m	2022-23 £m	Future Years £m
<b>Balance at 1 April 2020</b>	(32.689)	(18.057)	(16.614)	(16.614)
<b>Approved 2020-23 Budget</b>				
Contribution to Balances	0.000			
	<b>(32.689)</b>			
<b>Budgets funded from balance</b>	(2.710)			
<b>Add Overall budget variance 2020-21 (Appendix 1)</b>	3.471			
<b>Estimated Balance at 31 March</b>	<b>(31.929)</b>	<b>(18.057)</b>	<b>(16.614)</b>	<b>(16.614)</b>
<b>Earmarked Balance</b>				
Energy Management Fund	1.876			
Council Tax - Second Homes	7.892			
	10.221	0.000	0.000	0.000
	<b>(21.708)</b>	<b>(18.057)</b>	<b>(16.614)</b>	<b>(16.614)</b>
<b>Commitments against balance</b>				
Budget Carry Forward Scheme	0.000			
Carry Forward - Temp Investment	0.829			
Carry forward - Capital Delivery Fund	0.260			
Carry forward - Earmarked Grants	0.596			
Carry forward - LCP	0.081			
Change Fund	0.999	0.821	0.000	
Fife Job Contract	0.535	0.563	0.000	
Mid-Fife Economic Development	0.190			
Change to Deliver - BTS Investment	1.039			
Dunfermline Flood Prevention Scheme	0.392			
Other Commitments	0.231	0.060	0.000	
Reduction in Commitments subject to approval	(1.500)			
	3.651	1.444	0.000	0.000
<b>Estimated uncommitted balance at 31 March</b>	<b>(18.057)</b>	<b>(16.614)</b>	<b>(16.614)</b>	<b>(16.614)</b>

## BALANCE - HOUSING REVENUE ACCOUNT

	2020-21 £M	2021-22 £M	2022-23 £M	Future Years £M
<b>Balance at 1 April 2020</b>	(3.005)	(3.005)	(3.005)	(3.005)
<b>Add Overall budget variance 2019-20 (Appendix 2)</b>	(0.000)			
<b>Estimated uncommitted balance at 31 March</b>	<b>(3.005)</b>	<b>(3.005)</b>	<b>(3.005)</b>	<b>(3.005)</b>

## Treasury Management Annual Report 2019-20 and Update 2020-21

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

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Wards Affected: All

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### Purpose

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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, which was adopted by this Committee on 12 April 2018. The Council is required to comply with the Code through the Local Government in Scotland Act 2003.

### Recommendations

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The Policy and Co-ordination Committee is asked to consider and note the contents of this report.

### Resource Implications

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None.

### Legal & Risk Implications

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Treasury Management within Fife Council is governed by the following legislation and guidance:

- Local Government in Scotland Act 2003 and the Local Government Investments (Scotland) Regulations 2010.
- The CIPFA Prudential Code and Treasury Management Code of Practice.

### Impact Assessment

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An Equalities Impact is not required because the report does not propose a change or revision to existing policies and practices.

### Consultation

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None.

## 1.0 Background

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- 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 2019-20. 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. At this Committee on 12 April 2018, it was noted that:-

*“This organisation delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Policy and Co-ordination Committee, and for the execution and administration of treasury management decisions to the Executive Director of Finance and Corporate Services, who will act in accordance with the organisation’s policy statement and Treasury Management Practices and, if they are a CIPFA member, CIPFA’s Standards of Professional Practice on Treasury Management.”*

## 2.0 Prudential and Treasury Indicators

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- 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 2019-20 outturn expenditure for the Council’s Capital Investment Plan was reported to this Committee on 18 June 2020. The table below shows a summary of this expenditure as well as the prior year’s expenditure for comparison purposes.

	2018-19 £m	2019-20 £m
General Fund	71.874	95.460
Housing Revenue Account	72.209	79.644
<b>Total Capital Expenditure</b>	<b>144.083</b>	<b>175.104</b>

### 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 2019-20 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 a number of secondary and primary schools.

	<b>2018-19</b> <b>£m</b>	<b>2019-20</b> <b>£m</b>
Opening Capital Financing Requirement	1,108.013	1,108.372
Capital Expenditure	144.083	175.104
Capital Income	(101.082)	(119.059)
Repayments of Principal	(37.870)	(36.415)
PPP and Lease repayments	(4.772)	(6.217)
<b>Closing Capital Financing Requirement</b>	<b>1,108.372</b>	<b>1,121.785</b>

## 2.4 Net Debt

To ensure borrowing levels are prudent over the medium term, the Council's net debt (borrowings less investments) 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 2020-21 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 2019-20 Borrowing Strategy presented to the Policy and Co-ordination Committee on 28 March 2019 identified a new long-term borrowing requirement of £36.874m. Three loans from the Public Works Loan Board totalling £80.000m were taken during 2019-20. One loan of £30.000m was taken in April 2019 to meet the new long-term borrowing requirement associated with the capital expenditure anticipated in year. A second loan was taken in July 2019 to replace the early redemption of the inverse floating LOBO loan and in March 2020 a third loan of £30.000m was taken in advance of the 2020-21 new long term borrowing requirement to ensure that the Council had sufficient funds to meet its needs as it was unclear at that stage what impact the COVID-19 pandemic would have on the money markets going forward.

The table below highlights the Council's external debt position at 31 March in each of the last 2 financial years and shows that external debt has increased.

	<b>2018-19</b> <b>£m</b>	<b>2019-20</b> <b>£m</b>
Long and Short Term Debt	965.714	1,047.915
PPP and Lease Liabilities	100.614	94.397
<b>Total External Debt</b>	<b>1,066.328</b>	<b>1,142.312</b>

## 2.5 Operational Boundary / Authorised Limit for External Debt

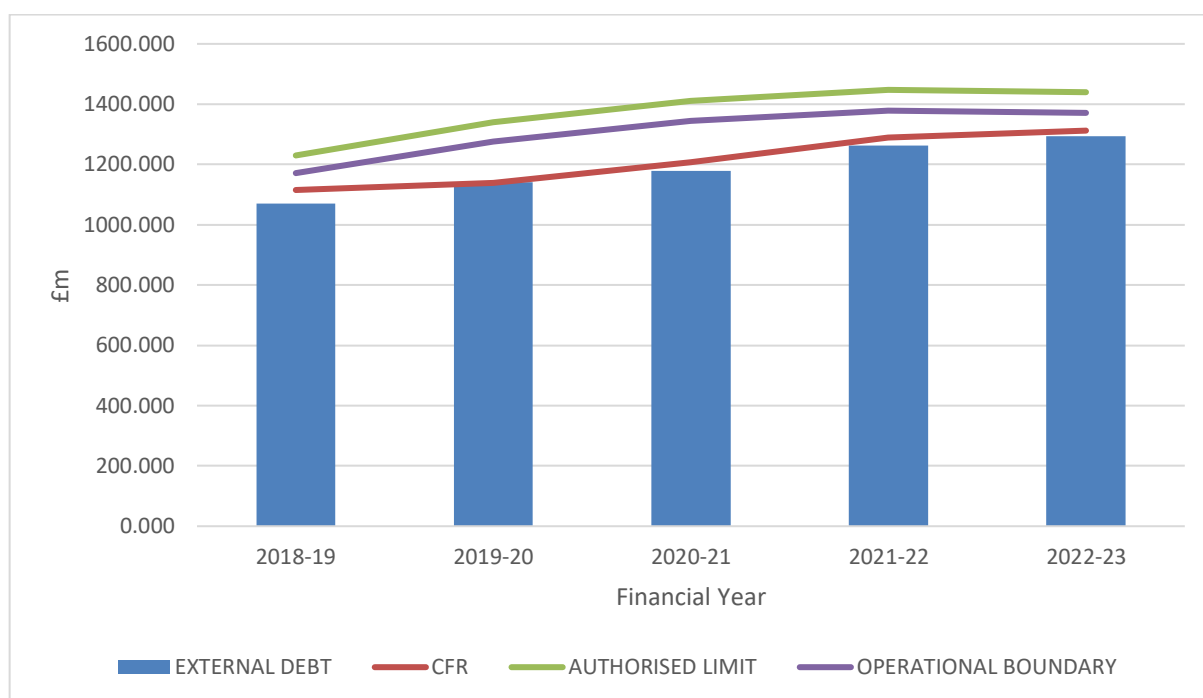
These are approved limits which are used to monitor operationally the total borrowings of the Council on a day to day basis. The authorised limit is the maximum borrowing limit and the Council does not have the power to borrow above this level. The table below demonstrates the Council has maintained total external debt in 2019-20 within the limits approved by Fife Council on 21 February 2019.

	<b>2018-19</b> <b>£m</b>	<b>2019-20</b> <b>£m</b>
Total External Debt	1,066.328	1,142.312
Approved Operational Boundary for External Debt	1,171.352	1,275.827
Approved Authorised Limit for External Debt	1,229.920	1,339.618

## 2.6 Comparison of Borrowing Parameters to Actual Net 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 2018-23.

	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m	2022-23 £m
CFR	1,108.371	1,121.785	1,206.540	1,289.752	1,312.298
External Debt	1,066.328	1,142.312	1,178.759	1,262.347	1,294.717
Operational Boundary	1,171.352	1,275.827	1,344.084	1,378.540	1,371.752
Authorised Limit	1,229.920	1,339.618	1,411.288	1,447.467	1,440.339



## 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.

<b>General Fund</b>	<b>2018-19 £m</b>	<b>2019-20 £m</b>
General Revenue Grant	468.307	481.970
Non Domestic Rates	155.922	165.717
Council Tax	156.301	163.282
<b>Net Revenue Stream</b>	<b>780.530</b>	<b>810.969</b>
Total Financing Costs	65,173	63.187
% of Financing Costs to Net Revenue Stream	8.35%	7.79%

<b>Housing Revenue Account</b>	<b>2018-19 £m</b>	<b>2019-20 £m</b>
Housing Lets	110.949	114.721
Garage Lets	3.493	3.502
<b>Net Revenue Stream</b>	<b>114.442</b>	<b>118.223</b>
Total Financing Costs	23.151	25,464
% of Financing Costs to Net Revenue Stream	20.23%	21.54%

## 3.0 Interest Rates

### 3.1 Forecast

The Borrowing Strategy for 2019-20 forecast short-term interest rates to be in the 0.50% - 1.5% range and long-term rates in the range of 2.0% - 4.0%.

### 3.2 Actual

The Bank of England base interest rate remained unchanged on 6 August 2019. This was reflected in the rates available for temporary investments and the cost of temporary borrowings. Investments in money market funds during 2019-20 earned 0.72% and temporary borrowings cost the Council 0.96%.

In the money market, long term borrowing rates in the less than 5-year maturity range continued to be low. However, market liquidity continues to be very difficult in the longer periods.

It is important that the Council spreads the maturity dates of its loans across the whole portfolio to ensure that it does not have large amounts of debt maturing in any one year. In terms of our current portfolio, new borrowing is required to be taken within the mid-range of our 60-year maturity profile. To suit this profile, the following loans were taken during the year with interest rates falling within the range forecast in our borrowing strategy for 2019-20

<b>Lender</b>	<b>Amount £m</b>	<b>Interest Rate</b>	<b>Term</b>
PWLB	30.000	2.40%	21 years 7 months
PWLB	20.000	2.19%	40 years 4 months
PWLB	30.000	2.78%	13 years 8 months



## 4.0 Debt Rescheduling and Debt Outstanding

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### 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 in order 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.

During 2019-20 the Executive Director of Finance and Corporate Services took the decision to redeem one of the Lender Option Borrower Option (LOBO) loans valued at £20.000m and replace with borrowing from the PWLB in order to generate savings to the Council. Link Asset Services were engaged to negotiate the value of the premium to be paid at the time of the premature redemption. A loan of £20.000m was taken with the PWLB, at an interest rate of 2.19%, to replace the LOBO loan and a mixture of short-term borrowing and cash flow was used to fund the premium of £18.454m. The inverse nature of the loan means that in periods of low interest the actual interest paid is greater. Financial modelling demonstrated that it was cheaper to redeem the loan at a premium than continue with the loan at the current level of interest and annual savings will be made throughout the life of the old and replacement loans. It is anticipated that savings of £8.700m will be generated over the life of the loan, depending on interest rates. We continue to review opportunities for debt rescheduling.

### 4.3 Debt Outstanding

Appendix 2 shows the movement in borrowings and investments during the year. Net borrowing has increased by £62.731m in the year to a total of £977.115m.

Temporary loans are those maturing in under 364 days. In recent years, Fife Council has been actively taking advantage of the very low temporary borrowing rates but with interest rates forecast to rise in the future, work is ongoing to replace this debt with longer maturity repayment profiles.

### 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

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### 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 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 2019-20 there were no breaches of this limit. There have been no breaches in the current financial year to 30 September 2020.

## 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. In 2065-66, 9.77% 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 2 years: -

Year	% of total Debt maturing (as at 31 March 20)
2020-21	0.19
2021-22	2.85

## 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 reduced to 3.61% for Loans Fund Interest and Expenses, (3.67% in 2018-19, 3.63% in 2017-18).

## 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, was due to take place earlier this year but had to be cancelled due to the Government restrictions associated with the COVID19 pandemic. Discussion is taking place to establish suitable dates for a "virtual" training event to take place.

Officers attended several training events in 2019-20, including Link Asset Treasury Management Workshop in December 2019 and virtual events throughout 2020. Officers also attended the CIPFA Treasury Management Forum biennial conference in November 2019.

# 6.0 Update 2020-21

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## 6.1 Capital Investment Plan

The current Capital Investment Plan, which extends to the year 2029, was approved by Fife Council on 21 February 2019 and the biennial Capital Investment Plan review will be undertaken in 2020-21. Any review of the ten-year plan will have an impact on Treasury Management.

## 6.2 Investment Portfolio 2020-21

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. It is currently a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades, as rates are very low and unlikely to return to the levels seen in previous decades, investment returns are likely to remain low.

The Council held £210.410m of short-term investments at 30 September 2020 (£70.800m at 31 March 2020) and the investment portfolio yield for the first six months of the year is 0.21%.

### 6.3 Borrowing

The Council's capital financing requirement (CFR) for 2020-21 is £1,206.540m. 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 2020-21 was estimated at £104.206m and reported to this Committee on 26 March 2020. No long-term external borrowing has been undertaken to date this financial year.

### 6.4 Debt Rescheduling

The Executive Director of Finance and Corporate Services will continue to review opportunities for debt rescheduling. At present there is no debt rescheduling anticipated in 2020-21

### 6.5 Interest rate forecasts

The Council's treasury advisor, Link Asset Services, has provided the following forecast and commentary on interest rates in the UK.

	Dec20	Mar21	Jun21	Sep21	Dec21	Mar22	Jun22	Sep22	Dec22	Mar22
	%	%	%	%	%	%	%	%	%	%
Bank Rate View	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3mth	0.05	0.05	0.05	0.05	0.05	-	-	-	-	-
6mth	0.10	0.10	0.10	0.10	0.10	-	-	-	-	-
12mth	0.15	0.15	0.15	0.15	0.15	-	-	-	-	-
5yr PWLB	1.90	2.00	2.00	2.00	2.00	2.00	2.10	2.10	2.10	2.10
10yr PWLB	2.10	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30
25yr PWLB	2.50	2.540	2.50	2.60	2.60	2.60	2.70	2.70	2.70	2.70
60yr PWLB	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.50	2.50

*As the interest forecast table for PWLB certainty rates, (gilts plus 180bps), above shows, there is likely to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. Inflation is also likely to be very low during this period and could even turn negative in some major western economies during 2020/21.*

#### **The balance of risks to the UK**

- *The overall balance of risks to economic growth in the UK is probably relatively even, but is subject to major uncertainty due to the virus.*
- *There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, could impact gilt yields, (and so PWLB rates), in the UK.*

Detailed risk analysis information from Link Asset Services can be found in Appendix 3

This interest rate forecast is used to inform projections and modelling of future loan charges and will influence affordability of future investment.

## 7.0 Conclusions

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- 7.1 Performance against the approved 2019-20 Prudential and Treasury Indicators was within agreed limits for the financial year.
- 7.2 The three PWLB loans borrowed in 2019-20 were at an interest rate lower than the long-term strategic rate set by the Council's Borrowing Strategy. The LOBO loan of £20.00m was redeemed in 2019-20 with a premium of £18.454m.
- 7.3 There were no breaches of investment limits during 2019-20, 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 3.61%
- 7.4 No new long-term borrowing has taken place in 2020-21.

### List of Appendices

1. Prudential Indicators 2020-23
2. Summary of Borrowing and Investments 2019-20
3. Link Asset Services – Interest Rate Risk Commentary.

### Background Papers

None

### Report Contact

Laura Robertson,  
Finance Operations Manager  
Fife Council,  
Fife House,  
North Street,  
Glenrothes, KY7 5LT  
Tel: 03451 55 55 55 Ext 450552  
Email: [Laurac.robertson@fife.gov.uk](mailto:Laurac.robertson@fife.gov.uk) -

## Appendix 1

2018-19	2019-20		Approved February 2020		
			2020-21	2021-22	2022-23
		<b>Affordability Indicators</b>			
<b>£m</b>	<b>£m</b>	<u>Capital Expenditure</u>	<b>£m</b>	<b>£m</b>	<b>£m</b>
71.874	95.460	General Fund	105.046	90.718	95.692
72.209	79.644	Housing Revenue Account	96.863	109.503	58.345
144.083	175.104		201.909	200.221	154.037
<b>£m</b>	<b>£m</b>	<u>Financing Costs</u>	<b>£m</b>	<b>£m</b>	<b>£m</b>
65.173	63.187	General Fund	62.456	61.235	60.089
23.151	25.464	Housing Revenue Account	27.525	31.791	36.103
88.324	88.650		89.981	93.026	96.192
<b>£m</b>	<b>£m</b>	<u>Net Revenue Stream</u>	<b>£m</b>	<b>£m</b>	<b>£m</b>
780.530	810.969	General Fund	811.598	806.383	801.156
114.442	118.223	Housing Revenue Account	120.926	123.645	126.651
894.971	929.192		932.524	930.028	927.807
		<u>Ratio of Financing Costs to Net Revenue Stream</u>			
8.35%	7.79%	General Fund	7.70%	7.59%	7.50%
20.23%	21.54%	Housing Revenue Account	22.76%	25.71%	28.51%
		<u>Capital Financing Requirement</u>			
768.083	756.568	General Fund	823.221	843.419	856.601
340.288	365.217	Housing Revenue Account	383.319	446.333	455.697
1,108.371	1,121.785		1,206.540	1,289.752	1,312.298
1,066.328	1,142.312	External Debt	1,178.759	1,262.347	1,294.717
1,229.920	1,339.618	Authorised Limit for External Debt	1,411.288	1,447.467	1,440.339
1.171.352	1,275.827	Operational Boundary for External Debt	1,344.084	1,378.540	1,371.752
		<b>Prudence Indicators</b>			
<b>£m</b>	<b>£m</b>	<u>Debt and the Capital Financing Requirement</u>	<b>£m</b>	<b>£m</b>	<b>£m</b>
1,066.328	1,142.312	Forecast External Debt	1,178.759	1,262.347	1,294.717
1.108.371	1,121.785	Forecast Capital Financing Requirement	1.206.540	1,289.752	1,312.298
(42.043)	20.527		(27.781)	(27.404)	(17.582)
		<u>Adoption of CIPFA Code of Treasury Management</u>			
		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%
		<u>Maturity Structure of Borrowing</u>			
		<u>% of total debt maturing in any single year</u>			
		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%		

## Summary of Borrowing and Investments 2019-20

	Opening Balance 2019-20 £m	Borrowed / (Invested) During 2019-20 £m	(Repaid) / Received During 2019-20 £m	Closing Balance 2019-20 £m
Public Works Loans Board	478.614	80.000	(9.799)	548.815
Market Loans	386.100	0.000	(40.500)	345.600
Temporary Borrowings	101.000	236.500	(184.000)	153.500
<b>Total Borrowings</b>	<b>965.714</b>	<b>316.500</b>	<b>(234.299)</b>	<b>1,047.915</b>
Temporary Investments	(51.330)	(958.185)	938.715	(70,800)
<b>Net Borrowings</b>	<b>914.384</b>	<b>(641.685)</b>	<b>704.416</b>	<b>977.115</b>

Note – the figures above exclude PPP and lease liabilities

## Link Asset Services Economics and Interest Rates

*The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its meeting on 6<sup>th</sup> August (and the subsequent September meeting), although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected within the forecast horizon ending on 31<sup>st</sup> March 2023 as economic recovery is expected to be only gradual and, therefore, prolonged.*

**GILT YIELDS / PWLB RATES.** *There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was heightened expectations that the US could have been heading for a recession in 2020. In addition, there were growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. The consequence of this has been the gradual lowering of the overall level of interest rates and bond yields in financial markets over the last 30 years. Over the year prior to the coronavirus crisis, this has seen many bond yields up to 10 years turn negative in the Eurozone. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.*

*Gilt yields had therefore already been on a generally falling trend up until the coronavirus crisis hit western economies during March. After gilt yields spiked up during the initial phases of the health crisis in March, we have seen these yields fall sharply to unprecedented lows as major western central banks took rapid action to deal with excessive stress in financial markets, and started massive quantitative easing purchases of government bonds: this also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure financed by issuing government bonds. Such unprecedented levels of issuance in “normal” times would have caused bond yields to rise sharply. At the close of the day on 30<sup>th</sup> September, all gilt yields from 1 to 6 years were in negative territory, while even 25-year yields were at only 0.76% and 50 year at 0.60%.*

*From the local authority borrowing perspective, HM Treasury imposed **two changes of margins over gilt yields for PWLB rates** in 2019-20 without any prior warning. The first took place on 9<sup>th</sup> October 2019, adding an additional 1% margin over gilts to all PWLB period rates. That increase was then at least partially reversed for some forms of borrowing on 11<sup>th</sup> March 2020, but not for mainstream General Fund capital schemes, at the same time as the Government announced in the Budget a programme of increased infrastructure expenditure. It also announced that there would be a consultation with local authorities on possibly further amending these margins; this was to end on 4<sup>th</sup> June, but that date was subsequently put back to 31<sup>st</sup> July. It is clear HM Treasury will no longer allow local authorities to borrow money from the PWLB to purchase commercial property if the aim is solely to generate an income stream (assets for yield).*

Following the changes on 11<sup>th</sup> March 2020 in margins over gilt yields, the current situation is as follows: -

- **PWLB Standard Rate** is gilt plus 200 basis points (G+200bps)
- **PWLB Certainty Rate** is gilt plus 180 basis points (G+180bps)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

It is possible that the non-HRA Certainty Rate will be subject to revision downwards after the conclusion of the PWLB consultation; however, the timing of such a change is currently an unknown, although it would be likely to be within the current financial year.

As the interest forecast table for PWLB certainty rates, (gilts plus 180bps), above shows, there is likely to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. Inflation is also likely to be very low during this period and could even turn negative in some major western economies during 2020/21.

### **The balance of risks to the UK**

- The overall balance of risks to economic growth in the UK is probably relatively even, but is subject to major uncertainty due to the virus.
- There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, could impact gilt yields, (and so PWLB rates), in the UK.

### **Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:**

- **UK** - second nationwide wave of virus infections requiring a national lockdown
- **UK / EU trade negotiations** – if it were to cause significant economic disruption and a fresh major downturn in the rate of growth.
- **UK - Bank of England** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the **Eurozone sovereign debt crisis**. The ECB has taken monetary policy action to support the bonds of EU states, with the positive impact most likely for “weaker” countries. In addition, the EU recently agreed a €750bn fiscal support package. These actions will help shield weaker economic regions for the next year or so. However, in the case of Italy, the cost of the virus crisis has added to its already huge debt mountain and its slow economic growth will leave it vulnerable to markets returning to taking the view that its level of debt is unsupportable. There remains a sharp divide between northern EU countries favouring low debt to GDP and annual balanced budgets and southern countries who want to see jointly issued Eurobonds to finance economic recovery. This divide could undermine the unity of the EU in time to come.
- Weak capitalisation of some **European banks**, which could be undermined further depending on extent of credit losses resultant of the pandemic.
- **German minority government & general election in 2021**. In the German general election of September 2017, Angela Merkel’s CDU party was left in a vulnerable minority position



dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. The CDU has done badly in subsequent state elections but the SPD has done particularly badly. Angela Merkel has stepped down from being the CDU party leader but she intends to remain as Chancellor until the general election in 2021. This then leaves a major question mark over who will be the major guiding hand and driver of EU unity when she steps down.

- **Other minority EU governments.** Austria, Sweden, Spain, Portugal, Netherlands, Ireland and Belgium also have vulnerable minority governments dependent on coalitions which could prove fragile.
- **Austria, the Czech Republic, Poland and Hungary** now form a strongly anti-immigration bloc within the EU. There has also been a rise in anti-immigration sentiment in Germany and France.
- **Geopolitical risks**, for example in China, Iran or North Korea, but also in Europe and other Middle Eastern countries, which could lead to increasing safe haven flows.
- **US – the Presidential election in 2020:** this could have repercussions for the US economy and SINO-US trade relations.

#### **Upside risks to current forecasts for UK gilt yields and PWLB rates**

- **UK** - stronger than currently expected recovery in UK economy.
- **Post-Brexit** – if an agreement was reached that removed the majority of threats of economic disruption between the EU and the UK.

The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.

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## Departure from Schools Admissions Policy – COVID

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Report by: Carrie Lindsay, Executive Director (Education and Children’s Services)

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Wards Affected: All Wards

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### Purpose

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This report seeks approval to depart from the existing Schools Admissions Policy for Primary One enrolment from January 2021. As a result of the Coronavirus restrictions, the education authority is looking to depart from the current approach to allow enrolment for pupils for session 2021/22 using a digital, online process.

### Recommendation(s)

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The Committee is invited to:

- (i) note the contents of the report; and
- (ii) approve the departure from the existing schools admissions policy for Primary One enrolment for academic session 2021/2022.

### Resource Implications

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Officer time will be required to implement the recommendations of this proposal. However, it is expected that the new online enrolment form will reduce the time for management staff in schools when implementing the process.

### Legal & Risk Implications

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The Education Service does not feel that the existing process would be compromised through a departure and the introduction of the online process for a single academic session. Should the process be considered for implementation for the subsequent year, this would require review in accordance with the Schools (Consultation) (Scotland) Act 2010.

### Impact Assessment

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An EqIA is not required because the report does not propose a significant change or revision to existing policies and practices.

### Consultation

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Initial consultation has commenced with school staff on an alternative method of enrolment. Further discussion will take place with Headteachers prior to the January 2021 enrolments.

## 1.0 Background

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- 1.1 The School Admissions Policy was approved by the former Executive Committee on 15th January, 2013. This policy states the requirements of parents/carers and the procedures the Education Service will follow.
- 1.2 The majority of parents choose to send their children to their catchment school, with a small number choosing to make parental placing requests to a non-catchment school. The deadline for parental placing requests is 15th March, each year.
- 1.3 During the enrolment process for 2020/21, the Scottish Government produced guidance in relation to responding to placing request applications and the timescale to be followed. Although an extra month had been given to local authorities, the Education Service was able to ensure that most parents were advised in writing, by 8th May, 2020, whether their application had been approved or refused.
- 1.4 The Education Service has previously departed from the Admissions Policy, during session 2017/18, because of the over-subscription of catchment pupils in Woodmill High School. Although this was specifically managed for secondary schools in the Dunfermline and West Fife area, the departure and method adopted for that year did not prejudice any pupil application and ensured the process allowed the maximum number of placing requests to be granted and, therefore, as much as possible allowed parental choice for that one year.

## 2.0 Enrolment at Primary School

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- 2.1 The enrolment process for Primary 1 pupils takes place between early January and April 30 of each year.
- 2.2 On entering primary school, parents should **always attend an enrolment session at their catchment area school** where they will be asked to complete an enrolment form. Parents will be asked to bring the following items of paperwork with them as proof of pupil identification and place of residence:
  - a) child's birth certificate;
  - b) Council Tax notification letter; and
  - c) a utility bill (gas or electric only).
- 2.3 The Education Service will carry out checks to verify the information provided by parents. Where false information has been submitted, an offer of a place at any school may be withdrawn.
- 2.4 Parents submitting a placing request should also enrol at their catchment school to ensure a place is reserved for their child if their placing request is not approved. If an enrolment form is not completed, the catchment school will not be able to reserve a place for that particular child.

## 3.0 Issues and Options

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- 3.1 As a result of the Coronavirus pandemic and the current restrictions in place, schools have been working extremely hard to keep our children and young people safe, while maintaining education provision. One of the steps taken to help achieve this has been reducing the number of visitors to school sites. Parents have been asked to try to minimise direct face-to-face contact with school staff and are currently being asked to undertake any appointments with school staff by phone or through digital means, where possible.
- 3.2 To respond to the current situation, and to maintain a reduced number of visitors to schools, a new online system has been developed with colleagues from Business Technology Systems, to allow parents/carers an opportunity to apply online for a new primary one place. This system also has the functionality that will allow applications for an alternative non-catchment school place (placing request application).
- 3.3 Implementation of this system, for new enrolments for January 2021, requires Committee approval as it is a departure from the current enrolment process, outlined in section 2 above. However, this new system will enable social distancing within the school environment and allow a safe and easier route for most of our parents to enrol and make placing requests for their child(ren).
- 3.4 This new system can be accessed through a smart phone, personal computer or tablet and the step by step online form is easy to understand and is not time consuming. Documents can be photographed and uploaded to verify details. For those parents who may not have access to a smartphone or personal computer, a form can be emailed or posted out and documents can still be verified by arranging a socially distanced appointment. Access to the form for those who do not have a personal computer at home can be made by accessing those within public libraries etc.
- 3.5 This departure will reduce footfall in schools significantly over the enrolment time period.
- 3.6 It is proposed that the Education Service is authorised to trial this new system for one round of enrolments, thus providing an opportunity to review the process and learn from the experience. Should this new online system be effective and efficient, meeting the needs of our parents/carers, and a permanent change from the existing manual process to online process be considered the best way forward, wider consultation may be required and/or approval by a future Committee.

## 4.0 Conclusions

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- 4.1 As a result of the Covid pandemic the number of visitors to school buildings has been significantly reduced to minimise any potential transmission of the virus.
- 4.2 An improved process for enrolment of primary one pupils is being considered by many local authorities to ensure parents have an opportunity to enrol in a safe and easy manner.
- 4.3 An online form has been produced by BTS colleagues which can be managed by school staff for session 2021/22 and, therefore, a departure from the existing policy is requested.

- 4.4 The departure and method adopted will not prejudice any pupil application and will ensure the process allows placing requests to be granted and, therefore, as much as possible continue to allow parental choice.

## Background Papers

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

- School Admissions Policy  
<https://online.fifedirect.org.uk/publications/index.cfm?fuseaction=publication.pop&pubid=738A7B0F-D278-0B2A-544906A785EB190C>
- Executive Committee 15 January 2013 -  
<https://online.fifedirect.org.uk/publications/index.cfm?fuseaction=publication.pop&pubid=2A279A6D-E3A1-2978-ABA4886651C4C79A>
- Scottish Government Guidance Placing Requests April 2020  
<https://www.gov.scot/publications/coronavirus-covid-19-school-placing-requests-and-appeals-in-2020/>

## Report Contacts

Shelagh McLean  
Head of Service  
Education Service  
Rothesay House  
Glenrothes  
Telephone: 03451 55 55 55 ext. 444229  
Email - [shelagh.mclean@fife.gov.uk](mailto:shelagh.mclean@fife.gov.uk)

Avril Graham  
Sustainable Estate Officer  
Education Service  
Rothesay House  
Glenrothes  
Telephone: 03451 55 55 55 ext. 444204  
Email – [avril.graham@fife.gov.uk](mailto:avril.graham@fife.gov.uk)

## **Fife Industrial Innovation Investment Programme – Edinburgh and South East Scotland City Region Deal - Full Business Case for Tranche 2**

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Report by: Keith Winter, Executive Director (Enterprise and Environment)

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Wards Affected: 1-15, 21,22

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### **Purpose**

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This paper seeks approval for the second tranche of investment (years 4 – 6) of the Fife Industrial Innovation Investment (i3) Programme. The Fife i3 Programme is a ten-year investment programme which forms part of the Edinburgh and South East Scotland City Region Deal.

### **Recommendation(s)**

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Committee is asked to:

- (i) approve the Full Business Case (FBC) included in Appendix 1 to this report, noting that this approval is subject the agreement of the Scottish and UK Governments and the Regional Joint Committee for the Edinburgh & South East Scotland City Region Deal;
- (ii) delegate authority to the Executive Director (Enterprise and Environment), the Head of Legal and Democratic Services and the Head of Finance to secure partner agreement and authorise them to submit the Full Business Case to the Edinburgh and South East Scotland City Region Deal Joint Committee and Government partners for final approval;
- (iii) agree that the capital receipts from the disposal of land at The Industrial Park, Lochgelly and the former skate park site at Ridgeway, Dalgety Bay will be reinvested in the Fife i3 Programme, noting that the principle of capital receipts being retained by the Fife i3 Programme forms part of the agreed Full Business Case (FBC) and is a requirement of the Government investment. The total amount of receipts proposed for retention by the Programme does not exceed the previously agreed total of £5.2m;
- (iv) agree the transfer of £388,000 from within the EPES Council capital programme that arises as a result of the updated business case, from Growing the Economy to the Fife i3 Programme;
- (v) note that this paper follows the Full Business Case for the Fife i3 Programme, which was approved by this Committee in January 2019. Approval was given at that time for Fife Council capital funding to support delivery of the Programme; and
- (vi) note that a further Full Business Case for the third tranche (years 7 – 10) of investment will be prepared in 2023/24.

## Resource Implications

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The programme originally set out to invest £48.4m over ten years. Of this, £9.2m (19%) was Fife Council capital funding, with the remainder being made up of a grant from the Edinburgh and South East Scotland City Region Deal (72%) and the reinvestment of capital receipts generated by the Programme (9%).

This investment has now been supplemented by additional grant funding from the Vacant and Derelict Land Fund (VDLF) and the movement of an existing capital budget, which will be brought into the Programme to facilitate delivery of a refurbishment project. This project was the originally intended purpose of this budget allocation.

This brings the total investment to £50m – the ten-year Programme duration is unchanged. The latest business case makes assumptions for how COVID-19 is likely to affect the cost of delivering the Programme over the duration of Tranche 2 and beyond and the delivery plans have been adapted to reflect this.

## Legal & Risk Implications

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A full risk assessment has been carried out in preparation for delivery of this tranche of investment. The principal risks relate to delivery and viability; finance; and legal. Plans to mitigate all risks have been developed. Programme risks are regularly reviewed and reported to the Programme Board. An escalation process is in place for significant risks. More information is provided in Paragraphs 2.11 and 2.12.

Approval of the Full Business Case commits Fife Council to deliver the second tranche of the Fife i3 Programme (years 4 – 6), subject to approval by the Edinburgh and South East of Scotland City Region Deal Joint Committee and the Scottish and UK Governments.

## Impact Assessment

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An EqIA is not required because the report does not propose a change or revision to existing policies and practices. An Economic Impact Assessment has been undertaken in the development of the Tranche 2 business case.

The Fairer Scotland Duty requires the Council to consider how it can reduce inequalities of outcome caused by socioeconomic disadvantage when making strategic decisions. The strategic approach to the Programme, particularly the site selection process, is strongly focused on delivering fair outcomes and reducing inequality. This is embedded within a City Region Deal approach outlined in paragraph 2.9 below.

## Consultation

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The Investment Strategy Group has been consulted and has approved the proposal to re-invest capital receipts at Lochgelly and Dalgety Bay.

The Head of Finance has been consulted in the development of the Full Business Case and has indicated support for the recommendations outlined above in relation to movements in the capital plan and the reinvestment of capital receipts.

# 1.0 Background

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- 1.1 The Fife Industrial Innovation Investment (i3) Programme is being delivered as part of the Edinburgh and South East Scotland City Region Deal's innovation theme. The Programme will deliver a sustained investment programme in modern business premises to support the delivery of Inclusive Growth and Innovation in Fife. It will increase the supply of serviced employment land and new industrial, office and business space in Fife.
- 1.2 The business case for a ten-year programme of investment has been approved, along with a detailed business case for the first three years of the programme (Tranche 1). This Business Case confirms the agreed profile for investment, grant drawdown and Council's capital contribution. The business case in Appendix 1 of this report sets out the detailed arrangements for years four to six of the Fife i3 Programme (Tranche 2).
- 1.3 Tranche 1 of the programme is developing sites at:
  - Queensway Industrial Estate, Glenrothes
  - Fife Interchange, Dunfermline
  - Dunnikier Business Park, Kirkcaldy
  - The Avenue, Lochgelly and
  - Hillend and Donibristle Industrial Estate, Dalgety Bay.
- 1.4 The Fife i3 Programme is now 18 months into delivery. Construction is underway on sites in Glenrothes and Kirkcaldy. The Glenrothes site is due to complete by March 2021, with marketing underway shortly through the InvestFife team. The Kirkcaldy site is due to complete by end of Quarter 2, 2021/22. The site acquisition in Dalgety Bay was completed in March 2020. Site servicing is due to start at Fife interchange North, Dunfermline in early 2021, once the acquisition is concluded, and be completed by Quarter 2, 2021/22. Site Servicing at Lochgelly will be concluded and new units built in Dalgety Bay in 2021/22. The programme is on track to deliver almost 4,000m<sup>2</sup> of new business accommodation and provide 4.8ha (gross) of immediately available, serviced employment land.
- 1.5 Since the Programme business case was approved, the COVID-19 pandemic has affected programme delivery (in particular costs and timescales) and this updated business case reflects a base case expected scenario that factors in the latest information on this and other risks. This is a time of significant uncertainty and, where possible, actions to mitigate risk are being identified and developed in parallel with the delivery of the Programme.
- 1.6 The investment plans for Tranche 2 also reflect a stronger focus on carbon reduction and management measures than the original business case, following the declaration of a climate emergency. The preparation of this business case draws on feasibility work undertaken during Tranche 1 of the programme to explore opportunities to improve the carbon efficiency of the programme across the building life cycle (construction, operation, demolition and/or re-use). This work is ongoing and will continue to inform the approach.



## 2.0 Programme Update

### Phasing and Delivery

- 2.1 The original Full Business Case for Tranche 1 was based on delivery over 10 years of a total of £48.4m investment. The total programme of investment outlined in this updated business case has increased in response to rising costs of site servicing and construction, bringing the total investment to £50m. The additional investment comes from the Vacant and Derelict Land Fund (VDLF).
- 2.2 Some changes have been made to the Programme to respond to:-
- Cost rises (both prior to, and as a result of, COVID-19)
  - Private sector interest in engaging with the Programme to deliver some outputs in a different way
  - Lessons learned from Tranche 1 (particularly in relation to procurement)
  - An increased focus on carbon reduction and a desire to explore refurbishment activity as a means of managing costs and reducing the overall carbon footprint of the programme's activities
  - Lower than expected capital receipts in the early years of the Programme due to loss of net site area available for disposal
  - Rephasing and consolidation of some projects to manage some delays, to deliver improved value for money, and to keep the Programme on budget
  - Reconsideration / delay of projects delivering office space to account for uncertainty about medium/long-term office market prospects post-COVID.
- 2.3 The total impact of the revised Programme and the outputs it is expected to deliver is shown in Table 1 below:

**Table 1 – Fife i3 Programme Investment and Outputs**

<b>Programme Total</b>			
	<b>Original FBC</b>	<b>Updated FBC</b>	<b>Variance</b>
New Build	12,222 m <sup>2</sup>	12,105 m <sup>2</sup>	- 1,510 m <sup>2</sup>
Site Servicing	59 ha unlocked	57 ha unlocked	- 2 Ha
Acquisitions	2	2	No change
Investment	£48.4m	£50m	+ £1.6m

- 2.4 The reduction in the expected programme outputs, and the increase in the level of investment required has arisen due to the significant cost increases associated with COVID-19. An allowance has been made for this to continue, based on indices used by the construction industry. The compounding effect of cost pressures places a significant additional cost burden on delivery.
- 2.5 The Delivery Programme is set out in Appendix 1 of the Full Business Case, and an update on each project in the Programme is provided in Section 3.3 (Table 3) of this Appendix.

## Prioritisation of Sites

2.6 Moving into Tranche 2, all sites have been reassessed and a number of new sites considered, based on proximity to the public transport e.g. the Fife Circle railway line. New assessment criteria have been added to support a stronger focus on their low carbon potential and overall sustainability in line with the climate emergency declaration locally and nationally.

2.7 The additional criteria considered were:

- **Greenfield** – greenfield sites are generally not preferred unless they fulfil other sustainability criteria or make a significant contribution to other strategic objectives
- **Passive design** – can the site accommodate a passive design, particularly in relation to the orientation of the building to maximise passive solar gain?
- **Renewables** – does the site have access to any renewable energy source (e.g. district heat network, air source or solar power)?
- **Vacant and Derelict Land** – will the project remediate vacant and derelict land or property?

2.8 Industrial market demand has held relatively firm in the face of COVID-19 disruption and whilst there are some short-term challenges, it is not anticipated that the Programme will suffer from a long-term drop in rental income from these properties. There is, however, significant uncertainty around prospects for office demand. Whilst it is envisaged that the office market will strengthen again within the lifetime of the Fife i3 Programme, it is not clear at this point what the specific requirements of office occupiers will be. It is therefore proposed that office projects in Tranche 2 will be subject to review and possible reconfiguration. This business case sets out current preferred options for these projects, but it is anticipated that these will be subject to change beyond what would normally be expected at this stage of development. This affects proposed projects in:

- Kirkcaldy Town Centre
- Cowdenbeath Town Centre and
- Queensway Business & Technology Park (Innovation Centre Project).

2.9 Whilst the Cowdenbeath project is expected to go ahead with modifications, within the planned timescales, the project in Kirkcaldy Town Centre will be delayed by a year. This moves it into Tranche 3 of the Programme. This will also allow time for stronger alignment with the recently agreed requirement to develop a single town centre strategy for Kirkcaldy.

## Expected Benefits

2.10 An Economic Impact Assessment (EIA) has been undertaken to appraise the likely impact of the Fife i3 Programme on key economic indicators. The EIA uses economic data and evidence, alongside key assumptions to model the impact of the programme. The inputs and assumptions have been updated in line with Tranche 1 delivery (actual and expected). The expected number of permanent jobs created by the Programme has reduced slightly from 1,095 to 1,035. This is still in line with expectations of around a thousand jobs, and the modelling should be considered indicative. The Benefits Realisation Approach for the Programme is shown in Appendix 3 of the Tranche 2 FBC.

## **Inclusive Growth and Innovation**

- 2.11 The Inclusive Growth Challenges for the City Region and a Framework to tackle these are set out in Pages 6/10 of the [City Region Deal](#) document. The innovation focus of the Fife i3 Programme offers an opportunity to support companies to work in new ways that allow them to succeed and create new and better jobs. The Fife i3 Programme aligns with the City Region Deal's Integrated Regional Employability & Skills Programme (IRES), which includes a data-driven innovation (DDI) targeted skills gateway. Together these deliver a strong contribution to inclusive growth.
- 2.12 The Fife i3 Programme will develop buildings that are, as far as possible, future proofed and support modern manufacturing processes. This includes flexible internal layouts (e.g. the ability to combine units to create larger floorplates) and the use of smart approaches to infrastructure, in particular energy and digital. This will be developed further as part of the preparations for all Tranche 2 projects.
- 2.13 The commitment to this is unchanged from the original Fife i3 Programme Full Business Case and aligns with the recently approved Benefits Realisation Plan for the Edinburgh and South East Scotland City Region Deal.

## **Programme Risks**

- 2.14 The risks relating to Interest Rates, Construction and Completion, Operating Risks, Demand Risk, Force Majeure and changes in Law, Political, Regulatory, Environmental and Social Risks associated with the delivery of the Fife i3 Programme will be allocated to the party that is best placed to manage them in a cost-effective way to maximise value for money, including to the private sector.
- 2.15 For Tranche 1 of the programme, these risks were allocated to Fife Council. The intention during Tranche 2 is to begin to risk-share with the private sector on some projects through different development models (e.g. joint ventures).

## **Funding and Affordability**

- 2.16 The original Full Business Case for the Fife i3 Programme showed a surplus of £14m and the NPV for the programme was expected to be a £0.177m surplus. The results of the latest financial modelling and the movement between the financial modelling for the Outline Business Case and Full Business Case are shown in Section 7.
- 2.17 This updated Full Business Case for Tranche 2 shows a small increase in the Programme surplus from £14 million in the Programme Business Case to £15.7 million. The NPV for the programme is expected to be a surplus of £3.5 million – this is an increase from the original Programme Full Business Case, which showed a £0.177 million NPV surplus. Any surplus will be managed by the Enterprise and Environment Directorate in accordance with Fife Council's medium-term financial strategy.
- 2.18 There is no additional Capital ask from the Council but the profile of spend has changed to push spend back to later years, mainly as a result of delay to the delivery of office projects to allow more time to respond to changes arising due to COVID-19. The shortfall in 20/21 is expected to be met by an advance of City Region Deal grant.

**Table 2 – Fife i3 Programme Budget Profile**

	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	Total
<b>Capital Spend remaining Full Programme</b>	2.0	4.4	6.3	3.6	7.4	9.5	9.8	3.8	1.9	0.8	49.7
<b>Total Capital Budget Available - Including VDLF</b>	2.1	3.6	9.2	6.2	8.7	7.9	5.9	3.6	1.8	1.0	50.0
<b>Surplus/ Deficit</b>	(0.0)	0.9	(2.9)	(2.6)	(1.3)	1.6	3.9	0.2	0.1	(0.2)	(0.3)

### Project and Programme Management Arrangements

- 2.19 The Fife i3 Programme ultimately reports to the Edinburgh and South East Scotland City Region Deal Executive Board and its Joint Committee in terms of the City Region Deal governance. As well as regular monthly reporting, this is the escalation point for major issues that threaten the programme’s viability.
- 2.20 Arrangements for internal reporting and issue management within the Council are now established. It is envisaged that these arrangements will continue throughout Tranche 2. This provides three formal escalation points for issues / gateways for decision-making within Fife Council, depending on their severity and importance:
- The Fife i3 Programme Manager
  - The Fife i3 Programme Board
  - The Sustainable Growth and City Deals Board.

## 3.0 Next Steps

- 3.1 Subject to approval of the Full Business Case and authorisation of its submission to the Edinburgh and South East Scotland City Region Deal Joint Committee and Government partners, final approval will be sought from the Joint Committee in March 2021.
- 3.2 In the meantime, and during 2021/22, work will continue to deliver the remainder of Tranche 1 and prepare for Tranche 2 with design and feasibility work being undertaken to obtain planning consents. The delivery and reporting mechanisms now in place, and working well, will continue.

## 4.0 Conclusions

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- 4.1 The Full Business Case for Tranche 2 of the Fife i3 Programme, included in Appendix 1, sets out the plans for delivery of years 4 – 6 of the Programme. It also shows how the Programme has responded to the challenges of COVID-19 and the impact of Brexit so far.
- 4.2 The Committee is recommended to approve the Full Business Case for Tranche 2 of the Fife i3 Programme and agree to ongoing updates on progress on an annual basis.
- 4.3 The investment plans for Tranche 3 will be set out in a Full Business Case subject to Committee approval. It is anticipated that this will be presented to Committee in 2023/24.

### List of Appendices

1. Full Business Case, Fife i3 Programme Tranche 2

### Background Papers

- City Deal Proposal approved by the Executive Committee on 9<sup>th</sup> December 2014
- City Deal Update approved by the Executive Committee on 2<sup>nd</sup> June 2015
- Edinburgh and South East of Scotland City Deal Update approved by the Executive Committee on 28<sup>th</sup> June 2016
- Edinburgh and South East of Scotland City Deal Update approved by the Executive Committee on 28<sup>th</sup> February 2017
- Edinburgh and South East of Scotland City Deal Heads of Terms approval on 13<sup>th</sup> September 2017.
- Approval of the Edinburgh and South East of Scotland City Deal by the Policy & Coordination Committee on 23<sup>rd</sup> November 2017
- Approval of the Outline Business case for the Fife Industrial Innovation Investment Programme by the Policy and Co-ordination Committee on 12<sup>th</sup> April 2018
- Approval of the Edinburgh and South East of Scotland City Deal by Fife Council on 28<sup>th</sup> June 2018.
- Approval of the Full Business Case – Fife Industrial Innovation Investment Programme on 24<sup>th</sup> January 2019

### Report Contact

Keith Winter  
Executive Director, Enterprise & Environment  
Fife House  
Glenrothes  
Telephone: 03451 555555 Ext. 442284  
Email: [Keith.Winter@Fife.gov.uk](mailto:Keith.Winter@Fife.gov.uk)

### Report Author

Morag Millar  
Programme Manager, City Deals Strategic Growth  
Tel. - 0795 664 6068  
Email: [morag.millar@fife.gov.uk](mailto:morag.millar@fife.gov.uk)

# **Fife Industrial Innovation Investment Programme – Tranche 2 Investment**

## **Full Business Case (FBC)**

Edinburgh and South East of Scotland City Region Deal

**Version No: 0.0**

Issue Date: October 2020

## Purpose of this document

This document sets out the Full Business Case for years 4 to 6 (Tranche 2) of the Fife Industrial Innovation Investment (i3) Programme. It builds on the Full Business Case for the Fife i3 Programme, which was developed and approved in March 2019<sup>1</sup>. This set out the principles of the Programme and a detailed plan for years 1 to 3 (Tranche 1) of investment.

This document updates each of the five cases with the latest information available, including the outlook for recovery from the COVID-19 pandemic and the Programme response to the climate emergency. It considers the detailed arrangements for delivery of the upcoming tranche and affirms that:

- the most economically advantageous investment programme is being delivered;
- the Programme is affordable and financially viable; and
- the required outputs and benefits can be successfully delivered.

## Version history

Version	Date Issued	Brief Summary of Change	Owner's Name
Draft 0.0	17.08.20	First Draft Table Outline	K Marsh
Draft 1.0	24.09.20	First Draft	K Marsh
Draft 2.0	12.10.20	Updated draft reflecting financial model results	K Marsh

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1

[https://democracy.edinburgh.gov.uk/documents/s9936/Full Meeting Papers Edinburgh and South East Scotland City Region Deal Joint Committee 01.03.19.pdf](https://democracy.edinburgh.gov.uk/documents/s9936/Full_Meeting_Papers_Edinburgh_and_South_East_Scotland_City_Region_Deal_Joint_Committee_01.03.19.pdf) (see Item 5.4)

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# 1. Executive summary

## Overview

The Fife Industrial Innovation Investment (i3) Programme is being delivered as part of the Edinburgh and South East Scotland City Region Deal's innovation theme. The Programme will deliver a sustained investment programme in modern business premises to support the delivery of Inclusive Growth and Innovation in Fife. It will increase the supply of serviced employment land and new industrial, office and business space in Fife.

The business case for a ten-year programme of investment has been approved, along with a detailed business case for the first three years of the programme (Tranche 1). This business case sets out the detailed arrangements for years four to six of the Fife i3 Programme (Tranche 2).

Since the Programme FBC was approved, the COVID-19 pandemic has affected programme delivery (in particular costs and timescales) and this updated business case reflects a base case expected scenario that factors in the latest information on this and other risks. This is a time of significant uncertainty and, where possible, actions to mitigate risk are being identified and developed in parallel with the delivery of the Programme.

The investment plans for Tranche 2 also reflect a stronger focus on carbon reduction and management measures than the original business case, following the declaration of a climate emergency. The preparation of this business case draws on feasibility work undertaken during Tranche 1 of the programme to explore opportunities to improve the carbon efficiency of the programme across the building life cycle (construction, operation, demolition and/or re-use). This work is ongoing and will continue to inform the approach.

## Phasing and Delivery

The original FBC was based on delivery over 10 years of a total of £48.4m investment. The total programme of investment outlined in this updated business case has increased this is in response to rising costs of site servicing and construction. The additional investment comes from Vacant and Derelict Land Funding (VDLF).

Some changes have been made to Tranche 1 delivery to respond to:

1. Cost rises (both prior to, and as a result of, COVID-19)
2. Private sector interest in developing a site that was originally envisaged for City Deal development – this has created an opportunity to replace a build project with site servicing activity (and servicing a larger site area than originally envisaged)
3. Lessons learned from procurement – much larger than expected economies of scale from procuring larger projects
4. A desire to explore refurbishment activity as a means of managing costs and reducing the overall carbon footprint of the programme's activities
5. Lower than expected capital receipts due to loss of net site area available for disposal (partially recovered in Tranche 1, with further efforts in Tranche 2)

6. Delay to the planned works at Fife Interchange North which have arisen due to site constraints. A risk mitigation plan developed before the Programme commenced to advance preparatory work for a site at Dalgety Bay has been activated and these sites will be reordered, bringing forward the site at Dalgety Bay and pushing back Fife Interchange North. This brings an added opportunity to combine two planned phases of build out into a single consolidated project, delivering improved value for money. The Dalgety Bay project build has also increased in size from 966 m<sup>2</sup> to 1,393 m<sup>2</sup> of floorspace constructed

Overall these changes result in

- An additional 739 m<sup>2</sup> of floorspace (including 692 m<sup>2</sup> of refurbished space)
- 1.7 Ha less serviced land
- An additional £2.8 million in Programme investment costs for this Tranche – these have been met from a combination of Fife Council capital investment, Vacant and Derelict Land Fund (VDLF) grants and accelerated drawn down of City Region Deal grant.

During Tranche 2 further amendments are envisaged to the delivery of the Programme, specifically:

1. Review of commitments to reflect anticipated cost increases relating to Brexit, COVID-19 and carbon reduction measures, and the need to continue to deliver the Programme within the agreed overall funding available
2. Review of all new build projects to look at carbon reduction opportunities, improving building flexibility and future-proofing – a budget allowance of 10% of original expected costs has been added to all Tranche 2 and Tranche 3 projects to allow for changes to be implemented
3. Reconsideration / delay of projects delivering office space to account for uncertainty about office market prospects post-COVID
4. Additional build at West Way, Dalgety Bay, delivering more floorspace at this location – this project will be accelerated and will now be delivered during Tranche 1 of the Programme
5. A single phase build out at Fife Interchange North, with the previously envisaged Tranche 1 investment delayed to Tranche 2 and the two projects combined. The overall floorspace being delivered has reduced from 2,787 m<sup>2</sup> to circa 2,300 m<sup>2</sup>. The site will still be acquired and serviced during Tranche 1.
6. Development of risk mitigating measures reflecting the significant uncertainty in the wider environment relating to land values, development costs, rental demand and the wider macroeconomic environment.

Overall these changes result in

- A reduction in completed floorspace of 2,381 m<sup>2</sup>
- No change to the expected area of land serviced

- A reduction of £1.8 million in Programme investment costs for this Tranche. This offsets some aspects of increase during Tranche 1 that were simply accelerated spend, rather than additional monies.

It is envisaged that further changes will be required to Tranche 3 of the Programme. At this point these have not been explored in detail, but it is clear that the development envisaged in the original Programme FBC is no longer deliverable due to accelerating costs beyond the level of inflation used to develop the original business case and the financial implications of changes to respond to the climate emergency. In order to put forward a viable Programme the following changes have been made to Tranche 3:

1. The two investments proposed in Glenrothes – the Queensway Innovation Centre and the industrial investment at Westwood Park have been combined into a single project. The exact nature and location of this investment will be determined when there is more clarity on the longer term nature of any changes arising from COVID-19. The combined budget for this is £5.8m (the original budget for both projects being delivered separately totalled £9.1m). An assumed build out of circa 1,600 m<sup>2</sup> has been assumed for the purposes of modelling benefits.
2. The development of 966 m<sup>2</sup> at Site 3 in Dalgety Bay has been removed from the Programme. The site will still be serviced in Tranche 2 of the Programme as originally envisaged but will then be marketed for sale rather than developed by Fife Council.

Overall these changes result in

- An increase in completed floorspace of 132 m<sup>2</sup>
- No change to the expected area of land serviced
- An increase of £0.9 million in Programme investment costs for this Tranche. This balances the total budget for the Programme as a whole.

The impact of these changes for each Tranche and for the Programme as a whole is summarised in the table below:

**Table 1: Overview of Expected Programme Outputs**

	Original FBC	Updated FBC	Variance
<b>Phase 1 (Years 1-3)</b>			
New Build	3,227 m <sup>2</sup>	3,966 m <sup>2</sup>	+ 739 m <sup>2</sup>
Site Servicing	7.8 ha unlocked	6.1 ha unlocked	- 1.7 ha
Acquisitions	2	2	No change
Investment	£13.5m	£16.3m	+ £2.8m
<b>Phase 2 (Years 4-6)</b>			
New Build	7,063 m <sup>2</sup>	4,682 m <sup>2</sup>	- 2,381 m <sup>2</sup>
Site Servicing	3.9 ha unlocked	3.9 ha unlocked	No change
Acquisitions	0	0	No change
Investment	£23.9m	£22.1m	- £1.8m
<b>Phase 3 (Years 7-10)</b>			
New Build	1,932 m <sup>2</sup>	2,064 m <sup>2</sup>	+ 132 m <sup>2</sup>
Site Servicing	47 ha unlocked	47 ha unlocked	No change
Acquisitions	0	0	No change
Investment	£10.2m	£11.1m	+ £0.9m
<b>Broadband</b>			
Investment	£0.7m (over 10 years)	£0.5m (over 7 years)	- £0.2m
<b>Programme Total</b>			
New Build	12,222 m <sup>2</sup>	12,105 m <sup>2</sup>	- 1,510 m <sup>2</sup>
Site Servicing	59 ha unlocked	57 ha unlocked	- 2 Ha
Acquisitions	2	2	No change
Investment	£48.4m	£50m	+ £1.6m

The need for flexibility during the 10-year investment programme continues to be required. Several factors could potentially alter which projects should be prioritised. These factors include:

- Securing of statutory consents;
- Abnormal costs e.g. onerous ground conditions;
- Changes in market conditions and the wider economy (especially as a result of COVID-19);
- Changes in development costs, including construction costs (especially as a result of COVID-19 and BREXIT); and
- Specific investment opportunities that may emerge.

The Programme will be formally reviewed at the end of Phases 1 and 2, and upon its completion. Lessons learned from reviews will be incorporated into future projects and phases. Work to prepare for the Tranche 3 business case will begin in Quarter 3 of financial year 2023/24.

### **Prioritisation of Sites**

All potential employment sites within the Fife Employment Land Audit [https://www.fifedirect.org.uk/uploadfiles/publications/c64\\_FINALELA20161.pdf](https://www.fifedirect.org.uk/uploadfiles/publications/c64_FINALELA20161.pdf) including Fife Council's industrial portfolio were assessed in terms of priority and risk, based on the criteria drawn from agreed Fife Council priorities e.g. those detailed in FIFEplan. These factors include:

- Supports strategic business clusters;
- Well located to strategic growth corridors (M90, A92);
- Fit with existing predominant land use;
- Potential impact on sensitive and incompatible land uses; and
- Potential to deliver lower-cost business space.

The short list of sites was further refined for their deliverability within the City Deal timescales and to ensure a balance of investment between mid and south Fife, brownfield and greenfield sites.

Moving into Tranche 2, all sites have been reassessed and a number of new sites considered, based on proximity to the Fife Circle railway line. New assessment criteria have been added to support a stronger focus on low carbon potential and overall sustainability.

The additional criteria considered were:

- Greenfield – greenfield sites are generally not preferred unless they fulfil other sustainability criteria or make a significant contribution to other strategic objectives
- Passivehus – can the site accommodate a passivehus design, particularly in relation to the orientation of the building to maximise passive solar gain?
- Renewables – does the site have access to any renewable energy source (e.g. district heat network, air source or solar power)?
- Vacant & Derelict Land – will the project remediate vacant and derelict land or property?

Phase 1 of the programme is developing sites at:

- Queensway Industrial Estate, Glenrothes;
- Fife Interchange, Dunfermline;
- Dunnikier Business Park, Kirkcaldy;
- The Avenue, Lochgelly; and
- Hillend and Donibristle Industrial Estate, Dalgety Bay.

Industrial market demand has held relatively firm in the face of COVID-19 disruption and whilst there are some short term challenges, it is not anticipated that the Programme will suffer from a long term drop in rental income from these properties. There is, however, significant uncertainty around prospects for office demand. Whilst it is envisaged that the office market will strengthen again within the lifetime of the Fife i3 Programme, it is not clear at this point what the specific requirements of office occupiers will be. It is therefore proposed that office projects in Tranche 2 will be subject to review and possible reconfiguration or delay. This business case sets out current preferred options for these projects but it is anticipated that these will be subject to change beyond what would normally be expected at this stage of development.

This affects proposed projects in:

- Kirkcaldy Town Centre;
- Cowdenbeath Town Centre; and
- Queensway Business & Technology Park (Innovation Centre Project).

## Expected Benefits

An Economic Impact Assessment (EIA) has been undertaken to appraise the likely impact of the Fife i3 Programme on key economic indicators. The EIA uses economic data and evidence, alongside key assumptions to model the impact of the programme. The inputs and assumptions have been updated in line with Tranche 1 delivery (actual and expected). The table below summarises the movement predicted by the EIA model between the preparation of the Programme FBC and the latest position.

**Table 2: Overview of Expected Programme Benefits**

	Original FBC	Updated FBC	Reason for movement
Permanent jobs (net average p.a.)	1095	1035	Loss of land at Fife Interchange North as a result of planning requirements. Reduction in scope of some projects to reduce floorspace completed.
Gross Construction Jobs (cumulative)	596	1,229	Inclusion of VDLF and other funding – partly to address additional COVID costs – based on assumptions from FBC and new metrics may be required to reflect significant changes created by COVID-19.
GVA per £1 invested	£28	£24	Rising costs meaning increased expenditure, and reduced project outputs
Cost per job	£44,340	£49,224	Inclusion of VDLF and other funding – partly to address additional COVID costs, alongside reduction in projected number of jobs

The Benefits Register is set out in Appendix 3.

## Inclusive Growth and Innovation

The Inclusive Growth Challenges for the City Region and a Framework to tackle these are set out in Pages 6/10 of the [City Region Deal](#) document. The innovation focus of the Fife i3 Programme offers an opportunity to support companies to work in new ways that allow them to succeed and create new and better jobs. The Fife i3 Programme aligns with the City Region Deal's Integrated Regional Employability & Skills Programme (IRES), which includes a data-driven innovation (DDI) targeted skills gateway. Together these deliver a strong contribution to inclusive growth.

The commitment to this is unchanged from the original Fife i3 Programme Full Business Case and aligns with the recently approved Benefits Realisation Plan for the Edinburgh and South East Scotland City Region Deal.



## **Programme Risks**

The risks relating to Interest Rates; Construction and Completion; Operating Risks; Demand Risk; Force Majeure; and changes in Law, Political, Regulatory, Environmental and Social Risks associated with the delivery of the Fife i3 Programme will be allocated to the party that is best placed to manage them in a cost-effective way to maximise value for money, including to the private sector.

For Tranche 1 of the programme, these risks were allocated to Fife Council. The intention during Tranche 2 is to begin to risk-share with the private sector on some projects through different development models (e.g. joint ventures).

## **Funding and Affordability**

The Programme FBC showed a surplus of £14m, and the NPV for the programme was expected to be a £0.177m surplus. The results of the latest financial modelling and the movement between the financial modelling for the Outline Business Case and Full Business Case are shown in Section 7.

This updated FBC shows a small increase in the Programme surplus from £14 million in the Programme Business Case to £15.7 million. The NPV for the programme is expected to be a surplus of £3.5 million – this is an increase from the original Programme FBC, which showed a £0.177 million NPV surplus. Any surplus will be managed by the directorate in accordance with Fife Council's medium-term financial strategy.

## **Project and Programme Management Arrangements**

The Fife Industrial Innovation Investment Programme ultimately reports to the Edinburgh and South East Scotland City Region Deal Executive Board and its Joint Committee in terms of the City Region Deal governance. As well as regular monthly reporting, this would be the escalation point for major issues that threaten the programme.

Arrangements for internal reporting and issue management are now established and it is envisaged that these arrangements will continue throughout Tranche 2 of the Programme. This provides three formal escalation points for issues / gateways for decision-making within Fife Council, depending on their severity and importance:

- The Fife i3 Programme Manager
- The Fife i3 Programme Board
- The Sustainable Growth and City Deals Board.

## 2. Introduction

### 2.1 Objective of this Business Case

1. This document sets out the Full Business Case for years 4 to 6 (Tranche 2) of the Fife Industrial Innovation Investment (i3) Programme. It builds on the Full Business Case for the Fife i3 Programme, which was developed and approved in March 2019. The Programme business case can be found online at [https://democracy.edinburgh.gov.uk/documents/s9936/Full\\_Meeting\\_Papers\\_Edinburgh\\_and\\_South\\_East\\_Scotland\\_City\\_Region\\_Deal\\_Joint\\_Committee\\_01.03.19.pdf](https://democracy.edinburgh.gov.uk/documents/s9936/Full_Meeting_Papers_Edinburgh_and_South_East_Scotland_City_Region_Deal_Joint_Committee_01.03.19.pdf) (see Item 5.4). The Programme business case set out the principles of the Programme and a detailed plan for years 1 to 3 (Tranche 1) of investment.
2. This document updates each of the five cases with the latest information available, including the outlook for recovery from the COVID-19 pandemic. It considers the detailed arrangements for delivery of the upcoming tranche and affirms that:
  - the most economically advantageous investment programme is being delivered, also taking into account sustainability and inclusion objectives;
  - the Programme is affordable and financially viable; and
  - the required outputs and benefits can be successfully delivered.

### 2.2 Structure of this Business Case

3. This Final Business Case adopts the 5-Case structure and together these show how the ongoing delivery of the Fife Industrial Innovation Investment Programme is:
  - Closely aligned to wider strategies and objectives – **the strategic case**.
  - Best value for money – **the economic case**.
  - Achievable in commercial terms – **the commercial case**.
  - Affordable – **the financial case**.
  - Achievable in practical terms – **the management case**.

### 2.3 Key Stakeholders

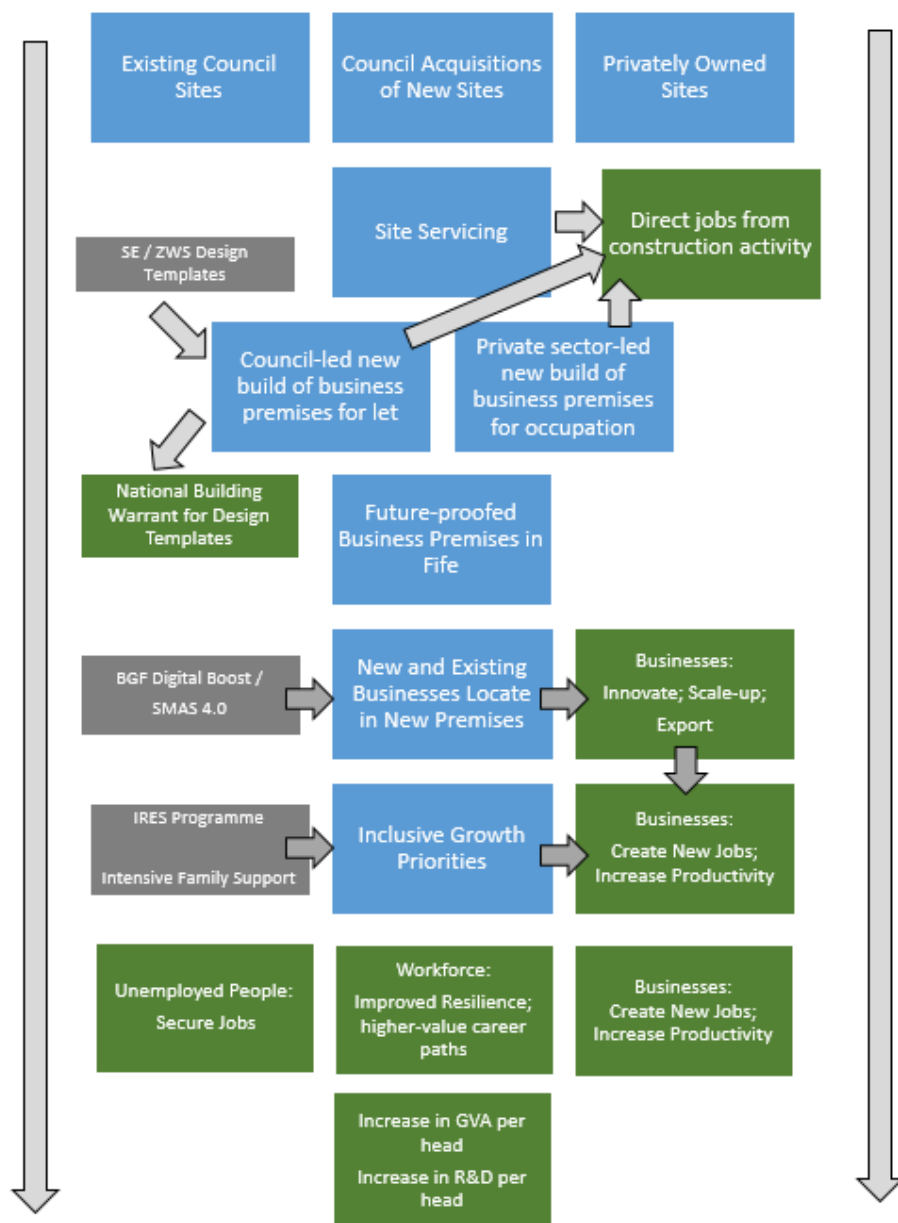
4. The principal stakeholders for the Programme's delivery are Fife Council, the partners in the Edinburgh and South East of Scotland City Deal, and Scottish Enterprise in its role as national economic development agency but also in its role as a current and potentially future joint venture partner. Other important stakeholders include the Fife Economy Partnership; the Fife business community; private landowners and developers; and the workforce in Fife and other parts of the City Region.

### 3. Programme Description

#### 3.1 Overview

5. The Fife i3 Programme is being delivered as part of the Edinburgh and South East Scotland City Region Deal’s innovation theme. The Programme will deliver a sustained investment programme in modern business premises to support the delivery of Inclusive Growth and Innovation in Fife. It will increase the supply of serviced employment land and new industrial, office and business space in Fife. The diagram below provides an overview of the Programme, including both public and private sector-led elements.

**Figure 1: Overview of Fife Industrial Innovation Investment Programme**



### 3.2 Phasing and Delivery

6. The Fife i3 Programme is being delivered in three Tranches of investment:
  - Tranche 1 (Years 1 to 3 of the Programme): 3-year duration
  - Tranche 2 (Years 4 to 6 of the Programme): 3-year duration
  - Tranche 3 (Years 7 to 10 of the Programme): 4-year duration
7. The business case for a ten-year programme of investment has been approved, along with a detailed business case for the first three years of the programme (Tranche 1). This business case sets out the detailed arrangements for years four to six of the Fife i3 Programme (Tranche 2). The updated 10-year Investment Programme is set out in Table 9.
8. The Fife i3 Programme builds on and complements previous investment in site infrastructure e.g. Queensway Industrial Estate and a number of previous projects funded by Fife Council, Scottish Enterprise and Scottish Government. It includes direct investment by the Council in its existing land holdings, and new acquisitions, as well as working in partnership with private sector landowners and developers to leverage additional investment and funding into Fife and the City Region. The Programme will also explore alternative development models as part of the upcoming Tranche of investment.
9. The original FBC was based on delivery over 10 years of a total of £48.4m investment. The total programme of investment outlined in this updated business case has increased to £50m – this is in response to rising costs of site servicing and construction. The additional investment comes from Vacant and Derelict Land Funding (VDLF).
10. Some changes have been made to Tranche 1 delivery to respond to:
  - Cost rises (both prior to, and as a result of, COVID-19)
  - Private sector interest in developing a site that were originally envisaged for City Deal development – this means replacing a build project with site servicing activity (and servicing a larger site area than originally envisaged)
  - Lessons learned from procurement – much larger than expected economies of scale from procuring larger projects
  - A desire to explore refurbishment activity as a means of managing costs and reducing the overall carbon footprint of the programme's activities
  - Lower than expected capital receipts due to loss of net site area available for disposal (partially recovered in Tranche 1, with further efforts in Tranche 2)

11. During Tranche 2 further amendments are envisaged to the delivery of the Programme, specifically:
- Review of commitments to reflect anticipated cost increases relating to Brexit, COVID-19 and carbon reduction measures, and the need to continue to deliver the Programme within the agreed overall funding available
  - Review of all new build projects to look at carbon reduction opportunities – a budget allowance of 10% of original expected costs has been added to all Tranche 2 and Tranche 3 construction projects to allow for changes to be implemented
  - Reconsideration / delay of projects delivering office space to account for uncertainty about office market prospects post-COVID
  - Additional build at West Way, Dalgety Bay, delivering more floorspace at this location – this project will be accelerated and will now be delivered during Tranche 1 of the Programme
  - A single phase build out at Fife Interchange North, with the previously envisaged Tranche 1 investment delayed to Tranche 2 and the two projects combined. The overall floorspace being delivered has reduced from 2,787 m<sup>2</sup> to circa 2,300 m<sup>2</sup>. The site will still be acquired and serviced during Tranche 1.
  - Development of risk mitigating measures reflecting the significant uncertainty in the wider environment relating to land values, development costs, rental demand and the wider macroeconomic environment.
12. It is envisaged that further changes will be required to Tranche 3 of the Programme. At this point these have not been explored in detail, but it is clear that the development envisaged in the original Programme FBC is no longer deliverable due to accelerating costs beyond the level of inflation used to develop the original business case and the financial implications of changes to respond to the climate emergency. In order to put forward a viable Programme the following changes have been made to Tranche 3:
- The two investments proposed in Glenrothes – the Queensway Innovation Centre and the industrial investment at Westwood Park have been combined into a single project. The exact nature and location of this investment will be determined when there is more clarity on the longer-term nature of any changes arising from COVID-19. The combined budget for this is £5.8m (the original budget for both projects being delivered separately totalled £9.1m). An assumed build out of circa 1,600 m<sup>2</sup> has been assumed for the purposes of modelling benefits.
  - The development of 966 m<sup>2</sup> at Site 3 in Dalgety Bay has been removed from the Programme. The site will still be serviced in Tranche 2 of the Programme as originally envisaged but will then be marketed for sale, rather than developed by Fife Council.

13. Fife Council worked with Scottish Enterprise and Zero Waste Scotland, within a wider UK and global challenge of climate change and the government objectives set-out in policies such as "Making Things Last" - the Scottish Government policy for a "circular economy strategy to build a strong economy, protect our resources and support the environment" Scottish Enterprise, Zero Waste Scotland, Construction Scotland Innovation Centre and their partners launched PORTAL, as a new-way of thinking about how we deliver quality industrial space and premises in Scotland. PORTAL is an approach to building. Not a building solution, It is a product based on improving the value of our buildings while also taking positive steps towards meeting the challenges of the Circular Economy. The PORTAL product is built around a methodology and toolkit that offers a staged approach to designing industrial buildings. For further detail see: <https://www.cs-ic.org/innovationcentre/innovation-support/online-resources/project-portal/>
14. During Tranche 1 this work has been further developed with consultants appointed to carry out a feasibility review of the standard specification and cost plans for the industrial units at Fife Interchange North that have been developed by the Council over the last 3 years by using the Portal framework. The intention is that the findings from this feasibility work will influence the approach to delivery in Tranche 2 of the Programme.
15. The need for flexibility during the 10-year investment programme continues to be required. Several factors could potentially alter which projects should be prioritised. These factors include:
  - Securing of statutory consents
  - Abnormal costs e.g. onerous ground conditions
  - Changes in market conditions and the wider economy
  - Changes in development costs, including construction costs (due to COVID-19 related and other factors) and
  - Specific investment opportunities that may emerge.
16. The Programme will be formally reviewed at the end of Tranches 1 and 2, and upon its completion. Lessons learned from reviews will be incorporated into future projects and tranches, and the approach set out in this FBC will be continuously refined in advance of, and during, its delivery. Work to prepare for the Tranche 3 business case will begin in Quarter 3 of financial year 2023/24.
17. The first tenants of the Programme are expected to take up leases in spring 2021. This is later than outlined in the Programme FBC. The delay is due to a complete construction site shutdown due to COVID-19 restrictions and an eventual resumption with additional distancing measures in place, which mean that work is progressing at a slower rate than previously envisaged. There is uncertainty over the duration of build required for the remainder of Tranche 1 and subsequent tranches. This business case assumes that Tranche 2 projects will take longer, and cost more, with a base case assumption that draws on experience from site restart onwards in Tranche 1 (i.e. it assumes no additional complete lockdowns, although it is recognised that this remains a possibility it is not possible to predict or

programme these). In all cases the Programme will respond to Government guidance on safety measures and this may result in additional delays.

18. A Programme letting and disposal policy and an engaging tenancy application process have been developed as part of Tranche 1 delivery, however at the time of the preparation of this business case these had not yet gone live. Work has also begun to develop links with other parts of the Data-Driven Innovation (DDI) Programme, in particular the DDI Hubs. It is envisaged that these links will strengthen once the Fife i3 Programme has
  - property available for rent that may be suitable for tenants whose requirements can't be accommodated by the DDI Hubs and
  - tenants in situ who can benefit from access to some aspects of the DDI Programme.
19. These linkages form part of a wider package of tailored support for all tenants in the Fife i3 Programme that focuses on innovation support and raising awareness of digital opportunities.

### **3.3 Prioritisation of Sites**

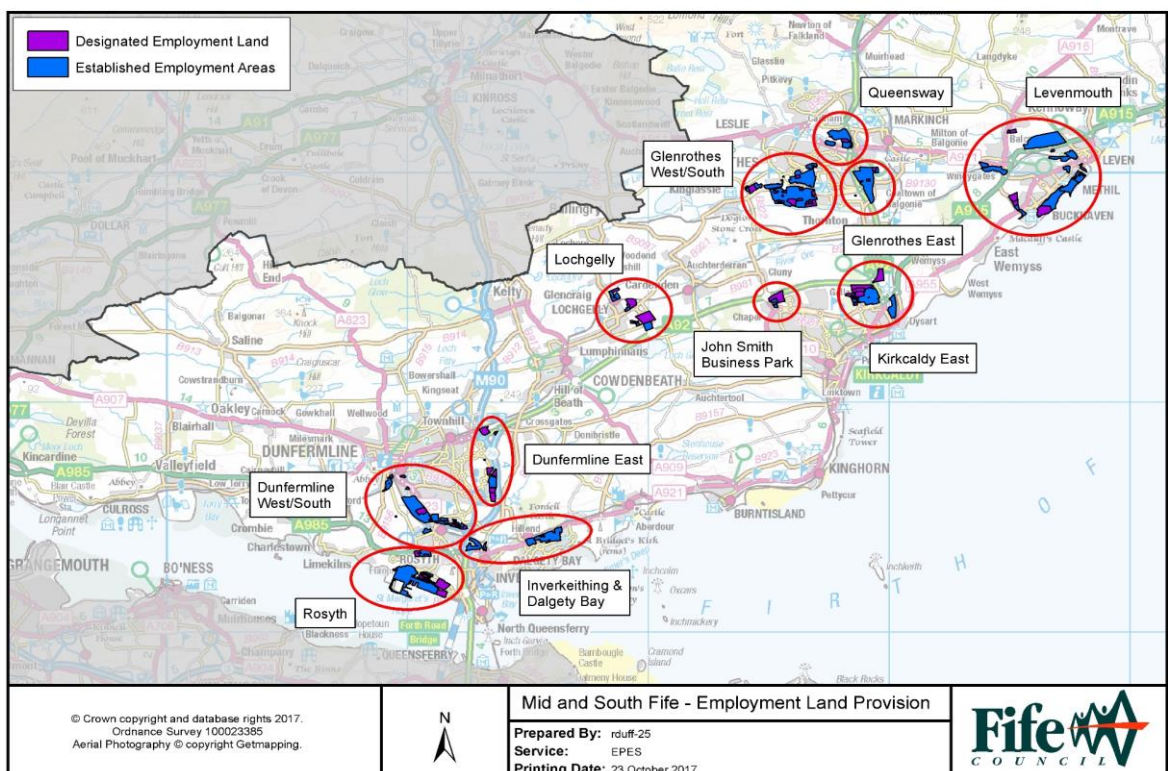
20. All potential employment sites within the Fife Employment Land Audit<sup>2</sup> including Fife Council's industrial portfolio were assessed in terms of priority and risk, based on the criteria drawn from agreed Fife Council priorities e.g. those detailed in FIFEplan. These factors include:
  - Supports strategic business clusters
  - Well located to strategic growth corridors (M90, A92)
  - Fit with existing predominant land use
  - Potential impact on sensitive and incompatible land uses and
  - Potential to deliver lower-cost business space.
21. The short list of sites was further refined for their deliverability within the City Deal timescales and to ensure a balance of investment between mid and south Fife, brownfield and greenfield sites.
22. Tranche 1 of the programme is developing sites at:
  - Queensway Industrial Estate, Glenrothes
  - Fife Interchange, Dunfermline
  - Dunnikier Business Park, Kirkcaldy
  - The Avenue, Lochgelly and
  - Hillend and Donibristle Industrial Estate, Dalgety Bay.

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<sup>2</sup> [https://www.fifedirect.org.uk/uploadfiles/publications/c64\\_FINALELA20161.pdf](https://www.fifedirect.org.uk/uploadfiles/publications/c64_FINALELA20161.pdf)

23. Moving into Tranche 2, all sites were reassessed and additional sites considered, with criteria added to support a stronger focus on low carbon potential and overall sustainability.
24. The additional criteria considered were:
  - Greenfield – greenfield sites are generally not preferred unless they fulfil other sustainability criteria or make a significant contribution to other strategic objectives
  - Passive design – can the site accommodate a passive design, particularly in relation to the orientation of the building to maximise passive solar gain?
  - Renewables – does the site have access to any renewable energy source (e.g. district heat network, air source or solar power)?
  - Vacant & Derelict Land – will the project remediate vacant and derelict land or property?
25. The geographical spread of projects across Fife is set out in Figure 2. This is unchanged from what was envisaged in the Programme FBC, although some changes to the specifications, detailed designs and site layouts will be incorporated to reflect the increased focus on carbon reduction. The Programme will continue to adapt and respond to opportunities for carbon reduction and more sustainable practices.

**Figure 2: Map of Fife i3 Programme Investment Locations and relevant Employment Land Designations**





26. Since the Programme FBC was approved, the COVID-19 pandemic has affected programme delivery (in particular costs and timescales) and this updated business case reflects a base case expected scenario that factors in the latest information on this and other risks. This is a time of significant uncertainty and, where possible, actions to mitigate risk are being identified and developed in parallel with the delivery of the Programme.
27. Industrial market demand has held relatively firm in the face of COVID-19 disruption and whilst there are some short-term challenges, it is not anticipated that the Programme will suffer from a long term drop in rental income, or loss of demand, from these properties. There is, however, significant uncertainty around prospects for office demand. Whilst it is envisaged that the office market will strengthen again within the lifetime of the Fife i3 Programme, it is not clear at this point what the specific requirements of office occupiers will be. It is therefore proposed that office projects in Tranche 2 will be subject to review and possible reconfiguration or delay. This business case sets out current preferred options for these projects but it is anticipated that these will be subject to change beyond what would normally be expected at this stage of development.
28. This affects proposed projects in:
- Kirkcaldy Town Centre;
  - Cowdenbeath Town Centre; and
  - Innovation Centre Project at Queensway Business & Technology Park.
29. The investment plans for Tranche 2 also reflect a stronger focus on carbon reduction and management measures than the original business case, following the declaration of a climate emergency. The preparation of this business case draws on feasibility work undertaken during Tranche 1 of the programme to explore opportunities to improve the carbon efficiency of the programme across the building life cycle (construction, operation, demolition and/or re-use).
30. All proposed Projects outlined in the Programme Business Case are briefly outlined in the Table below, with a short update on their current status:

**Table 3: Project Updates**

Site and Location	Project Type	Latest Update
<b>Tranche 1</b>		
Glenrothes – Queensway Ind Est	Construction – Business Units, use class 4, 5 and 6	Floorspace increased from Programme FBC. Project completion delayed due to COVID-19 by approx. 6 months.
Dunfermline – Fife Interchange N.	Site Servicing	Project delayed due to issues with foul water drainage by approx. 1 year.

Dunfermline – Fife Interchange N. (Phase 1)	Construction – Business Units, use class 4, 5 and 6	This project has been moved into Tranche 2 and combined with Phase 2 Build Project.
Kirkcaldy – Dunnikier Business Park	Construction – Business Units, use class 4, 5 and 6	This project has been delayed due to COVID-19 by approx. 6 months but is otherwise unchanged.
Dalgety Bay – Hillend & Dalgety Bay Ind Est, Ridgeway	Site Acquisition	This project is now complete.
Lochgelly – The Avenue	Construction – Business Units, use class 4, 5 and 6	This project has been closed and replaced with a site servicing project (detailed below).
Lochgelly – The Avenue	Site Servicing	A private sector interest has emerged, and it is now proposed that a site of approx. 2 ha is serviced at this location. A portion will then be sold for private development (similar to what was proposed in the Programme FBC).
Dalgety Bay – Hillend & Dalgety Bay Ind Est (Site 3)	Site Acquisition	Expected to go ahead as envisaged in Programme FBC.
Dalgety Bay – West Way	Site Servicing	Expected to go ahead as envisaged in Programme FBC.
Glenrothes – Queensway Ind Est New project (pilot)	Refurbishment – use class 4 and 5	A new project to refurbish an existing building. This supports wider regeneration efforts on this Industrial Estate and offers a potential carbon and cost saving.
Dalgety Bay – Hillend & Dalgety Bay Ind Est	Construction – Business Units, use class 4, 5 and 6	Additional floorspace to be delivered at this location to benefit from economies of scale in procurement. This project will be accelerated from Tranche 2 to replace the build project at Fife Interchange North.
<b>Tranche 2</b>		
Dalgety Bay – Hillend & Dalgety Bay Ind Est, West Way	Construction – Business Units, use class 4, 5, 6	This project will now be delivered during Tranche 1.

Dalgety Bay – Hillend & Dalgety Bay Ind Est, Site 1 & Site 3	Site Servicing (x2)	Expected to go ahead as envisaged in Programme FBC.
Kirkcaldy – John Smith Business Park	Construction – Business Units, use class 4 and 5	Expected to go ahead as envisaged in Programme FBC. Possibility of developing additional floorspace (new build or refurb) at this location in event of any underspend elsewhere
Dunfermline – Fife Interchange North	Construction – Business Units, use class 4, 5, 6	Site will be acquired during Tranche 1 – due to delay in acquisition this project will be delivered in a single phase, and the combined floorspace will be reduced from 2,787 m <sup>2</sup> to circa 2,300 m <sup>2</sup>
Buckhaven – Levenmouth Business Park	Construction – Business Units, use class 4, 5, 6	Expected to go ahead as envisaged in Programme FBC.
Glenrothes – Flemington Road,	Construction – Innovation Centre, use class 4 and 5	Significant doubt over the scope, specification and timing of this project. COVID-19 impact on office / innovation provision is still not clear. <b>Project delayed until Tranche 3.</b>
Kirkcaldy – Town Centre	Construction (or refurb / fit out) – office space, use class 4	No site identified yet for this to go ahead. Significant doubt over the scope, specification and timing of this project. COVID-19 impact on office / innovation provision is still not clear. <b>Project delayed until Tranche 3.</b>
Cowdenbeath – Town Centre	Construction – office space, use class 4	Preferred site and partner identified – project specification under review to enable self-contained provision to reduce unplanned interaction between tenants. Expected to go ahead with modifications. The budget has been reduced to reflect the changed specification.

Tranche 3		
Glenrothes – Further Investment	Construction (nature and location tbc)	This project will combine the proposed investment in the Queensway Innovation Centre and at Westwood Business Park. The combined budget has been reduced and it is envisaged that there a single development of circa 1,600 m <sup>2</sup> will be brought forward
Dalgety Bay – Hillend & Dalgety Bay Ind Est, Site 3	Construction – Business Units, use class 4, 5, 6	This project will be closed. Once this site is serviced (during Tranche 2) it will be immediately marketed for sale
Kirkcaldy – Mitchelston Ind Est	Site Servicing	Expected to go ahead as envisaged in Programme FBC.
Rosyth – Waterfront	Site Servicing / Infrastructure	Expected to go ahead as envisaged in Programme FBC.
Kirkcaldy – Town Centre	Construction – Innovation Centre	Delayed from Tranche 2, this project is likely to change significantly in its scope.

31. The two new projects at Lochgelly (change form construction to site servicing) and Glenrothes, Queensway Industrial Estate (refurbishment of Q10) are set out in more detail in Appendix 1.

### 3.4 Programme Objectives and Expected Benefits

32. The Strategic Objectives for the Fife i3 Programme, set out in the Programme FBC are, by 2029:
- To increase the supply of modern business accommodation and facilitate investment by the private sector, by servicing 60 ha of employment land; and building 12,000 m<sup>2</sup> of new business accommodation with at least £30m Private Sector investment levered
  - Working in partnership with the Edinburgh and South East Scotland City Region Deal Data-Driven Innovation Programme, to assist 1,000 businesses to become innovation-active, to reduce their costs and improve their productivity
  - To ensure that Fife businesses sustain and improve their economic performance as the City Region progresses towards becoming the Data Capital of Europe, through improved value from their data and the adoption of digital technologies to create/safeguard jobs and turnover.

33. Whilst there has been a small reduction on the expected outputs of serviced land and business floorspace, the Programme is still on track to deliver its objectives and support the creation of around 1,000 permanent skilled jobs.
34. The Fife i3 Programme is intended to create conditions for start-ups and SMEs to grow, innovate and internationalise – to create more businesses in Fife and more jobs. It will create a “ladder” of new, modern, flexible business property across a range of locations, sizes and uses.
35. Innovation is being defined as “doing things in new, hopefully better, ways” that ultimately lead to a transformational change in business performance and local economy mix and strength. In the longer-term, Fife businesses could sustain and improve their economic performance through increasing the value they generate from their data by adopting digital technologies - to create new products, new supply chain arrangements, new business models, individually and through collaboration - thereby creating/safeguarding jobs and turnover. The aim is to create a long-term investment programme in Fife that can be replicated elsewhere in the City Region through other economic development and investment projects.
36. These strategic objectives developed for the Programme business case remain relevant and continue to be the guiding principles of all investment and activity delivered by the Programme.
37. An Economic Impact Assessment (EIA) has been undertaken to appraise the likely impact of the Fife i3 Programme on key economic indicators. The EIA uses economic data and evidence, alongside key assumptions to model the impact of the programme. The inputs and assumptions have been updated in line with Tranche 1 delivery (actual and expected) and the revisions to the Programme planned for Tranches 2 and 3 put in place to keep the Programme viable despite significant changes to external conditions.
38. The table below summarises the movement predicted by the EIA model between the preparation of the Programme FBC.

**Table 4: Overview of Expected Programme Benefits**

	<b>Original FBC</b>	<b>Updated FBC</b>	<b>Reason for movement</b>
Permanent jobs (net average p.a.)	1095	1035	Loss of land at Fife Interchange North as a result of planning requirements
Gross Construction Jobs (cumulative)	596	1,229	Inclusion of VDLF and other funding – partly to address additional COVID costs – based on assumptions from FBC and new metrics may be required to reflect significant changes created by COVID-19.
GVA per £1 invested	£28	£24	Rising costs meaning increased expenditure, and reduced project outputs
Cost per job	£44,340	£49,224	Inclusion of VDLF and other funding – partly to address additional COVID costs, alongside reduction in projected number of jobs

39. The Benefits Register is set out in Appendix 3. This shows the expected level of benefits from the programme in relation to:

- Private sector investment leveraged
- Companies supported to become innovation-active
- Direct jobs created by specific investment location
- Salary levels for “better quality jobs” supported by the programme
- Rental levels by specific investment location (subject to inflation increases, and in line with market rents for the local area)
- Sites acquired and, where relevant, serviced and disposed.

## 4. Strategic case

### 4.1 The Strategic Context

40. This section sets out how the Programme will contribute to the relevant strategic objectives at local, regional and national levels. Since the preparation of the Programme FBC, a number of additional relevant strategic documents have been published. This FBC takes a number of key changes into account including findings and recommendations from

- Scottish Infrastructure Commission’s Key Findings (Jan 2020) and Delivery Findings Reports (July 2020)
- The Scottish Government’s inclusive growth outcomes and equalities work
- Climate Fife – The Sustainable Energy and Climate Action Plan (SECAP) for Fife
- The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019
- The Emerging National Transport Strategy
- The report findings of the Advisory Group on Economic Recovery (Higgins Report)
- The interim Regional Spatial Strategy for Edinburgh and South East Scotland
- The emerging Regional Growth Framework for the Edinburgh and South Scotland City Region

### 4.2 Contribution to National, Regional and Local Policy Objectives

41. The strategic objectives for the Fife Industrial Innovation Investment Programme contribute to national policies outlined in:

- UK Government’s Industrial Strategy White Paper; ‘Building a Britain fit for the future’;
- Scotland’s Purpose and National Outcomes;
- Scotland’s Economic Strategy
- The Scottish Government’s Inclusive Growth Outcomes Framework and the “5 Ps” of Productivity, Population, Participation, People and Place)
- The Infrastructure Commission for Scotland’s Phase 1 Key Findings Report “A Blueprint for Scotland” (January 2020) and Phase 2 Delivery Findings Report (June 2020), and its key recommendations on
  - Prioritising an Inclusive Net Zero Carbon Economy
  - Enabling Sustainable Places
  - Delivering a Thriving Construction Sector, with a focus on skills development and modern methods of construction
 which have strongly informed the refresh of priorities for Tranche 2 of the Programme
- The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019
- The report findings of the Advisory Group on Economic Recovery (Higgins Report)
- The Emerging National Transport Strategy
- A Manufacturing Future for Scotland Action Plan, 2016

42. Figure 3 sets out how Fife Industrial Innovation Investment Programme contributes to Scotland's Purpose and National Outcomes.

**Figure 3: The contribution by the Fife i3 Programme to relevant National Outcomes and Strategies**

<b>Scottish Government Purpose</b>	To create a more successful country with opportunities for all through increasing sustainable economic growth			
<b>Scottish Government National Outcomes</b>	Scotland is the most attractive place for doing business in Europe	We realise our full economic potential with more and better employment opportunities for our people	Well-designed, sustainable places	We are renowned for our research and innovation
<b>Scottish Government National Strategies</b>	Scotland's Economic Strategy – Increasing competitiveness AND tackling inequality			
	Realising Scotland's full potential in a digital world	Scotland Can Do; Boosting Innovation	National Planning Framework	Low Carbon Scotland
<b>Strategic outcomes</b>	Internationally competitive, digitally mature businesses across all sectors	Directly encourage more business innovation; make best use of University research, knowledge and talent to drive growth	Successful, sustainable places that support sustainable economic growth and regeneration	Reducing our carbon emissions and adapting to climate change; transition to a low carbon economy.
<b>Contribution by the Fife Investment Programme</b>	Adoption of data-driven innovation and digital technologies	More organisations in Fife are innovation-active	Locations for programme investment reflect strategic priorities in existing or designated employment areas	Increased supply of modern premises that meet or exceed environmental standards
<b>Longer-terms outcomes supported by the Programme</b>	Improved economic performance		Strong and inclusive growth, with access to opportunities for a wide range of individuals in Fife	The Programme influences wider approaches to building sustainability across Scotland
	Fife businesses extract more value from their data and adopt digital technologies to create / safeguard jobs and turnover	Fife businesses reduce their costs and improve their productivity		

43. The Fife i3 Programme contributes to regional and local policy objectives outlined in:
- The Edinburgh and South East of Scotland City Region Deal;
  - Draft SESplan 2016;
  - The interim Regional Spatial Strategy for Edinburgh and South East Scotland
  - The emerging Regional Growth Framework for the Edinburgh and South Scotland City Region
  - Climate Fife – The Sustainable Energy and Climate Action Plan (SECAP) for Fife
  - Fife's Local Outcome Improvement Plan – The Plan4Fife;
  - Fife's Economic Strategy 2017 – 2027; and
  - FIFEplan 2017.
44. The Inclusive Growth Challenges for the City Region and a Framework to tackle these are set out in Pages 6/10 of the [City Region Deal](#) document. In the short term, the Fife Industrial Innovation Investment Programme will help accelerate Inclusive Growth across the city region as it delivers a significant programme of construction. Over the medium and long term, the programme will deliver new jobs as the new business property is occupied.



## **4.3 The Case for Change**

### **4.3.1 Supply – Business Property and Employment Land**

45. The proposed Fife i3 Programme is designed to meet an identified, long-term supply challenge in Fife for modern office and industrial space and effective employment land.
46. The Programme Business Case drew on research by Ryden, carried out in 2014, which identified widespread obsolescence in Fife's Industrial Estates, Business Parks and mixed (industrial / office) estates. The Ryden report also highlighted the lack of an effective employment land supply, recognising that whilst Fife has a good supply of strategically located employment land, few sites have appropriate infrastructure and utilities to render them effective for immediate development.
47. These challenges around effective land supply and modern property continue to exist, despite the significant disruption of COVID-19.

### **4.3.2 Demand – Business Property and Employment Land**

48. Fife Council is the largest single landlord in Fife for commercial property and therefore has been able to monitor demand over the course of the pandemic. Whilst some challenges remain with rental arrears, most tenants are now back on a positive footing and demand (as evidenced by enquiries) has largely recovered for industrial property. Office demand has a much more uncertain outlook, with significant shift to home working for most office staff it is unclear at this stage what the longer term equilibrium will look like but early indications are that not all office workers, or employers, will return to a working pattern of five-days in the office. Meantime, until a vaccine is developed, the risk of short-term disruption, is acute and ongoing and most pronounced in the office sector.
49. The Programme Business Case was based on long-term trends away from heavy manufacturing and more businesses seeking smaller, more flexible premises, capable of adaptation for a range of technology uses. Modern technology could include higher levels of automation, 3D and laser printing, with increased demand on data analytics required within most industry sectors, gigabit broadband connections and the ability to incorporate, for instance, sensor technology.
50. Fife's business base is more dependent on SMEs than the Scottish average and the strongest demand is strongest for units up to around 500 m<sup>2</sup>. The Fife i3 Programme targets this market specifically with modern, flexible properties of around 100 m<sup>2</sup> (some with options to combine to deliver larger units).
51. Uptake of employment land has been relatively constant since 2013 at around 40 ha per year of completed development. A period of lockdown in 2020 will affect completions, but there is little indication of a slowdown in the underlying demand, with enquiries for sites during Tranche 1 of the Fife i3 Programme remaining strong.

### 4.3.3 Market Failure

52. The build cost of the industrial units within the Fife Industrial Innovation Investment Programme is based on an open tender construction contract entered in 2017 by the Council for a similar specification and uses. This cost analysed to c £2,200 per m<sup>2</sup> built, inclusive of all construction costs and professional fees. The private sector through the Fife Investment Delivery group has indicated that, at this cost, development in Fife is unviable. Early procurement activity for Tranche 1 delivered a cost of c £2,750 per m<sup>2</sup> constructed (pre COVID-19) – these costs have risen by a further 14 – 15% as a result of COVID-related additional costs.
53. There is clear market failure for private sector provision of the essential infrastructure required to increase the stock of serviced employment land capable of development, as well as developing new employment units.
54. The Fife Industrial Innovation Investment Programme will deliver “patient, committed” investment in commercial property – both for local businesses seeking to grow and for inward investors. The prioritisation of sites in strategic locations and growth corridors continues to satisfy the requirements of both local and mobile occupiers.

### 4.3.4 Programme Delivery Approach

55. In Tranche 1 of the programme, the individual projects were undertaken directly by Fife Council on sites within its control to minimise risk of slippage. Tranche 1 also included acquisitions of sites to be serviced in subsequent tranches.
56. Work has been commissioned to consider different approaches to stimulate private sector investment and risk share with partners in the private sector and this is being developed in preparation for Tranches 2 and 3 of the Programme. Specific opportunities have been identified and discussion with potential Joint Venture partners have begun.
57. All properties and sites delivered by the Fife i3 Programme will be marketed openly and as widely as possible. The Council uses commercial property websites e.g. Costar, Novaloca, both widely used by property agents throughout the Scotland and UK. A policy for letting and disposal has been drawn up and agreed for the Programme during Tranche 1 to ensure that tenants have the innovation focus that the Programme is designed around.

## 5. Economic case

### 5.1 Economic Objectives of the Fife i3 Programme

58. The Fife i3 Programme is expected to deliver Inclusive Growth and Investment in line with the Edinburgh and South East Scotland City Region Deal agreed in August 2018. This section sets out how the economic impact will be delivered from the funding investment in new commercial premises and site servicing in Fife. This is summarised in Figure 4 below.

**Figure 4: Pathway from Intervention to Impact**

Input →	Activity →	Outputs →	Outcome →	Impact
<b>Funding for new commercial premises and site servicing</b>	New commercial premises are built by public sector of required size and with modern specification to allow businesses to optimise and streamline processes	Private sector investment in new buildings and processes	Ability to grow using additional profitability and hire more staff, and more higher value jobs	Increased employment rate
		Removal of cost from business processes, leading to enhanced productivity		
	Employment land servicing	Increased supply of fully serviced employment land; new business units built by private sector occupier	Leverage of private sector investment in additional premises built by private occupiers	Possibly involves better jobs, with a better career path, contributing to higher median weekly earnings
	Community benefits from construction, including training and modern apprenticeships	% of procurement spend in city region	Businesses committed to innovation improve their competitiveness and increase sales	Uplift in Gross Value Added (GVA) per head
<b>Innovation support activities</b>	Businesses are supported to be innovation-active	% of occupiers committed to innovation activity		
	Businesses undertaking SMAS Reviews and data-driven research projects	Drawdown of innovation funding e.g. specialist grant support to realise projects	Outcomes from Data driven research projects with city region's universities	Business expenditure on R&D per head (£) increases

Source: Fife Council and Scottish Enterprise

## 5.2 Options Appraisal

59. The table below sets out options considered for the delivery of the Fife i3 Programme looking at the areas of
- Scope – the extent and coverage of the Programme’s activities
  - Solution – the nature of the response
  - Delivery – the nature of implementation (in this case construction and property management)
  - Implementation – the duration of the Programme
  - Funding – the funding approach and sources used
60. It highlights where a change to the Preferred Way Forward (PWF) has been identified between current thinking and what was outlined in the Programme Business Case.

**Table 5: Options Appraisal**

	Option 1	Option 2	Option 3
Scope (no change to PWF)	Focus all investment on mid-Fife	Focus all investment on areas with higher demand (Forth Bridgehead and Dunfermline)	Balance investment over the six areas covered by Edinburgh & SE Scotland City (Programme Business Case PWF)
Solution (change to PWF to increase focus on carbon reduction and re-use of existing assets)	Focus exclusively on site servicing and new build – a mix of office and industrial property (Programme Business Case PWF)	Focus mainly on-site servicing and new build, with a small refurbishment element to deliver carbon and financial savings – principally focus on industrial / hybrid space, reduced office investment	Reduce site servicing and new build elements to bring forward a significant refurbishment programme (potential consideration for Tranche 3, or by variation to Tranche 2)
Delivery (no change to PWF)	Procure using design and build or other private sector led approaches – to be explored during Tranche 2	Procure using in-house methods (Programme Business Case PWF)	Develop Joint Ventures with private sector (or other public sector) partners – to be developed during Tranche 2
	Outsource management of property	Manage in-house via Fife Council Business Property Team (Programme Business Case PWF)	No management – dispose of property on completion
Implementation (no change to PWF)	Implement over 8 years, in three phases	Implement over 10 years, in three phases (Programme Business Case PWF)	Implement over 12 years, in four phases
Funding (change to PWF to bring in a wider range of funding sources)	Fund via a mix of <ul style="list-style-type: none"> <li>• City Deal grant</li> <li>• Fife Council capital and</li> <li>• capital receipts generated by the Programme</li> <li>• private sector leverage and</li> <li>• VDLF</li> </ul> Explore potential low carbon funding sources	Fund via a mix of <ul style="list-style-type: none"> <li>• City Deal grant</li> <li>• Fife Council capital and</li> <li>• capital receipts generated by the Prog</li> </ul>	Fund via a mix of <ul style="list-style-type: none"> <li>• City Deal grant</li> <li>• Fife Council capital and</li> <li>• capital receipts generated by the Prog</li> <li>• and private sector leverage</li> </ul> (Programme Business Case PWF)

### 5.3 Economic Appraisal findings

61. An Economic Impact Assessment (EIA) has been undertaken to appraise the likely impact of Fife Industrial Innovation Investment Programme on key economic indicators. The model is the same as that used to develop the Programme FBC.
62. The EIA uses economic data and evidence, alongside key assumptions to model the impact of the programme. Programme impacts are assessed over a 30-year timeframe. The key assumptions are:
- Inflation has been added at a bespoke rising rate
    - 21/22: 7%
    - 22/23: 11%
    - 23/24: 16%
    - 24/25: 21%
    - 25/26 onwards: 3.75% in line with a BCIS (Building Cost Information Service) average rate pre-COVID

All other assumptions are unchanged from the Programme Business Case:

- The displacement rate is 25%
  - Financial contributions by Fife Council and Scottish Government are fixed in nominal terms
  - The first year of the programme is 2019/20
  - Job densities are 1 FTE per 47 m<sup>2</sup> (Net Internal Area) for completed buildings, and 70 jobs per hectare (gross) of serviced land unlocked to reflect the end use being Use Class 4
  - Employment multipliers (Type II, reflecting indirect and induced effects) are 1.7 for office and 2.03 for industrial employment
  - The properties will have an average 15% vacancy rate from completion, throughout the lifetime of the programme
  - £30m in private sector investment will be levered by the Programme.
63. The Fife i3 Programme investment would have both a regional and national impact on the business infrastructure in east central Scotland. This includes direct and indirect employment as well as increased household income and demand for local services. Furthermore, investment of this scale would have major benefits for supply chain businesses located in Fife, the wider east central belt and Scotland more generally.
64. The EIA is based on the development proposals set out for the Programme in Table 9. The key inputs and findings of the assessment are summarised below:

**Table 6: Modelling Inputs**

	Input	
	Programme FBC	Updated FBC
Office floorspace	2,300 m <sup>2</sup>	928 m <sup>2</sup>
Industrial floorspace	9,700m <sup>2</sup>	9,784 m <sup>2</sup>
Capital Cost	£48.4m	£50m

Source: Fife Council

**Table 7: Modelling Outcomes and Impacts**

GVA (Gross Value Added) Impact	Programme FBC	Updated FBC
NPV (Net Present Value) of Net GVA	£711m	£530m
NPV of Construction	£191m	£178m
<b>Job Impact</b>		
Direct Net Jobs (average per annum)	1,095	1,035
Gross Construction Jobs (cumulative over life of Programme)	596	625
<b>Tax Impact</b>		
NPV of Direct Net Income Tax	£35m	£26m
NPV of Direct National Insurance	£53m	£40m
NPV of Direct Net Corporation Tax	£7m	£5m
NPV of Gross Non-Domestic Rates Income	£10,000	£6,000

65. Based on the preferred option for delivery, an additional £24 of GVA is generated for every £1 spent (down from £28 in the Programme FBC). Overall, the programme will increase GVA in Fife by an estimated 1.88% (down from 1.94% in the Programme FBC).

**Table 8: Summary of Programme Impacts on Key Indicators**

Key Indicator	Programme FBC	Updated FBC
GVA (NPV of Net GVA = £530m)	1.94% annual uplift in Fife's GVA	1.88% annual uplift in Fife's GVA
Jobs (Direct Net Jobs ave. p.a.)	Reduction of 0.6% in Fife's unemployment rate	
Qualitative Impacts	<ul style="list-style-type: none"> <li>• Increase in private sector investment</li> <li>• New premises to support and stimulate economic growth</li> <li>• Increase in innovation activity in Fife companies</li> <li>• Improved quality of jobs, and better career paths</li> </ul>	
Cost per job	£44,340	£49,224
GVA generated, per £ spent	£28	£24

#### 5.4 Overall findings: the preferred option

66. The preferred option combines new build and servicing of employment land to open up new sites for private development, alongside an innovation programme to benefit occupants of new premises and those in surrounding areas. It balances investment across mid and south Fife and builds in an increasing focus on the response to the climate emergency. The Programme generates £24 of GVA for every £1 invested by the public sector. The programme will be developed in tranches with opportunities to review successes and lessons learned between tranches.



## 6. Commercial case

### 6.1 Key contractual arrangements

67. The partners in the Edinburgh and South East of Scotland City Region Deal, including Fife Council developed an Implementation Plan and a Financial Agreement that profiled the drawdown of the City Region funding based on the Outline Business Cases. The Outline Business Case for the Fife i3 Programme input into this profile. This was updated during the Programme FBC
68. City of Edinburgh Council as the Accountable Body for the Edinburgh and South East of Scotland City Region Deal have entered into a Minute of Agreement with Fife Council that sets out the contractual obligations on Fife Council in respect of the City Region funding, the outputs and reporting.
69. In Year 1 of its implementation (2019/20) the Fife i3 Programme advanced City Region Deal grant funding of £1.4m. This was available to the Fife i3 Programme due to underspend in the wider City Region Deal. It is anticipated that a further advancement in grant will be made available to the Fife i3 Programme in Year 2 (2020/21).

### 6.2 Agreed risk allocation mechanism

70. The risks relating to Interest Rates, Construction and Completion, Operating Risks, Demand Risk, Force Majeure and changes in Law, Political, Regulatory, Environmental and Social Risks associated with the delivery of the Fife i3 Programme will be allocated to the party that is best placed to manage them in a cost-effective way to maximise value for money, including to the private sector. This allocation and/or transfer will include the occurrence and impact of the risk, be informed by market conditions and transaction costs. For Tranche 1 of the programme these risks have been allocated to Fife Council. At key points in the construction programme key risks will be transferred to contractors, and opportunities will be sought to take approaches that reduce or transfer risk wherever possible.
71. The intention during Tranche 2 is to begin to risk-share with the private sector on some projects through different development models (e.g. joint ventures) and early discussions have taken place with potential partners and Joint venture models explored.
72. An update on Programme risks is prepared annually as part of the Edinburgh and South East Scotland City Region Deal Annual Report<sup>3</sup>. This report is published on the website for the City Region Deal <http://esescityregiondeal.org.uk/>

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<sup>3</sup> The latest Annual Report is available here

<https://static1.squarespace.com/static/55c87967e4b05aa55020f656/t/5f58a05ce81c0c5f1363efd5/1599643749050/2019-20+Annual+Report+-+City+Region+Deal+%28updated+08-09-20%29.pdf>

### 6.3 Prioritisation of Sites

73. All potential employment sites within the Fife Employment Land Audit<sup>4</sup> including Fife Council's industrial portfolio were assessed in terms of priority and risk, based on the criteria drawn from agreed Fife Council priorities e.g. those detailed in FIFEplan. These factors include:
- Supports strategic business clusters
  - Well located to strategic growth corridors (M90, A92)
  - Fit with existing predominant land use
  - Potential impact on sensitive and incompatible land uses and
  - Potential to deliver lower-cost business space.
74. The short list of sites was further refined for their deliverability within the City Deal timescales and to ensure a balance of investment between mid and south Fife, brownfield and greenfield sites.
75. Tranche 1 of the programme is developing sites at:
- Queensway Industrial Estate, Glenrothes
  - Fife Interchange, Dunfermline
  - Dunnikier Business Park, Kirkcaldy
  - The Avenue, Lochgelly and
  - Hillend and Donibristle Industrial Estate, Dalgety Bay.
76. Moving into Tranche 2, all sites have been reassessed and additional sites considered (any site identified within 2000m of a Fife Circle railway station), with criteria added to support a stronger focus on low carbon potential and overall sustainability.
77. The additional criteria considered were:
- Greenfield – greenfield sites are generally not preferred unless they fulfil other sustainability criteria or make a significant contribution to other strategic objectives
  - Passive design – can the site accommodate a passive design, particularly in relation to the orientation of the building to maximise passive solar gain?
  - Renewables – does the site have access to any renewable energy source (e.g. district heat network, air source or solar power)?
  - Vacant & Derelict Land – will the project remediate vacant and derelict land or property?

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<sup>4</sup> [https://www.fifedirect.org.uk/uploadfiles/publications/c64\\_FINALELA20161.pdf](https://www.fifedirect.org.uk/uploadfiles/publications/c64_FINALELA20161.pdf)

78. The geographical spread of projects across Fife is set out in Figure 2 (above). This is unchanged from what was envisaged in the Programme FBC, although some changes to the specifications, detailed designs and site layouts will be incorporated to reflect the increased focus on carbon reduction. The Programme will continue to adapt and respond to opportunities for carbon reduction and more sustainable practices.
79. Fife Council worked with Scottish Enterprise and Zero Waste Scotland Scotland, within a wider UK and global challenge of climate change and the government objectives set-out in policies such as "Making Things Last" - the Scottish Government policy for a "circular economy strategy to build a strong economy, protect our resources and support the environment" Scottish Enterprise, Zero Waste Scotland, Construction Scotland Innovation Centre and their partners launched PORTAL, as a new-way of thinking about how we deliver quality industrial space and premises in Scotland. PORTAL is an approach to building. Not a building solution, it is a product based on improving the value of our buildings while also taking positive steps towards meeting the challenges of the Circular Economy. The PORTAL product is built around a methodology and toolkit that offers a staged approach to designing industrial buildings. See: <https://www.cs-ic.org/innovationcentre/innovation-support/online-resources/project-portal/>
80. During Tranche 1 this work has been further developed with consultants appointed to carry out a feasibility review of the standard specification and cost plans for the industrial units at Fife Interchange North that have been developed by the Council over the last 3 years by using the Portal framework. The intention is that the findings from this feasibility work will influence the approach to delivery in Tranche 2 of the Programme.
81. Areas for focus for this work include:
- modern methods of construction
  - structural frame options and cladding
  - low-cost maintenance solutions for external works
  - low carbon options - heating solutions and the impacts of a passive solution and a "fabric first" approach.
82. In order to respond to the expected requirements of the climate change agenda all new build projects in Tranches 1 and 2 have had a 10% budget increase applied to allow for implementation of design changes that reduce carbon and future-proof the buildings.

## 6.4 Development Plan

83. The key project delivery dates, project investment and outputs are shown in the Table below:

Table 9: Overview of Delivery Programme

		Capital Investment (£m)		Outputs			Tranche 1	Tranche 2			Tranche 3	
		Prog FBC	Updated FBC	Prog FBC	Current FBC		Years 0 - 3	22/23	23/24	24/25	Years 7 - 10	
							Year 4	Year 5	Year 6			
<b>Tranche 1</b>												
1	Glenrothes - Flemington	New Development	2.1	3.6	766	1,115	sq m	In delivery				
2	Dunfermline - Fife In'chge North	Site Servicing	3.0	1.8	6.45	2.8	ha (gross)					
3	Dunfermline - Fife In'chge North (delayed)	New Development	2.4	0.0	929	0	sq m	Prog FBC				
4	Kirkcaldy - Dunnikier	New Development	2.1	2.5	766	766	sq m	In delivery				
5	Dalgety Bay - Site 1	Site Acquisition	0.7	0.8	0	0	-	Complete				
6a	Lochgelly - The Avenue (closed)	New Development	2.7	0.0	766	0	sq m	Closed				
6b	Lochgelly - The Avenue	Site Servicing	0.0	1.3	0	2	ha (gross)					
7	Dalgety Bay - Site 3	Site Acquisition	0.3	0.4	0	0	-					
8	Dalgety Bay - West Way	Site Servicing	0.2	0.2	1.32	1.32	ha (gross)					
17	Glenrothes - Queensway	Refurbishment	0.0	1.4	0	692	sq m	New				
9	Dalgety Bay - West Way (accelerated)	New Development	0.0	4.3	0	1,393	sq m	T2 FBC	Prog FBC			
		<b>TRANCHE 1 TOTALS</b>	<b>13.5</b>	<b>16.3</b>	<b>3,227</b>	<b>3,966</b>	<b>sq m</b>	739	-1.7	2.8		
					<b>7.8</b>	<b>6.1</b>	<b>ha (gross)</b>					
<b>Tranche 2</b>												
9	Dalgety Bay - West Way (accelerated to T1)	New Development	2.9	0.0	966	0	sq m	T2 FBC	Prog FBC			
10	Glenrothes - Q'way Inn. Centre (delayed & combined with p19)	New Development	5.0	0.0	1,393	0	sq m		Prog FBC			T2 FBC
11	Dunfermline - Fife In'chge North 1 and 2	New Development	5.8	10.6	1,858	2,300	sq m	Prog FBC	Prog FBC	T2 FBC		
12	Buckhaven - Levenm'th Bus Park	New Development	2.9	4.3	966	966	sq m					
13	Kirkcaldy - JSBP	New Development	3.6	5.5	952	952	sq m					
14	Kirkcaldy - Innovation Hub - delayed to Tranche 3	New Development	1.7	0.0	464	0	sq m				Prog FBC	T2 FBC
15	Cowdenbeath - Innovation Hub	New Development	1.6	1.0	464	464	sq m					
16	Dalgety Bay - Site 3	Site Servicing	0.3	0.5	1.32	1.32	ha (gross)		Prog FBC			
18	Dalgety Bay - Site 1	Site Servicing	0.1	0.2	2.59	2.59	ha (gross)		T2 FBC		Prog FBC	
		<b>TRANCHE 2 TOTALS</b>	<b>23.9</b>	<b>22.1</b>	<b>7,063</b>	<b>4,682</b>	<b>sq m</b>					
					<b>3.9</b>	<b>3.9</b>	<b>ha (gross)</b>					
								-	2,381	0	-1.8	
<b>Tranche 3</b>												
19	Glenrothes - Further Investment (combined with p10)	New Development	3.3	5.8	966	1600	sq m		Prog FBC			
21	Dalgety Bay - Site 3 (closed)	New Development	3.3	0.0	966	0	sq m					
22	Kirkcaldy - Mitchellston	Site Servicing	2.1	2.1	32	32	ha (gross)					
23	Rosyth - Waterfront	Site Servicing / Infrastructure	1.5	1.5	15	15	ha (gross)					
14	Kirkcaldy - Innovation Hub - delayed to Tranche 3	New Development	0.0	1.7	0	464	sq m				Prog FBC	
		<b>TRANCHE 3 TOTALS</b>	<b>10.2</b>	<b>11.1</b>	<b>1,932</b>	<b>2,064</b>	<b>sq m</b>					
					<b>47.0</b>	<b>47.0</b>	<b>ha (gross)</b>					
	Broadband		0.7	0.5					132	0	0.9	
		<b>PROGRAMME TOTAL</b>	<b>48.3</b>	<b>50.0</b>	<b>12,222</b>	<b>10,712</b>	<b>sq m</b>					
					<b>58.7</b>	<b>57.0</b>	<b>ha (gross)</b>		-	<b>1,510</b>		

## 6.5 Contractual Arrangements

84. The partners in the Edinburgh and South East of Scotland City Region Deal, including Fife Council, are developing a regional approach to delivering community benefits from procurement to help deliver Inclusive Growth in the City Region. Fife Council published its Procurement & Commercial Strategy 2019-2024. The Council believes that public procurement contracts can help realise a wide range of social and environmental benefits, including more and better employment opportunities. Fife Council has also adopted a 'Construction Charter' which applies to construction projects and seeks commitment to upholding and maintaining standards. The Council uses a strategic framework of support to provide a single point of contact and end-to-end support to procuring areas, contractors and individuals to maximise sustainable outcomes. One of the Council's recovery priorities is to adopt a more progressive procurement of goods and services as recommended to deliver Community Wealth Building by advancing greater economic, social and environmental benefits, within the economy.
85. For Tranche 1, the programme's Procurement Strategy used existing Frameworks and Contracts. This approach supported the pace of delivery required to meet investment timescales agreed with regional partners. Fife Council's Building Services acted as the principal contractor for construction activities and Transportation Services for site servicing activities. During Tranche 1, the Council had hoped to test out alternative procurement strategies but delays from the COVID-19 lockdown meant that this was not possible without further risk of delay. This approach will continue for Tranche 2 investment. Alternative strategies may be tested during Tranche 2 depending on the impact of Covid-19 and the UK's exit from the European Union on market conditions.
86. Following the award of a procured project and any subsequent individual work packages, the contractor is required to support the Inclusive Growth objectives through the delivery of agreed community benefits. There are six main ways in which the procurement helps deliver Inclusive Growth in the city region:
- New employment opportunities
  - Working with local supply chains through the Scottish Supplier Development Programme
  - Sustainability/reduced carbon
  - Fair work practices
  - Education and outreach and
  - Community cohesion.
87. Supplier engagement will be at the core of delivering Inclusive Growth supported by good procurement. Fife Council's Property and Building Services support suppliers to shape delivery of these benefits and provide supplier support and tendering training when bidding direct or as a sub-contractor of a prime contractor.

88. A series of engagements has been developed with the national Supplier Development Programme, with support and advice available for potential contractors to help them develop the expertise required to deliver these projects and to produce high quality tenders. This is aligned with the Fife i3 Programme plan to raise awareness of tender opportunities as they occur.

## **6.6 Accountancy treatment**

89. The assets created by the Fife Industrial Innovation Investment Programme will become the assets of Fife Council. These will be transferred to the Business Property Portfolio on completion. Subject to the terms of the offer of grant from Scottish Government, and the Minute of Agreement with the accountable body (City of Edinburgh Council) the rental income and any capital receipts will be used to fund the programme in order to repay borrowing. Any maintenance and management costs will be met from the rental income in line with the assumptions in the Financial Model. Any surplus will be managed by Fife Council's Enterprise and Environment Directorate in accordance with the Council's Medium-Term Financial Strategy.

## 7. Financial case

### 7.1 Profile of Funding

90. The Fife i3 Programme is funded from an annual, variable Scottish Government grant; Fife Council capital funding; capital receipts from the sale of developed land; and rental receipts from leased premises. In order to cope with additional costs and to take advantage of specific opportunities to strengthen the Programme additional funding has been brought in from Fife Council capital to support a new project that pilots a refurbishment approach; and from VDLF to remediate challenging sites. This funding approach underpins the financial modelling undertaken, which now includes more refined information on the expected costs and delivery timetable for the programme.

### 7.2 Summary of assumptions used in the Financial Model

91. The financial model makes the following key assumptions:
- Bespoke inflation assumptions have been applied based on BCIS rates for the next 5 years of the Programme. These rates reflect expected ongoing COVID-19 disruption:
    - 21/22: 7%
    - 22/23: 11%
    - 23/24: 16%
    - 24/25: 21%
    - 25/26 onwards: 3.75% in line with a typical BCIS (Building Cost Information Service) average rate pre-COVID.
92. The maintenance cost assumptions have also been refined since the Programme FBC was developed:
- Operational / day-to-day maintenance is assumed at 0.17% of development capex and is 85% recovered from tenants
  - More significant maintenance (e.g. new roof, windows, boiler replacement, etc) is assumed at 0.15% of development capex, but no allocation is made until Year 11 of the Programme
93. All other assumptions are unchanged from the Programme Business Case and are used consistently in both the financial and economic modelling:
- The displacement rate is 25%
  - Financial contributions by Fife Council and Scottish Government are fixed in nominal terms
  - The first year of the programme is 2019/20
  - Job densities are 1 FTE per 47 m<sup>2</sup> (Net Internal Area) for completed buildings, and 70 jobs per hectare (gross) of serviced land unlocked to reflect the end use being Use Class 4

- Employment multipliers (Type II, reflecting indirect and induced effects) are 1.7 for office and 2.03 for industrial employment
- The properties will have an average 15% vacancy rate from completion, throughout the lifetime of the programme
- £30m in private sector investment will be levered by the Programme.
- Net Developable Site Area (Ha) is 60% of gross site area
- Of the gross internal area of space that could be built over a site, we assume only 70% of that potential is built out
- Site enabling works to bring employment sites up to a developable standard is assumed at £150,000 per Ha (gross site area) – these assumptions are refined when site investigation work is completed
- 70 jobs are created per Ha
- As properties are completed, they are not all immediately occupied. In the first year following completion 40% are assumed to be rented; in year 2, 60%; in Year 3 85%; and in Year 4 100%. Although these percentages are based on a “full occupancy rate” of 85%
- Rents differ on the basis of estimated market rents in each local area
- Management costs are assumed to be 7.5% of rental income;

### 7.3 Overall affordability

94. Since the preparation of the Programme Business Case, the financial modelling shows some movement in the expected NPV (Net Present Value) for the programme. This is principally caused by a changes to the Programme to respond to the COVID-19 pandemic, including additional investment being used to support the delivery of the Programme.
95. This updated FBC shows a small increase in the Programme surplus from £14 million in the Programme Business Case to **£15.7 million**. The NPV for the programme is expected to be a surplus of **£3.5 million** – this is an increase from the original Programme FBC, which showed a £0.177 million NPV surplus. The main reasons for the increase in surplus is revision of maintenance cost assumptions. Any surplus will be managed by the directorate in accordance with the medium-term financial strategy.
96. The results of the latest financial modelling and the movement between the financial modelling for the Programme Business Case and the latest position are shown below:



**Table 10: Financial Modelling Results and Movement from Programme FBC to Current Position**

Sensitivities (£m)	NPV of (Surplus) / Deficit	(Surplus) / Deficit	Investment	Capital Receipts	Interest (%)
Base Case - FBC 3.75% BCIS	(0.2)	(14.1)	48.4	(5.3)	3.64
Tranche 2 FBC Update	(3.5)	(15.7)	50.0	(5.3)	3.64
Movement	3.3	1.6	1.6	(0.0)	0

Note: figures may not sum due to rounding

97. The movement in grant profile from the City Deal Financial Plan is shown below, this is based on claims being made annually in arrears for 79% of costs incurred. Compared to the Financial Plan this results in advancement of grant drawdown in Year 2 (relating to Year 0 and 1 activity), followed by slippage for three years. The slippage principally relates to re-profiling of some activity on Levenmouth Business Units from Year 3 to Year 5 of the programme.

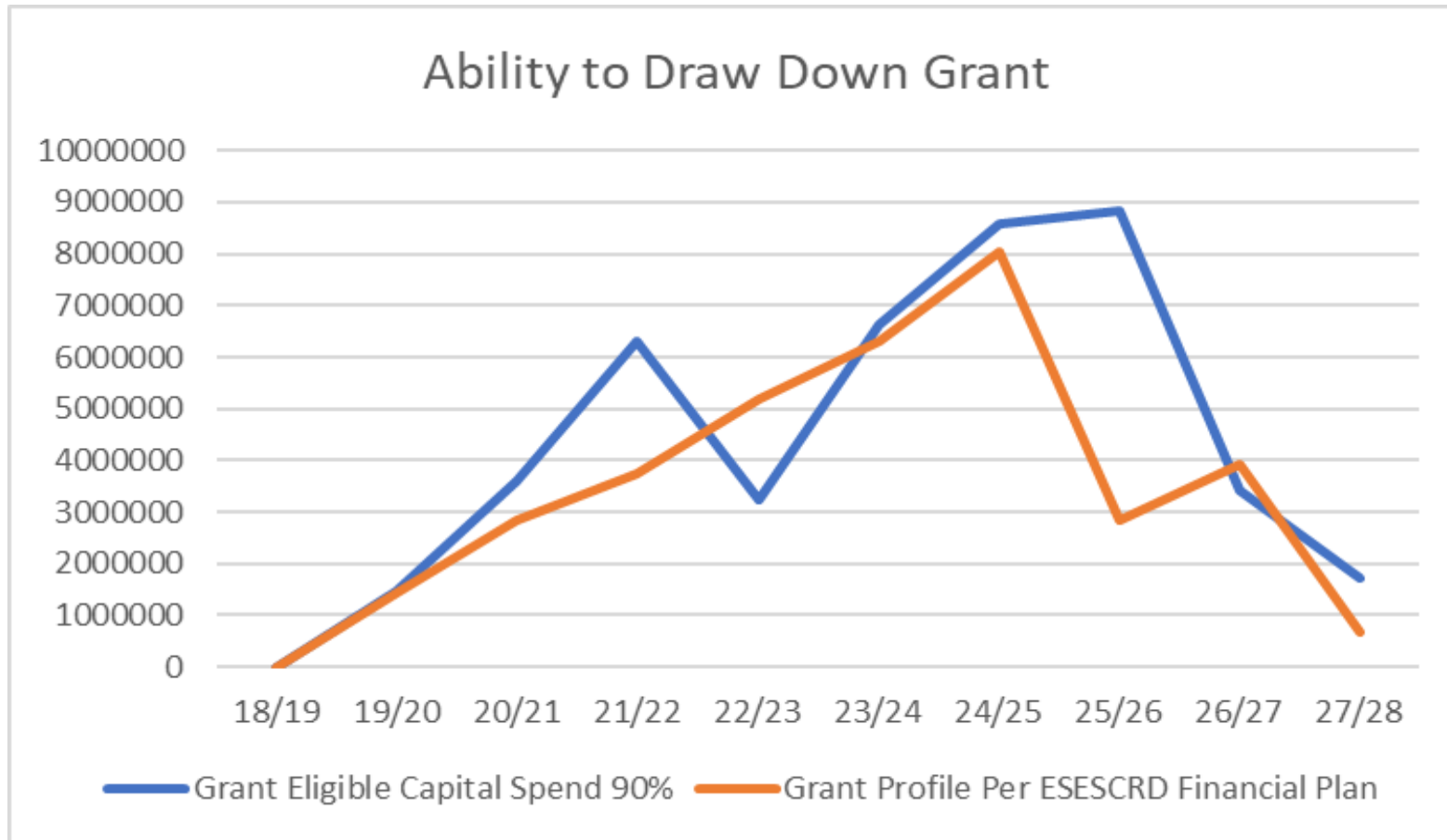
**Table 11: Movement in Grant Profile from Programme Full Business Case to Current Position**

	2019/20 Year 1	2020/21 Year 2	2021/22 Year 3	2022/23 Year 4	2023/24 Year 5	2024/25 Year 6	2025/26 Year 7	2026/27 Year 8	2027/28 Year 9	TOTAL
City Deal Financial Plan		(2.840)	(3.748)	(5.173)	(6.317)	(8.046)	(2.852)	(3.928)	(2.096)	(35.000)
Base Case - FBC 3.75% BCIS		(3.243)	(3.665)	(4.489)	(4.119)	(7.863)	(5.410)	(3.745)	(2.465)	(35.000)
Current Position * (variable BCIS during Tranche 2)	(1.433)	(2.840)	(3.748)	(5.173)	(6.317)	(8.046)	(2.852)	(3.928)	(0.663)	(35.000)

\* current position aligns with City Deal Financial Plan, but shows advancement of grant in Year 1, and reduction to offset this in Year 9

98. The alignment between Programme activity and grant drawdown is shown in Figure 6. This shows that in Year 4 of the Programme eligible spend significantly exceeds the available grant profile, whilst in Year 5 the eligible spend is insufficient to draw down the available grant. In order to smooth the peak in Year 4, it is possible to delay a project so that it straddles Years 4 and 5. This change will be implemented in the event that there is no unplanned slippage elsewhere, but can be considered a risk mitigating action against delays on early Tranche 2 projects.

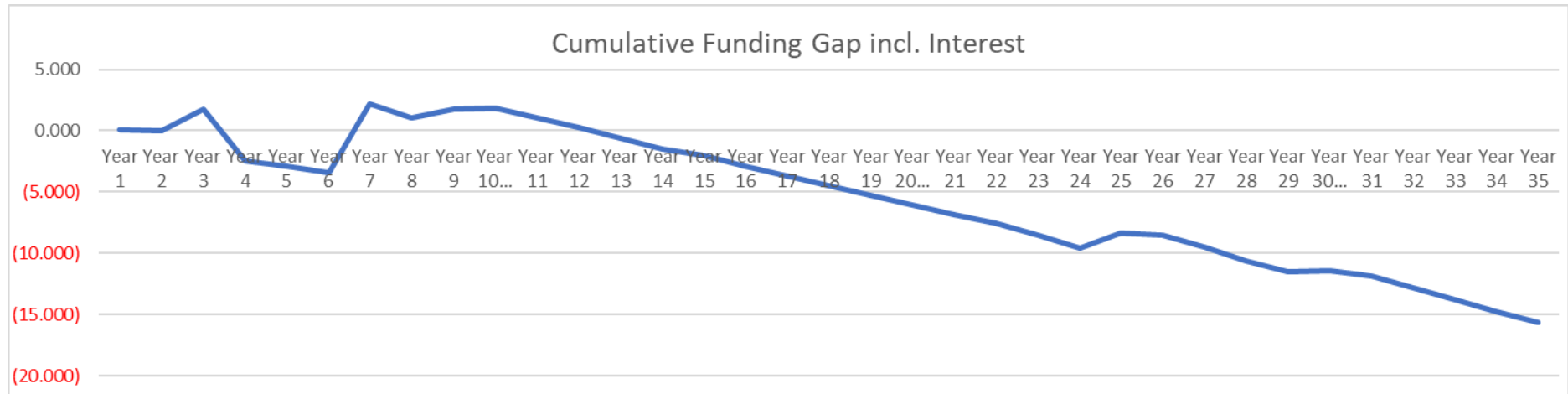
**Figure 5: Eligible Capital Spend Vs Grant Profile**



### 7.4 The Council’s Debt Requirement

99. Figure 7 (below) shows the funding gap for the duration of the programme. Overall Borrowing peaks at £2.25m in Year 7 and is repaid by 2032. Thereafter the programme generates a surplus to the end of the 35 year programme life. Any surplus will be managed by Fife Council’s Enterprise and Environment Directorate in accordance with Fife Council’s Medium-Term Financial Strategy. This differs from the Programme FBC, which showed a borrowing peak in Year 5 of £6.2m.

**Figure 6: Cumulative Funding Gap Including Interest (£m) over 35 years**

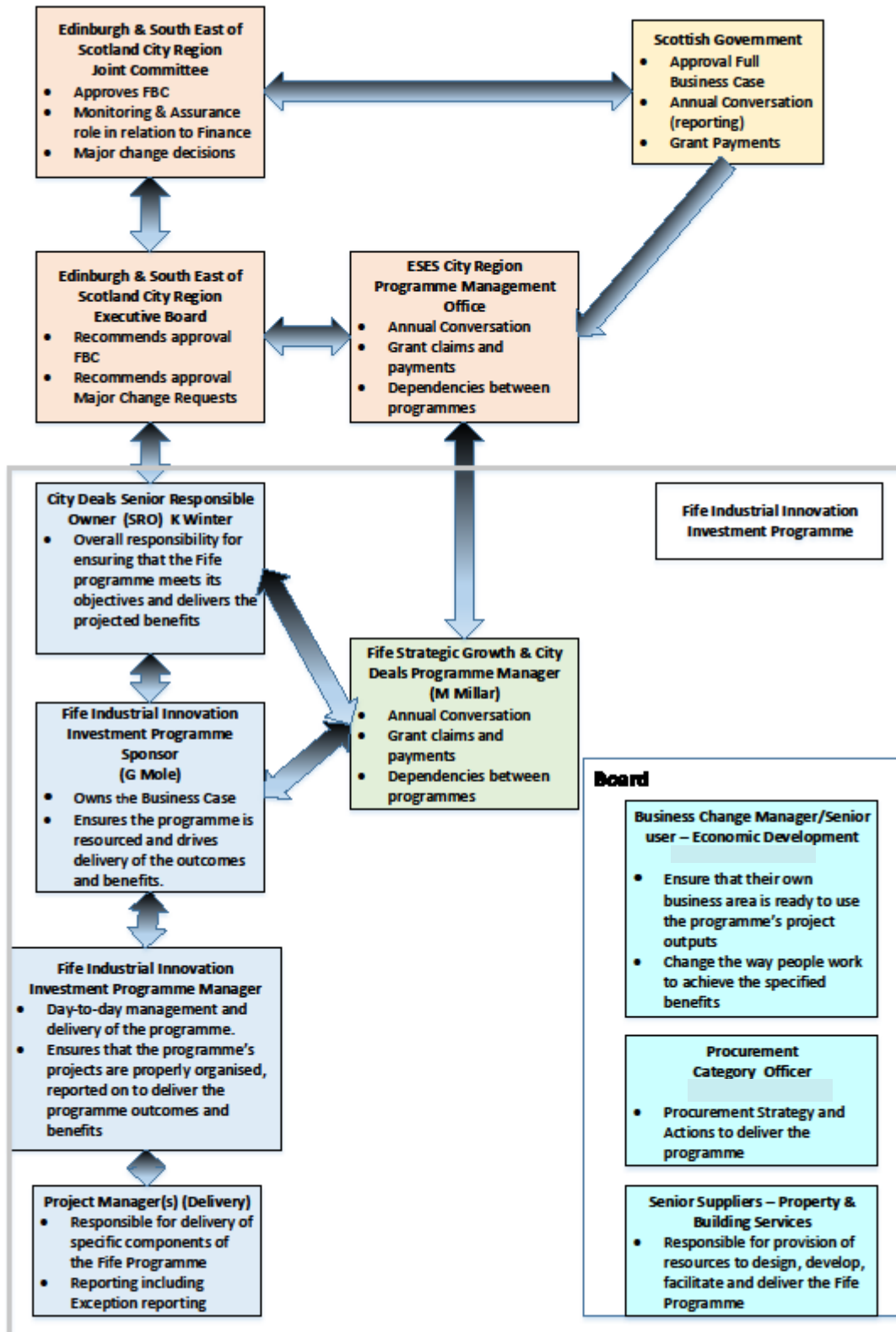


## **8. Management case**

### **8.1 Programme and Project Management Arrangements**

100. The governance structure for the Edinburgh and South East Scotland City Region Deal and how the Fife Industrial Innovation Investment Programme fits with this set out at <http://esescityregiondeal.org.uk/about-us>. This was agreed as part of the Deal document.
101. The Fife Industrial Innovation Investment Programme reports to the Edinburgh and South East Scotland City Region Deal Executive Board and its Joint Committee.
102. Fife Council established a Sustainable (formerly Strategic) Growth and City Deals Programme Board in 2018 to provide strategic direction and oversee all city deal activities, programmes and projects. Its remit includes management of the Fife Industrial Innovation Investment Programme, to ensure it is controlled and benefits realised. The Fife Sustainable Growth and City Deals Programme Board also integrates the governance relating to both Edinburgh and South East Scotland and Tay Cities Deals. The individual project and programme management arrangements for the Fife Industrial Innovation Investment Programme that were set up at the start of Tranche 1 are shown below:
103. A Programme Board for the Fife i3 Board has also been established and is responsible for management of the Programme. The individual project and programme management arrangements are shown below:

Figure 7: Project and Programme Management Arrangements

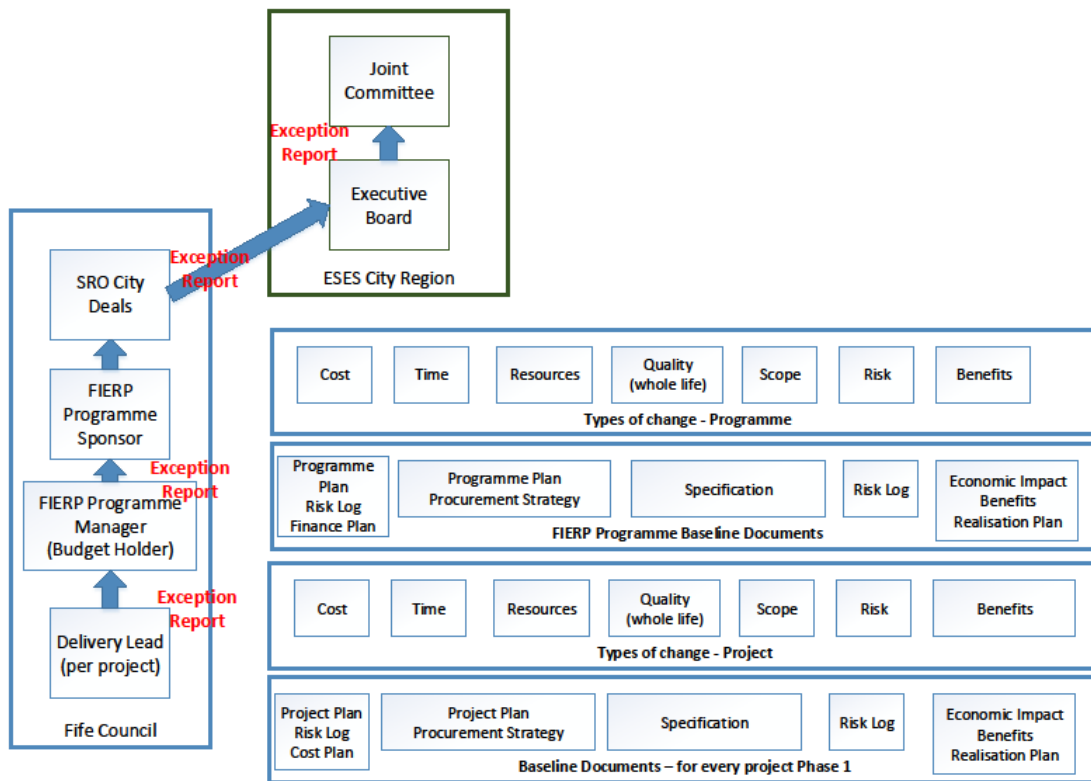


104. During Tranche 1, the Board used the Association of Project Managers (APM) Assurance toolkit to develop an action plan to set up the governance processes to ensure that these complied with best practice. Corporate processes for benefits, change, risk, issue and opportunity, stakeholder and communications management have been tailored by the Fife i3 Programme. The Programme has been able to sustain its investment programme during Tranche 1 and the COVID-19 restrictions.

## 8.2 Managing Change

105. The Deal Document set out the regional partners' processes for decision-making and management of change. During Tranche 1, project and programme tolerances for the Fife i3 Programme were agreed by the Programme Board in terms of cost, time, resources, quality, scope, risk and benefits. Where project or programme tolerances are exceeded, exception reports are triggered and escalated as outlined below:

**Figure 8: Change Control Process**



106. Major change decisions are escalated from the Fife Industrial Innovation Investment Programme to the Executive Board and if appropriate to the Joint Committee. During Tranche 1, the change activity related to actions to mitigate against the impact of COVID-19 on the programme's costs and timescales, to sustain the realisation of programme benefits and actions to respond to opportunity to improve value for money for the programme. All projects in Tranche 1 established their baselines as set out in Figure 11. The Programme baseline documents were also approved by the Board. These will be reviewed as part of the preparation for delivery of Tranche 2.

### **8.3 Benefits realisation**

107. The Benefits Register was set out in Appendix 5 to the FBC approved in March 2019. During Tranche 1, the Edinburgh and South East of Scotland City Region developed its Benefits Realisation Approach. The approach for the Fife i3 Programme is set out in Appendix 3. These are managed and reviewed through the Governance and change management processes.

### **8.4 Approach to risk management**

108. The main programme risks relate to delivery and viability; finance; and legal. A copy of the risk register for Tranche 2 is set out in Appendix 4. Actions to mitigate risk are developed and managed as part of the Project and Programme governance established in Tranche1. Risks within the control of Fife Council, (staff capacity, appropriate governance arrangements, early site investigation and utility scoping), are actively managed. Mitigation strategies relating to the wider economic environment (economic instability, interest rates) are tracked and are deployed in response to change. All risks are regularly reviewed and managed by the Programme Board.

### **8.5 Programme and project evaluation arrangements**

109. Each project has its own detailed Business Case setting out its expected contribution to the Fife i3 Programme outcomes, and how and when these will be measured and monitored. These are approved by the Programme Board if within tolerances. Further reviews are carried out after the procurement is completed for each project; and when each project is completed and ready for service. Lessons learned are a regular part of these reviews. Benefit Realisation Reviews will also be conducted once the projects are completed and occupied.
110. A programme evaluation will be carried out after 5 years in line with the overall review of the City Region programme. The evaluation will capture lessons learned from individual project reviews and for the wider programme including:
- Post-occupancy surveys with tenants of new-build units (undertaken around 6 months after occupation) to identify any missed opportunities and/or over-specification in order to optimise future investment plans
  - Regular ongoing tenant satisfaction survey results to identify longer-term maintenance or management issues
  - Lessons learned from procurement, construction and marketing/letting activities
  - Tracking of business performance associated with the programme including actual employment achieved, plans for growth and innovation activity and
  - Regular discussion with Scottish Borders Council and other stakeholders to share best practice and lessons learned.



## 9. Recommendation

111. It is recommended that the Full Business Case for Tranche 2 of the Fife i3 Programme is approved, and the programme be authorised to proceed into delivery.

**Signed:**

**Date:**

This section will be completed subject to approval and/or amendment by Fife Council Policy and Coordination Committee on 19 November
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**Senior Responsible Owner, Fife i3 Programme**

## Appendix 1: New Projects

<p>Lochgelly The Avenue Business Park</p> 	<p>The proposed development site is owned by Fife Council. It is a prime development opportunity in a thriving and vibrant business/ industrial park. The access road has already been constructed so the site is suitable for immediate development. Originally it was envisaged that this project would consist of site servicing of a small site area and a subsequent build project.</p> <p>Fife Council has been approached by a private sector developer looking to construct business property for let and has therefore altered the proposal at this location to service a much larger site area (circa 2 ha) and dispose of these sites.</p>
<p>Glenrothes Queensway Industrial Estate Q10 Building Refurbishment</p>	<p>Queensway Industrial Estate is one of Glenrothes' highest profile and formerly most popular industrial estates which has over many years been home to a wide range of businesses. However, the age and condition of existing buildings, derelict land and property, retail encroachment, poor image and a lack of management and maintenance, has resulted in the Estate being unable to realise its full economic potential. To secure the future success of the Estate, the Council prepared a Regeneration Action Plan and has focused investment in this area in recent years.</p> <p>This project will comprise part of an overall property transaction with the owner of existing commercial premises at Flemington Road, Queensway Industrial Estate which will facilitate the relocation of part of the owner's existing business accommodation to a redundant Council owned building and which will allow the demolition of former office accommodation which has been vacant for some years and which otherwise could not be demolished. As part of the transaction the Council will secure ownership of an existing under-utilised stand-alone warehouse building owned by the company which will be subdivided and refurbished to provide a terrace of small business units for employment uses within use class 4, 5 and 6 extending to a total of 692 m<sup>2</sup>. The refurbishment and provision of this accommodation would support a more environmentally sustainable approach by re-purposing second-hand accommodation, enhancing thermal efficiency thereby reducing energy demand as well as reducing the impact of embedded carbon in new build construction. This will also contribute further to the delivery of the Queensway Regeneration Action Plan and complement earlier/ongoing investment in the area. The contribution to net zero carbon ambitions will be assessed as the project develops.</p>

## Appendix 2: Programme Approvals

Copies of Programme Documentation are available on request from report author

Date	Board	Document	Status
180412	Policy & Coord C#	Outline Business Case (Private Paper) - Fife Industrial Estates Regeneration Programme, Edinburgh & South East of Scotland City Region Deal.	Approved
180412	Policy & Coord C#	Financial Model - OBC (Informed Financial Profile and commitments within ESES City Region Deal document).	Approved
190124	Policy & Coord C#	Full Business Case - Fife Industrial Innovation Investment Programme (Fife i3 P)	Approved
190124	Policy & Coord C#	Financial Model FBC - variations from OBC profile	Approved
190103	ESES Joint C#	Fife Industrial Innovation Investment (Fife i3) Programme Business Case	Approved
190103	ESES Joint C#	Financial Model for JC Business Case	Approved
190212	Fi3P	Change Request: Westway, Dalgety Bay - approach to split costs with Taskforce Units	Approved
190212	Fi3P	Assurance Review (Thomas & Adamson) and Action plan	Approved
190212	Fi3P	Change Control and Tolerances Approach (Benefits Section not yet completed)	Endorsed
190212	Fi3P	Procurement Strategy	Approved
190312	Fi3P	Fife i3 Programme Roles & Responsibilities	Endorsed
190312	SG&CD	Roles and Responsibilities Decision: the paper was agreed, subject to minor clarifications in recommendations 2 and 3 and Figure 2.	Approved
190321	SG&CD	Change Control / Tolerances Approach (Benefits Section not yet completed) Decision: the process set out in the paper was endorsed by the board as a current position to support delivery, subject to further work with the PMO and SBC on what constitutes "major / significant" and to develop benefits tolerances	Approved
190321	Fi3P	PF01 Flemington Road, Queensway, Glenrothes (Build)	Approved
190411	Fi3P	Site and road layout plans for Fife Interchange North, Dunfermline	Approved
190411	Fi3P	Updated PF01 Flemington Road (build) - Once financial profiles are prepared, this info to be slotted into PF01; compare with the Programme FBC, noting any variations; and final version circulated to Board by email for approval	Further work
190509	Fi3P	Exception report: Fife Interchange Site Servicing – Substation. Agreed to accept quote from Scottish Power for Substation	Approved
190509	Fi3P	Risk & Opportunity Management Plan	Approved
190509	Fi3P	PF01 Fife Interchange North (Site Servicing/Acquisition).	Approved

190613	Fi3P	PF01 Ridge Way, Dalgety Bay (Build) – subject to adding £30,000 of Vacant and Derelict Land Fund expenditure agreed for site investigation work	Approved
190613	Fi3P	PF01 West Way, Dalgety Bay (Site Servicing)	Approved
190613	Fi3P	PF01 Dunnikier, Kirkcaldy (build)	Approved
190613	Fi3P	PF01 Cochrane Way, Dalgety Bay (Acquisition)	Approved
190711	Fi3P	PF01 The Avenue, Lochgelly, (build)	Approved
190711	Fi3P	PF01 Westway, Dalgety Bay (build)	Approved
190711	Fi3P	PF01 Fife Interchange North, Dunfermline (build)	Approved
190711	Fi3P	Exception Report: Fife Int N (Site Servicing/Acquisition) underspend. Recommendation agreed - to pursue in more detail <u>both</u> Option 3 (Additional Build at Flemington Road, Queensway Ind Est, Glenrothes) and Option 2 (Additional Infrastructure Investment at The Avenue, Lochgelly). Option 8 (Programme Contingencies) is the default for any residual monies.	Approved
190808	Fi3P	Exception Report: Set financial tolerances for Ridge Way, Dalgety Bay acquisition (Lower £627k - £660k upper)	Approved
190808	Fi3P	Q1 Financial Performance Report	Approved
190808	Fi3P	Y2 (2020/21) financial forecast for ESES City Region Deal	Approved
190808	Fi3P	Exception Report: West Way, Dalgety Bay (Site Servicing) – Agreed to "do nothing" to secure additional Electricity Supply to avoid additional cost of £25k	Approved
190912	Fi3P	Exception Report: Levenmouth Business Park (Tranche 2 Project) Power. Agreed early expenditure of £30,048 from the City Deal Levenmouth Business Units budget, in respect of the proportion of the sub-station costs.	Approved
190912	Fi3P	ESES CRD Q2 Financial Performance Report	Approved
190912	Fi3P	Communications Plan	Approved
191010	Fi3P	Letting and Disposal Policy	Approved
191114	Fi3P	Cross Service Payment process	Approved
191114	Fi3P	Financial model review - inflation assumptions	Approved
191114	Fi3P	Exception Report: The Avenue, Lochgelly (timescales)	Approved
191114	Fi3P	Change request: Flemington Road, Glenrothes. Extension to the tender period agreed (retrospective). All endeavours will be made to mitigate any delayed start after 4th Nov 2019.	Approved
191114	Fi3P	Programme Management Plan	Approved
191212	Fi3P	The Quality Assurance Management Plan reviewed. Agreed to be amended to include a link to the Change Control document and to set out how exception reporting will include quality (A111). The quality process section to be amended to include a design review and pre-tender evaluation process (A112).	Further work (completed 200514)
191212	Fi3P	Document Management Plan (interim approach)	Approved
191212	Fi3P	ESES CRD Q3 performance report	Approved

191212	Fi3P	Financial Model update	Approved
191212	Fi3P	Tenant Application Process	Approved
200204	Fi3P	Private Sector Leverage Realisation Plan	Approved
200319	Fi3P	Change request: COVID-19 Review	Approved
200409	Fi3P	Fife i3 Programme Master Schedule	Approved
200409	Fi3P	Exception report: Flemington Road, Glenrothes - site closure	Approved
200514	Fi3P	Updated Programme Quality Assurance Management Plan (include the resources required to manage and administer the various contracts should be clearly identified)	Approved
201008	Fi3P	Benefits Management Plan	Approved
201008	Fi3P	A Development Models Options Plan	Continue to next stage of development
N/A	Fi3P	The Monitoring and Evaluation Framework for the Fife i3 Programme	In development
N/A	Fi3P	Change Control and Tolerances Approach – Benefits Section	In development
N/A	Fi3P	Close-out (handover) procedures for site servicing and build projects	In development

## Appendix 3: Benefits Register

### Expected Project Benefits – Construction Projects

#### During Construction

Benefit name (and type)	Measure(s)	Baseline per measure(s)	Date of baseline	Target per measure(s)	Benefit Owner	Timescale	Programme end benefit	Actual result to date per measure(s)
Community benefits (external)	Awaiting regional approach							
Construction jobs supported	Jobs supported by construction contracts let	NA	Year 0	<ul style="list-style-type: none"> <li>• 100 jobs (cumulative during Tranche 1)</li> <li>• 600 jobs (cumulative over the lifetime of the Programme)</li> </ul>	Service Manager – Major Works, Environment & Building Services (Steve Anderson)	<ul style="list-style-type: none"> <li>• By end March 2022</li> <li>• By end March 2029</li> </ul>		

### On Completion of Project Build

Benefit name (and type)	Measure(s)	Baseline per measure(s)	Date of baseline	Target per measure(s)	Benefit Owner	Timescale	Programme end benefit	Actual result to date per measure(s)
Tranche 1 - Floorspace completed (internal)	Floorspace (m <sup>2</sup> ) completed Vs expected floorspace for the project in the approved programme business case	NA	NA	<b>Tranche 1 Projects</b> <ul style="list-style-type: none"> <li>• 1. Flemington – 1,115 m<sup>2</sup></li> <li>• 3. Fife Interchange Phase 1 – 1,421 m<sup>2</sup></li> <li>• 4. Dunnikier – 766 m<sup>2</sup></li> <li>• 6. Q10 (refurb) – 692 m<sup>2</sup></li> </ul>	Fife i3 Programme Manager (Ronnie Hair)	<ul style="list-style-type: none"> <li>• By end of March 2022</li> </ul>	3,994 m <sup>2</sup> of floorspace constructed in Tranche 1 of the programme	

### On Occupation of Units

Benefit name (and type)	Measure(s)	Baseline per measure(s)	Date of baseline	Target per measure(s)	Benefit Owner	Timescale	Programme end benefit	Actual result to date per measure(s)
Rents achieved (internal)	Rents achieved - £ per m <sup>2</sup>	Based on market assessment FBC	N/A	<b>Tranche 1 Projects (£ per m<sup>2</sup> in year 1, rising at 2% p.a)</b> <ul style="list-style-type: none"> <li>• 1. Flemington – £65</li> <li>• 3. Fife Interchange – £75</li> <li>• 4. Dunnikier – £70</li> <li>• 6. Q10 (refurb) – £65</li> </ul>	Service Manager Economic Development (Pamela Stevenson)	One year post-completion of each project	Positive programme NPV	
Jobs created per development (external)	No of employees based in City Deal premises (actual and forecast)	FBC assumptions	NA	<b>Tranche 1 Projects</b> <ul style="list-style-type: none"> <li>• 1. Flemington – 24</li> </ul>	Service Manager Economic Development (Pamela Stevenson)	Three years post-completion of tranche (85% occupancy)	85 direct jobs created by Tranche 1 projects by Year 6 Multiplier	



				<ul style="list-style-type: none"> <li>• 3. Fife Interchange – 30</li> <li>• 4. Dunnikier – 16</li> <li>• 6. Q10 (refurb) – 15</li> </ul>		expected)	effects based on assumptions to be estimated	
Companies with innovation outlook (external)	No of City Deal units leased to companies that meet letting criteria inc. commitment to balanced workforce and innovation aspects of Scottish Business Pledge.	NA	NA	<b>Tranche 1 Projects</b> <ul style="list-style-type: none"> <li>• 1. Flemington – 7</li> <li>• 3. Fife Interchange – 8</li> <li>• 4. Dunnikier – 5</li> <li>• Q10 (refurb) – 5</li> </ul> (80% = 25 across Tranche 1)	Service Manager Economic Development (Pamela Stevenson)	In line with occupation of properties, subject to ongoing review	Higher Business Expenditure on R&D per head Vs Fife average	

### Post Occupation

Benefit name (and type)	Measure(s)	Baseline per measure(s)	Date of baseline	Target per measure(s)	Benefit Owner	Timescale	Programme end benefit	Actual result to date per measure(s)
Private sector leverage	Capital investment by tenants fitting out interior	N/A	N/A	<p><b>Tranche 1 Projects</b></p> <ul style="list-style-type: none"> <li>• 1. Flemington – £90,000</li> <li>• 3. Fife Interchange – £90,000</li> <li>• 4. Dunnikier – £60,000</li> <li>• Q10 Refurb – £40,000</li> </ul> <p>(average £10,000 per new build unit, £8,000 per refurbished unit = £280,000 from Tranche 1 projects)</p>	Service Manager Economic Development (Pamela Stevenson)	One year post-occupancy	Private sector leverage of £30m across programme	

**Expected Project Benefits – Serviced Sites (including acquisitions, disposal and land deals) Projects  
On Completion**

Benefit name (and type)	Measure(s)	Baseline per measure(s)	Date of baseline	Target per measure(s)	Benefit Owner	Timescale	Programme end benefit	Actual result to date per measure(s)
Tranche 1 – Ha of Immediately Available Serviced Land (external)	Ha of Immediately Available Serviced Land Vs expected Ha for the project in the approved programme business case	NA	NA	<b>Tranche 1 Projects</b> <ul style="list-style-type: none"> <li>• 2. Fife Interchange – 6.45 Ha (gross)</li> <li>• 6B. Lochgelly 2 Ha (gross)</li> <li>• (7. West Way – 1.32 Ha (gross))</li> </ul>	Fife i3 Programme Manager (Ronnie Hair)	By end of March 2022	7.8 Ha (gross) of land serviced and available in Tranche 1 of the programme	<b>Tranche 1 Projects</b> <b>On track to deliver</b> <ul style="list-style-type: none"> <li>• 2. Fife Interchange – 1.7 Ha (gross)</li> <li>• 6B Lochgelly tbc (subject to site investigations)</li> <li>• 7. West Way – 1.32 Ha (gross)</li> </ul> <b>TOTAL 6.1 Ha</b>

Tranche 1 Sites Acquired (internal)	Sites brought into Council ownership for future servicing / development	NA	NA	FC ownership of <ul style="list-style-type: none"> <li>• Fife Interchange North (Dunfermline)</li> <li>• Ridge Way (Dalgety Bay)</li> <li>• Cochrane Way (Dalgety Bay)</li> </ul>	Fife i3 Programme Manager (Ronnie Hair)	By end of March 2022	Input to site servicing and construction projects (internal benefit)	<ul style="list-style-type: none"> <li>• Ridge Way (Dalgety Bay) acquisition complete</li> </ul>
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### Post Completion

Benefit name (and type)	Measure(s)	Baseline per measure(s)	Date of baseline	Target per measure(s)	Benefit Owner	Timescale	Programme end benefit	Actual result to date per measure(s)
Tranche 1 – Capital Receipts from Sale of Land (internal)	£ value of capital receipts received in-tranche	NA	NA	<b>Tranche 1 Projects</b> Receipts not expected until Tranche 2	Fife i3 Programme Manager (Ronnie Hair)	Beginning during FY 22/23	Supports positive prog NPV. Delivers financial support to realise other benefits.	
Private sector investment (external)	Private sector investment – new-build and fit-out of premises on serviced sites	NA	NA	<b>Benefits from Tranche 1 Projects are not expected until Tranche 2. Average of £0.5m per Ha</b> <ul style="list-style-type: none"> <li>• 2. Fife Interchange – £1.4m</li> <li>• 6B Lochgelly - £1m</li> <li>• 7. West Way – £660,000</li> </ul>	Service Manager Economic Development (Pamela Stevenson)	Beginning during FY 22/23 and ongoing	Private sector leverage of £30m across programme	

**Expected Project Benefits – Business Innovation**  
**Post Completion**

<b>Benefit name (and type)</b>	<b>Measure(s)</b>	<b>Baseline per measure(s)</b>	<b>Date of baseline</b>	<b>Target per measure(s)</b>	<b>Benefit Owner</b>	<b>Timescale</b>	<b>Programme end benefit</b>	<b>Actual result to date per measure(s)</b>
Better Quality jobs (external)	Salary in line with (or higher than) Programme FBC assumptions (via post-occupancy annual survey)	N/A	N/A	Fife i3 Tenants & occupiers, and any related supply chain, etc  Industrial employment with salaries over £30,100  Office employment with salaries over £26,600	Service Manager Economic Development (Pamela Stevenson)	One year post-occupancy, and ongoing	At least 80% of direct jobs created are higher wage jobs	
Innovation Active Companies (external)	Follow-on innovation activity	N/A	N/A	Fife i3 Tenants & occupiers, and related supply chain, etc  Business Gateway engagement and/or relevant activities	Service Manager Economic Development (Pamela Stevenson)	One year post-occupancy, and ongoing	The Programme supports Innovation which leads to higher productivity and protects jobs	

## Appendix 4: Risk Register

### High Level Programme Risks – Summary and Mitigation

Risk	Mitigation
<p>Cost increases due to higher construction inflation than assumed in the Business Case (including increases driven by a potential no-deal Brexit and/or related to COVID-19), with consequent reduction in outputs.</p>	<p>Looking for opportunities to align other funding, such as VDLF, to support Programme Delivery. Considering prioritisation of sites to reduce overall scope if required.</p>
<p>Programme underspend due to third party delay with site acquisitions and/or servicing.</p>	<p>Monitoring closely and opportunities to advance other projects identified in case of delays</p>
<p>Changes in the wider policy environment, including COVID-19 restrictions and requirements, that impact on the delivery or requirements of the programme (planning, building control, environment, etc) and increase costs or slow down delivery.</p>	<p>Key policies are being monitored closely, in particular implications of COVID routemap and its implications for the Programme. Opportunities to future-proof the Programme's outputs are being actively considered e.g. installing additional ventilation systems. Some degree of risk and uncertainty is inevitable.</p>
<p>A lack of private sector appetite to invest and low tenant demand due to a slowing or weakening in the economy which would reduce expected leverage and / or jobs.</p>	<p>Ongoing market testing and discussion with potential investors and tenants across proposed programme locations.</p>
<p>A lack of suitable occupiers for the industrial premises (prepared to innovate and work with the Universities to deliver inclusive growth).</p>	<p>Letting policy developed and agreed by Programme Board that makes it clear what the tenant requirements are. Tenancy application process in development to deliver on this.</p>

19th November, 2020.

Agenda Item No. 12

## Scottish Government Town Centre Fund – Additional Allocation of £1.56m and Progress Update

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Report by: Gordon Mole, Head of Business & Employability

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Wards Affected: Fife Wide

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### Purpose

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This report seeks agreement for an approach to disbursing a further allocation of £1.56m from the Scottish Government's Town Centre Capital Fund and provides an update on the existing £4.335m programme of projects agreed at the Policy and Co-ordination Committee 18th June 2019.

The further allocation of funding is to be used specifically to support town centre projects which stimulate the construction industry and support jobs during the current financial year 2020-2021.

The Scottish Government has again set rigid timescales and conditions to which Fife Council will be required to adhere, including that monies are to be legally committed and/or spent or projects commenced within financial year 2020-2021, with an expectation that projects will be completed by the end of September 2021.

### Recommendation(s)

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It is recommended that members:

- (i) note the background to the fund, including conditions and timescales involved in delivering projects;
- (ii) agree that the over profiling of projects reported to the Policy and Co-ordination Committee in June 2019 to manage risk of under-spend or slippage in project delivery be accounted for in the additional £1.56m and note that there is some flexibility to allow movement of funds from one project to another as necessary with the agreement of the Executive Director (Enterprise and Environment); and
- (iii) agree that the existing projects listed in Table 1, which already have the necessary approvals in place receive investment from the additional £1.56m fund.

### Resource Implications

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Financial - the grant is for capital expenditure which is additional to that which is already or would otherwise be allocated to the 2020-2021 budget and must not be used as substitute for existing allocated spend or be transferred to Fife Council's Capital Fund.

Financial – it is anticipated that through the proposed investment programme there will be elements of spend to save, improving both urban fabric and infrastructure therefore reducing ongoing maintenance costs. In addition, an allowance has been made to mitigate further increases in project costs relating to Covid-19.



Financial – It is imperative that revenue consequences for projects delivered using this funding are manageable and/or mitigated against.

## **Legal & Risk Implications**

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It is expected that project work will be completed; or at least work started and/or contracts signed, legally committed to and/or commenced within financial year 2020-2021. Any unused portion of the grant, if not re-profiled by the local authority to other town centre projects which meet the conditions and ambitions of the fund, will be repayable to the Scottish Government unless prior written agreement is given by Scottish Ministers.

The grant is capital, and it is expected to be used to finance local authority capital investment in town centres as they are defined in the adopted FIFEPlan (2017).

The Grant may also be used to fund, subject to stringent conditions, third party town centre capital expenditure in the current year (2020-2021), either directly or through the provision of grants to third parties (public sector bodies, private sector bodies or individuals) which would, if incurred by the local authority, be considered as capital expenditure.

## **Impact Assessment**

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An Equalities Impact Assessment is not required because the report does not propose a change or revision to existing policies and practices.

The Fairer Scotland Duty, which came into force on 1 April 2018, requires the Council to consider how it can reduce inequalities of outcome caused by socio-economic disadvantage when making strategic decisions. Both the Plan for Fife and Fife's Economic Strategy align with this Duty in their commitment to working towards achieving thriving places in Fife's key town centres.

## **Consultation**

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The Head of Legal and Democratic Services and the Head of Finance have been consulted during the preparation of this report.

# **1.0 Background**

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- 1.1 The Scottish Government made an allocation of £4.335m to Fife Council from its Town Centre Capital Fund in April 2019. This fund was intended to enable local authorities to stimulate and support place based economic investments, which encourage town centres to diversify and flourish, creating footfall through local improvements and partnerships.
- 1.2 Fife Council agreed, at its Policy and Co-ordination Committee meeting of 18th June, 2019, to support 18 projects (set out in Appendix A) across Fife's town centres, with most of the fund targeted at the mid-Fife area. At the time, the projects were over profiled by £350k to mitigate against slippage within the programme.
- 1.3 At the time of allocation, the Scottish Government set rigid timescales and conditions, which Fife Council was required to adhere to including that monies were to be legally committed and/or spent within financial year 2019-2020 and projects completed by the end of September 2020. Subsequently, the Scottish Government amended these deadlines to reflect the challenges most local authorities, including Fife Council, were encountering in delivering capital projects in a short timeframe.

- 1.4 The Scottish Government amended the fund deadlines in January 2020 as follows: monies to be legally committed by March 2021 with project expenditure to be completed by end of September 2021.
- 1.5 In March 2020, all capital site works were halted, and procurement processes paused due to Covid-19 Lockdown Restrictions.
- 1.6 Since July 2020, there has been a gradual return to site works, with restrictions on working practices in places and, in some cases, an increase in project costs to cover additional measures, for example, enhanced site welfare facilities and social distancing practices. Several projects, which were in the procurement process prior to lockdown, now also require further investment to deal with increased costs, due in part to Covid measures and an increase in material costs.
- 1.7 In September 2020, Fife Council received a further allocation of £1.56m of Town Centre Capital Funding. This funding is part of the £230 million economic recovery stimulus package, particularly aimed at supporting construction activity and employment across Scotland. The Scottish Government agreed with COSLA and local authority Leaders that £18 million would be provided to local authorities through the Town Centre Fund Capital Fund. The grant is flexible and may be allocated at the discretion of local authorities within the context of national and local commitments to town centres including: The Town Centre First Principle; the Town Centre Action Plan; and the Place Principle. However, the key condition is that **all grant expenditure must be complete by 31 March 2021**. The Scottish Government define expenditure as follows: “It is expected that work will be completed; or, at least work or contracts signed or commenced within financial year 2020/2021.” We assume that all projects must be completed by the end of September 2021 in line with the £4.335m of funding awarded in the 2019/20 round.
- 1.8 This additional Town Centre Funding is a capital-based grant fund. The aim of this additional funding is to stimulate local construction activity and support employment across Scotland and is for grantees to allocate.
- 1.9 Capital Grants may be awarded to third parties, although these are subject to the same Scottish Government terms and timescales.

## 2.0 Issues and Options

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- 2.1 The Scottish Government has awarded Fife Council a further capital grant of £1.56m. As with the 2019 allocation, this is the largest award in Scotland. However, as with the original allocation of £4.335m, the Scottish Government expect that all expenditure on the fund will be completed within tight timescales. In order to achieve the aims and timescales, officers believe that funding would be best utilised in support projects which are “in flight” to support known shortfalls (e.g. project over profiling and rising costs), projects with approvals in place and/or projects where we can provide additionality.
- 2.2 The investment of this grant by Fife Council will need to be considered in the context of the over profiling of projects, previously agreed at Policy and Co-ordination Committee, where there is a known uplift in project costs and deliverability in the timescales available. There is limited time to plan, develop and procure new project streams to achieve spend within year but the intention is to retain a small sum which could be utilised flexibly for new activity such as shop front improvements or building repairs where this can be achieved within the set deadlines for commitment of funds. This sum could also form a contingency for any further uplift in project costs.

- 2.3 Officers have been working to reduce costs for existing projects to reduce the agreed over profiling and deliver against all the projects agreed at Policy and Co-ordination Committee on 18th June, 2019. There has been a need to make some changes to the original programme of projects, for example, where following protracted negotiations the Council has been unable to secure the purchase of persistently vacant and dilapidated buildings in Leven and Kirkcaldy. These are highlighted in Appendix A which shows the amended amounts and explanation for these. The additional funding provides the opportunity to enable project progress against the over profiling of projects.
- 2.4 Proposed disbursement of the additional £1.56m is set out in Table 1 below:

**Table 1 Disbursement of Additional £1.56m Town Centre Capital**

<b>Purpose</b>	<b>Value</b>	<b>Notes</b>
Over Profiling	£335,000	Agreed at Policy and Co-ordination Committee 18 <sup>th</sup> June 2019 (reduced from agreed £350k as budget efficiencies have been achieved)
Cupar Inner Court/Bonnygate	£400,000	Contribution towards the viability deficit for this £6m scheme. Conservation Area Consent for demolitions to clear the site are in place.
Lochgelly Town Square & Rockgelly	£140,000	Delivery to address project deficit costs associated with current phase of activity.
Cowdenbeath Town House	£300,000	Additional amount to fund renovation costs beyond wind and watertight works. This may include installation of energy generation e.g. PV
Dunfermline Abbot House	£205,000	Internal and external works to this A listed building, allowing full re-opening for summer 2021. Full planning permission and listed building consents are in place with tenders to be issued December 2020. An agreement will need to be put in place between the Council and Abbot House.
Inverkeithing Gateway	£30,000	Small uplift from original budget to cover increased contract costs. Project is tendered and due on site.
Flexible Shopfront/Building Repair Grant and General Project Fund (Must be Committed by 31 <sup>st</sup> March 2021)	£150,000	<u>Shopfronts and Building Repair</u> - A maximum grant of £10K or 80% of total project costs available to town centre businesses in the main towns of Dunfermline, Cowdenbeath, Kirkcaldy, Leven, Cupar, Glenrothes, St Andrews, Lochgelly.

Purpose	Value	Notes
		<u>General Project Fund</u> - a flexible fund depending on need and used to provide additionality to existing projects e.g. energy efficiency/generation measures and or contingency spend.
<b>Total</b>	<b>£1,560,000</b>	

2.5 The rationale for selecting the proposed projects as outlined in the table above is as follows:

- a) To meet the shortfall in funding for existing projects and identified as part of the over profiling of projects at the outset.
- b) Projects can meet both the ambitions and conditions of the Fund as set out by the Scottish Government in the timescales available, particularly stimulating construction activity and supporting employment.
- c) Where there is a known additional deficit of funding for a variety of reasons including Covid measures
- d) that projects are aligned to local priorities as set out by the emerging local community plans and will create transformational change at a local level.

2.6 A progress update on the existing projects, previously agreed by the Policy and Co-ordination Committee is set out in Appendix A.

2.7 During September 2020, the Scottish Government published a draft 5-year Infrastructure Investment Plan (IIP), with the aim of supporting tens of thousands of jobs and stimulating a green economic recovery from the coronavirus pandemic. The draft IIP includes:

- £8bn for environmental sustainability and the transition to net zero emissions
- £5bn to boost inclusive economic growth, including £500m to extend full fibre broadband to businesses and households in rural areas
- £11bn for cities, towns, villages and rural areas, including £275m to revitalise town centres and £2bn on health infrastructure and equipment.

Fife should be able to benefit from this further investment, although it is unclear how this money will be distributed.

## 3.0 Conclusions

3.1 The Scottish Government has allocated a further £1.56m to Fife from its Town Centre Fund to be spent or legally committed in the financial year 2020-21.

3.2 The over profiling of projects reported to the Policy and Co-ordination Committee in June 2019, to manage risk of underspend or slippage in project delivery, should be accounted for from the additional £1.56m.

3.3 The potential impact on revenue budgets continues to be tightly managed. To reduce the Council's exposure to funding ongoing revenue streams, officers view that enhancing existing projects and working with third party end users/beneficiaries is the best route for effective spend of this additional allocation of £1.56m.

- 3.4 There should be some flexibility to allow movement of funds from one project to another as necessary, with the agreement of the Executive Director (Enterprise and Environment). This will be by way of a briefing note to include rationale and purpose of any changes from £30,000 - £250,000. Any awards and changes to the Flexible Fund of £150K will be at the discretion of the Head of Business and Employability. All changes will be reported back to a future Policy and Co-ordination Committee.
- 3.5 The Scottish Government funding criteria stipulates that projects must stimulate construction activity and support employment.
- 3.6 The proposed disbursement of funds outlined in Table 1 reflect the Scottish Government's priorities, including timescale. The projects identified have the necessary approvals and/or plans in place to allow expenditure to be completed on time.

### **List of Appendices**

Appendix A - Scottish Governments Town Centre Capital Fund 2019/2020 Project Updates.

### **Background Papers**

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

- Scottish Government Town Centre Action Plan (2013)
- Scottish Government Town Centre Toolkit (2015)

### **Report Contact**

David Grove  
Lead Officer – Town Centre Development  
Economy, Planning & Employability Services  
Telephone: 03451 55 55 55 ext 471852  
Email – [david.grove@fife.gov.uk](mailto:david.grove@fife.gov.uk)

## Scottish Government Town Centre Capital Fund 2019/20 Project Updates

Town	Project and update	Value	Changes to original allocation	Status
Cowdenbeath	Acquisition of targeted property (former DHSS on Factory Road) as part of planned regeneration programme - Completed	£250,000	Uplifted to £250k from £150k to promote demolition and site restoration	Completed
Cowdenbeath	Enabling the re-purposing and re-use of former Town House – Building Survey and Feasibility Study completed. Essential repairs list being produced by Building Services	400,000	Initial allocation was reduced from £200k to support restoration works at Factory Road and as a contribution towards over-profiling. The new allocation allows us to restore the full funding to this project as well as an additional sum of £300K to take works beyond wind and watertight basic repairs.	In Negotiation
Cupar	Inner Court/Bonnygate mixed use development. Conservation area approval sought with Full Planning permission. Viability shortfall identified by Kingdom Housing Association of c. £700k being worked on for this £4.5m project.	£450,000	None	In Negotiation
Dunfermline	Development and activation of the Maygate Enterprise Hub. Following the withdrawal of the planned operator alternate models are being explored with the build contractor and potential new operator.	£300,000	None	Works tendered
Glenrothes	Improvement to town centre signage enabling a better experience for visitors, stimulating and supporting footfall. Contract tendered and works due to start shortly.	£20,000	None	Started

<b>Town</b>	<b>Project and update</b>	<b>Value</b>	<b>Changes to original allocation</b>	<b>Status</b>
Glenrothes	New urban realm to create safe, active and attractive pedestrian route-ways opposite the Kino Cinema and restaurant areas. Contract tendered and works due to start shortly.	£50,000	None	Tendered and due on site
Glenrothes	Stimulate and enable the progression of several town centre sites as identified in the emerging Town Centre Masterplan. Works underway for Kingdom house site and Riverside Park.	£500,000	None	Works Started
Inverkeithing	To expand the impact of the built heritage programme out-with the Conservation Area which has attracted National Lottery and CARS funding. Contract tendered, although likely small uplift in costs to c. £200k	£170,000	None	Works Tendered, Start November
Kirkcaldy	Enable car-parking improvements including improved signage.	£20,000	None	In Negotiation
Kirkcaldy	Public realm improvements throughout the town centre to support and enable the development of enterprising café culture	£80,000	None	Started
Kirkcaldy	Creation of physical and distinctive gateway to Merchants Quarter. Concept designs completed, contract to be let via waterfront works	£80,000	None	In Negotiation
Kirkcaldy	Enable the improvement of the steps adjacent to the Kirkcaldy Centre. Work completed, with addition of public art murals in the underpass.	£300,000	None	Completed

Town	Project and update	Value	Changes to original allocation	Status
Kirkcaldy	Waterfront enhancement and improved connectivity to the high street, via improvements to wynds and closes enhanced crossing points, street lighting. Unfortunately, we are unable to progress the acquisition of 4 business ready converted containers.	£350,000	None	Started
Kirkcaldy	Project allocation amended from building acquisition to support redevelopment of the Adam Smith Theatre. This project will provide enhanced creative and cultural space.	£400,000	Switched to support redevelopment of Adam Smith Theatre – no change in amount allocated.	In Negotiation
Kirkcaldy	Merchants Quarter - acquisition of identified key buildings. Acquisition of the former Furniture World Unit completed. Acquisition of the vacant derelict site (former Co-Op site) to be completed once planning permission agreed.	£400,000	None	Furniture World Completed
Leven	Acquisition and refurbishment of persistently vacant dilapidated town centre units. Following a private sector acquisition of one target property and being unable to secure 3 dilapidated units in Bridge Street following negotiation with executors of the owner's estate, officers are working with BRAG Enterprises on a potential opportunity to secure a large high street unit. A business case has been developed, surveys commissioned and negotiations under way.	£350,000	None	In Negotiation



Town	Project and update	Value	Changes to original allocation	Status
Leven	To deliver the second phase of town centre regeneration highlighted in the Levenmouth Plan. This will focus on the North End of the High Street, with works scheduled to minimise impact.	£450,000	None	Tendered and due on site
Lochgelly	This project is intrinsically linked to the Rockgelly Project at St Andrews Church, and will create Town House Square. This will be used to host open air events, encouraging creative use of town centre spaces to stimulate and support the development of a diverse local economy. Project led by Communities and Neighbourhoods. A deficit of £100-140K identified as part of overall project to develop the town square and bespoke climbing tower.	£300,000	None	Started
		<b>£4,670,000</b>		

## Housing Revenue Account (HRA) Consultative Budget 2021-22

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 an appropriate increase for HRA rents and associated charges for 2021-22, reflecting the impacts of the Covid-19 emergency on tenant households and housing finances. The proposed rent increase will form the basis of statutory consultation with tenants to inform HRA budget discussions at full Council on 25th February, 2021.

### Recommendation(s)

It is recommended that Committee:

1. agrees to survey all Council tenants around the proposal for a rent increase of 1.5% in 2021-22, to also apply to associated charges for services, garage sites and temporary accommodation with lock-up rents being frozen for one further year; (Section 4);
2. notes that Committee's preferred prudential threshold of 30% will be reached through this specific rent proposal based on current HRA borrowing and risk assumptions, adding a higher level of risk to the HRA; and
3. notes that the outcome of the full tenant consultation will be reported to full Council on 25th February, 2021.

### Resource Implications

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

### Legal & Risk Implications

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

### Impact Assessment

An EqlA has not been completed and is not necessary at this time. The outcome of the proposed consultation will be reported to Fife Council on the 25th February 2021 when an EqlA will be provided.

### Consultation

This report details recent and future consultations with tenants around the HRA rent increase and budget proposals from April 2021.

## 1.0 Background

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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. In developing HRA budget and rent proposal for full Council on 25th February 2021, members are asked to consider the:

- Performance of the HRA compared to other social landlords
- Context of the HRA Business Plan, key assumptions, risks and impacts
- Initial consultation around the HRA rent increase
- General impact and affordability of the HRA rent proposal
- Potential HRA budget for 2021-22 and HRA Business Plan impacts aligned to the rent proposal

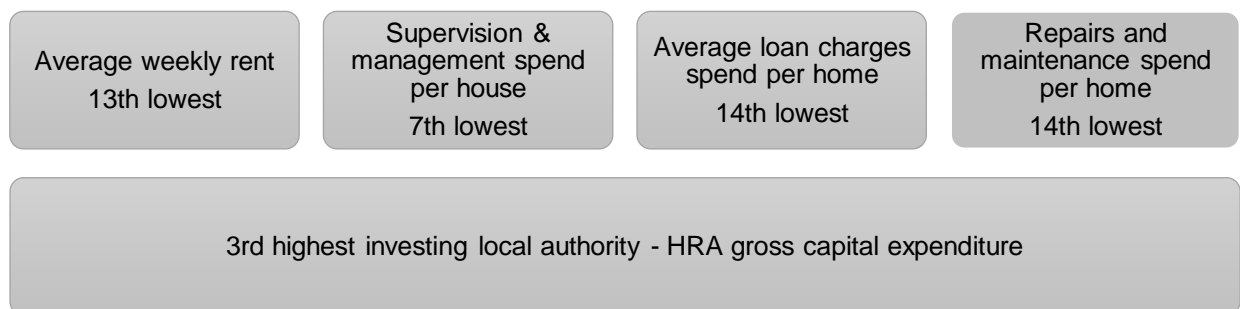
## 2.0 HRA Performance

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2.1 The Housing Revenue Account (HRA) provides the financial framework through which Housing Services delivers its landlord functions. The HRA is required by legislation to be a ring-fenced account used for the sole benefit of Council tenants. It is financed almost entirely by rents and other charges with no contribution made from Council Tax revenues.

2.2 Latest published national data for 2019-20 indicate that Fife Council performs well in terms of supervision and management costs per property. Spend on loan charges and repairs costs are closer to, but still below, the average for Scotland. Fife's average weekly Council rent of £73.25 in 2019-20 remained below the average of £73.73 for Scotland. The Council was the third highest investor in new house building and housing improvements.

**Figure 1: HRA Performance 2019-2020**



Scottish Government Housing Statistics / Based on estimates of Local Authorities Operating HRAs 2019-20

2.3 Fife Council's average weekly rent of £75.45 in 2020-21 is shown to be between £7.44-£17.58 (9%-19%) lower than the average rents charged by the Fife-based Registered Social Landlords (Table 1).

**Table 1: Average Weekly Rents (2020-21)**

Organisation	Average Weekly Rent 2020-21	Difference / Comparison with Fife Council
Fife Housing Association	£93.03	£17.58
Glen Housing Association	£82.89	£7.44
Kingdom Housing Association	£83.35	£7.90
Ore Valley Housing Association	£84.69	£9.24
<b>Fife Council</b>	<b>£75.45</b>	-

Source: Fife-based social landlords 2020-21

## 3.0 HRA Business Plan

3.1 The Council's 30-year HRA Business Plan was first provided in 2005 to assess the resources required to deliver the Scottish Housing Quality Standard by 2015. The most recent HRA Business Plan was updated in 2020 to:

- Ensure financial capacity for repairs, maintenance and improvements to Council homes, including £931 million investment in component replacement over 30-years, delivery of the Energy Efficiency Standard for Social Housing and achieving EPC targets for social housing by 2032.
- Maintain support for wider housing investment priorities, including regeneration, estates action, property acquisitions, improvements to high-rise, non-traditional and specific needs housing. The plan includes £299 million for such investment over 30-years.
- Assess the opportunities for business growth, particularly through the delivery of new-build Council housing. The plan assumes £116 million remaining investment towards the Council's five-year commitment for 1,500 new Council homes.
- Minimise risks to the housing business through scenario testing and financial analysis. The plan identifies significant risks in future rent levels, Covid-19 financial impacts to the HRA, increasing void levels, bad debts and rent arrears.

3.2 The HRA Business Plan assumes that over 30-years rents will increase by the Retail Price Index inflation plus one percent (RPI+1%) each year. This is based on a national Treasury assumption that over 30-years inflation will average at 2.5% per annum, therefore RPI+1% equals 3.5%. Fife Council uses the September RPI rate to inform rent setting for the year ahead. The RPI rate for September 2020 was 1.1%, with RPI+1% therefore being 2.1%.

3.3 If the Council was to follow the pattern of previous years, three rent options would be offered to tenants based on the September RPI rate, most likely ranging between 1.6% and 2.1% in 2021-22, providing an average rent ranging between £76.66-£77.03 and rent increases between £1.21-£1.58 per week. However, the Council has flexibility to move away from the RPI+1% assumption for a limited term providing the long-term plan is returned to in future years and costs are reviewed each year to ensure a balanced budget.

- 3.4 In reviewing changes in costs to the HRA, the Covid-19 emergency led to a £6.6 million underspend in budget in 2020-21 while services were in lockdown. However, £14.5 million worth of costs relating to Building Services' maintenance and building cost are being charged to the HRA, leading to a net Covid-19 impact of £7.468 million. This support includes a contribution for staffing downtime during lockdown. A similar charge for Property Services' staffing downtime costs is being apportioned to the HRA although this is a significantly lesser sum of £0.460 million. Further changes in costs are expected through savings and pressures, as detailed in Section 6.
- 3.5 Although the HRA has been negatively impacted by Covid-19, the difficulties experienced by tenants during Covid-19 was recognised and the HRA Business Plan tested whether a lower rent increase could be supported for a limited time, with a return to the RPI+1% rate in future years.
- 3.6 The results showed that in addition to the Covid-19 financial impacts, a rent increase below the business plan assumption would affect the prudential borrowing limit - this being the proportion of the HRA spent annually on servicing debt. In 2017 and 2019, the Policy and Co-ordination Committee, through the 'HRA Medium Term Financial Strategy', agreed to reconsider the financial position where borrowing levels increased, adding risk to the HRA. The impact on the prudential limit of the proposed rent increase is discussed in Section 6.

## **4.0 HRA Rent Proposal / Initial Tenant Consultation**

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- 4.1 While consultation around the rent increase is a statutory requirement, the Covid-19 emergency put on hold plans for a Better Homes Exhibition and tenant gatherings. In June 2020, the Fife Tenant Forum was invited to discuss with tenant groups how the consultation should be conducted during the Covid-19 lockdown, and to gather views on the level of rent increase that would be appropriate for 2021-22.
- 4.2 In terms of the rent increase, the Federations indicated:
- Their concerns regarding the affordability of rents for tenants on lower incomes, particularly those in low-paid jobs who do not qualify for Universal Credit / Housing Benefit.
  - Their need for information about HRA financial requirements to inform discussions around the rent increase.
  - Their preference for a low or zero rent increase where possible.
- 4.3 Taking into consideration the feedback from tenant representatives, rent scenarios were tested through the HRA Business Plan with the aim of supporting tenants through the Covid-19 emergency. As mentioned previously, in normal circumstances the Council would consult on high/medium/low rent options based around the RPI+1% figure, however, a different approach was considered due to the Covid-19 pandemic.
- 4.4 The lowest rent increase option that could be offered in 2021-22 without leading to a reduction in service delivery, or adding risk to the HRA Business Plan, was 1.5%. This proposal would extend to rents, service, garage site charges and temporary accommodation. The increase would not apply to lock-ups for one further year, until the improvement programme is fully underway. The rent proposal would have the following impact on the average Council rent:

**Table 2: Average Council Rent 2020-22**

Year	Average Weekly Rent	Average Weekly Rent Increase
2020-21	£75.45	-
2021-22	£76.58	£1.13

- 4.5 In line with statutory requirements, it is proposed that this rent increase forms part of a survey of all Council tenants during December 2020-January 2021, the outcome of which will inform a decision on the rent increase to set the HRA budget at full Council on the 25th February 2021.

## 5.0 Affordability / Tenant Impact

- 5.1 **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 Housing Benefit is of importance. At the end of March 2020, 11,423 (39%) of Council households were claiming Housing Benefit, with an estimated 6,200 (21%) now receiving Universal Credit. The total uptake of Housing Benefit throughout 2019-20 is shown in Table 3:

**Table 3: Housing Benefit Uptake / Council Households 2019-20**




Household Circumstances	Estimated Number (%) of Council Households	Comment
Total households claiming Housing Benefit in year	14,129 (48%)	Council households claiming Housing Benefit during year
- Receiving Passported Housing Benefit in year	9,598 (68%)	Rent increase covered by Housing Benefit
- Receiving Non-Passported Housing Benefit in year	4,531 (32%)	Rent increase covered by Housing Benefit

Source: Fife Council, 2019-20 / Estimates of Households and Housing Benefit Uptake

- 5.2 In 2019-20, 48% of Council households claimed Housing Benefit at some point during the year. Following the 'unfreezing' of benefits for working age households in April 2020, all tenants on Housing Benefit will now have any rent increase covered through Housing Benefit.
- 5.3 Tenants in receipt of Universal Credit are entitled to an increase in their housing costs in a similar way to those on Housing Benefit. However, the Department for Work & Pensions administers Universal Credit applications, holds data around claimants and requires tenants to complete the necessary steps following changes in housing costs. This makes it difficult to predict with any accuracy how tenants will respond to, or be impacted by, a rent increase.
- 5.4 Based on the current uptake in benefits it can be assumed that around 11,700 Council households will not be eligible for benefits and will be required to fully fund any rent increase. These figures should be considered indicative in view of the element of unknown through Universal Credit and the potential for further job losses and increased benefit uptake arising from Covid-19.

- 5.5 **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 £100.33 per week. Housing costs below this threshold are affordable and above the threshold will be unaffordable.
- 5.6 The affordability of the proposed average weekly rent of £76.58 can be tested against different types of Council households on low income and not in receipt of benefits.

**Table 4: Affordability Scenarios**

	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')	£100.33	Rent proposal affordable / below threshold
	Two-person household with a full-time and part-time employee, both with lower quartile earnings	£136.98	Rent proposal affordable / below threshold
	Single person household, in full-time employment with lower decile earnings	£84.14	Rent proposal affordable / below threshold

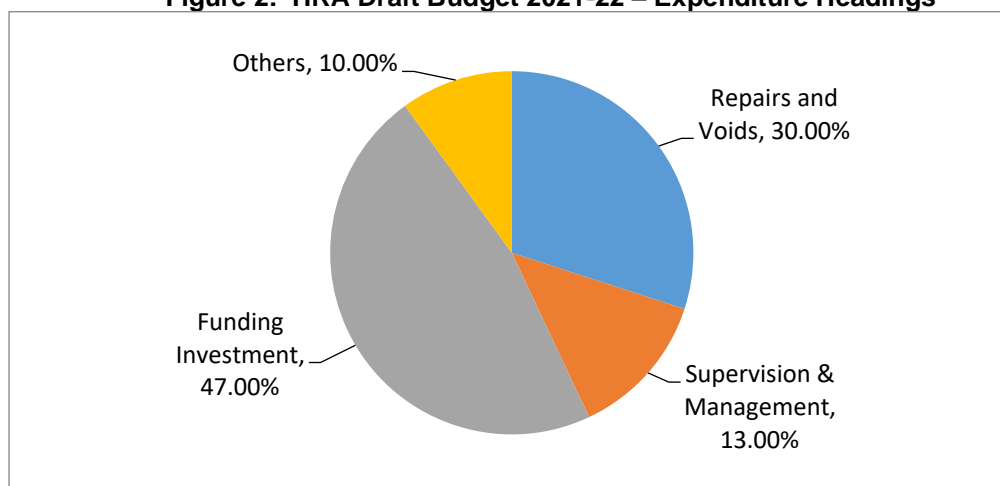
Source: Annual Survey of Hours and Earnings 2019 / Fife Statistics

- 5.7 Table 4 indicates that single people and working couples on lower quartile earnings would be able to afford the proposed rent increase without the assistance of benefits. Even if the 'living rent' definition is remodelled to assess lower decile earnings lowering the living rent threshold, the average full-time employee would be able to afford the proposed rent increase. Therefore, the proposed average Council rent would remain affordable to those on the lowest earnings and would continue to be classed as a 'living rent'.

## 6.0 HRA Budget 2021-22 / Financial Impacts

- 6.1 Where Fife Council works within the parameters of the HRA Business Plan, current commitments to tenants can continue, including delivering higher quality standards and new affordable homes. Should the rent increase proposal of 1.5% be applied in 2021-22, the gross income to the HRA would total £125.090 million.
- 6.2 A profile of spend for the draft HRA Budget for 2021-22, based on a 1.5% rent increase indicates that over three-quarters (77%) of the budget could be focused on investment in repairs, maintenance, improvements and funding for new Council homes, as shown in Figure 2. That profile of spend is relatively unchanged from previous years.

**Figure 2: HRA Draft Budget 2021-22 – Expenditure Headings**



- 6.3 A key impact of a low rent increase combined with the Covid-19 financial impacts to the HRA would be a change in borrowing levels shown through the prudential code. As previously indicated, the Policy and Co-ordination Committee, through the HRA Medium Term Financial Strategy, agreed that any change that would breach the preferred prudential threshold of 30% should be reported back to Committee due to increased risk for the HRA.
- 6.4 It is expected that the rent increase proposal would result in a prudential level of 30%, based on current levels of investment and known Covid-19 financial impacts. This takes the HRA up to the borrowing limit agreed by Committee. Low rent increases beyond 2022, combined with any need for significant new investment, is likely to increase the debt and risk position beyond the agreed limit. Members should consider whether in the context of the Covid-19 emergency, and with a need to support tenants throughout this time, it is acceptable to place the HRA in this risk position.
- 6.5 A rent increase of 1.5% presents a move away from the HRA Business Plan assumption of RPI+1% or 3.5% and, in theory, would result in the HRA not collecting additional rent income of £2.386 million in 2021-22. The impact to the HRA could be minimised through improved focus on core services, delivering a programme of efficiency and supporting growth in relevant parts of the business.
- 6.6 An initial proposal for efficiency has been formed and will be subject to further development through to the Council’s budget discussions on the 25th February 2021. At present it is proposed to deliver £0.502 million savings in 2021-22 through the transfer of HRA homeless hostels into supported accommodation (Table 5).

**Table 5: HRA Budget Savings 2021-22**

<b>Savings</b>	<b>2021-22 £m</b>
Homeless hostels – delivery of Rapid Rehousing Transition Plan commitment to transfer hostel managed services to the GFHA and to review the financial model underpinning service delivery	0.502
<b>Total Savings</b>	<b>0.502</b>

- 6.7 Housing Services is committed to minimise service pressures during 2021-22 to mitigate further risk to the HRA during this time of uncertainty. However, budget pressures could arise through agreement of housing policy at the Community and Housing Services Sub-Committee on 24<sup>th</sup> November, 2020 through previous supervision and management commitments and through reduced income in 2021-22 (Table 6). At this point the pressures on the HRA total £1.120 million and the balance of savings versus pressures is £0.618 million.



**Table 6: HRA Budget Pressures 2021-22**

<b>Pressures</b>	<b>2021-22 £m</b>
Policy pressure – staff costs to improve responses to Anti-social Behaviour (subject to agreement by Community & Housing Services Sub-Committee 24 <sup>th</sup> November 2020)	0.320
Policy pressure – implementation of the review of Concierge and Caretaking services (subject to agreement by Community & Housing Services Sub-Committee 24 <sup>th</sup> November 2020)	0.240
Supervision and management – annual salary increases for 2021-22 at 2.5% plus estimate of £59k for increments	0.376
Housing Assistants – added budget following creation of third year trainee posts for Modern Apprentices	0.080
Sheltered housing – reduction in income for heating charges from previous budgeted figure	0.104
<b>Total Pressures</b>	<b>1.120</b>

- 6.8 It should also be highlighted that the report to full Council on 25th February, 2021 will include proposals to increase balances to provide contingency against any further Covid-19 impacts in 2021-22. This is expected to include financial support to tenant households impacted by Covid-19, adding to the current Council commitment to continue the £1 million Universal Credit support scheme into next year.

## 7.0 Conclusions

- 7.1 The HRA Business Plan demonstrates that the Council can deliver revenue and capital commitments in a financially sustainable way. The HRA Business Plan assumes a policy to increase rents and other charges to maintain the viability of the plan. There is flexibility within that policy to allow a lower rent increase for a limited term. The unusual circumstances arising through the Covid-19 emergency suggest that there is a need to offer greater support to tenants during this time and a 1.5% rent increase option is proposed.
- 7.2 Subject to agreement of members, the next steps will be to consult with all Council tenants during December 2020-January 2021. Feedback will be reported to Fife Council on the 25th February 2021 when an appropriate increase in rents and other charges will be agreed, setting the HRA budget.

### Report Contacts

Vania Kennedy  
Service Manager (Income, Poverty & Private  
Housing)  
Housing Services  
Email: [Vania.kennedy@fife.gov.uk](mailto:Vania.kennedy@fife.gov.uk)

Emma Richards  
Accountant  
Finance and Corporate Services  
Email: [Emma.richards@fife.gov.uk](mailto:Emma.richards@fife.gov.uk)

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## **Advertising on Council Assets**

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Report by: Executive Director (Communities)

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### **Purpose**

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To seek approval for a refreshed Council's Advertising and Sponsorship Policy and an updated approach to advertising that includes new measures to support local businesses through this pandemic.

### **Recommendation(s)**

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The Policy and Co-ordination Committee is asked to:

- (i) approve the refreshed Advertising & Sponsorship Policy in Appendix 1;
- (ii) endorse the priority and approach being placed on supporting local businesses and wider economic recovery; and
- (iii) note the intention to test advertising opportunities across a range of Council assets over the next twelve months.

### **Resource Implications**

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No additional resources are anticipated this time.

### **Legal & Risk Implications**

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Advertising third-party messages on Council assets brings reputational risks. The Council and its brand will be linked - perceptually at least - to the integrity, ethos and quality of the service and products provided. Care must be taken to ensure approved advertising endorses Council policy and practice and the ambitions held in the Plan for Fife. A model for risk assessment and a vetting process has been incorporated into the revised policy to mitigate these risks. In addition, current proposals focus on creating test-projects to support economic recovery, community wealth building and community campaigns. This will allow us to test potential and likely impact before committing further.

### **Impact Assessment**

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An EqIA has not been completed as it is not required. This report updates existing policy and practice.

### **Consultation**

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Legal, Risk, Procurement & Communications have been engaged throughout. Wider Service engagement took place with Transportation, Planning, Property Services, Building Services, Economic Development, BTS and RES at different stages. The draft policy was endorsed by the Commercialisation Board on 10th August, 2020 and the CET Change Board on 23rd September 2020.

## 1.0 Background

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- 1.1 [The Plan for Fife \(2017-2027\)](#)<sup>1</sup> stresses the need for vision and ambition in the drive towards a fairer Fife. Specifically, the Plan emphasises the importance of changing the way we work and how services work together as a key strategy for sustaining valued public services and creating a Fairer Fife.
- 1.2 The Commercialisation Programme was established to embed a programme of commercial excellence across the Council. As part of this work, the Programme has been working with service areas across the Council looking at a range of income generation opportunities.
- 1.3 As part of this work, an Asset Audit has been undertaken within our current asset base. The sale of advertising space was identified as an underdeveloped area for Fife Council and the majority of other local authorities and is considered worth exploring further in an effort to fully utilise Council assets and generate additional income in line with Council priorities.
- 1.4 Work to date around Advertising and Sponsorship has concluded there may be potential to extend the existing advertising opportunities via Council owned assets on the basis it would be modest in scope and return. To extend that potential further, the Council would need to invest heavily in, for example, the installation of new large scale digital advertising hoardings. Advice from the advertising agencies confirmed the costs were unlikely to be covered by the return.
- 1.5 The four opportunities open for development are digitising bus shelters, advertising on council vehicles, website advertising and opening up the potential for future commercial partnerships through a refreshed policy and new co-ordination.
- 1.6 Working with local businesses is a key priority for the Council and this has never been more important given the short and long-term impact the pandemic is having and the proposals here seek to open up the Council's approach to advertising and help create new opportunities that:-
  - support local traders and community wealth building
  - draw in funding from national companies seeking to bring their businesses to Fife
  - create a relationship with advertisers that could build bigger income generation opportunities for the future
  - provide more cost-effective options for local businesses looking to advertise and get their message into people's homes
  - signpost local traders and businesses to additional help and support that is available through the Council and Business Gateway.

## 2.0 Policy and Approach

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- 2.1 The refreshed policy (Appendix 1) outlines a more progressive model of advertising based on best practice in other Councils and introduces a risk assessment matrix to support a more open and opportunity-driven approach.

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<sup>1</sup> Plan for Fife: [http://publications.fifedirect.org.uk/c64\\_Plan\\_for\\_Fife\\_FPB\\_21nov17.pdf](http://publications.fifedirect.org.uk/c64_Plan_for_Fife_FPB_21nov17.pdf)

- 2.2 The policy will empower services to capture appropriate advertising opportunities timeously so they are not lost to the Council. This will enable the Council to better support and promote local businesses as part of their response to challenging economic environments.
- 2.3 Key changes include:
- more open policy that encourages business with potential advertisers
  - stronger support framework for services in decision making and managing reputational risks
  - updated principles that are in alignment with Council priorities
  - allows faster decisions on what can and cannot be done
  - fosters closer working across Council Services
  - Clarity on levels of authority and support available
  - Updates industry codes of practice, legislation and regulations
- 2.4 For a test period of 12 months, the new approach would focus on:-
- a. **Value-added advertising** and income generation working with local and national Fife-interested companies, particularly those national companies whose corporate social responsibility aims align with our Plan for Fife.
  - b. **Developing the space available for advertising**, establishing space, booking installation and co-ordination arrangements on (1) council bin lorries working with existing supplier Roadvert; (2) a sample of council vans; and (3) digital assets including some pages on council owned websites, working with the relevant services.
  - c. **Targeting local businesses (SME) and voluntary organisations**, offering a portion of the available advertising space at a preferential rate – low to no cost – initially to promote products and services with community interest, developing the proposition with Economic Development and Fife Voluntary Action.
  - d. **Aligning this approach with existing initiatives** such as ‘shop local’ and key messages around the Plan for Fife and the ‘team fife’ ethos demonstrated through the community response to this pandemic.

## 3.0 Conclusions

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- 3.1 There exists both a financial and a policy imperative to reconsider the way Advertising and Sponsorship is carried out across the Council as well as the principles which underpin this.
- 3.2 Lessons have been learned from work undertaken by the Commercialisation Programme pilot projects in both fleet and digital (Bus Shelters). To support further delivery of opportunities around advertising, the current Advertising & Sponsorship Policy requires to be updated.
- 3.3 As a result of COVID19, the Advertising market has changed. To better support our local businesses and get their message into homes, an alternative cost-effective approach is required to that of more expensive TV/Radio advertising. This approach would seek to target companies working in and with Fife to offer some additional support from the Council as part of a COVID recovery response.

- 3.4 The Council is not currently maximising the use of its assets and may be missing opportunities around digital advertising. There is an opportunity to build new and strong links with local businesses and national partners to support trade, seek new ways of working and increase skills and capabilities to maximise income generation in line with Council priorities from the use of Council owned assets.
- 3.5 The policy recommended in this paper is required to support these developments.

### **List of Appendices**

1. Updated Advertising Policy 2020

### **Report Contacts**

Val Millar  
Communications & Customer Insight Manager  
[Val.Millar@fife.gov.uk](mailto:Val.Millar@fife.gov.uk)

Stuart Fargie  
Commercialisation Programme Manager  
[Stuart.fargie@fife.gov.uk](mailto:Stuart.fargie@fife.gov.uk)

# Fife Council

## Advertising and Sponsorship Policy and Procedure 2020

DRAFT 2.0

### 1. This policy aims to:

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- i. provide clarity to help employees, members and potential partners be creative and maximise the council's income generation potential through advertising and sponsorship and;
- ii. help protect the council financially, legally and reputationally as new opportunities are explored and developed.

### 2. Definitions

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- i. This policy applies to advertising and sponsorship proposals involving council owned assets, services, events, communications and associated activities.
- ii. Advertising can be seen, heard, read or experienced. It's used to inform and influence an individual or group of people to do, or believe in something the advertiser pre-plans. It is usually paid for in exchange for space or commercial opportunity.
- iii. Sponsorship is more of a mutually beneficial relationship. It involves the giving of money, time, products or services in exchange for an association. It usually requires a meeting of values, goals or objectives between the sponsoring and receiving organisation.
- iv. Advertising and sponsorship can include goods, services, ideas, opportunities, prizes and gifts.

### 3. Principles

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- i. The council encourages and supports advertising and sponsorship arrangements that are well-managed and support the values and priorities set out in The Plan for Fife (2017 -2027).<sup>1</sup> and associated strategies.
- ii. Advertising opportunities are available on a range of council owned assets and products, at council-run events, on vehicles, roundabouts, bus shelters, at venues or events and in some newsletters and publications. New ideas are considered on request.
- iii. An advertiser's message and approach may not link to the council's work directly, but it must concur with council values, priorities and the terms of this policy.

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<sup>1</sup> Plan for Fife (2017-2027), [http://publications.fifedirect.org.uk/c64\\_Plan\\_for\\_Fife\\_FPB\\_21nov17.pdf](http://publications.fifedirect.org.uk/c64_Plan_for_Fife_FPB_21nov17.pdf)

- iv. The council will not support, and reserves the right to refuse, any proposal or association with a third party that will, or could be perceived to, incite, promote or support
- race or sexual prejudice or discrimination on the basis of disability, faith, gender, age or any protected by the Equality Act 2010
  - the disparaging of a person or class of persons
  - tobacco or tobacco related products (including e-cigarettes/vaping)
  - alcohol or drug dependency or general pharmaceuticals
  - weapons, violence, gambling or pay-day loans
  - socially undesirable or unhealthy acts
  - pornography and adult content
  - fracking
  - party political or lobby groups or a cause identified with a particular political party
  - activity that could be regarded as a means of gaining favourable terms from the council or create a conflict of interest
  - organisational values, ethics or methods the council cannot support
  - infringement of intellectual property rights e.g. trademark or copyright or patent rights of a third party
  - the provision of cash or in-kind support to enable statutory service delivery
  - activity that generates additional revenue or resource requirements that cannot be met
  - claims or action that fail to comply with industry code, legislation or council policy, or that could damage the council's reputation or result in the council being subjected to legal proceedings.
- v. Prior to reaching agreement, the service
- takes reasonable steps to ensure potential sponsors/advertisers have disclosed any current regulatory applications/consents, ongoing disputes or outstanding debt owed to the council
  - considers potential risk (see 4. below)
  - consults with procurement and communications and, if the proposal targets employees, HR or children/young people and adults, education and social care;
  - calculates costs to the council and the potential commercial value, ensuring any resources needed to support the agreement are in place
  - ensures a written agreement is in place between the council and the third party and this is signed off by the appropriate senior manager (see 5. Below)
- vi. In general, the council opts to advertise services and opportunities first in (1) council and partner owned media (2) digital media including social and (3) earned media online and in print. Paid for media is considered only if these measures are ineffective or there is a business case to support additional investment.
- vii. The council adheres to the terms of current legislation and relevant nationally recognised industry codes and regulations. (see 8 and 9 below)

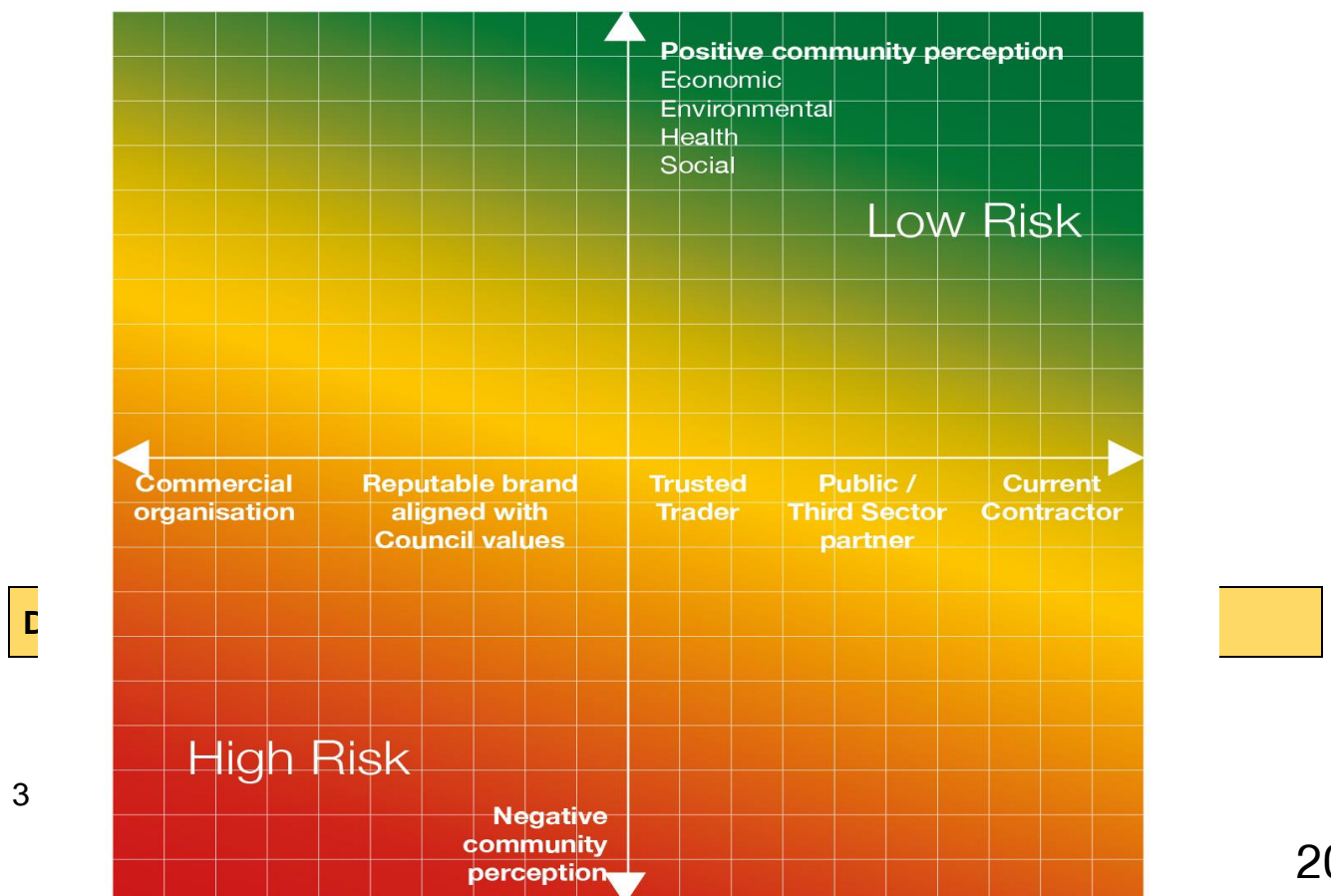
Note: Council sponsorship for an event or activity should not be confused with other types of formal funding such as grants. Grants are not subject to this policy but further specialist advice is available on that through Communities and Neighbourhood Service.

#### 4. Assessing and managing risk

- i. The council welcomes advertising and sponsorship wants to encourage partnerships of this kind with third parties. Risk is measured to support this. It is considered in terms of the link, direct or otherwise to the council and its brand and the type of organisation, product and service involved.
- ii. There are two categories:
  - **Opportunities directly linked to the council brand, that could be perceived as ‘endorsed’ as a result** : where sponsor or advertiser pays to place their brand and message on a council asset that is also council branded. For example, on a council building, a vehicle, on a uniform or on campaign material. The council would have no control over the ultimate service, product or claim being made
  - **Opportunities linked to a council asset that is unbranded:** where a sponsor or advertiser places their own branded message on a council asset such as an advertising hording on a space owned by the council, but not branded as such.
- iii. The proposal is plotted, by the service, on the matrix below and considered further. If the proposal is to proceed any mitigating action to limit the risk is recorded as part of the proposal.

### Reputational Association Risk

Consideration of organisational/brand values and operation as well as community perception





<b>Current contractor</b>	Company or organisation currently contracted to work with and/or for Fife Council, but they are not currently going through any tendering procedure.
<b>Existing Partner – private, public and third-sector</b>	Company or organisation linked to the Council through the Fife Partnership or other body or grant funded.
<b>Trusted Trader</b>	Company already vetted as a member of the Fife Council Trusted Trader Scheme.
<b>Reputable brand aligned with council values</b>	A widely-known company, whose operational arrangements and stated brand values are aligned with – or not in direct contradiction of – the council’s values and/or ambitions.
<b>Commercial organisation not linked to the council business</b>	A lesser or unknown commercial venture or company that has no links to the council or its business and whose operational arrangements and/or brand values are unknown.

## 5. Approval

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Cash or in-kind:

- i. Up to £1000 : agreed in consultation with the Procurement Service, in Finance and Corporate Services (from a contract and tendering perspective) and Communications, in Communities (for a brand and reputational perspective).

Agreement signed by Head of Service.

- ii. £1001 to £20,000: agreed in consultation with the Procurement Service, in Finance and Corporate Services (from a contract and tendering perspective) and Communications, in Communities (for a brand and reputational perspective). Consider further advice from legal, planning or other specialist services such as HR.

Agreement signed by Executive Director.

- iii. £20,000 or more: agreed in consultation with the Procurement Service, Communications, Legal and other specialist services as required and in consultation with Council Executive Team and Executive Director or Chief Executive. Consideration given to need for committee approval and/or consultation.

Agreement signed by Executive Director.

## 6. Governance

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- i. The service responsible for each advertising and sponsorship agreement is required to ensure policy is appropriately followed and that the agreement is evaluated for impact and learning following the closure of the contract - a summary report should be produced.
- ii. Corporately, the council's sponsorship and advertising policy, procedure and practice is managed jointly by Communications and Procurement (Commercialisation) and monitored through multi-service working group that meets twice a year led jointly with Procurement.
- iii. This group is responsible for:
  - a. Monitoring and reviewing the policy and principles that maximise income generation opportunities on Council owned assets relating to Advertising and Sponsorship in line with agreed Council priorities
  - b. Developing Council wide Advertising and Sponsorship opportunities and ensuring a consistent approach to deployment

## 7. Application

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- i. This policy does not cover:
  - pre-existing contractual arrangements the council has entered into
  - any current or future grant funding arrangements entered into by the council
  - any matters which are the subject of separate regulation, for example through planning or licensing
  - the activities of school parent councils or similar supported community-led groups
- ii. It should be should be read in conjunction with other Fife Council policy linked to advertising and sponsorship activities including the Fife Council Scheme of Tenders Procedures.

## 8. Industry codes

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The council adheres to the terms of any current legislation and relevant nationally recognised industry codes.

- i. The Advertising Standards Authority (ASA) is the UK's independent regulator of advertising across all online and offline media.
- ii. The ASA codes of practice cover:
  - Non-broadcast advertising and direct/promotional marketing ensuring marketing communications should be legal, decent, honest, truthful and with a sense of responsibility to consumers and society (CAP code) and;

- Broadcast media (BCAP Code) ensuring adverts are not misleading or cause offence or harm especially to children or the vulnerable.
- The codes also provide guidance on a range of topics including political advertising; health, food, drink and wellbeing; environmental claims; financial products; lottery etc.
- The ASA also provides specific guidance when featuring or addressing children and advertising in proximity to schools.

## 9. Legislation and regulations

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Legislation and regulations that currently impact on advertising and sponsorship activity include:

- Local Government Act 1986;
- Local Government Scotland Act 2003
- Local Government Publicity: Code of Practice
- the Town and Country Planning (Scotland) Acts including regulation on the control of display advertising including billboards
- General Data Protection Regulation (GDPR)
- The Public Contracts (Scotland) Regulations 2015

And, more generally:

- the Communications Act 2003 also specifies rules to which media service providers must adhere;
- Supply of Goods and Services Act 1982;
- Consumer Protection from Unfair Trading Regulations 2008;
- Business Protection from Misleading Marketing Regulations 2008

### For further advice

Additional advice is available on writing an advertising/sponsorship agreement; choosing the right advertising medium; digital advertising and marketing and how to target and work with sponsors.

### Contact:

- Communication Team: [val.millar@fife.gov.uk](mailto:val.millar@fife.gov.uk)
- Commercialisation/Procurement: [stuart.fargie@fife.gov.uk](mailto:stuart.fargie@fife.gov.uk)

19th November, 2020.

Agenda Item No. 15

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## Annual Procurement Report

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Report by: Les Robertson, Head of Revenue and Commercial Services

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Wards Affected: All

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### Purpose

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The purpose of this report is to provide members with a summary of Procurement activity and its impact during the financial year 2019/20.

### Recommendation(s)

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Members are asked to note the content of the Annual Procurement Report (Appendix 1) which will be subsequently published and notified to Scottish Ministers.

### Resource Implications

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There are no resource implications resulting from this report.

### Legal & Risk Implications

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The Annual Procurement Report is a requirement of the Procurement Reform (Scotland) Act 2014 and is intended to support transparency and compliance with the Act.

### Impact Assessment

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Not required as part of this report.

### Consultation

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Consultation is not required as part of this report but the draft was shared with relevant stakeholders for input and comment as appropriate.

## 1.0 Background

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- 1.1 The Procurement Reform (Scotland) Act 2014 forms part of the public procurement legislation that governs how Scottish public bodies buy their goods, works and services and allows us to maximise the economic benefit brought to Scotland from effective and efficient public procurement activity.
- 1.2 The Act requires public bodies to publish procurement strategies to set out how they intend to carry out their regulated procurements and publish Annual Procurement Reports. The Annual Procurement Report is attached in Appendix 1 and is required to be published on the internet with the link then sent on to Scottish Ministers.
- 1.3 The Annual Procurement Report requires set minimum criteria to be included and should be enhanced to include any content in relation to the specific organisation's Procurement Strategy, areas such as payment of Living Wage and supporting the local economy are recognised priorities of Fife Council therefore these have been incorporated into the report.
- 1.4 The reporting period that the report addresses is the respective financial year 2019-2020, i.e. 1st April 2019 through to 31st March 2020.

## 2.0 Reporting Period Highlights

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- 2.1 The Annual Procurement Report acknowledges that all regulated contracts are deemed to have been compliant over the reporting period.
- 2.2 The Council has £518.658m of third party spend over the reporting period.
- 2.3 Over and above the statutory reporting, further detail has been provided to provide some more qualitative and quantitative detail to report on specific commitments and objectives from the Procurement Strategy which came into effect in April 2019.
- 2.4 £3.633m of savings and benefits have been generated during the reporting period with £1.398m of these savings being cashable. This is an increase on the £3.384m from 2018/19.
- 2.5 In addition to the financial savings, other benefits from procurement activity have been reported, including: -
  - Community Benefits from suppliers
  - Ensuring as much of Fife Council's procurement spend is spent with local Fife businesses as possible.

### Community Benefits

- 2.5.1 Community benefits are one of a range of social and environmental considerations that can be included in public contracts and frameworks.
- 2.5.2 Community benefits should always be relevant and proportionate to the contract in question and there is a statutory duty to consider inclusion of such criteria for all procurement exercises above £4m. In Fife, our policy is to also consider at lower levels in a relevant and proportionate manner.

2.5.3 Fife Council contracts have generated significant and varied community benefits such as the following:

<b>Community Benefit Type</b>	<b>No.</b>	<b>£ value (where quantified)</b>
Number of jobs	134	£212,471.00
Number of apprenticeships	116	£287,778.00
Number of work placements	46	£2,215.00
Number of qualifications achieved through training	50	£13,460.00
Other community benefit(s) fulfilled such as:		
<ul style="list-style-type: none"> <li>• SME and third sector spend (sub-contract/supply chain)</li> </ul>	N/A	£17,215,232.09
<ul style="list-style-type: none"> <li>• Social Value Rebate (including donations, charitable work etc.)</li> </ul>	29	£173,724.20
<ul style="list-style-type: none"> <li>• Environmental &amp; Ethical</li> </ul>	4	£92,705.79
<ul style="list-style-type: none"> <li>• Skills and Training (Workshops, Careers advice etc.)</li> </ul>	19	£2,357.00
<b>Total</b>	<b>398</b>	<b>£17,999,943.08</b>

2.5.4 This reporting demonstrates a much improved position in comparison to what was reported last year. There will be additional benefits such as supply-chain spend (locally and/or SMEs) that are not being captured due to the complex nature of supply chains and the fact that suppliers will not record all such information routinely, in a consistent manner, or be able to separate out from their overall activity for individual contracts.

2.5.5 Appendix 1B within the appended Annual Procurement Report provides summary detail of activity identified and delivered in terms of Community Benefits.

#### **Fife Council spend with local Fife Businesses/SMEs**

2.5.6 As well as the statutory requirement to achieve best value in every contract issued by Fife Council, there is also a policy requirement to obtain the best outcomes for the wider Fife economy and this is done by ensuring as much of the attributable annual procurement spend as possible is spent with local Fife businesses, especially the small to medium enterprise (SME – under 250 employees) sector.

2.5.7 Fife Council attributed 37.91% of its third party spend (and 38% of contracts awarded) to Fife businesses. This is in comparison to the Scottish average of 27% (national figure of 31.1%) of spend within local authority boundary. 53% of the spend is going to SMEs (22.5% Fife SMEs), which is right on the average for Scotland (higher than the national figure of 51%).

- 2.5.8 However, it is recognised that this is understated due to businesses that have not been formally classified and also businesses that have a presence in Fife but not registered as a Fife business. Further detail and context is provided within the report and work is ongoing to look to quantify the wider local impact of procurement spend.
- 2.5.9 Fife Council remains an active participant in the Supplier Development Programme helping support local SMEs in their capability in participating in the tender process. The Annual Procurement Report provides detail of this involvement.

### **Procurement Spend with local Fife businesses from Local Authority Sector via Scotland Excel Frameworks**

- 2.5.10 Scotland Excel manage a portfolio of national frameworks for the local authority sector. Over the reporting period, there were 27 local suppliers on 23 Scotland Excel frameworks which also provides wider opportunity for these suppliers to supply out with Fife Boundaries. Spend with Fife suppliers through these frameworks was £31.349m (£9.95m increase from last year). £8.1m of this spend was from Fife Council and represents 26% of spend via Scotland Excel frameworks.

### **2.6 Sustainable Procurement**

- 2.6.1 Effort is made to incorporate sustainable procurement aspects in to tender processes and through ongoing contract management as applicable.
- 2.6.2 The report provides some detail on this including involvement with the elimination of single use plastics project and how our policies contribute to climate change duties.

### **2.7 Fair Work Practices**

- 2.7.1 Fife Council remain committed to encouraging contractors to adopt fair work practices and attempt to ensure payment of a fair wage is provided to relevant employees in its contractual activity.
- 2.7.2 There have been 12 regulated contracts that have been deemed in-scope for consideration of this criteria as a scored question and 31 suppliers have committed to pay the real living wage in the delivery of contracts awarded during the reporting period. 21 of these suppliers are accredited Living Wage employers.
- 2.7.3 Fife Council also promote fair work practices through seeking commitment to our Construction Charter and Ethical Care Charter where appropriate. As part of these commitments, the procurement teams have had no concern raised or evidence of blacklisting occurring in their contracts.

### **2.8 Other notable milestones/achievements and improvement activity**

- 2.8.1 The Annual Procurement Report provides a summary of many milestones, achievements and improvement activity which demonstrates the progressive journey of the procurement team and function.
- 2.8.2 The report also acknowledges two routine internal audits that were conducted on procurement activity, of which none were assessed as high risk. Three investigations involving procurement practices were carried out, none of which found evidence of impropriety, but did result in improvements to processes.

## 2.9 Annual review of Procurement and Commercial Strategy and Moving Forward

2.9.1 The Procurement Reform (Scotland) Act 2014 requires contracting authorities to review its procurement strategy annually. This report provides a mechanism to report on its review which is conducted to assess whether the procurement activity and priorities remain in alignment to the council's broader priorities.

2.9.2 The review concluded that the commitments and priorities all remained relevant, albeit due to prevalent risks and impacts, there is acknowledgement that some areas will require increased focus to support the council's broader objectives as follows:

- Brexit
- Financial Savings/Benefits
- Supporting Local Business, SMEs and Third Sector
- COVID-19 response and recovery

## 2.10 Other Priorities Moving Forward

2.10.1 In acknowledgement of the above areas, and in recognition of the progressive journey of the procurement function, other priorities moving forward have been identified and detailed in the report. These include areas such as supporting the Council's reform agenda with the 'Buy Local' agenda, Community Wealth Building approach; continuation of procurement function transformation activity; further alignment of policy and process with Delegated Procuring Areas in the Council and maximising opportunities with technology.

## 3.0 Conclusions

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3.1 Procurement activity has delivered £3.633m in savings and benefits in the financial year of 2019-2020.

3.2 In addition to the financial benefits listed, the function have also achieved non-financial benefits in the form of community benefits as detailed in the Annual Procurement Report (Appendix 1 (Appendix 1B)) as well as committing to drive the fair work practices agenda and activity in relation to supporting sustainability related projects.

3.3 Fife Council has significant spend being retained within the local Fife Economy.

3.4 A number of milestones, achievements and improvement activity has occurred and reported on.

3.5 A reflection on current strategy and current risks, issues present and areas of increased focus for the procurement function have been identified.

3.6 A number of priorities and improvement opportunities have been identified for progressing and status shall be reported in next year's Annual Procurement Report.

## List of Appendices

Appendix 1 – Annual Procurement Report



## Background Papers

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

- Fife Council Procurement & Commercial Strategy 2019-2024
- Procurement Reform (Scotland) Act 2014: statutory guidance
- Scottish Procurement Policy Note; [Annual procurement reports, revised procurement strategies and notifying Scottish Ministers: SPPN 7/2020](#)
- Centre for Local Economic Strategies Report for Federation of Small Business Scotland – *Local Procurement: Making the Most of Small Businesses, One Year On: Scotland Report*

## Report Contacts

Les Robertson  
Head of Revenue and Commercial Services  
Fife House, Glenrothes.  
Telephone: 03451 55 55 55 ext. 443932  
Email – [les.robertson@fife.gov.uk](mailto:les.robertson@fife.gov.uk)

Caroline MacDonald  
Procurement Service Manager  
Bankhead Central  
Telephone 03451 55 55 55 ext. 445960  
Email – [caroline.macdonald@fife.gov.uk](mailto:caroline.macdonald@fife.gov.uk)

Derek Hamilton  
Category Manager  
Bankhead Central  
Telephone 03451 55 55 55 ext. 445906  
Email – [derek.hamilton@fife.gov.uk](mailto:derek.hamilton@fife.gov.uk)



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## **Section 1 – Introduction and Purpose**

Fife Council is the third largest local authority in Scotland, with an annual third party spend in excess of £518 million and is responsible for delivering all local government services in the Kingdom. It is acknowledged that we are living in very challenging times and we aim to ensure all procurement activity provides best value to the council. We recognise this is not just about cost and quality, but about the best balance of cost, quality and sustainability.

Fife Council is a public sector contracting authority and as such is required to produce an Annual Procurement Report detailing all of our regulated procurement activity. This report summarises the council's regulated procurement activity throughout 2019/2020. A regulated procurement is any procurement for public supplies or services with a value of over £50,000.00 and for public works with a value of over £2 million.

This report has been prepared as the Annual Procurement Report for the period of financial year 2019/20, to meet the requirements of the Procurement Reform (Scotland) Act 2014 whereby all councils who are required to prepare a procurement strategy must also prepare an annual report on the regulated procurements completed during that year.

## **Section 2 – Context**

### **2.1 Procurement & Commercial Strategy**

In January 2019, Fife Council's Policy and Co-ordination Committee approved our Procurement & Commercial Strategy for implementation in April 2019. This strategy is updated to reflect current legislation as well as committed policies of Fife Council, it also stretches the procurement function to help meet some wider aims and objectives of the Council.

The aspirations set out in the strategy are ambitious yet reflective of the journey that Fife Council and the procurement function has embarked on. Fife Council via the Commercialisation Programme has invested in developing our procurement resources. It is envisaged that improvements will accelerate over the next couple of years and will aid the Council to becoming more commercial as well as achieving the considerable savings and benefits set out in the strategy.

This is therefore the first Annual Procurement Report in response to the 2019 approved strategy. Last year's Annual Procurement Report reflected mandatory reporting elements as well as recognised Fife Council priorities.

Our **vision** for the Fife Council procurement team is as follows:

A professional procurement service providing an expert strategic and solution-based service which utilises a commercial focus by collaborating with stakeholders and markets, to achieve best value by improving delivery of services and contributing to the Fife economy.

## **2.2 Procurement in Fife Council**

The Procurement function is part of Revenue and Commercial Services and is an 'enabling' support service, within the Council's Finance and Corporate Services Directorate.

The operating model for Procurement is a part-centralised function with a strategic focus on the generation of financial and non-financial benefits, effective supplier management, robust demand challenge, compliance and continuous improvement.

The Procurement function utilises a category management approach with a structured sourcing programme, categories of spend have been segmented into the following areas:

- Construction Materials
- Construction Projects/Works\*
- Corporate & Facilities Management\*
- Fleet, Plant, Hire & Environmental; Transportation Works\*
- ICT – Hardware, Telecommunications & Software; Utilities and Security
- Social Care
- Transportation & Travel

\*Procurement activity is delegated to authorised individuals within the service area for construction works related activity and some Facilities Management services, however process guidance is provided by the central Procurement function to aid consistency and compliance.

## Section 3 – Format and Content

The undernoted sections provide the quantitative detail required as part of the statutory reporting, and where appropriate some additional narrative and qualitative information to supplement the content. There are some additional sections to report on Fife Council policy commitments as set out in the Procurement and Commercial Strategy.

It is noted that the formal reporting requires information on regulated activity, however it is sometimes difficult to separate regulated from non-regulated, therefore some figures and content refer to all formal procurement activity but presenting the information in this way provides a more accurate reflection of actual activity across the board.

## Section 4 – Spend and Savings/Benefits Position

### 4.1 Snapshot – statutory reporting and context

<u>Spend and Savings Summary</u>	<u>Source/Note</u>	<u>Response</u>
a) Total procurement spend for the period covered by the annual procurement report.	Oracle Spend Report via FC Finance	£518.658m
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	Spikes Cavell	£170.274m
c) Total procurement spend with Third sector bodies during the period covered by the report	Spikes Cavell – organisations declared as being of charitable status	£27.608m (230 suppliers)
d) Percentage of total procurement spend through collaborative contracts.	Category A (Scottish Procurement)	£21.814m
	Category B (Scotland Excel)	£48.7m
	Other (national (Category A)/Category C1 (regional collaborative)) *	£78.762m
	Total	£149.276m
	Percentage	29%

\*includes COSLA – National Care Home Contract @£32m and Madras College (HUBCO) @£24.3m

Data Sources Notes:

**Fife Council Oracle Spend Report** with following exclusions applied: High level Income & Expenditure; management fees to Trusts and ALEOs; PPP Unitary Charges; Grant Payments; HMRC and Equal Pay Payments; Pensions added years contributions; Payments to Individuals; Pension Fund (exclusions = £98.3m) – Total remaining spend = £518.658m

**Spikes Cavell (public sector ‘Scottish Procurement Information Hub’)**, with following exclusions: Payments to and from entities other than Fife Council (i.e. ALEOs/Trusts); spend related to elections; employee benefits scheme; payments to individuals (staff); payments to individuals (under self-directed support); foster care payments; pension payments; Grants to charitable organisations/voluntary sector organisations where not supported by invoice; payments in relation to acquisition of land; childcare voucher spend; council tax refunds; rent rebates; direct debits; aggregate transactions <£1,000. Total spend reported = £352.953m

## **4.2 – Savings and Benefits**

Fife Council captures savings and benefits in accordance with a defined Benefits Realisation Policy. This policy is then applied by procurement staff recording benefits achieved on the benefits tracker spreadsheet which is then in turn verified by Finance before any benefits are deemed as made.

The total verified and delivered procurement financial benefits for 2019-20 amounted to £3.633m as illustrated below.

Fife Council	Revenue £m	Capital £m	HRA £m	H&SC £m	ALEO £m	Total £m
Delivered	0.747	0.086	0.470	0.055	0.040	1.398
Delivered - Non Cashable	0.411	0.332	1.235	0.258	0.000	2.235
<b>TOTAL DELIVERED</b>	<b>1.157</b>	<b>0.418</b>	<b>1.704</b>	<b>0.313</b>	<b>0.040</b>	<b>3.633</b>
Delivery Plan/Pipeline	0.000	0.000	0.000	0.000	0.000	0.000
<b>TOTAL DELIVERED/PIPELINE</b>	<b>1.157</b>	<b>0.418</b>	<b>1.704</b>	<b>0.313</b>	<b>0.040</b>	<b>3.633</b>

Table 1 – Savings and Benefits 2019-2020

The benefits reported in 18/19 were £3.384m therefore there has been an increase in savings/benefits in the last financial year.

## **Section 5 - Summary of Regulated Procurements Completed**

Fife Council maintains a contract register which captures high level contract detail information in line with the requirements of procurement legislation, it also contains additional information that is captured to aid policy reporting.

The below table provides the statutory reporting detail on the procurement activity over the reporting period.

Total number of regulated contracts awarded within reporting period	74 regulated procurement exercises (211 contracts with individual suppliers)
Total value of regulated contracts awarded within the report period	£76,579,506
Total number of 'contracts' awarded via PCS <i>N.B. each supplier awarded to a contract is considered a contract, hence the higher figures</i>	521

[Appendix 1A](#) provides summary of regulated procurement activity as required for statutory reporting.

During the reporting period there were circa. 408 active contracts on the register – this does not include un-regulated one-off tender activity such as sub-contract packages. This figure is subject to change throughout the year but was representative of position at March 2020.

## **Section 6 – Local Businesses & SMEs**

### **6.1 – Context and Approach**

In relation to specific Fife Council policy, there is a strong desire to support Small to Medium Enterprises (SMEs), particularly local companies or those within the supply chain. Additionally, Fife Council is a Living Wage Accredited employer which comes with obligations around making effort to encourage relevant contractors to pay the Scottish Living Wage as a minimum. For this reason, activity in these areas are specifically reported on in addition to the minimum expected content.

### **6.2 – Local Contracts Awarded**

The below provides analysis of contracts awarded via Public Contracts Scotland (the national public sector procurement portal for advertising and awarding contracts). The images below illustrate that 38% of contracts awarded are to businesses that are registered as trading from Fife.



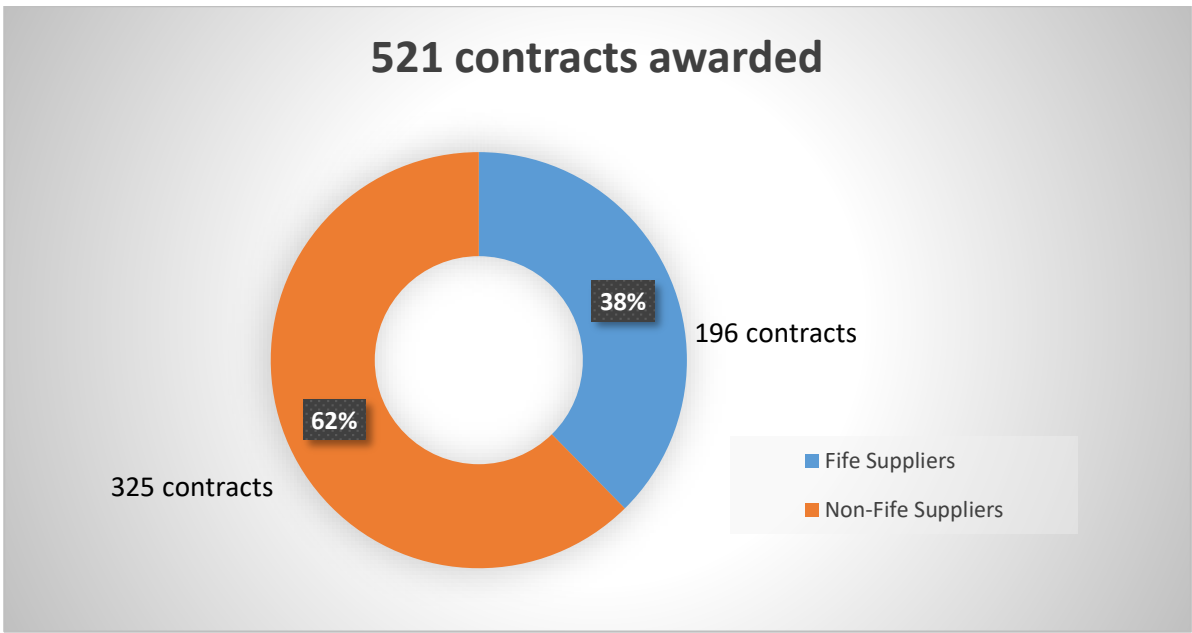


Figure 1 – analysis of PCS contract award notices 1<sup>st</sup> April 2019-31<sup>st</sup> March 2020

In comparison to last year, contracts awarded to local businesses has increased by 2% from 36% to 38%.

### **6.3 Small to Medium Enterprises (SMEs)**

The chart below illustrates the contract awards in terms of the size of the organisation. 86% of contracts have been awarded to organisations from micro size (1-9 employees), Small (10-49 employees) and Medium size (50-149 employees) Enterprises.



Figure 2 – SME Status per awarded contract, source PCS contract award notices 1<sup>st</sup> April 2019-31<sup>st</sup> March 2020

The percentage of contracts awarded to SMEs as reported in 2018-2019 was also 86%, however there has been an increase in contract awards from 450 to 521.

#### **6.4 Statutory Reporting**

<b>Regulated</b>	
Number of suppliers across (74) regulated contracts (total)	211
Number of unique suppliers across regulated contracts	189
Number of (unique) suppliers awarded with contracts during reporting period that are SMEs	153 (81%)

#### **6.5 Fife Council Spend – local and SME status**

	<b>2019-20 £M</b>	<b>%</b>
Total Fife Council Spend*	518.658	
Total spend with Fife Suppliers (KY postcode)	196.639	37.91

*\*Oracle Cloud spend data with following exclusions applied: High level Income & Expenditure; management fees to Trusts and ALEOs; PPP Unitary Charges; Grant Payments; HMRC and Equal Pay Payments; Pensions added years contributions; Payments to Individuals; Pension Fund (exclusions = £98.3m)*

Last year, the spend and local spend figures were reported using Spikes Cavell which is a 'public sector 'Scottish Procurement Information Hub'. However, it was determined that the exclusions applied to the data that was submitted does not represent a true picture of third party spend. The data submitted by the Council is within the parameters of what is requested by the Scottish Government but upon review of the data output, some relevant spend information was omitted therefore it is considered that the Spikes Cavell information is not a fully reliable source of data. Given the investment in Oracle ERP, Oracle ERP (will be Oracle Cloud hereinafter) is our intended source of data moving forward. The local spend reported last year was 33% but it should be noted that it is not necessarily directly comparable for the same reason.

Having said that, Oracle ERP did not classify the organisation size so in order to report on this, the Spikes data set has had to be used – not all suppliers are classified in Spikes therefore the data is indicative only. The supplier record in Oracle Cloud

does have this functionality however, so once records are manually updated, this data source will also be able to be used to provide statistical information in relation to SMEs. The below gives an indication of spend with SMEs and Fife SMEs in particular in percentage terms.

	<b>2019-20</b> <b>%</b> <b>(Spikes Data)</b>
Total spend with SMEs	53
Total spend with Fife SMEs	22.5

Spend with SMEs in 18/19 was reported at 54% so this result is comparable, albeit a 1% reduction.

## **6.6 Fife Council Spend – wider local impact**

A report published by the Centre of Local Economic Strategies entitled ‘Local Procurement: Making the Most of Small Business, One Year On: Scotland Report states that ‘for every £1 local authorities spent on goods and services with local SMEs, an additional 63p was generated for the local economy’. ([CLEES Report for Federation of Small Businesses Scotland](#)). This suggests that for the £196.639m spent within Fife, Fife Council’s third party spend has contributed an additional £123.88m to the local economy.

This report also states that ‘on average, local authorities in Scotland spend 53% of their total procurement spend with SMEs, which is higher than the national figure of 51%’. Based on the above, Fife is sitting at 53% so is right on the average. Furthermore, the statistics presented in relation to contracts awarded by Fife Council indicate that the majority of contracts (86%) were awarded to SMEs. Having reviewed the spend associated with large firms, some of these are procured through national arrangements and others have not been procured in the reporting period, i.e. these are existing contracts. It is therefore anticipated that this statistic will vary year on year depending on the nature of the contracts being procured that year. The level of spend is probably therefore a more reflective and consistent position to consider, however, the gaps in identifying those as an SME or large organisation hinders this.

Additionally, the report advises that ‘on average, local authorities in Scotland spend 27% of their total procurement spend in their local authority boundary; lower than the national figure of 31.1%. At 37.91%, Fife Council is above this average figure. It is also worth acknowledging that local spend is perhaps not insignificantly underestimated as some organisations are based out with Fife yet have a significant local presence (i.e. base in Fife with employees) but these are not being recorded as spend within Fife. Additionally, the exclusions as previously noted will likely include Fife organisations.

In an effort to illustrate the impact that spend with non-Fife suppliers can still have on the Fife economy, some data gathering, and analysis is being undertaken with some of our top spend suppliers. Position was sought in terms of residence of employees utilised to service their Fife contract, whether there was any supply chain presence etc. Below is an output from that piece of work which will be continually built on to inform and steer work in regard to the ‘buy local’ agenda which is referenced later in this report.

Number of survey returns at time of writing this report	67
Approximate annual spend represented from survey activity	£120.680m (23%)

No. of companies with HQ based in Fife	27
Spend with these Fife based companies	£36.060m
Approx. average employment of Fife residents	93%

No. of companies with Fife presence (i.e. depot/branch and/or Fife based employees for Fife contract) <i>i.e. over and above those with HQ in Fife</i>	27
Spend with these companies	£63.677m
Approx. average employment of Fife residents	47%

The above illustrates that whilst £36.060m would be captured as local spend in the wider analysis, up to £63.677m is not captured as local spend despite having significant local impact.

Similarly, as part of the survey, suppliers were asked to indicate how much of their supply chain (i.e. sub-contractors or suppliers) is sourced within the Fife region. The average response from all that responded to this question is 41% which acknowledges a further positive indirect impact of the council's procurement spend on the Fife economy.

Whilst the above is only a sample of suppliers, this data gathering exercise will continue to glean further insight into this subject.

Section 9 of this report (Community Benefits) also demonstrates some of the wider local economic impact, such as significant supply chain/sub-contract spend.

## **6.7 Scotland Excel – Local Supplier Reporting**

Scotland Excel manage a portfolio of national frameworks for the local authority sector. Over the reporting period\*, there were 27 local suppliers on 23 Scotland Excel frameworks which also provides wider opportunity for these suppliers to supply out with Fife Boundaries. Spend with Fife suppliers through these frameworks was £31.349m (£9.95m increase from last year). £8.1m of this spend was from Fife Council and represent 26% of spend via Scotland Excel frameworks.



## **6.8 Supplier Development Programme**

Fife Council, in conjunction with colleagues in Economic Development have active participation with the Supplier Development Programme.

The Supplier Development Programme working together with Local Authorities and other public bodies to provide business support in all aspects of tendering. By assisting businesses to become tender ready for public procurement, all-round efficiency, sustainability and market potential is improved.

Whilst Fife businesses can access this service and hopefully improve their chances of winning Fife Council business, this also enhances their opportunity to bid for business out with Fife to further strengthen their market position.

The below table provides figures of registration with the Programme as well as participation in training events:

### Number of Companies Registered with SDP (2019/2020)

Council Area	Companies Registered in 2019/20	Total Companies Registered
Fife	103	897

### Number of Businesses Participating in SDP Events & Activities (2019/2020)

Council Area	Representation
Fife	57 businesses attended the SDP Fife workshops, including 34 Fife businesses.  35 individual businesses attended the Meet the Buyer event.

Over the reporting period, 10 training courses/events were provided in Fife (with Procurement representation) as follows:

Date	Training Event
April 2019	Introduction to Working with the Public Sector
May 2019	Introduction to Tendering
June 2019	Using PCS & PCS Tender
September 2019	Tender Procedures and the ESPD
November 2019	Fife Real Living Wage Event: Updates on Employment Law, and Contract/Tendering
November 2019	Finding and Understanding Framework Opportunities Heathrow Logistics Hub – Meet the Buyer with Babcock International Group
January 2020	Improving Your Bid Score
March 2020	NNG Offshore Wind Supply Chain Event
March 2020	Understanding Community Benefits and Sustainability

An event 'Using PCS and PCS Tender Procedures – Fife Health and Social Care Partnership/Fife Council – Care Homes for Adults' was scheduled for 26<sup>th</sup> March 2020 was postponed due to COVID-19 pandemic:

This will be rescheduled as a virtual event once the sector/service area are in a position to take this piece of work forward.

## Section 7 – Summary of Regulated Procurement Compliance

Number of regulated contracts awarded within the period that complied with Procurement Strategy (and/or Scheme of Tender Procedures)	100%
Number of regulated contracts awarded within the period that did not comply with Procurement Strategy (and/or Scheme of Tender Procedures)	N/A*

*\*There were 20 direct awards during the reporting period, but all were either compliant routes to market (i.e. direct call-off from existing arrangement) or approved exemptions from our Scheme of Tender Procedures and Procurement legislation as appropriate.*

## Section 8 – Sustainable Procurement Duty, Climate Duties

### 8.1 – Context (Public Sector Climate Change Duties)

Fife Council recognises its responsibility to carry out its procurement activities in an economically, environmental and socially responsible manner. Fife Council's Procurement Strategy includes a commitment to purchase goods, materials and services that minimise or reduce the impacts of its activities on the local and global environment, including whole life costing, energy efficiency, supply chain management and sustainably-sourced products.

As part of fulfilment of the 'Public Sector Climate Change Duties', the Council has a duty to provide a return for its 'Public Bodies Duties Report' (PBDR). Procurement feed into this with responses to specific questions (Part 5 of the return), and the content is replicated in the below table:

<b>How have procurement policies contributed to compliance with climate change duties?</b>
<p>Fife Council is a major procurer of goods and services within Fife. The embodied carbon of our up and downstream supply chain is likely to be a significant contributor to Fife-wide carbon emissions and to emissions further afield.</p> <p>The Council is keen to try to reduce the environmental impacts of our procurement activities, and to use procurement to assist with compliance with</p>

our duties under the Climate Change (Scotland) Act and is seeking to do this via a number of activities. The Procurement service works with other services to develop contract terms and procurement award criteria. Procurement weightings are developed in collaboration with the service area. If any barriers are identified in such discussion, effort is made to overcome these barriers.

We utilise the Scottish Government's 'Procurement Journey' guidance in terms of best practice. This includes considerations such as sustainability and climate change mitigation and tools are provided to be utilised with the goods/services that are intended to be procured in mind. Mainstreaming these best practice principles to our procurement activities will contribute to our compliance with climate change duties.

Fife Council's Procurement Strategy acknowledges the national legislative framework for sustainable public procurement in Scotland. To aid the Council achieving its aim of 'Inclusive Growth' (Fife's Economic Strategy 2017-2027), the Council, through its procurement activities will incorporate the Sustainable Procurement Duty into its processes and consider prior to defining procurement requirements.

Procurement are embedded within the Climate Fife Sustainable Energy and Climate Action Plan (2020 – 2030) and are represented across the eight key areas.

Fife Council shall consider/support:

- the use of whole life cost where appropriate;
- the use of Sustainable Procurement Duty Tools that aid the prioritisation of sustainability to achieve maximum benefits within all regulated procurements and also to prioritise and focus on those categories of spend that offer the greatest potential sustainable outcomes;
- the use of the Scottish Government Flexible Framework Self-Assessment Tool (FFSAT) to ascertain the level of performance of sustainable procurement across the Council. This tool will provide a clear action plan that will set out how, and by when, improvements in sustainable procurement will be made;
- The environmental impact of construction projects as appropriate, including specifying high Building Research Establishment Environmental



Assessment Methodology (BREEAM) ratings for sustainable design and construction;

- Encourage recycling and reuse of materials through waste management plans in order to minimise waste to landfill;
- The use of low energy equipment and environmentally friendly chemicals,
- Maximise use of materials from sustainable sources in accordance with government buying standards; and
- Support corporate initiatives/working groups in relation to the sustainability agenda where supplies/services are relevant and undertake any associated procurement activity, e.g. elimination of single use plastics.
- Continue to feed into and work with colleagues in the development of Climate Fife Sustainable Energy and Climate Action Plan (2020 – 2030) and in particular the areas directly affected by Procurement.

The procurement function has established a workstream to support Sustainable Procurement activity with scope and actions to formalise and embed the above throughout the Council.

### **How has procurement activity contributed to compliance with climate change duties?**

Regulated procurement requires the consideration and application, where applicable and appropriate, of the Sustainable Procurement Duty in all procurements as per the Procurement Reform (Scotland) Regulations 2016 and the Public Contracts (Scotland) Regulations 2015. The Procurement Service works with Fife Council services to develop contract terms and procurement criteria. Procurement weightings are developed in negotiation between the procurement team and client services.

Client services can and do, consider direct and indirect carbon emissions (i.e. supply chain emissions, provenance, and manufacturing methods) within their procurement specifications, but these have to be balanced against other procurement criteria so that the requirements are proportional and are not so specific as to effectively reduce options down to only one supplier as this could be seen as raising barriers to business.

Examples of procurement activities which have contributed to our compliance with climate change duties in the reporting year include:

Description/Commitment	Examples/confirmation of compliance
Alternative Fuelled vehicles including Electric Vans and Pool Cars as part of the Council's Fleet Replacement Programme	<p>Currently has 38 electric vehicles and 19 plug-in hybrids.</p> <p>The grant funding for 2020-2021 will allow us to lease another 17/18 vehicles depending on the type and operational specification. The lease period has now changed from 3 to 4 years</p>
Continued use of a collaborative framework to support the increase of the number of charge points allowing wider use of electric vehicles and positively contributing to our climate change commitment.	<p>29 units purchased 2019 - 2020</p> <p>7 Units scheduled for 2020 – 2021 (Roads &amp; Transportation and Fleet Operations)</p>
Heavy Goods Vehicles generally contain in excess of 90% recyclable materials which can be reclaimed at the end of the vehicle's life and the primary goal of the Euro VI (or latest Euro Engine) emissions standards is to reduce harmful emissions from vehicles	<p>EURO 6 is the current standard and vehicles purchased must adhere to this.</p> <p>Scotland Excel Framework includes sustainable procurement within the technical section of the tender and a range of sustainable measures were outlined by suppliers including Fleet/environmental Standards Reducing carbon footprint Waste reduction Vehicle and waste prevention</p>
LED lighting and LED street lighting and luminaires programmes have resulted in carbon and CO2 reductions	<p>33,998 LED street lighting lanterns in Fife which is approximately 50% of the street light network. This is an increase of 6,377 since 2018-19.</p> <p>The energy consumption for unmetered street lighting including lit signs, bollards and traffic signals was: -</p> <p>2018-19 = 12,807,126 kwh 2019-20 = 9,889,424 kwh</p> <p>Which shows a reduction of 2,917,702 kwh and therefore a reduction of approximately 1,183 tonnes CO2</p>

Use of carbon based whole-life costing (WLC) tools in appropriate procurements	Procurement of heavy-duty laundry contract
Use of whole – life – costing (WLC) tools in appropriate procurements	Procurement of Refuse Collection Vehicles
All vehicles used on bus contracts must not be older than 20 years and must be manufactured on or after 1 October 2000.	Transport contracts (Taxis, Bus and Coach) require membership of the ECO Stars Fleet Recognition Scheme.  Ongoing analyses of vehicle age and emissions which to link into the Council's Climate Change Strategy and individual procurement exercises.
Contracts must provide Fife Council with copies of declarations of conformity or conformity certificates	Timber contracts requirements - Ability to provide detail for chain of custody and certification on advice notes and invoices for materials.
Establishment and defining scope of Sustainable Procurement Workstream and creation of an Action Plan  Ongoing continuous improvement championed by Sustainable Procurement workstream	Development of a Workstream Action Plan Launch of new Online Sustainable Procurement Toolkit Delivery of Sustainable Procurement Workshops and Presentations

Note that this list presents an illustrative sample of Fife Council tenders where procurement activity sought to reduce emissions as part of the procurement criteria and is not necessarily exhaustive.

### **Supporting information and best practice**

Fife Council is a Scottish Living Wage Accredited Employer, and this encourages its adoption by contractors.

A 'Sustainable Procurement Workstream' is active within Procurement to review and enhance Sustainable Procurement within procurement and shall continue to include subject matters such as - General Policy, Community Benefits, Modern Slavery, Sustainable Procurement Toolkits, Whole Life Costing, Supported Businesses and the Innovation Challenge Fund. The Sustainable Procurement Working Group will look to cover areas such as - Sustainable Procurement Reporting Templates, Continual use of Sustainable Procurement Tools and the

creation of a Sustainable Procurement Action Plan and Sustainable Procurement Training to Fife Council.

## **8.2 Single Use Plastics**

The commitment to support the elimination of single use plastics within Fife Council has continued. Procurement has supported this by researching single use plastics purchased and seeking cost-effective sustainable alternatives from suppliers.

Procurement are part of a cross-functional working group and collectively have implemented the following during the reporting period:

- As of 7 October 2019, cups, cutlery and straws can no longer be purchased by Fife Council, Fife Sports & Leisure Trust and Fife Cultural Trust/ONFife.
  - Cups – reusable cups available at cafes. Paper cups available at water coolers. ONFife using compostable cup for takeaway drinks
  - Cutlery – plastic teaspoons and stirrers replaced with metal and wooden stirrers
  - Straws – single-use plastic straws removed from use, replaced with compostable/reusable straws where feasible. Work is ongoing with the school milk supplier to address the straws provided with the cartons.
  - Cable ties – use reusable cable ties and string as opposed to single-use plastic cable ties
  - Replacement of single-use plastic catering items (specifically sandwich boxes, salad boxes and pots used for yogurt, fruits and granola) with compostable materials.

Work continues to investigate other plastic free options in conjunction with colleagues in Climate Change & Zero Waste teams and suppliers to progress this.

## **Section 9 – Community Benefits**

### **9.1 – Context and Approach**

*Fife Council believes that public procurement contracts can help realise a wide range of social and environmental benefits, including more and better employment opportunities.*

Community benefits can help contribute to local and national outcomes relating to employability, skills and the reduction of inequality.

In the context of the Procurement Reform (Scotland) Act 2014, a community benefit requirement is a contractual requirement imposed by a contracting authority –

- (a) Relating to:
  - (i) Training and recruitment
  - (ii) The availability of sub-contract opportunities, or
- (b) Which is otherwise intended to improve the economic, social or environmental wellbeing of the authority's area in a way additional to the main purpose of the contract in which the requirement is included.

Community Benefit Clauses (CBCs) are essentially clauses within contracts requiring tenderers to commit to undertaking some form of social benefit as part of the contract. These clauses are aimed at tackling issues in training, employment, economic regeneration and the environment through investment in local communities.

For major works projects, Fife Council committed to:

- Due consideration of whether to impose community benefit requirements as part of the procurement and if so, provide a summary of what it intends to include, and if not, provide a justification of why not deemed appropriate. Where included, Fife Council will include in the award notice a statement of the benefits it considers will be derived from those requirements.

The above is a mandatory requirement in accordance with the Procurement Reform (Scotland) Act 2014, however Fife Council's policy goes beyond the minimum requirement and gives consideration of community benefits for goods/services contracts as well as major works projects, where deemed proportionate and relevant to do so, however there is recognition that it may not be appropriate to include in some cases.

## 9.2 Statutory Reporting

Total number of regulated contracts awarded with a value of £4m or greater	5
Total number of regulated contracts awarded with a value of £4m or greater that contain Community Benefit requirements	5
Total number of regulated contracts awarded with a value of less than £4m that contain Community Benefit requirements	32

Community Benefit Type	No.	£ value (where quantified)
Number of jobs	134	£212,471.00
Number of apprenticeships	116	£287,778.00
Number of work placements	46	£2,215.00
Number of qualifications achieved through training	50	£13,460.00
Other community benefit(s) fulfilled such as: <ul style="list-style-type: none"> <li>SME and third sector spend (sub-contract/supply chain)</li> </ul>	N/A	£17,215,232.09
<ul style="list-style-type: none"> <li>Social Value Rebate (including donations, charitable work etc.)</li> </ul>	29	£173,724.20
<ul style="list-style-type: none"> <li>Environmental &amp; Ethical</li> </ul>	4	£92,705.79
<ul style="list-style-type: none"> <li>Skills and Training (Workshops, Careers advice etc.)</li> </ul>	19	£2,357.00
<b>Total</b>	<b>398</b>	<b>£17,999,943.08</b>

Appendix 1B provides summary detail of community benefits recorded as delivered over the reporting period.

## Section 10 – Fair Work and Real Living Wage

### 10.1 – Context and Approach

With a view to supporting the strategic aim of providing *Opportunities for all*, Fife Council considers payment of the Scottish living wage to be a significant indicator of an employer's commitment to fair work practices and that payment of the Scottish

living wage is one of the clearest ways that an employer can demonstrate that it takes a positive approach to its workforce.

The Council considers 'workforce matters' in connection with their contracts if the services provided have the effect of employees being considered an in-direct employee of Fife Council and/or if there is known or perceived history of unfair work practices. The following define what would be deemed to be 'in-direct' employees:

- Social Care providers (care at home/homecare/domiciliary social care services); and/or
- Any service being conducted on our premises regularly. 'Regularly' being defined as 2 hours on any given day over 8 consecutive weeks.

Whilst it is not feasible to make payment of the Living Wage a mandatory criterion within the procurement process, it can be packaged up into fair work practices and evaluated alongside other workforce matters and as such have an impact on the award decision.

The process associated with the above is established within Procurement and enables identification of in-scope contractors that are committed to paying the SLW or those that are not. In the case of those that are not, expectations are that continued encouragement is ongoing and milestones set where appropriate.

## **10.2 – Position/Statutory Reporting**

Number of regulated contracts awarded during the period that have included a scored Fair Work criterion.	12
Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	31
Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period.	21
Number of unique suppliers who have signed up to the <a href="#">Scottish Business Pledge</a> * and were awarded a regulated contract awarded during the period	11

\*The Scottish Business Pledge ultimately endeavours to commit suppliers to pay their suppliers on time which has sound business benefits as well as being ethical and fair.

Paying on time ensures that suppliers' cash flows are healthy, which has positive benefits for those companies, as well as minimising disruption to the supply chain.

#### **10.4 – Other Council Commitments**

As part of the Procurement & Commercial Strategy, Fair Work is further promoted within procurement activity by seeking commitment to our Construction Charter and Ethical Care Charter where applicable.

The Construction Charter is included in relevant construction related contracts to acknowledge the council aspiration and expectations for them to practice in their organisation also. The strategy also acknowledges that the council is opposed to blacklisting, and there is no evidence that any of our contractors practice blacklisting.

Similarly, we incorporate the Ethical Care Charter in relevant procurement exercises for homecare related services.

### **Section 11 – Invoice Payment Performance**

#### **11.1 – Context**

Fife Council is committed to ensuring that businesses are paid on time because we understand how important it is to pay businesses promptly once a service has been performed or goods delivered. Late payment is particularly detrimental to SMEs, third sector bodies and supported businesses. Fife Council also mandates via contract conditions that main contractors must pay their sub-contractors and suppliers promptly in an effort to ensure cashflow is positive throughout the supply chain.

Late payment legislation places a statutory duty on all public bodies to pay commercial debt within 30 days. Legislation also allows businesses to claim interest and recovery costs if goods and services are not paid for on time.



## **11.2 – Position**

Fife Council performance statistics are presented below in regard to paid invoices during the reporting period:

<b>Time Period</b>	<b>No. of Invoices</b>	<b>%</b>
<b>Under 30 days</b>	<b>237,725</b>	<b>94.81</b>
31-60 days	7,346	2.94%
61-90 days	2,208	0.88%
Over 90 days	3,411	1.37%
Total	249,690	

*Fife Council invoice payments (excluding recurring payments)*

The figures are comparable with last year, although it is noted that there is a reduction in invoices processed – this will likely be due to an increase in virtual cards for food/catering items and increase in recurring payments. Procurement strives to ensure the most efficient payment mechanisms are in place for volume invoice transactions. Work will continue in that regard. In comparison to last year, the payment of invoices under 30 days has increased by 0.95%

## **11.3 – eInvoicing**

Fife Council utilises the Scottish Government’s eInvoicing solution which provides a platform that accepts a range of invoice formats that can be automatically processed for matching and payment. It is intended to provide an easy, consistent and standard platform for suppliers to the public sector and is compliant with relevant Directive requirements. There are no costs and should be no technology changes for suppliers to issue invoices through the system.

During the reporting period, 18,621 eInvoices have been processed via this method.

## **11.4 – iSupplier**

The Fife Council Oracle ERP system has functionality called iSupplier which allows suppliers to have their own unique login to their account details within the Council’s system. This functionality allows suppliers to review order, payment and catalogue status/details. Some also use this functionality to create their own invoices via the system, which when matched to an existing order and matched receipt, will automatically pay. This creates efficiency for the council as the invoice does not need

to be handled in any manner by council personnel (unless there is a mismatch). Over the reporting period, 26,815 invoices were processed via this method.

## **Section 12 – Supported Businesses**

### **12.1 – Context and Approach**

Before carrying out a regulated procurement, Fife Council includes consideration of how the process can facilitate the involvement of Supported Businesses. The involvement of Supported Businesses is considered at strategy stage. Completion of contract strategies are mandatory for all regulated procurement exercises; therefore, effort is made to consider supported businesses in all regulated procurements.

An example of facilitating involvement of Supported Businesses is by utilising the Scottish Government Supported Business framework for internal fire doors for schools and refurbishments. There is a need for supply of these doors to ensure that schools and public buildings meet fire safety standards. The Scottish Government Supported Business framework was investigated as a potential route to market. Dovetail Enterprises were awarded the supply contract for these doors in 2016/17 and continue to satisfy the requirements. Furthermore, Fife Council is in a position to purchase the door blanks and manufacture the fire doors for other councils/customers so there is commercial opportunity for the council as well as opportunity to continue/increase spend with Dovetail Enterprises, as a competent supplier through this supported business.

### **12.2 – Spend with Supported Businesses**

<b>Supported Business</b>	<b>2019/20</b>
Dovetail Enterprises	£267,550
Matrix Fife	£175,209
The Lady Haig's Poppy Factory	£3,217
Haven Products Ltd T/A Haven Sign Factory	£300
Capture All	£293
<b>Total spend with Supported Businesses</b>	<b>£446,569</b>

Spend with supported businesses has increased by over £12,000 on last year (2.8% increase)

## **Section 13 - Pipeline**

Total number of regulated procurements expected to commence in the next two financial years	207
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\* (as of October 2019) NB, this is subject to change and refreshed 'Pipeline' is published on fife.gov website regularly

Appendix 1C provides the Pipeline of procurements expected to commence in the next two financial years. Note this is continually updated and available publicly on the Fife Council website.

## **Section 14 – Milestones/Achievements and Improvement Activity**

### **14.1 – Context**

Over the reporting period there has been a number of milestones and improvements including the following:

- Continued progress with the Commercialisation Programme in conjunction with Scotland Excel designed to upskill the procurement function and pursue strategic procurement opportunities – all governed via Commercialisation Board reporting in to Changing to Deliver Programme/Change Board.
- Launch of Procurement and Commercial Strategy from 1<sup>st</sup> April 2019 covering next 5 years (approved at Policy and Co-ordination Committee on 24<sup>th</sup> January 2019).
- Creation of Category Strategies for the majority of procurement activity to pull together category related spend analysis; market profiles; risks and issues; opportunities and implementation plan. Creation of such a document ensures activity is aligned to strategic objectives and assists resource planning. A gap remains in the construction works category area due to resource vacancy.
- Introduction of Procurement Review Board in September 2019. This Board has rotating participants representing each team level of the Corporate Procurement team. The purpose of the Board is to develop and embed an approach, associated with the review and approval of procurement opportunities, in a consistent manner and with a focus on ensuring the delivery of commercial excellence.

- Created a Stakeholder Engagement Strategy and plans at category level to assist the development and strengthening of relationships with internal and external stakeholders.
- Training sessions for the procurement and devolved procurement team members run by the Corporate Fraud team to raise awareness of key fraud themes, vulnerability indicators and fraud prevention tools.
- Provided development opportunities for all procurement personnel via knowledge transfer sessions in the undernoted subject areas to address the skills gaps identified from the national (Scottish Government) Procurement Development Framework:
  - Negotiation Skills
  - Project & Programme Management
  - Risk Management
  - Sustainable Procurement
  - Commercial Awareness
  - Strategy & Tender Process
  - Market & Supply Chain Analysis
  - CSM Fundamentals
- Developed individuals through formal training such as Commercial Leadership and Management Diploma (CMI) – resulting in procurement team members gaining the following qualifications:
  - 4 individuals obtaining Level 5 Diploma and Level 6 Certificate, with 3 being awarded Chartered Manager status
  - 1 individual obtaining Level 6 Certificate working toward Level 5 Diploma
- In conjunction with the project team, supported aspects of preparation for Oracle Cloud go-live.
- Increased use of more efficient payment mechanisms where deemed appropriate.

## **14.2 – Internal Audits on Procurement Activity**

Over the reporting period, there were two routine audits involving procurement processes that were conducted on procurement activity and neither were assessed as high risk. Three investigations involving procurement practices were carried out, none of which found evidence of impropriety, but did result in improvements to processes.

## **Section 15 – Annual Review of Procurement & Commercial Strategy/Moving Forward**

### **15.1 Annual Review of Procurement and Commercial Strategy**

The Procurement Reform (Scotland) Act 2014 requires contracting authorities to review its procurement strategy annually. This report provides a mechanism to report on its review which is conducted to assess whether the procurement activity and priorities remain in alignment to the council's broader priorities.

The review concluded that the commitments and priorities all remained relevant, however due to prevalent risks and impacts, there is acknowledgement that some areas will require increased focus to support the council's broader objectives as follows:

#### **Brexit**

As the UK left the EU on 31<sup>st</sup> January 2020 and is in transition period until 31<sup>st</sup> December 2020, whether or not a trade deal is agreed, there are going to be impacts in terms of goods and services bought by the Council.

Procurement is represented on the Council's Brexit Incident Management team (IMT) and risks have been identified around rising costs, import delays and access to appropriate workforce, e.g. social care and construction workers. In an attempt to prepare for such impacts, each category area has produced a 'Brexit Category Statement' identifying category specific risks and impacts and any mitigating actions. The information is shared with relevant stakeholders for appropriate consideration/contingency planning and aids discussion/input to the Brexit IMT.

## **Financial Savings/Benefits**

Budget pressures remain a significant challenge for Fife Council, indeed the challenge is greater than previously reported due to the unprecedented impact of the COVID-19 pandemic. It is imperative now more than ever that all efficiencies around third party spend are explored and realised. We will continue to populate our 'opportunities pipeline' with identified opportunities and explore these in conjunction with services and suppliers as necessary.

## **Supporting Local Businesses, SMEs and Third Sector**

Due to the local economic impact of the COVID-19 pandemic, it is recognised that procurement has a part to play in supporting economic recovery. This is addressed further in 'Priorities moving forward' section below.

## **COVID-19 Response and Recovery**

Whilst this paper is reporting on activity during financial year 2019/20, of which the vast majority was largely unaffected by the COVID-19 pandemic, it would be remiss not to acknowledge the immediate and ongoing impact on procurement activity such as the following:

- Quick response to source and secure PPE and associated items in an extremely volatile market – right quality, right price, right time etc. followed up with a longer-term continued procurement of such items
- Establish governance and process to facilitate supplier relief and construction claims in line with national policy
- De-mobilise and re-mobilise transport provision for schools/local bus network and social work
- Procure provisions of food and toiletry items to enable activity within the food resilience programme. The planned purchase activity has been supplemented by donations to support the council's response
- Input to Education mobilisation plans
- Input to Social Work mobilisation plans
- Supplier engagement in an alternate, virtual format for Meet the Buyer events and SDP training sessions.

Whilst not specifically procurement activity, it is also worth noting that some of the team were re-purposed to create businesses as 'suppliers' on Oracle ERP to allow Business Grants to be paid to eligible businesses.

Throughout the pandemic and moving forward, in conjunction with services and suppliers, the team aim to ensure that the council has appropriate strategic and operational contingency plans to ensure supplies, services and works can continue as effectively as possible in the event of further impacts resulting from this pandemic. Procurement is represented on the Council and Directorate Incident Management Teams to report on arising issues and impacts and to feed-in to such plans.

## **15.2 Other Priorities Moving Forward**

### **'Buy Local', Community Wealth Building**

As noted in earlier section, the council has committed to developing a community wealth building agenda in Fife with a focus on strategies in relation to an inclusive growth economy and community-led delivery.

Procurement features as one of the five main strands of this work, termed 'Progressive Procurement'

Progressive procurement of goods and services is a means through which benefits can be achieved for local people and place.

1. Identify opportunities to increase the supply chain of local enterprises to enable increased local spend to create jobs, contributing to a multiplier effect which in turn creates additional jobs via increased demand for local goods and services.
2. Review the Fife elements of the national Supplier Development Programme to support increased capacity for delivery of local supply chain opportunities.

The second strand 'Fair Employment and Just Labour Markets' is also relevant in procurement activity in relation to our approach with Fair Work in relevant tender exercises.

The ultimate aim is to ensure that Community Wealth Building is embedded into procurement process as a key driver of purchasing decisions, within a legal framework.

A high-level audit was undertaken to attempt to capture a baseline of how much of the council's procurement spend already impacted the local economy – this was presented in section 6.6 of this report.

Procurement is committed to support this work and will actively engage with relevant stakeholders to progress accordingly. The Head of Revenue & Commercial Services is a member of this working group which consists of both officers and members to take this work forward.

### **Continuing Transformation Programme**

Now that Scotland Excel have concluded their on-site work on our Transformation Programme, it is essential that follow-on actions are progressed to embed practices that were introduced to ensure continuous improvement is a focus and that savings and benefits are maximised.

It is also our intention to continue the development of the procurement team, through formal training/development such as use of Scotland Excel's Academy (individual workshops and/or CIPS) and continued knowledge transfer efforts.

### **Procurement Structure/Delegated Procurement Authority**

Again, now that the Scotland Excel resource have departed, it is felt opportune to review the structure to ensure it remains fit for purpose to deliver its strategic objectives and operational statutory requirements. It is aimed to have this reviewed for implementation in April 2021.

As part of the programme, a review of the Delegated Procurement Authority model was undertaken. This has identified some areas of potential improvement, largely aligning process to streamline and standardise procurement activity – whether delegated or centrally conducted. Implementation of the revised model will take place during financial year 20/21.

It is noted that the current vacancy of a Category Manager in the construction category requires addressing in the aforementioned structure review.



## **Technology in Procurement**

### **Oracle Cloud/Procure to Pay (P2P) Processes**

Given the investment in the Oracle Cloud system, it is important to ensure that the functionality is used to its full potential and that efficiencies are maximised. Focused effort will be made in conjunction with the Business Management Innovation Unit to continue this work.

In addition to efficiencies, any risk management capabilities using technology will be explored in an effort to combat any opportunity for procurement related fraud activity.

### **Power BI**

Despite the Oracle Cloud system providing strong data in terms of spend activity, due to the qualitative aspects of reporting in procurement activity, many spreadsheets require to be maintained – Contract Register, Pipeline, Benefits Tracker to name a few. This is not as efficient as it could be and requires manual effort to update and create dashboards etc. Now that Power BI is available in the Council, it is our intention to investigate how this could help and enhance the data information that we need to report on.

### **Community Benefits Recording**

Community Benefits is another area where manual spreadsheets are used – we are exploring alternative options around the capturing of commitments through a software offering which will make it easier to track and ensure the committed benefits are delivered. This piece of work may provide opportunity to extend to other areas of recording – such as contract register.

## List of Appendices

[Appendix 1A – Summary of Regulated Procurement Activity](#)

[Appendix 1B – Community Benefits](#)

[Appendix 1C – Future Regulated Procurements \(Pipeline\)](#)

[Annex A - Scottish Government statutory return](#)

Report Contact:

Caroline MacDonald, Procurement Service Manager  
Fife Council, Bankhead, Glenrothes, KY7 6GH

Email: [caroline.macdonald@fife.gov.uk](mailto:caroline.macdonald@fife.gov.uk)

Contract No.	Category	Title	Status	Contract Type	Contract/Call-off value	Successful Supplier(s)	Org. Size
11352	Construction Works	Heating Installation Services to Domestic Properties including MCS Accredited Installations	Award	Contract	£ 11,000,000.00	McTear	Medium
						Gas Call	Medium
						British Gas	Large
11472	Utilities	Batteries for Decarbonisation Project	Award	Contract	£ 215,800.00	AES Limited	Medium
11402	Utilities	EPC and Energy Audit (non-domestic)	Award	Contract	£ 158,220.00	Compliance 365	Medium
11401	Social Care	Kelty Day Care Service	Award	Direct Award	£ 489,896.00	Capability Scotland	Large
10008	Corp/FM	Occupational Health	Extension	Contract	£ 255,000.00	People Asset Management (PAM)	Medium
10493	Corp/FM	Washroom	Award	Direct Call-off	£ 100,000.00	Rentokil	Large
1348	Corp/FM	General Office Stationery and Equipment	Extension	Direct Call-off	£ 2,186,215.00	Lyreco	Large
11512	Corp/FM	Accredited Qualification for Health & Social Care	Award	Contract	£ 350,000.00	West Lothian College	Large
						Edinburgh College	Medium
						Glasgow Clyde College	Small
						Fife College	Large
						Dundee & Angus College	Large
						University of the West of Scotland	Small
Stirling University	Small						
1048	Corp/FM	Legal Services	Extension	Contract	£ 45,966.00	Anderson Strathearn	Large
1239	Environmental & Waste	Analyst Environmental	Extension	Contract	£ 122,400.00	SOCOTEC	Large
11741	Construction Materials	Bathrooms	Award	Mini-Comp	£ 200,000.00	William Wilson	Large
						Jewson	Large
						MKM	Large
						Wolseley	Large
1270	Corp/FM	Business Support & Marketing Service for Fife Renewals Innovation Centre (FRIC)	Extension	Contract	£ 25,000.00	CCD Training	Small
10427	Corp/FM	Memorial Plaques & Path Kerbers	Award	Contract	£ 88,000.00	Regency Memorial (Scotland) Ltd.	Small
						Quality Masonry Services	Medium
11686	Fleet, Plant & Hire	Refuse Collection Vehicles	Award	Mini-Comp	£ 1,893,446.00	FHE (Farid Hillend Engineering)	Medium
1137	Construction Materials	Fire Safety Equipment	Negotiated Extension	Contract	£ 50,000.00	Firepoint Scotland	Small
1001	Environmental & Waste	Glass Waste Recycling Service	Negotiated Extension	Contract	£ 134,579.00	Viridor	Large
						MKD32	Small

Contract No.	Category	Title	Status	Contract Type	Contract/Call-off value	Successful Supplier(s)	Org. Size
11533	Travel & Transportation	SW Taxis	Award	Contract	£ 1,200,000.00	Hars Cars	Small
						Mitchell's Taxi	Small
						St Andrews Airport Transfer	Small
						Smart Travel	Small
						United Radio Cabs	Small
						Prompt Cabs	Small
						Prompt Taxis	Small
						Town Cabs	Small
						Village Cabz	Small
						Glenrothes Taxi Centre Ltd	Small
						M&H Contracts Ltd	Small
						A1 Cabs	Small
						Gibbs Taxis Ltd	Small
						J&B Cabs	Small
						The Taxi Centre Fife Ltd	Medium
						Dawn 2 dusk cabs	Small
						Francis Rennie (Jaydee)	Small
						Treble Twenty Taxis Ltd	Small
						CH Taxis	Small
						Taxi Central Ltd	Small
						Fifeshuttle	Small
						Markinch Cabs	Small
						Kingdom Taxis	Small
						Taxipad	Small
						Jocks Cabs	Small
						Pauls Taxi	Small
						Murray's Taxis Glenrothes	Small
Stuart's Taxis	Small						
Kirkcaldy Cabs	Small						
Island Cars Ltd	Small						
M&M Taxis	Small						
1932 Taxis Ltd	Small						
Amrik Dhillon	Small						
Andrew Sweeney t/a Andy's Cabs	Small						

Contract No.	Category	Title	Status	Contract Type	Contract/Call-off value	Successful Supplier(s)	Org. Size
						Fife Contract Car Hire Ltd	Small
						Premier Cabs	Small
						Kingdom Transport Coaches	Small
						Platinum Cabs	Small
						Fife Wide Taxis Ltd	Small
						A and S Taxis	Small
						Crossford Taxis	Small
						Tony's Taxis	Small
						JJ Taxis	Small
						A1 Minibus and Coach Services Ltd	Small
						Go Pals Taxis	Small
10573	Corp/FM	GMP Reconciliation	Direct Award	Contract	£ 54,000.00	ITM Limited	Medium
11786	Construction Works	Spray Injection Patching Service	Award	Contract	£ 160,000.00	Velocity UK Ltd	Medium
11864	Travel & Transportation	Transport - Rosyth-Inverkeithing HS	Award	Contract	£ 126,000.00	Stagecoach East Scotland	Large
1196	Corp/FM	Accounting for Trusts	Extension	Contract	£ 113,845.00	Scott-Moncrieff	Small
11513	Fleet, Plant & Hire	CNC Machine	Award	Contract	£ 129,000.00	AWMS Ltd	Small
10912	ICT	Lone and Remote Working Solution	Award	Contract	£ 1,790,000.00	Lone Worker Solution	Small
11703	Construction Works	Demolition Kingdom House	Award	Mini-Comp	£ 750,000.00	SafeDem	Medium
11866	ICT	Microsoft Licensing Agreement	Award	Mini-Comp	£ 4,500,000.00	Softcat	Large
11857	Construction Works	Purchase of Leased Hut	Award	Direct Award	£ 250,000.00	Sibcas	Medium
10290	Corp/FM	Educational Materials	Award	Benchmark	£ 1,393,476.00	Findel Education	Large
						Specialist Crafts	Medium
						W Enterprises	Small
						Solid Wood Products	Small
						Band Supplies Scotland	Small
116688	Construction Materials	LED Various 2019	Award	Mini-Comp	£ 350,000.00	Urbis	Medium

Contract No.	Category	Title	Status	Contract Type	Contract/Call-off value	Successful Supplier(s)	Org. Size
11833	Corp/FM	Timber to Educational Establishments	Award	Call-Off	£ 79,191.00	Jewson	Large
						Rowan Timber	Medium
						Buildbase/Grafton	Large
						MGM Timber	Medium
						Rembrand Timber	Medium
11079	Corp/FM	Modern Apprentice & Traineeship Training Delivery	Extension	Contract	£ 160,000.00	Fife College	Large
						Quest Scotland	Small
						West Lothian College	Large
						Edinburgh College	Medium
						SRUC	Large
11619	Construction Materials	Heat Recovery Health Check	Award	Contract	£ 50,000.00	Lovats	Small
11743	Fleet, Plant & Hire	Wheelchair Accessible Minibuses	Award	Mini-Comp	£ 650,000.00	Nu-track	Medium
11397	ICT	Catering Live	Award	Contract	£ 236,225.00	Fretwell Downing	Medium
11344	Environmental & Waste	Provision of Plastic & Cans Recycling Service	Extension	Contract	£ 235,175.00	Immediate Waste and Resource Management	Medium
1172	Corp/FM	Swimming Pool Chemicals	Extension	Contract	£ 75,000.00	Brenntag	Large
10467	Corp/FM	Medical Aids	Award	Contract	£ 250,000.00	Arjo Huntleigh	Large
						Care Ability	Medium
						Care and Independence Ltd	Medium
						Careflex Ltd	Small
						Drive DeVilbiss Ltd	Large
						Fast Aid Ltd	Medium
						Frontier Therapeutics Ltd	Medium
						James Leckey Design	Medium
						Jenx	Small
						Katnic	Small
						Langham Ltd	Medium
						Lisclare Ltd	Small
						Moorings Ltd	Small
						NRS Ltd	Large
						R82 UK Ltd	Medium
Safe and Sound	Small						

Contract No.	Category	Title	Status	Contract Type	Contract/Call-off value	Successful Supplier(s)	Org. Size
						The Helping Hand Ltd	Medium
						Truelift Ltd	Small
						W Munro Ltd	Small
12002	ICT	Pension Solution	Strategy & Award	Direct Call-off	£ 260,850.00	Heywood	Medium
10315	Construction Works	Minor Builder Works	Award	Contract	£ 1,200,000.00	Kingdom Maintenance	Small
						Moonlight Roofing & Building Contractors	Small
						Smart Maintenance	Small
1235	Fleet, Plant & Hire	Vehicle Plant Auction	Extension	Contract	income	Iron Plant	Small
						Wilsons	Medium
						Manheim	Large
						BCA	Small
1232	Corp/FM	Bin Chute Cleaning	Extension	Contract	£ 45,000.00	Rentokil	Large
12022/3/4/5	Travel & Transportation	Transport arrangements for Woodmill High School following Fire (exceptional circumstances)	Strategy & Award	Contract	£ 390,018.40	GoPals	Small
						A1 Minibus and Coach Services Ltd	Small
						Aitch Taxis	Small
						Village Cabz	Small
						Moffat & Williamson	Medium
						First Scotland	Large
						Bay Travel	Small
						Living High Travel Ltd	Small
						A1 Cabs	Small
						Cowdenbeath Taxi Services	Small
909	Construction Works	Supply of Ramps	Extension	Contract	£ 629,000.00	Garvock Services	Small
11706	Fleet, Plant & Hire	Liquid Fuels	Award	Direct Call-off	£ 13,000,000.00	Scottish Fuels	Large
11736	Utilities	Utility Voids Supplier	Award Report	Contract	£ 171,500.00	SSE Energy Supply Limited	Large
11672	Corp/FM	Merchant Service	Strategy & Award	Direct Call-off	£ 117,000.00	Worldpay	Large
12074	Fleet, Plant & Hire	Vehicles	Award	Direct Call-off	£ 524,363.00	Ford Motor Company	Large

Contract No.	Category	Title	Status	Contract Type	Contract/Call-off value	Successful Supplier(s)	Org. Size
11688	Travel & Transportation	Bus and Coach DPS	Award	Contract (DPS)	£ 15,018,186.00	A1 Minibus and Coach Services Ltd	Small
						Albatross Bus & Coach Hire Ltd	Small
						A Robertson & Son	Small
						Bay Travel	Small
						Bodyshop Edinburgh T/A Self Drive Taxis	Small
						Coopers' Tourmaster Travel Ltd	Small
						E&M Horsburgh Ltd	Medium
						Earnside Coaches Ltd	Small
						Edinburgh Coach Lines Ltd	Small
						Festival Travel	Small
						Fishers Tours Limited	Medium
						Stagecoach East Scotland	Large
						Midland Bluebird Limited T/A First Aberdeen	Large
						Star Travel Coaches	Small
						Gibb Taxis Ltd	Small
						Alan Gibson T/A Gibson Travel	Small
						Hamish Gordon Ltd	Small
						Hardhill Private Hire Ltd	Small
						Hunters Executive Coaches Ltd	Medium
						Ian's Coaches Ltd	Small
Ian F Smith and Partners T/A Smith and Sons Coaches	Small						
John C Rae Snr and Partners T/A Kingdom Transport Coaches	Small						
Keto Coaches	Small						
Leanne Ellis and John Dickson T/A Easy Coach Hire Fife	Small						
Ross MacMillan T/A Living High Travel Ltd	Small						
David Bruce T/A Merlin Travel	Small						
Moffat & Williamson	Medium						
Peter Robertson T/A Smart Travel	Small						



Contract No.	Category	Title	Status	Contract Type	Contract/Call-off value	Successful Supplier(s)	Org. Size
						Prentice Westwood Ltd	Small
						Ratho Coaches Ltd	Small
						Salmond's Mini Coach Hire Limited	Small
						Tayside Public Transport Co Ltd T/A Explore Dundee	Large
12267	ICT	Car Parking Payment	Strategy & Award	Direct Call-off	£ 216,000.00	Softcat	Large
12001	Fleet, Plant & Hire	Library Buses	Award	Direct Call-off	£ 320,000.00	Nu-track	Medium
12000	Construction Works	Backburn Design and Development	Award	Contract	£ 68,624.00	JBA (Jeremy Benn Associates Ltd)	Medium
12071	ICT	Community Equipment Management Solution	Strategy & Award	Direct Call-off	£ 160,000.00	Creative Software Solutions	Small
11664	Construction Materials	Supply of Roofing Materials	Award	Mini-Comp	£ 1,931,591.00	Jewson	Large
11038	Corp/FM	Provision of Social Care Agency Workers	Award	Direct Award	£ 4,500,000.00	ASA International	Medium
11671	Corp/FM	Banking Service	ESPD and Award	Contract	£ 480,000.00	Royal Bank of Scotland	Large
12027	Corp/FM	Warden Call Equipment Servicing and Repair	Award	Contract	£ 250,000.00	McGill Ltd	Small
12049	Corp/FM	Labour Market Services (Signedup)	Strategy & Award	Direct Call-off	£ 100,000.00	PDMS	Medium
1385	Corp/FM	Electronic Payment Services	Award	Direct Call-off	£ 270,000.00	Allpay Ltd	Large
11471	Corp/FM	E-purchasing Card Solution (purchasing cards and virtual cards)	Strategy & Award	Direct Call-off	£ -	Royal Bank of Scotland	Large
12254	Corp/FM	Servicing & Repair of Commercial Catering Equipment	Award	Direct Call-off	£ 400,000.00	Lovats	Small
						Catering Supplies & Repairs	Small
12069	Corp/FM	Corporate e-Learning Content	Award	Call-off	£ 165,000.00	Learning Nexus	Small
11863	Corp/FM	Heavy Duty Laundry Equipment inc. R&M	Award	Contract	£ 540,000.00	Electrolux	Medium
10314	Construction Works	Core Cutting Framework	Award	Framework	£ 200,000.00	George Beattie & Sons	Small
						Emtec Core & Protect Ltd	Small
						Trojan Construction Testing Services	Small
12072	Construction Works	External Wall (Rosyth)	Award	Contract	£ 2,000,000.00	Everwarm	Large
						SERS Energy Solutions (Scotland) Ltd	Medium

Contract No.	Category	Title	Status	Contract Type	Contract/Call-off value	Successful Supplier(s)	Org. Size
1221	Transportation Works	Traffic Management	Extension	Contract	£ 200,000.00	Apex Traffic Management Ltd	Medium
						Highway Barrier Solutions Ltd	Medium
						Hatton Traffic Management	Medium
						Central Traffic Management	Medium
						Contraflow Ltd	Small
11976	ICT	Housing Factoring Information Service (FMIS)	Strategy & Award	Direct Call-off	£ 75,000.00	Softcat	Large
12268	ICT	Technical Support for Fife Online Referral Tracking (FORT)	Strategy & Award	Direct Call-off	£ 210,000.00	Softcat	Large
11155	Corp/FM	Supply and Maintenance of Roller Boards, Dry Wipe Boards and Notice Boards	Award	Contract	£ 140,754.00	Spaceright	Medium
1048	Corp/FM	Legal Services	Extension	Framework	£ 45,966.00	Anderson Strathearn	Large
12335	ICT	Supply and Support of F5 Switch Load Balancing	Strategy & Award	Call-Off	£ 84,220.00	Insight Direct (UK) Ld	Large
12235	Construction Works	Woodmill HS Fire Recovery (Phase 2)	Strategy & Award	Direct Call-off	£ 1,500,000.00	Sibcas	Medium
12235	Construction Works	Woodmill HS Fire Recovery (Phase 3)	Strategy & Award	Direct Call-off	£ 1,500,000.00	Portakabin	Large

CONTRACT	SUPPLIER	BENEFIT CATEGORY 1	BENEFIT CATEGORY 2	DESCRIPTION OF BENEFIT	MEETS Plan for Fife PRIORITY	AREA OF BENEFIT	DELIVERED VALUE (IF QUANTIFIED)
Supply of Glass - Lot 2 - Safety Glass	Cruickshank Glaziers	Apprenticeships (Priority Groups)	Employment	Apprentice Glazier Worked with RTE Resources training to gain his qualification. Completed SVQ 3 Level 5 March 202	Inclusive Growth & Jobs	All Fife	
Pitched Roof Repair & Maintenance Framework	Kingdom Maintenance	Apprenticeships (Priority Groups)	Employment	Intends to employ atleast 1 apprentice for the duration of the contract and will also provide work experience placements in the office (2nd year adult painting apprentice). £59,112 Have taken on adult apprentice for 4 years	Inclusive Growth & Jobs	All Fife	£ 59,112.00
Pitched Roof Repair & Maintenance Framework	Kingdom Maintenance	Apprenticeships (Priority Groups)	Employment	Continued Support of 3rd Year Apprentice Joiner	Inclusive Growth & Jobs	All Fife	
Pitched Roof Repair & Maintenance Framework	Kingdom Maintenance	Apprenticeships (Priority Groups)	Employment	Two additional Office Staff (one through modern apprenticeship)	Inclusive Growth & Jobs	All Fife	
Electrical Re-Wires	Moffat Electrical	Apprenticeships (Priority Groups)	Employment	Electrical Apprenticeships	Inclusive Growth & Jobs	All Fife	£ 200,000.00
Electrical Re-Wires	Moffat Electrical	Apprenticeships (Priority Groups)	Employment	Modern Apprentice	Inclusive Growth & Jobs	All Fife	£ 10,000.00
Heating Installations	Mctear Contracts Ltd	Apprenticeships (Priority Groups)	Employment	Continued Employment for apprentice Heating Engineer - 1	Inclusive Growth & Jobs	All Fife	
Heating Installations	Mctear Contracts Ltd	Apprenticeships (Priority Groups)	Employment	Continued Employment for apprentice Electrician - 1	Inclusive Growth & Jobs	All Fife	
Heating Installations	Mctear Contracts Ltd	Apprenticeships (Priority Groups)	Employment	Employed Redundant apprentice on Bathroom Contract - 1	Inclusive Growth & Jobs	All Fife	
Managed Print Service	Canon UK Ltd	Apprenticeships (Priority Groups)	Employment	Canon taking on two apprentice engineers	Inclusive Growth & Jobs	All Fife	
Madras College	BAM Construct UK KLtd	Apprenticeships (Priority Groups)	Employment	No. of weeks of apprenticeships on the contract that have either been completed	Inclusive Growth & Jobs	North East Fife	£ 18,666.00
Bruce Street (Affordable Housing)	SCAPE Framework	Apprenticeships (Priority Groups)	Employment	Existing Apprentices - 15	Inclusive Growth & Jobs	All Fife	
Station Road (Affordable Housing)	SCAPE Framework	Apprenticeships (Priority Groups)	Employment	Apprenticeship Starts - 4	Inclusive Growth & Jobs	All Fife	
Station Road (Affordable Housing)	SCAPE Framework	Apprenticeships (Priority Groups)	Employment	Existing Apprentices - 18	Inclusive Growth & Jobs	All Fife	
Keir Hardie Street (Affordable Housing)	SCAPE Framework	Apprenticeships (Priority Groups)	Employment	Apprenticeship Starts - 4	Inclusive Growth & Jobs	All Fife	
Keir Hardie Street (Affordable Housing)	SCAPE Framework	Apprenticeships (Priority Groups)	Employment	Existing Apprentices - 15	Inclusive Growth & Jobs	All Fife	
Main Road, Crombie (Affordable Housing)	SCAPE Framework	Apprenticeships (Priority Groups)	Employment	Apprenticeship Starts - 1	Inclusive Growth & Jobs	All Fife	
Main Road, Crombie (Affordable Housing)	SCAPE Framework	Apprenticeships (Priority Groups)	Employment	Existing Apprentices - 22	Inclusive Growth & Jobs	All Fife	
Happer Street (Affordable Housing)	SCAPE Framework	Apprenticeships (Priority Groups)	Employment	Apprenticeship Starts - 1	Inclusive Growth & Jobs	All Fife	
Happer Street (Affordable Housing)	SCAPE Framework	Apprenticeships (Priority Groups)	Employment	Existing Apprentices - 11	Inclusive Growth & Jobs	All Fife	
Social Care Agency Workers	ASA International	Apprenticeships (Priority Groups)	Employment	Apprenticeship in Digital Application and Support	Inclusive Growth & Jobs	All Fife	
Kitchen Installation Services	Bell Group	Apprenticeships (Priority Groups)	Employment	Employment of Two Apprenticeships	Inclusive Growth & Jobs	All Fife	
Flooring works - carpets/vinyl	Smith Brothers Marine Ltd	Apprenticeships (Priority Groups)	Employment	Third Year Apprentice - Recruited Fife Youth Employment scheme	Inclusive Growth & Jobs	All Fife	
Hill of Beath Project - Groundworks	Hatrick Bruce	Apprenticeships (Priority Groups)	Employment	Graduate - Local Employment - 1	Inclusive Growth & Jobs	Cowdenbeath	
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Jobs (Priority Groups)	Employment	Total number of employees. This is the total number of employees currently employed to work on the Fife contract. 62 (note for info. only, not included 62 in jobs number as this is workforce as opposed to creation of jobs as a result of the contract)	Inclusive Growth & Jobs	All Fife	
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Jobs (Priority Groups)	Employment	Total no. of jobs created and filled directly by the contractor. This is all jobs over 16 hours created and filled by the main contractor during the contract period. 6	Inclusive Growth & Jobs	All Fife	

CONTRACT	SUPPLIER	BENEFIT CATEGORY 1	BENEFIT CATEGORY 2	DESCRIPTION OF BENEFIT	MEETS Plan for Fife PRIORITY	AREA OF BENEFIT	DELIVERED VALUE (IF QUANTIFIED)
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Jobs (Priority Groups)	Employment	Total no. of jobs created and filled indirectly by the contractor. This is all jobs over 16 hours created and filled by sub contractors during the contract period. This would also include any jobs created by the contractors supply chain of services and materials. 6	Inclusive Growth & Jobs	All Fife	
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Jobs (Priority Groups)	Employment	Short term unemployment reduction. This is the number of people hired to work on this contract but will not continue afterwards - 62 (Is this a duplication of the 62 above)	Inclusive Growth & Jobs	All Fife	
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Jobs (Priority Groups)	Employment	Long term unemployment reduction. This is the number of people hired to work on this contract who the contractor will continue to employ beyond the contract.- 0	Inclusive Growth & Jobs	All Fife	
Pitched Roof Repair & Maintenance Framework	Stuart Niven and Son	Jobs (Priority Groups)	Employment	Dependant on work allocated through framework will meet with opportunities Fife to discuss recruitment needs, would also offer work experience in their office. I will revisit this if any work is allocated	Inclusive Growth & Jobs	All Fife	
Madras College	BAM Construct UK KLtd	Jobs (Priority Groups)	Employment	7 No. of local direct employees (FTE) hired or retained	Inclusive Growth & Jobs	North East Fife	£ 212,471.00
Hill of Beath Project - Local Staff	Hatrick Bruce	Jobs (Priority Groups)	Employment	Local Staff Employed (Various Trades etc) 5 staff = MAN DAYS - AVG 52 on Site	Inclusive Growth & Jobs	Cowdenbeath	
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Work Placements (Priority Groups)	Employment	Work experience or internships. This is the number of work experience started and completed due to this contract. 2	Inclusive Growth & Jobs	All Fife	
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Work Placements (Priority Groups)	Employment	Work experience or internships weeks. This is the total number of work experience weeks completed as part of this contract. 2	Inclusive Growth & Jobs	All Fife	
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Work Placements (Priority Groups)	Employment	Work trials. This is the total number of work trials completed as part of this contract. - 2	Inclusive Growth & Jobs	All Fife	
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Work Placements (Priority Groups)	Employment	Work trial weeks. This is the total number of work trial weeks completed as part of this contract - 2	Inclusive Growth & Jobs	All Fife	
Pitched Roof Repair & Maintenance Framework	Kingdom Maintenance	Work Placements (Priority Groups)	Employment	Work placement in Trade Centre	Inclusive Growth & Jobs	All Fife	
Pitched Roof Repair & Maintenance Framework	Reed Insulation	Work Placements (Priority Groups)	Employment	dependant on work allocated through framework, happy to work with oportunities Fife & would also provide work experience in office	Inclusive Growth & Jobs	All Fife	
Electrical Re-Wires	Moffat Electrical	Work Placements (Priority Groups)	Employment	Young People Work Experience Placement Scheme - Balwearie HS	Inclusive Growth & Jobs	All Fife	
Youth Offender Service	SACRO	Work Placements (Priority Groups)	Employment	Offer work experience placements to local students in Fife and atleast 1 workshop per year to local schools and colleges on a topic related to understanding the harm caused by offending behaviour and restorative approaches	Inclusive Growth & Jobs	All Fife	
Maintenance of traffic signals, light controlled pedestrian crossings, vehicle actuated and variable message signs	Dynniq UK Ltd	Work Placements (Priority Groups)	Employment	Annual work experience placement	Inclusive Growth & Jobs	All Fife	
Madras College	BAM Construct UK KLtd	Work Placements (Priority Groups)	Employment	No. of weeks spent on meaningful work placements or pre-employment course	Inclusive Growth & Jobs	North East Fife	£ 316.00
Madras College	BAM Construct UK KLtd	Work Placements (Priority Groups)	Employment	Meaningful work placements that pay Minimum or National Living wage	Inclusive Growth & Jobs	North East Fife	£ 1,899.00
Bruce Street (Affordable Housing)	SCAPE Framework	Work Placements (Priority Groups)	Employment	Work Placements (16 + Years) - 3	Inclusive Growth & Jobs	All Fife	
Bruce Street (Affordable Housing)	SCAPE Framework	Work Placements (Priority Groups)	Employment	Work Placements (14 - 16 Years) - 2	Inclusive Growth & Jobs	All Fife	
Station Road (Affordable Housing)	SCAPE Framework	Work Placements (Priority Groups)	Employment	Work Placements (16 + Years) - 9	Inclusive Growth & Jobs	All Fife	
Station Road (Affordable Housing)	SCAPE Framework	Work Placements (Priority Groups)	Employment	Work Placements (14 - 16 Years) - 3	Inclusive Growth & Jobs	All Fife	
Keir Hardie Street (Affordable Housing)	SCAPE Framework	Work Placements (Priority Groups)	Employment	Work Placements (16 + Years) - 3	Inclusive Growth & Jobs	All Fife	
Keir Hardie Street (Affordable Housing)	SCAPE Framework	Work Placements (Priority Groups)	Employment	Work Placements (14 - 16 Years) - 12	Inclusive Growth & Jobs	All Fife	
Main Road, Crombie (Affordable Housing)	SCAPE Framework	Work Placements (Priority Groups)	Employment	Work Placements (16 + Years) - 1	Inclusive Growth & Jobs	All Fife	

CONTRACT	SUPPLIER	BENEFIT CATEGORY 1	BENEFIT CATEGORY 2	DESCRIPTION OF BENEFIT	MEETS <i>Plan for Fife</i> PRIORITY	AREA OF BENEFIT	DELIVERED VALUE (IF QUANTIFIED)
Happer Street (Affordable Housing)	SCAPE Framework	Work Placements (Priority Groups)	Employment	Work Placements (16 + Years) - 1	Inclusive Growth & Jobs	All Fife	
Happer Street (Affordable Housing)	SCAPE Framework	Work Placements (Priority Groups)	Employment	Work Placements (14 - 16 Years) -1	Inclusive Growth & Jobs	All Fife	
Provision of Frozen Foods	William Yule & Son	Other	Skills and Training	Training offered	Inclusive Growth & Jobs	All Fife	£ 300.00
General Legal Services	Anderson Strathern LLP	Other	Skills and Training	Delivered 10 hours of free training for the legal team	Inclusive Growth & Jobs	All Fife	
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Other	Skills and Training	Educational visits/presentations. Number of educational visits/presentations to educational establishments in Fife (Ongoing work with DYW and STEM organisations)	Inclusive Growth & Jobs	All Fife	
Pitched Roof Repair & Maintenance Framework	Saltire Roofing	Other	Skills and Training	Depending on the values awarded they can commit to providing at least Improving Education by taking part in college site visits. Improving employability engage additional apprentice working in conjunction with FC and Fife College, Carry out site improvements litter picking etc will revisit if awarded work	Inclusive Growth & Jobs	All Fife	
Youth Offender Service	SACRO	Other	Skills and Training	provide Volunteers with access to recognised training and professional support, giving them opportunities for personal development	Inclusive Growth & Jobs	All Fife	
Youth Offender Service	SACRO	Other	Skills and Training	they will use local enterprise when hosting training or development days and catering	Inclusive Growth & Jobs	All Fife	
Children's Residential Care and Education Services	Aberlour Child Care Trust	Other	Skills and Training	Career Talks	Inclusive Growth & Jobs	All Fife	£ -
Maintenance of traffic signals, light controlled pedestrian crossings, vehicle actuated and variable message signs	Dynniq UK Ltd	Other	Skills and Training	Work with local schools to help children learn pedestrian safety techniques	Inclusive Growth & Jobs	All Fife	
Purchase and Supply of wheelchair accessible minibuses	Nu-track	Other	Skills and Training	Attend a local school to give a short talk on the benefits of public transportation , the move towards cleaner fuels and the environmental and waste management in place within the coachbuilding industry	Inclusive Growth & Jobs		
LED Street Lighting Lot 1 SE 26-17	Urbis Schreder	Other	Skills and Training	Workshops in schools or colleges x 2	Inclusive Growth & Jobs	All Fife	
Heavy Duty Laundry Equipment inc Repair & maint	Electrolux Professional	Other	Skills and Training	Career meetings at schools	Inclusive Growth & Jobs	All Fife	
Madras College	BAM Construct UK KLtd	Other	Skills and Training	No. of staff hours spent on local school and college visits	Inclusive Growth & Jobs	North East Fife	£ 546.00

CONTRACT	SUPPLIER	BENEFIT CATEGORY 1	BENEFIT CATEGORY 2	DESCRIPTION OF BENEFIT	MEETS Plan for Fife PRIORITY	AREA OF BENEFIT	DELIVERED VALUE (IF QUANTIFIED)
Madras College	BAM Construct UK KLtd	Other	Skills and Training	No. site visits for school children, colleges or local residents	Inclusive Growth & Jobs	North East Fife	£ 64.00
Madras College	BAM Construct UK KLtd	Other	Skills and Training	Provision of expert business advice to TSOs and SMEs in the supply chain	Inclusive Growth & Jobs	North East Fife	£ 577.00
Madras College	BAM Construct UK KLtd	Other	Skills and Training	No. of employees on the contract that have been provided wellbeing programmes	Inclusive Growth & Jobs	North East Fife	£ 870.00
Supply of Glass - Lot 2 - Safety Glass	Cruickshank Glaziers	Other	Environment & Ethical	Worked closely with ENVA and CNC Recycling Ltd to ensure all our waste as a company is disposed and recycled in the correct manner.	Thriving Places	All Fife	
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Other	Environment & Ethical	Estimated Environmental Savings (Diverting Waste from Landfill)	Thriving Places	All Fife	£ 88,205.79
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Other	Environment & Ethical	Estimated Environmental Savings (This is the tonnes of CO2 saved by the contractor through recycling and re-use ) saved 770.947 tonnes of CO2e	Thriving Places	All Fife	
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Other	Environment & Ethical	Use of recycled materials. This is the percentage of eligible materials that were recycled as part of this contract. 100%	Thriving Places	All Fife	
BRDG Service 8	Stagecoach	Other	Environment & Ethical	Minimum EURO V engined vehicles for route	Thriving Places	South & West Fife	
Timber Preservation & Woodrot Framework	Richardson & Starling	Other	Environment & Ethical	£500 cheque To Diabetes Fife	Community Led Services	All Fife	£ 500.00
Timber Preservation & Woodrot Framework	Richardson & Starling	Other	Environment & Ethical	£500 cheque to Fife Gingerbread Fife Teen Project	Community Led Services	All Fife	£ 500.00
Timber Preservation & Woodrot Framework	Richardson & Starling	Other	Environment & Ethical	Foodbank Delivered to the Cottage Family,	Community Led Services	Kirkcaldy	£ 500.00
Timber Preservation & Woodrot Framework	Richardson & Starling	Other	Environment & Ethical	£1000 cheque to Fife Alcohol Support Service	Community Led Services	All Fife	£ 1,000.00
Timber Preservation & Woodrot Framework	Richardson & Starling	Other	Environment & Ethical	£1000 cheque to Crossroads Fife	Community Led Services	All Fife	£ 1,000.00
Timber Preservation & Woodrot Framework	Richardson & Starling	Other	Environment & Ethical	£1000 cheque to Sycamore Project	Community Led Services	All Fife	£ 1,000.00
Provision of Educational Materials	Findel Education Ltd	Other	Social Rebate	£250 worth of Material Art to school to Woodmill HS + £1000 worth of art products was donated by Findel throught the last year(last donation was in 27 Feb 2020) to the TeaPot Trust in Victoria Hospital and Lochgelly centre as part of art therapy for children with chronic condition.	Community Led Services	All Fife	£ 1,250.00
Provision of Alcoholic and non alcoholic beverages	Matthew Clark Wholesale Ltd	Other	Social Rebate	Beveridges for Awards	Community Led Services	All Fife	£ 500.00
Supply of Groceries	William Yule & Son	Other	Social Rebate	Donation to awards, foodbank and schools	Community Led Services	All Fife	£ 1,000.00
Community Meals	Appetito Ltd	Other	Social Rebate	Donation of vouchers for FMS staff awards	Community Led Services	All Fife	£ 250.00
Electrical Materials SE06-15	Ross Electrical	Other	Social Rebate	raffle prize donation at apprentice awards for benefit of fife charities	Community Led Services	All Fife	£ 40.00
Electrical Materials SE06-15	Holland House	Other	Social Rebate	raffle prize donation at apprentice awards for benefit of fife charities	Community Led Services	All Fife	£ 400.00
Electrical Materials SE06-15	Bemco	Other	Social Rebate	Raffle Prize at Apprentice Awards for local Fife charities as beneficiaries	Community Led Services	All Fife	£ 400.00
Electrical Materials SE06-15	Edmundson Electrical	Other	Social Rebate	raffle prize donation for apprentice awards for benefit of local charities 32" TV	Community Led Services	All Fife	£ 300.00
Supply & Delivery of Timber Doors	Dovetail Enterprises	Other	Social Rebate	Raffle prize donation at apprentice awards events for benefit of local charities	Community Led Services	All Fife	£ 200.00
Plumbing & Heating Materials SE 17-14	Jewson	Other	Social Rebate	raffle prize donation for apprentice awards with benefit to local charities	Community Led Services	All Fife	£ 130.00
Decorating Materials and Sundries	Dulux	Other	Social Rebate	raffle prize donation at apprentice awards for benefit of local charities	Community Led Services	All Fife	£ 20.00
Supply of Glass - Lot 2 - Safety Glass	Cruickshank Glaziers	Other	Social Rebate	Raffle prize donation and Table Sponsor at apprentice awards for benefit of local charities	Community Led Services	All Fife	£ 300.00
Supply of Glass - Lot 2 - Safety Glass	Cruickshank Glaziers	Other	Social Rebate	Donations on a monthly basis to Kirkcaldy Foodbank (£100 pm) - need to check how many months	Community Led Services	Kirkcaldy	£ 100.00

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Supply of Glass - Lot 2 - Safety Glass	Cruickshank Glaziers	Other	Social Rebate	Donation to Cottage Centre at Xmas	Community Led Services	Kirkcaldy	£ -
Supply of Glass - Lot 2 - Safety Glass	Cruickshank Glaziers	Other	Social Rebate	Staff Volunteer for Kirkcaldy Air Cadets (Treasurer)	Community Led Services	Kirkcaldy	
Supply of Glass - Lot 2 - Safety Glass	Cruickshank Glaziers	Other	Social Rebate	Supply and Fitting of Double Glazing to Kirkcaldy Rugby Club	Community Led Services	Kirkcaldy	£ -
Supply of Glass - Lot 2 - Safety Glass	Cruickshank Glaziers	Other	Social Rebate	Charity Work for local Football Team (Young Glens)	Community Led Services	Glenrothes	£ -
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Other	Social Rebate	Donation of raffle prize with local charities as beneficiaries	Community Led Services	All Fife	£ 2,500.00
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Other	Social Rebate	Cash Donations to Fife Areas (Apprentice of the Year)	Community Led Services	All Fife	£ 600.00
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Other	Social Rebate	Cash Donations to Fife Areas (Cottage Centre - Labour, Materials, Services)	Community Led Services	All Fife	£ 40,000.00
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Other	Social Rebate	Cash Donations to Fife Areas (Cottage Centre - Labour, Materials, Services)	Community Led Services	All Fife	£ 1,000.00
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Other	Social Rebate	Cash Donations to Fife Areas (Cottage Centre - Labour, Materials, Services)	Community Led Services	All Fife	£ 500.00
Pitched Roof Repair & Maintenance Framework	Kingdom Maintenance	Other	Social Rebate	Category Sponsor at Apprentice Awards	Community Led Services	All Fife	£ -
Pitched Roof Repair & Maintenance Framework	Kingdom Maintenance	Other	Social Rebate	Sponsorship of Kennoway Soccer Sevens (track Suits etc)	Community Led Services	Levenmouth	£ -
Electrical Re-Wires	Moffat Electrical	Other	Social Rebate	Sponsorship - Kennoway Star Hearts	Community Led Services	All Fife	£ 200.00
Electrical Re-Wires	Moffat Electrical	Other	Social Rebate	Sponsorship - Fife Chamber of Commerce	Community Led Services	All Fife	£ 2,600.00
Electrical Re-Wires	Moffat Electrical	Other	Social Rebate	Charity Donation - Kirkcaldy Golf Club	Community Led Services	All Fife	£ 1,500.00
Electrical Re-Wires	Moffat Electrical	Other	Social Rebate	Renovation works - Cottage Centre	Community Led Services	All Fife	£ 1,000.00
Electrical Re-Wires	Moffat Electrical	Other	Social Rebate	Sponsorship - Fife Apprentice of the Year Awards	Community Led Services	All Fife	£ 1,500.00
Electrical Re-Wires	Moffat Electrical	Other	Social Rebate	Charity Donation - Fife Business Awards	Community Led Services	All Fife	£ 250.00
Electrical Re-Wires	Moffat Electrical	Other	Social Rebate	Charity Donation - Cottage Centre	Community Led Services	All Fife	£ 1,000.00
Heating Installations	Mctear Contracts Ltd	Other	Social Rebate	Charity Donation - Cottage Centre	Community Led Services	All Fife	£ 1,000.00
Timber Preservation & Woodrot Framework	Richardson & Starling	Other	Social Rebate	supply of 2Nr defibrillators	Community Led Services	All Fife	£ 2,000.00
Civil & Structural Engineering Framework	McGregor McMahon (Scotland) Limited LOT1	Other	Social Rebate	Willing to Provide 3% Social Rebate on all work awarded under Lot 1 to be calculated annually on anniversary of contract award	Community Led Services	All Fife	£ 263.65
Civil & Structural Engineering Framework	David R Murray & Associates LOT 1	Other	Social Rebate	Willing to provide 0-1% Social Rebate on all orders awarded under lot1 to be calculated on anniversary of contract award	Community Led Services	All Fife	£ 239.00
Civil & Structural Engineering Framework	Harley Haddow Limited LOT 1	Other	Social Rebate	Willing to Provide 3% Social Rebate on all work awarded under Lot 1 to be calculated annually on anniversary of contract award	Community Led Services	All Fife	£ -
Civil & Structural Engineering Framework	Stuart Burke Associates Ltd LOT 1	Other	Social Rebate	Willing to Provide 3% Social Rebate on all work awarded under Lot 1 to be calculated annually on anniversary of contract award	Community Led Services	All Fife	£ 460.00
Civil & Structural Engineering Framework	Wardell Armstrong LLP LOT1	Other	Social Rebate	Willing to provide 2% Social Rebate on all orders under Lot 1 to be calculated on anniversary of contract award	Community Led Services	All Fife	£
Civil & Structural Engineering Framework	Stuart Burke Associates Ltd LOT 2	Other	Social Rebate	Willing to Provide 3% Social Rebate on all work awarded under Lot 1 to be calculated annually on anniversary of contract award	Community Led Services	All Fife	£ 1,587.00
Civil & Structural Engineering Framework	McGregor McMahon (Scotland) Limited LOT 2	Other	Social Rebate	Willing to Provide 3% Social Rebate on all work awarded under Lot2 to be calculated annually on anniversary of contract award	Community Led Services	All Fife	£ 716.16
Vehicle Conversions	BOTT LTD	Other	Social Rebate	Volunteers for local charity - 2 days	Community Led Services	Dunfermline	

CONTRACT	SUPPLIER	BENEFIT CATEGORY 1	BENEFIT CATEGORY 2	DESCRIPTION OF BENEFIT	MEETS Plan for Fife PRIORITY	AREA OF BENEFIT	DELIVERED VALUE (IF QUANTIFIED)
Automotive Spare Parts	Dingbro	Other	Social Rebate	Kelty Community Council Calendar Sponsorship	Community Led Services	South & West Fife	£ 20.00
Automotive Spare Parts	Dingbro	Other	Social Rebate	Balwearie Gymnastics Donation after break in	Community Led Services	Kirkcaldy	£ 1,000.00
Automotive Spare Parts	Dingbro	Other	Social Rebate	Raffle prize for Fife Council Apprentice of the year awards	Community Led Services	All Fife	£ 199.00
Automotive Spare Parts	Dingbro	Other	Social Rebate	Fife Council Apprentice of the Year awards Caregory sponsorship	Community Led Services	All Fife	£ 600.00
Automotive Spare Parts	Dingbro	Other	Social Rebate	Scottish Young Transport Engineer Skill day Prizes	Community Led Services	All Fife	£ 400.00
Replacment Library buses	Nu Track Ltd	Other	Social Rebate	Sponsor a local team	Community Led Services		£ -
Glass Collection Vehicles	Dennis Eagle Ltd	Other	Social Rebate	Dennis the Dustcart recyling books, pencil cases and crayons	Community Led Services	Kirkcaldy	£ 300.00
Leisure Management System	XN Leisure	Other	Social Rebate	£1500 for charity	Community Led Services	All Fife	
Uplift and Disposal of IT Equipment – Consignment WIN10 23-10-19	Re-Tek UK Ltd	Other	Social Rebate	£1,000.00 for Charity (Glenrothes Foodbank)	Community Led Services	All Fife	£ 1,000.00
Uplift and Disposal of IT Equipment – Consignment WIN10 1-11-19	Re-Tek UK Ltd	Other	Social Rebate	£1,000.00 for Charity (Levenmouth Foodbank)	Community Led Services	All Fife	£ 1,000.00
Uplift and Disposal of IT Equipment – Consignment WIN10 21-11-19	TES-AMM (Europe) Ltd	Other	Social Rebate	£100.00 for Charity (Kirkcaldy Foodbank)	Community Led Services	All Fife	£ 100.00
Uplift and Disposal of IT Equipment – Consignment WIN10 4-12-19	TES-AMM (Europe) Ltd	Other	Social Rebate	£100.00 for Charity (Cupar Foodbank)	Community Led Services	All Fife	£ 100.00
SE13/14 Supply & Delivery of Building & Timber Materials	MGM Timber	Other	Social Rebate	Raffle prize donation for apprentice awards for benefit of local charities	Community Led Services	All Fife	£ 300.00
SE13/14 Supply & Delivery of Building & Timber Materials	SIG	Other	Social Rebate	raffle prize donation at apprentice awards for benefit of local charity	Community Led Services	All Fife	£ 80.00
Hire of Equipment, Plant and Vehicles	Speedy Asset Services	Other	Social Rebate	Loan of scaffolding tower	Community Led Services	Dunfermline	
Hire of Equipment, Plant and Vehicles	Speedy Asset Services	Other	Social Rebate	Supply of safety boots and protective helmets	Community Led Services	Dunfermline	
Supply of Twin-Ram Fully Automatic Baler	CK International Limited	Other	Social Rebate	Funding for a recycling at local Primary School or fund a charity day	Community Led Services		£ -
Supply of Click Scolmore Mode Wiring Accessories under Lot 2 of SE 0615 Electrical Materials Framework	Electric Center	Other	Social Rebate	raffle prize donation for apprentice awards for benefit of fife charities	Community Led Services		£ 300.00
Maintenance of traffic signals, light controlled pedestrian crossings, vehicle actuated and variable message signs	Dynniq UK Ltd	Other	Social Rebate	Donation of all monies raised to Trust in Fife	Community Led Services	All Fife	£ -
Health Check Heat Recovery & PIV Units	Lovats	Other	Social Rebate	Have committed to giving £1000 to spent on equipment for the Dementia Pods	Community Led Services	All Fife	£ 1,000.00
Purchase and Supply of wheelchair accessible minibuses	Nu-track	Other	Social Rebate	Sponsor a local sports team or community event - value £300	Community Led Services	All Fife	£ 300.00
Purchase and Supply of wheelchair accessible minibuses	Nu-track	Other	Social Rebate	Donation of product vouchers to support apprenticeships. Value of £300	Community Led Services		£ 300.00
Supply Trained Bird of Prey	Reactions Photography	Other	Social Rebate	Visit to Thornton Primary School with Bird of Prey Demo & talks	Community Led Services	Glenrothes	£ 150.00
Supply Trained Bird of Prey	Reactions Photography	Other	Social Rebate	Visit to Cardenden Primary School with Bird of Prey Demo & talks	Community Led Services	Glenrothes	£ 150.00
BRDG Service 8	Stagecoach	Other	Social Rebate	Sponsorship of local sports team x 2 - value of £250 each	Community Led Services	All Fife	£ 500.00
WM401-405 St Columbas HS to Inverkeithing HS	Bay Travel Ltd	Other	Social Rebate	2 x vehicles per month of contract foc for journeys in Fife	Community Led Services	Dunfermline	
WM201-204 St Columbas HS to Queen Anne HS	Moffat & Williamson Ltd	Other	Social Rebate	4 x vehicles for a trip to Fordell Firs	Community Led Services	Dunfermline	£ 560.00



CONTRACT	SUPPLIER	BENEFIT CATEGORY 1	BENEFIT CATEGORY 2	DESCRIPTION OF BENEFIT	MEETS Plan for Fife PRIORITY	AREA OF BENEFIT	DELIVERED VALUE (IF QUANTIFIED)
WM201-204 St Columbas HS to Queen Anne HS	Moffat & Williamson Ltd	Other	Social Rebate	Free coach hire to PE lessons, from 7th Jan, 4 days a week until 2nd April, 49 days at £100 per day cost	Community Led Services	Dunfermline	£ 4,900.00
WM201-204 St Columbas HS to Queen Anne HS	Moffat & Williamson Ltd	Other	Social Rebate	Free coach hire to PE lessons, from 25th November 19, 4 days a week until 20th December 2019 at £100 per day cost	Community Led Services	Dunfermline	£ 1,600.00
Provision of Educational Materials	Findel Education Ltd	Other	Social Rebate	Findel delivered approx £200 art materials to woodmill high as a community benefit.	Community Led Services	Dunfermline	£ 200.00
Social Care Agency Workers	ASA International	Other	Social Rebate	Food donation to Trussell Trust Dunfermline	Community Led Services	All Fife	£ 400.00
Linking Places and People	Newlay Civil Engineering	Other	Social Rebate	Refurbishment of War Memorial and surrounding area, Cowdenbeath High Street	Community Led Services	Cowdenbeath	£ 24,816.91
Car Park Upgrade/ Carriageway Patching	JH Civil Engineering	Other	Social Rebate	Resurfacing of the access road and car park - Dunfermline Rugby Club	Community Led Services	Dunfermline	£ 10,500.00
Carriageway Resurfacing	Newlay Civil Engineering	Other	Social Rebate	Carpark Improvements - Oakley FC	Community Led Services	Dunfermline	£ 4,096.90
Car Park Upgrade	JH Civil Engineering	Other	Social Rebate	Donation to Fresh air Festival 2019	Community Led Services	Dunfermline	£ 1,000.00
Car Park Upgrade	JH Civil Engineering	Other	Social Rebate	Accessibility Ramp for 3rd Fife Scoup Hall	Community Led Services	Dunfermline	£ 6,405.58
Kitchen Installation Services	Bell Group	Other	Social Rebate	The Cottage Family Centre - Delivery of Workshop on nutritional education to Women's Groups	Community Led Services	Kirkcaldy	
Kitchen Installation Services	Bell Group	Other	Social Rebate	The Cottage Family Centre - Continuing to Support "Fill a bag for Free" donations and volunteer support	Community Led Services	Kirkcaldy	
Kitchen Installation Services	Bell Group	Other	Social Rebate	The Cottage Family Centre - Assistance with deliveries (Labour and Van)	Community Led Services	Kirkcaldy	
Kitchen Installation Services	Bell Group	Other	Social Rebate	The Cottage Family Centre - Volunteer Hours (preparation and return, clearing out storage etc)	Community Led Services	Kirkcaldy	
Kitchen Installation Services	Bell Group	Other	Social Rebate	The Cottage Family Centre - Donations (paint, works etc)	Community Led Services	Kirkcaldy	
Kitchen Installation Services	Bell Group	Other	Social Rebate	The Cottage Family Centre - Easter activity (donation)	Community Led Services	Kirkcaldy	
Kitchen Installation Services	Bell Group	Other	Social Rebate	The Cottage Family Centre - School Holidays (Support on the day)	Community Led Services	Kirkcaldy	
Kitchen Installation Services	Bell Group	Other	Social Rebate	The Cottage Family Centre - Summer Fun Day (Support on the day)	Community Led Services	Kirkcaldy	
Kitchen Installation Services	Bell Group	Other	Social Rebate	The Cottage Family Centre - Cottage Cafe (Ongoing Volunteer Support)	Community Led Services	Kirkcaldy	
Kitchen Installation Services	Bell Group	Other	Social Rebate	The Cottage Family Centre - Competition Support (Decorators)	Community Led Services	Kirkcaldy	
Kitchen Installation Services	Bell Group	Other	Social Rebate	The Cottage Family Centre - Christmas (Various Support)	Community Led Services	Kirkcaldy	
Kitchen Installation Services	Bell Group	Other	Social Rebate	The Cottage Family Centre - COVID 19 Support (Donation of Mobility Scooter)	Community Led Services	Kirkcaldy	
Kitchen Installation Services	Bell Group	Other	Social Rebate	The Cottage Family Centre - Marwood House Renovation Support	Community Led Services	Kirkcaldy	
Flooring works - carpets/vinyl	Smith Brothers Marine Ltd	Other	Social Rebate	Sponsorship - Canmore Golf Club, Oakley Juniors	Community Led Services	All Fife	
Flooring works - carpets/vinyl	Smith Brothers Marine Ltd	Other	Social Rebate	Donation of Flooring to Pittencrief Park (animal Support centre)	Community Led Services	All Fife	
Flooring works - carpets/vinyl	Smith Brothers Marine Ltd	Other	Social Rebate	Donation of flooring to SHIELD	Community Led Services	All Fife	
Touch Primary School	TBS Ltd	Other	Social Rebate	Supply of Sanitaryware and Radiators (Local Supply Chain Spend) via Granhams	Community Led Services	Dunfermline	£ 47,000.00
Provision of Fruit and Vegetables to locations throughout Fife	George Carruthers & Sons Ltd	Other	Social Rebate	Financial contribution to awards, and free Fruit and vegetables	Opportunities for All	All Fife	£ 640.00
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Other	SME + 3rd Sector	Estimated Local Supply Chain Spend	Inclusive Growth & Jobs	All Fife	£ 365,000.00

CONTRACT	SUPPLIER	BENEFIT CATEGORY 1	BENEFIT CATEGORY 2	DESCRIPTION OF BENEFIT	MEETS Plan for Fife PRIORITY	AREA OF BENEFIT	DELIVERED VALUE (IF QUANTIFIED)
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Other	SME + 3rd Sector	Estimated Local Employee Payments	Inclusive Growth & Jobs	All Fife	£ 499,500.00
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Other	SME + 3rd Sector	Fife SME spend (Sub Contractors)	Inclusive Growth & Jobs	All Fife	£ 133,000.00
Electrical Re-Wires	Moffat Electrical	Other	SME + 3rd Sector	Local Procurement	Inclusive Growth & Jobs	All Fife	£ 2,000,000.00
Heating Installations	Mctear Contracts Ltd	Other	SME + 3rd Sector	Engaging with SME, Utilising local training centre for CSCS	Inclusive Growth & Jobs	All Fife	£ -
Madras College	BAM Construct UK KLtd	Other	SME + 3rd Sector	Meet the buyer' events held to highlight local supply chain opportunities	Inclusive Growth & Jobs	North East Fife	£ 207.09
Madras College	BAM Construct UK KLtd	Other	SME + 3rd Sector	Total amount (£) spent in LOCAL supply chain through the contract (Territory)	Inclusive Growth & Jobs	North East Fife	£ 5,995,260.00
Madras College	BAM Construct UK KLtd	Other	SME + 3rd Sector	Value of work awarded to Local SMEs	Inclusive Growth & Jobs	North East Fife	£ 8,212,001.00
Hill of Beath Project - Groundworks	Hatrick Bruce	Other	SME + 3rd Sector	Local Spend through Supply Chain (Various) 20%	Inclusive Growth & Jobs	Cowdenbeath	£ -
Hill of Beath Project - Groundworks	Hatrick Bruce	Other	SME + 3rd Sector	Sub Contract Works via Local Contractors (42%)	Inclusive Growth & Jobs	Cowdenbeath	£ -
Hill of Beath Project - Materials	Hatrick Bruce	Other	SME + 3rd Sector	Materials Spend via local contractors (Supply Chain) 40%	Inclusive Growth & Jobs	Cowdenbeath	£ -
Hill of Beath Project - Materials	Hatrick Bruce	Other	SME + 3rd Sector	Plant Spend via local contractors (Supply Chain) 1%	Inclusive Growth & Jobs	Cowdenbeath	£ -
Hill of Beath Project - Sub Contractor	Hatrick Bruce	Other	SME + 3rd Sector	Local Sub-Contract for Steel Work	Inclusive Growth & Jobs	Cowdenbeath	£ -
Hill of Beath Project - Fans and Ventilation	Hatrick Bruce	Other	SME + 3rd Sector	Local Sub-Contract for Flues and Ventilation - 100%	Inclusive Growth & Jobs	Cowdenbeath	£ 10,264.00
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Apprenticeships (Priority Groups)	Skills and Training	Traineeships started. This is the number of traineeships started in the current year due to this contract. 4	Inclusive Growth & Jobs	All Fife	
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Apprenticeships (Priority Groups)	Skills and Training	Traineeships completed. This is the number of traineeships completed in the current year due to this contract. 4	Inclusive Growth & Jobs	All Fife	
Supply of Glass - Lot 2 - Safety Glass	Cruickshank Glaziers	Qualifications Achieved through Training (Priority Groups)	Skills and Training	4 members of staff gained SVQF Level 6 with RTE	Inclusive Growth & Jobs	All Fife	
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Qualifications Achieved through Training (Priority Groups)	Skills and Training	SVQ (Modern Apprenticeships) started. This is the number of modern apprenticeships started in the current year due to this contract. 5	Inclusive Growth & Jobs	All Fife	
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Qualifications Achieved through Training (Priority Groups)	Skills and Training	SVQ (Modern Apprenticeships) started. This is the number of modern apprenticeships completed in the current year due to this contract. 5	Inclusive Growth & Jobs	All Fife	
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Qualifications Achieved through Training (Priority Groups)	Skills and Training	Graduate placements. This is the number of graduate placements made due to this contract n/a	Inclusive Growth & Jobs	All Fife	
Supply, Installation & Maintenance of UPVC Windows and Doors	CMS Enviro Systems	Qualifications Achieved through Training (Priority Groups)	Skills and Training	Graduate placement weeks. This is the total number of Graduate placement weeks completed as part of this contract n/a	Inclusive Growth & Jobs	All Fife	
LED Street Lighting Lot 1 SE 26-17	Urbis Schreder	Qualifications Achieved through Training (Priority Groups)	Skills and Training	Training Sessions to Council Apprentices	Inclusive Growth & Jobs	All Fife	

CONTRACT	SUPPLIER	BENEFIT CATEGORY 1	BENEFIT CATEGORY 2	DESCRIPTION OF BENEFIT	MEETS <i>Plan for Fife</i> PRIORITY	AREA OF BENEFIT	DELIVERED VALUE (IF QUANTIFIED)
Provision of Consultancy Services Back Burn River Restoration - Design & Development Study	Jeremy Benn Associates Ltd	Qualifications Achieved through Training (Priority Groups)	Skills and Training	STEM Workshop at two local schools	Inclusive Growth & Jobs	Glenrothes	
Provision of Consultancy Services Back Burn River Restoration - Design & Development Study	Jeremy Benn Associates Ltd	Qualifications Achieved through Training (Priority Groups)	Skills and Training	Involve Fife College Students in design element of Project	Inclusive Growth & Jobs	All Fife	
Madras College	BAM Construct UK KLtd	Qualifications Achieved through Training (Priority Groups)	Skills and Training	No. of training opportunities (no. of weeks) created on contract	Inclusive Growth & Jobs	North East Fife	£ 8,270.00
Madras College	BAM Construct UK KLtd	Qualifications Achieved through Training (Priority Groups)	Skills and Training	Equality, diversity and inclusion training for staff and supply chain staff	Inclusive Growth & Jobs	North East Fife	£ 5,190.00
Bruce Street (Affordable Housing)	SCAPE Framework	Qualifications Achieved through Training (Priority Groups)	Skills and Training	Construction Curriculum Support Activities - 4	Inclusive Growth & Jobs	All Fife	
Station Road (Affordable Housing)	SCAPE Framework	Qualifications Achieved through Training (Priority Groups)	Skills and Training	Construction Curriculum Support Activities - 10	Inclusive Growth & Jobs	All Fife	
Keir Hardie Street (Affordable Housing)	SCAPE Framework	Qualifications Achieved through Training (Priority Groups)	Skills and Training	Construction Curriculum Support Activities - 4	Inclusive Growth & Jobs	All Fife	
Main Road, Crombie (Affordable Housing)	SCAPE Framework	Qualifications Achieved through Training (Priority Groups)	Skills and Training	Construction Curriculum Support Activities - 4	Inclusive Growth & Jobs	All Fife	
Happer Street (Affordable Housing)	SCAPE Framework	Qualifications Achieved through Training (Priority Groups)	Skills and Training	Construction Curriculum Support Activities - 9	Inclusive Growth & Jobs	All Fife	
Hill of Beath Project - Groundworks	Hatrick Bruce	Qualifications Achieved through Training (Priority Groups)	Skills and Training	Training Provided includes Asbestos Awareness and Emergency First Aid	Inclusive Growth & Jobs	Cowdenbeath	

## Pipeline of Future Regulated Procurement Activity

FC CONTRACT REF.	CONTRACT DESCRIPTION (SUBJECT MATTER)	CONTRACT TYPE	CATEGORY	PROCURING ORGANISATION	ACTIVITY/CONTRACT START DATE
11583	Fire Protection Equipment	Supplies	Construction Materials	Fife Council	TBA
11746	Servicing of Asbestos Team Vacuums	Services	Construction Materials	Fife Council	TBA
TBA	Decorators Scheme	Supplies	Construction Materials	TBC	TBA
TBA	Outdoor Play Equipment	Supplies	Construction Materials	Scotland Excel	TBA
TBA	Electrical Materials Framework	Supplies	Construction Materials	Scotland Excel	TBA
TBA	Bitumen Framework	Supplies	Construction Materials	Scotland Excel	TBA
TBA	Plumbing Materials (mini Competition)	Supplies	Construction Materials	Scotland Excel	TBA
TBA	Gas Spares (mini Competition)	Supplies	Construction Materials	Scotland Excel	TBA
TBA	Heating Kits (mini Competition)	Supplies	Construction Materials	Scotland Excel	TBA
TBA	Roadstone Framework	Supplies	Construction Materials	Fife Council	TBA
TBA	Building Materials (mini competition)	Supplies	Construction Materials	Scotland Excel	TBA
TBA	Kitchen Units (mini competition)	Supplies	Construction Materials	Scotland Excel	TBA
10872	Consultancy for Fire Fire Engineering	Services	Construction Projects	Fife Council	TBA
TBA	Replacement Floor Coverings (Lifting & Relaying) Fife wide	Works	Construction Projects	Fife Council	TBA
10365	Platform Lifts Framework Agreement	Supplies	Construction Projects	Fife Council	Nov-20
11806	Security Screen and Remote Alarm Service	Services	Construction Projects	Fife Council	TBA
10334	Mobility Scooter Pods	Works	Construction Projects	Fife Council	TBA
10626	Housing Clear and Clean for Void Housing	Services	Construction Projects	Fife Council	Jan-21
12259	Gas Delivery Programme	Works	Construction Projects	Fife Council	TBA
12541	Staging for Rothes Halls	Supplies	Construction Projects	Fife Council	TBA
CW0006	Supply & Installation of Theatre Seating	Supplies	Construction Projects	Fife Council	TBA
TBA	Engineering & Technical Consultancy	Supplies	Construction Projects	Scotland Excel	TBA
TBA	Musical Instrument Repair & Maintenance	Services	Corporate/FM	Fife Council	Nov-20
TBA	Sherrif Officer/Debt Collection	Services	Corporate/FM	TBC (Fife Council/Scotland)	Jan-21
TBA	Cash In Transit	Services	Corporate/FM	TBC (Fife Council/Scotland)	Jan-21
TBA	Consultancy for Design Charrette Framework	Services	Corporate/FM	Fife Council	TBA
TBA	Consultancy Framework for Economic Development	Services	Corporate/FM	Fife Council	TBA

## Pipeline of Future Regulated Procurement Activity

FC CONTRACT REF.	CONTRACT DESCRIPTION (SUBJECT MATTER)	CONTRACT TYPE	CATEGORY	PROCURING ORGANISATION	ACTIVITY/CONTRACT START DATE
TBA	Consultancy Framework for 30 Years Housing Revenue Account and General Fund Housing Account Business Plan	Services	Corporate/FM	Fife Council	TBA
TBA	Servicing of Induction Loop Systems	Services	Corporate/FM	Fife Council	TBA
TBA	Administering & Managing Fife Council Rural Land Portfolio	Services	Corporate/FM	Fife Council	TBA
TBA	Groceries and provisions (mini-comp)	Supplies	Corporate/FM	Scotland Excel	TBA
TBA	Fruit and vegetables (mini-comp)	Supplies	Corporate/FM	Scotland Excel	TBA
TBA	Community Meals (mini-comp)	Supplies	Corporate/FM	Scotland Excel	TBA
TBA	Window Cleaning Services	Services	Corporate/FM	Fife Council	Jan-21
TBA	Supply of Promotional Items	Supplies	Corporate/FM	Fife Council	Jan-21
TBA	Education & Office Furniture (call-offs)	Supplies	Corporate/FM	Scotland Excel	TBA
TBA	Provision of Eyecare Service	Services	Corporate/FM	Fife Council	Jan-21
TBA	Business Support & Marketing for Fife Renewables Innovation Centre	Services	Corporate/FM	Fife Council	Jan-21
TBA	Accounting for Trusts	Services	Corporate/FM	Fife Council	Jan-21
TBA	Security Shredding Service	Services	Corporate/FM	Fife Council	Jan-22
TBA	Developing Young Workforce	Services	Corporate/FM	Fife Council	Jan-21
TBA	Specialist Ergonomic Equipment	Supplies	Corporate/FM	Fife Council	Jan-21
TBA	Provision of Consultancy Advice, Development & Land Use Strategy	Services	Corporate/FM	Fife Council	
TBA	Occupational Health	Supplies	Corporate/FM	ESPO	01/4/20220
TBA	Provision of Counselling & Physio	Services	Corporate/FM	Fife Council	04/01/2020
TBA	Inspection and Servicing of Flumes & Associated Structures	Services	Corporate/FM	Fife Council	05/01/2022
TBA	Provision of Removals & Storage	Services	Corporate/FM	Fife Council	08/07/2022
TBA	Employee Benefits Package	Services	Corporate/FM	Fife Council	10/01/2022
TBA	Provision Of Specialist Employability Training	Supplies	Corporate/FM	Fife Council	20/04/2021
TBA	Social Work Qualification	Supplies	Corporate/FM	Fife Council	04/01/2022
TBA	Agency Staff - Social Care/professional/Manual	Services	Corporate/FM	Scotland Excel	12/01/2020

## Pipeline of Future Regulated Procurement Activity

FC CONTRACT REF.	CONTRACT DESCRIPTION (SUBJECT MATTER)	CONTRACT TYPE	CATEGORY	PROCURING ORGANISATION	ACTIVITY/CONTRACT START DATE
TBA	Library books & Text Books	Services	Corporate/FM	Scotland Excel	01/02/2022
TBA	Swimming Pool Chemicals	Services	Corporate/FM	Fife Council	10/01/2020
TBA	Resale of Sporting Goods for Fife Sports Leisure Facilities	Supplies	Corporate/FM	Fife Council	08/01/2022
TBA	Digital Publications & Services	Supplies	Corporate/FM	Scotland Excel	01/01/2023
TBA	Provision of Business Travel Services	Supplies	Corporate/FM	ESPO	01/10/202
TBA	Foundation Apprenticeship	Supplies	Corporate/FM	Fife Council	09/08/2020
TBA	SLA: Provision of Nursing Services to Children with Complex Medical needs	Services	Corporate/FM	Fife Council	06/02/2022
TBA	Modern Apprenticeship Training Delivery	Services	Corporate/FM	Fife Council	09/09/2021
TBA	Fitness Equipment for Fife Sport & Leisure Trust	Services	Corporate/FM	ESPO	01/01/2022
TBA	The Purchase, Supply & Instalation of Bed Pan Washers with 3 year Fully Inclusive Maintenance	Services	Corporate/FM	Fife Council	1/10/20222
TBA	Vehicle Steam Cleaning Services	Services	Corporate/FM	Fife Council	
TBA	Provision of Educational Materials	Supplies	Corporate/FM	Scotland Excel	08/01/2021
TBA	Funeral Service	Supplies	Corporate/FM	Fife Council	01/01/2022
TBA	Supply of Fresh Meat	Supplies	Corporate/FM	Scotland Excel	TBA
TBA	Supply of Frozen Food	Services	Corporate/FM	Scotland Excel	TBA
TBA	Supply of Bakery Products	Supplies	Corporate/FM	Fife Council	TBA
TBA	Exhibition Services	Supplies	Corporate/FM	Fife Council	01/01/2021
TBA	Milk Bar Initiative	Supplies	Corporate/FM	Fife Council	TBA
TBA	Bin Chute Cleaning	Services	Corporate/FM	Fife Council	TBA
TBA	Translation/transcription/interpretation	Supplies	Corporate/FM	City of Edinburgh Cou	04/01/2021
TBA	Supply of Fresh Fish	Services	Corporate/FM	Fife Council	TBA
TBA	Supply of Fresh Sandwiches	Services	Corporate/FM	ESPO	TBA
TBA	Supply of Vending Machines	Supplies	Corporate/FM	Fife Council	TBA
TBA	Independent Professional Observer	Supplies	Corporate/FM	Fife Council	TBA
TBA	Supply and Maintenance of water coolers	Services	Corporate/FM	Scotland Excel	TBA

## Pipeline of Future Regulated Procurement Activity

FC CONTRACT REF.	CONTRACT DESCRIPTION (SUBJECT MATTER)	CONTRACT TYPE	CATEGORY	PROCURING ORGANISATION	ACTIVITY/CONTRACT START DATE
TBA	Catering Sundries	Services	Corporate/FM	Scotland Excel	TBA
TBA	Repair and Maintenance of Medical Aids Equipment	Services	Corporate/FM	FiFe Council	TBA
TBA	Taxi Driver Medicals	Services	Corporate/FM	Fife Council	TBA
TBA	Tenants Home Contents Insurance	Services	Corporate/FM	Fife Council	TBA
TBA	Legal Services	services	Corporate/FM	Fife Council	TBA
TBA	Vending Services Fife Cultural Trust	Services	Corporate/FM	TBC	TBA
TBA	Domestic Furniture and Furnishings	Services	Corporate/FM	Scotland Excel	TBA
TBA	Supply of milk and associated products	Services	Corporate/FM	Scotland Excel	TBA
TBA	Cash collection from car parks	Services	Corporate/FM	Fife Council	TBA
TBA	Merchant Services	Services	Corporate/FM	CCS Framework	TBA
TBA	Insurance and Risk Management Advisory Services	Services	Corporate/FM	Fife Council	TBA
TBA	Payment Services	Services	Corporate/FM	PFH	TBA
TBA	Provision of Treasury Support	Services	Corporate/FM	Fife Council	TBA
TBA	Actuarial Services	Services	Corporate/FM	Fife Council	TBA
TBA	Trust Insurance	Services	Corporate/FM	Fife Council	TBA
TBA	Liabilities & Miscellaneous Insurance	Services	Corporate/FM	Fife Council	TBA
TBA	Insurances	Services	Corporate/FM	Fife Council	TBA
TBA	Provision of Alcoholic and Non alcoholic Beverages	Supplies	Corporate/FM	South Ayrshire	TBA
TBA	Service and repair of Commercial Catering Equipment	Services	Corporate/FM	Fife Council	TBA
TBA	Library, Museum & Archive Accessories	Goods	Corporate/FM	Fife Council	TBA
TBA	Supply of Coffee	Services	corporate/FM	Scotland Excel	TBA
11326	Provision of Tipping Service	Services	Environment and Waste	Fife Council	TBA
10677	Waste Haulage Contract under 11636	Services	Environment and Waste	Fife Council	TBA
11832	Transportation of Leachate	Services	Environment and Waste	Fife Council	TBA
12176	Supply of Trees, Plants and Shrubs	Supplies	Environment and Waste	Fife Council	Apr-21
12177	Supply of Horticultural Materials	Supplies	Environment and Waste	Fife Council	TBA
TBA	Workshop Consumables (mini competition)	Supplies	Environment and Waste	Scotland Excel	TBA
TBA	Air Quality Management	Supplies	Environment and Waste	Fife Council	TBA
11534	Hire of surfacing plant (pavors)	Supplies	Fleet and Plant	Fife Council	TBA

## Pipeline of Future Regulated Procurement Activity

FC CONTRACT REF.	CONTRACT DESCRIPTION (SUBJECT MATTER)	CONTRACT TYPE	CATEGORY	PROCURING ORGANISATION	ACTIVITY/CONTRACT START DATE
TBA	Automotive Spare Parts	Supplies	Fleet and Plant	Scotland Excel	TBA
12049	Supply of Signed up	Supplies	ICT	CCS	11/12/2021
12426	Email Gateway	Supplies	ICT	Fife Council	17/06/2021
12329	Framework for Supply of IT Consumables	Supplies	ICT	Fife Council	31/03/2021
1351	Supply of Library Management System	Supplies	ICT	CCS	30/11/2023
10120	Server Hardware Maintenance	Supplies	ICT	Fife Council	30/05/2021
10115	Accounts Payable Audit Solution	Supplies	ICT	Fife Council	28/04/2020
10108	Civica CX Housing Solution	Supplies	ICT	Fife Council	30/04/2020
1208	Civica Icon	Supplies	ICT	Fife Council	01/02/2021
10072	Mobile Services	Supplies	ICT	Fife Council	13/07/2021
10004	Technology Forge	Supplies	ICT	Fife Council	20/03/2020
1211	Fixed Telephony	Supplies	ICT	Scottish Procurement	28/07/2020
1051	Network Management	Supplies	ICT	Fife Council	30/06/2020
1168	SAN Infrastructure, Support and Maintenance	Services	ICT	Fife Council	28/03/2022
10714	ADL Smartcare - G Cloud - Extension	Supplies	ICT	Fife Council	31/03/2022
11255	Managed Print Service	Supplies	ICT	Scottish Procurement	04/11/2020
CON179	Corporate Asset Recovery Software	Supplies	ICT	Fife Council	22/04/2020
1331	Cashless Catering & Online Payments System	Supplies	ICT	ESPO	28/02/2023
1383	Mobile Working Solution	Supplies	ICT	Fife Council	31/03/2022
1473	Web Filtering Software	Supplies	ICT	Fife Council	30/04/2022
1317	Bus Ticket Data Analysis Software	Supplies	ICT	Fife Council	31/05/2022
10032	Route Optimisation Solution	Supplies	ICT	Fife Council	30/10/2022
10129	Asset management solution for parks, streets and open spaces	Supplies	ICT	Fife Council	30/09/2022
11258	Framework for Supply of IT Peripherals	Supplies	ICT	Scottish Procurement	13/03/2020
TBA	Framework for Supply of Tablet Client Devices	Supplies	ICT	Scottish Procurement	19/06/2020
10235	Non-Geographic Numbers	Supplies	ICT	CCS	31/08/2021
10068	Microsoft Campus Agreement	Supplies	ICT	CCS	31/05/2020
10432	CISCO Support & Maintenance	Supplies	ICT	Fife Council	30/11/2022
1318	Provision of CE Marking Software	Supplies	ICT	Fife Council	01/05/2022



## Pipeline of Future Regulated Procurement Activity

FC CONTRACT REF.	CONTRACT DESCRIPTION (SUBJECT MATTER)	CONTRACT TYPE	CATEGORY	PROCURING ORGANISATION	ACTIVITY/CONTRACT START DATE
CON 072	Provision of IT Asset Management Software (Flexnet)	Supplies	ICT	Fife Council	31/03/2021
CON 047	Provision of an AVLS System	Supplies	ICT	Fife Council	31/03/2020
CON 029	Waste Management System	Supplies	ICT	Fife Council	31/03/2020
CON 171	Povision of Companies Database	Supplies	ICT	Fife Council	30/03/2020
SC 757	Corporate Information Request Management Software	Supplies	ICT	Fife Council	31/03/2020
10294	Steel Belted Radius	Supplies	ICT	Fife Council	06/07/2020
ITS117	Lagan	Supplies	ICT	Fife Council	31/03/2021
ITS 033	Qmap Pro Maintenance	Supplies	ICT	Fife Council	29/03/2020
10396	SOPHOS for Education & Corporate	Supplies	ICT	Fife Council	31/10/2020
10323	Bureau Service for Gritting	Supplies	ICT	Fife Council	30/09/2022
1214	Framework for Supply of Presentation and AV Kit	Supplies	ICT	Scotland Excel	31/03/2023
10281	Protective Monitoring Solution	Supplies	ICT	Fife Council	31/03/2022
10218	Provision of WordPress SaaS	Supplies	ICT	CCS	02/10/2022
10716	Provision of IT Support and Research	Services	ICT	CCS	31/03/2020
10793	CDMS for Gas/Electrical Inspection and Tests	Supplies	ICT	Fife Council	12/11/2020
10867	Commvault License Support & Maintenance	Services	ICT	CCS	30/06/2021
10952	Digital Performance Support Tool	Supplies	ICT	Fife Council	31/03/2023
11036	Online Account and eForm Cloud Provisioning	Supplies	ICT	Fife Council	05/02/2023
11483	Windows Containersation Solution	Supplies	ICT	Fife Council	21/03/2021
11090	Assyst Support and Maintenance	Supplies	ICT	CCS	30/09/2022
11729	Application Performance Monitoring Tool	Supplies	ICT	CCS	24/07/2020
11709	F5 Support and Maintenance	Services	ICT	CCS	09/05/2020
11731	Network Management Tool Support	Services	ICT	CCS	28/06/2022
11300	Oracle Implementation Services	Services	ICT	CCS	30/09/2021
11855	Sophos Antivirus Renewal	Supplies	ICT	CCS	05/07/2022
11856	Clearswift Secure Email Gateway Subscription	Services	ICT	CCS	17/06/2020
11858	Call Recording Support	Services	ICT	CCS	03/06/2020
11866	Microsoft Software Licensing Agreement	Supplies	ICT	CCS	31/07/2022

## Pipeline of Future Regulated Procurement Activity

FC CONTRACT REF.	CONTRACT DESCRIPTION (SUBJECT MATTER)	CONTRACT TYPE	CATEGORY	PROCURING ORGANISATION	ACTIVITY/CONTRACT START DATE
11853	Project Managed Services	Services	ICT	CCS	01/02/2022
11951	Project Online Consultancy	Services	ICT	CCS	22/07/2020
12115	Virtual Classroom	Supplies	ICT	Fife Council	28/03/2021
11682	Analytic Tool for Reducing Rent Arrears	Supplies	ICT	Fife Council	18/03/2021
12401	Just Checking	Services	ICT	Fife Council	03/08/2020
12420	Gartner Advisory Services	Supplies	ICT	Fife Council	31/03/2022
12461	Electoral Management System	Supplies	ICT	CCS	23/04/2022
TBA	Cloud Based Contact Centre Solution	Supplies	ICT	CCS	01/05/2021
TBA	Waste Disposal and Data Management Solution	Supplies	ICT	Fife Council	01/04/2021
TBA	Time Recording and Building Access	Supplies	ICT	Fife Council	30/11/2022
TBA	Document Management Solution (Revenues)	Supplies	ICT	Fife Council	01/10/2021
TBA	Box Office Solution	Supplies	ICT	Fife Council	01/06/2021
TBA	Local Area Network Replacement Project	Supplies	ICT	Fife Council	01/06/2021
12423	Hybrid Mail	Supplies	Logistics	Fife Council	31/07/2022
TBA	Supply of Coffee	Services	corporate/FM	Scotland Excel	TBA
TBA	CCTV Conierge Solution	Supplies	Security	Fife Council	01/06/2021
TBA	Kelty Day Care Service	Services	Social Care	Fife Council	24/04/2021
TBA	Care & Support at Home for Adults & Older People	Services	Social Care	Fife Council	01/05/2022
TBA	Stratheden Re-design	Services	Social Care	Fife Council	01/05/2022
TBA	Intensive Family Support Service	Services	Social Care	Fife Council	01/05/2021
TBA	Children's Residential Care & Education Services	Services	Social Care	Fife Council	19/11/2020
11867	Care Homes for Adults	Services	Social Care	Fife Council	
10152	National Care Home Contract	Services	Social Care	Scotland Excel	01/04/2021
TBA	Free Personal Care	Services	Social Care	Fife Council	01/04/2021
TBA	Free Personal Care - External	Services	Social Care	Fife Council	01/04/2021
TBA	Foster and Continuing Care (SE)	Services	Social Care	Scotland Excel	25/03/2021
10605	Youth Offender Service	Services	Social Care	Fife Council	01/04/2022
10681	In-College Support	Services	Social Care	Fife Council	01/04/2022
12377	Secure Care	Services	Social Care	Scotland Excel	01/04/2022

## Pipeline of Future Regulated Procurement Activity

FC CONTRACT REF.	CONTRACT DESCRIPTION (SUBJECT MATTER)	CONTRACT TYPE	CATEGORY	PROCURING ORGANISATION	ACTIVITY/CONTRACT START DATE
11467	Children's Residential Care and Education including Short Breaks	Services	Social Care	Scotland Excel	01/05/2022
10605	Advocacy	Services	Social Care	Fife Council	01/04/2021
TBA	Spray Injection Patching Works	Works	Transportation Works	Fife Council	TBA
11687	Secure Care Transport	Services	Travel & Transportation	Fife Council	Dec-20
11688	Bus & Coach DPS	Services	Travel & Transportation	Fife Council	ongoing
12193	Adhoc Coach Hires	Services	Travel & Transportation	Fife Council	ongoing (after initial acceptance to 11688 DPS)
TBA	North Fife School Bus	Services	Travel & Transportation	Fife Council	Aug 21 (after initial acceptance to 11688 DPS)
TBA	North Fife Local Bus	Services	Travel & Transportation	Fife Council	Aug 21 (after initial acceptance to 11688 DPS)
TBA	South Fife School Bus	Services	Travel & Transportation	Fife Council	Aug 22 (after initial acceptance to 11688 DPS)
TBA	South Fife Local Bus	Services	Travel & Transportation	Fife Council	Aug 22 (after initial acceptance to 11688 DPS)
12331	Education Taxi & Minibus DPS	Services	Travel & Transportation	Fife Council	ongoing
TBA	Biomass Operation, Maintain & Fuel Supply	Services	Utilities	Fife Council	01/03/2021
TBA	Power Purchase Agreement	Supplies	Utilities	Fife Council	TBA
TBA	Supply of Smart Meters	Supplies	Utilities	Fife Council	01/06/2021
11402	EPC and Energy Audit Reports for Non-Domestic Properties	Supplies	Utilities	Fife Council	09/04/2021
10114	Heat Metering & Billing Framework	Supplies	Utilities	Fife Council	31/05/2022

## Notes:

*Content reflective of indicative known/planned procurement activity over next 2 years, not necessarily exhaustive as at October 2020*

*Procuring Organisation - indicative/intended route to market and may be subject to change*

*Where other procuring organisation owns the contract, Fife Council is including in this Pipeline to declare intention to call-off*

*Dates are indicative and not guaranteed*

**Annual Procurement Report template**

[NOTE: reference to contract is also to be construed as meaning a framework agreement]

**1. Organisation and report details**

a) Contracting Authority Name

Fife Council

b) Period of the annual procurement report

1<sup>st</sup> April 2019 – 31<sup>st</sup>  
March 2020

c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)

Yes

**2. Summary of Regulated Procurements Completed**

a) Total number of regulated contracts awarded within the report period

74 procurement  
exercises, 211 contracts

b) Total value of regulated contracts awarded within the report period

£76,759,506

c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period

189

i) how many of these unique suppliers are SMEs

153

ii) how many of these unique suppliers how many are Third sector bodies

1

**3. Review of Regulated Procurements Compliance**

a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy

74/211

b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy

0

**4. Community Benefit Requirements Summary****Use of Community Benefit Requirements in Procurement:**

a) Total Number of regulated contracts awarded with a value of £4 million or greater.

5

b) Total Number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.

5

c) Total Number of regulated contracts awarded with a value of less than £4 million that contain a Community Benefit Requirements

32

**Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:**

d) Number of Jobs Filled by Priority Groups (Each contracting authority sets its own priority groups)	134
e) Number of Apprenticeships Filled by Priority Groups	116
f) Number of Work Placements for Priority Groups	46
g) Number of Qualifications Achieved Through Training by Priority Groups	50
h) Total Value of contracts sub-contracted to SMEs	£17,215,232.09
i) Total Value of contracts sub-contracted to Social Enterprises	Unknown
j) Total Value of contracts sub-contracted to Supported Businesses	Unknown
k) Other community benefit(s) fulfilled	Multiple

**5. Fair Work and the real Living Wage**

a) Number of regulated contracts awarded during the period that have included a scored Fair Work criterion.	12
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	31
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period.	21
d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract awarded during the period.	11

**6. Payment performance**

a) Number of valid invoices received during the reporting period.	249,690
b) Percentage of invoices paid on time during the period	94.81
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	211 contracts
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	0

**7. Supported Businesses Summary**

a) Total number of regulated contracts awarded to supported businesses during the period	0 (ongoing regulated contracts with 2)
b) Total spend with supported businesses during the period covered by the report, including:	£446,569
i) spend within the reporting year on regulated contracts	£442,759
ii) spend within the reporting year on non-regulated contracts	£3,810

**8. Spend and Savings Summary**

a) Total procurement spend for the period covered by the annual procurement report.	£518,658,076
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£170,273,615
c) Total procurement spend with Third sector bodies during the period covered by the report.	£27,607,881
d) Percentage of total procurement spend through collaborative contracts.	29%
e) Total targeted cash savings for the period covered by the annual procurement report	No target for individual year - £6m over 4 year period
i) targeted cash savings for Cat A contracts	N/A – FC does not break down like this
ii) targeted cash savings for Cat B contracts	N/A – FC does not break down like this
iii) targeted cash savings for Cat C contracts	N/A – FC does not break down like this
f) Total delivered cash savings for the period covered by the annual procurement report	£1.398m
i) delivered cash savings for Cat A contracts	N/A – FC does not break down like this
ii) delivered cash savings for Cat B contracts	N/A – FC does not break down like this
iii) delivered cash savings for Cat C contracts	N/A – FC does not break down like this
g) Total non-cash savings value for the period covered by the annual procurement report	£2.235m

**9. Future regulated procurements**

a) Total number of regulated procurements expected to commence in the next two financial years	207
b) Total estimated value of regulated procurements expected to commence in the next two financial years	Not quantified

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## Digital Strategy 2020 to 2023

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Report by: Charlie Anderson, Head of ICT

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Wards Affected: N/A

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### Purpose

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The purpose of this report is to introduce the Fife Council Digital Strategy covering the period from October 2020 – October 2023.

### Recommendations

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The Committee is asked to:-

- (i) agree the Digital Strategy as the foundation for the Council's Digital and Reform agenda over the next 3 years;
- (ii) agree this as the basis for scrutiny of plans for Digital redesign and transformation by ensuring alignment with the 6 themes referenced in 1.6 of this cover report and, in particular, noting the requirements laid out in Section 10 of the full Strategy; and
- (iii) note the potentials laid out in the Strategy as a basis for forward reform and redesign of services through the adoption of digital solutions.

### Resource Implications

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There are no direct additional resource implications at this point and it is expected that individual projects arising will seek resourcing and funding in the normal way. Legacy replacement projects for Oracle, SWIFT and COMIS replacement are factored into current capital plans as is the replacement or review of the Council's telephony system. Any significant additional changes or resources will be approved in line with current processes.

### Legal & Risk Implications

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Publishing and agreeing a Digital Strategy is essential if we are to properly inform, harness and govern the potential benefits arising from digitally-enabled change. Failure to do so could mean disconnected, misaligned or wasted effort and costs arising from poorly directed change.

### Impact Assessment

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An EqIA is not required because the report does not propose a change or revision to existing policies and practices, for example, annual reports or monitoring reports. Impact assessments will be carried out as required at an individual project or change level.

### Consultation

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This Strategy is informed by ongoing discussions with Council Services and has also been considered by the Council Executive Team. Consultation has also taken place to ensure the Strategy aligns to the Council's Reform Agenda and Organisation Development/Workforce strategy as well as the agreed Financial Strategy.

# 1.0 Introduction

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- 1.1 The Council's Digital Strategy outlines the approaches which we intend to take and the areas we intend to further explore as we develop as a Digital Council. This is articulated in the Strategy which covers the following areas..
- The Digital Vision for Fife aligned to the 4 policy themes in the Plan 4 Fife. This will be developed further as a Digital Plan for Fife with the Fairer Fife Partnership
  - Six proposed themes to be developed as the Roadmap for a Digital Council
  - How the Strategy will link to approved approaches to Change and Reform.
- 1.2 In positioning the Digital Strategy, it is important to note that a Digital Council is not only one which has the right technology approaches and strategy. A Digital Council also has the right leadership approaches, a digitally skilled workforce and well-designed (and even transformed) public services which harness digital approaches to meet the modern demands and significant challenges we face. A Digital Council is one which is bold, innovative and pursues change in a joined-up manner.
- 1.3 For these reasons, the Digital Strategy has evolved and is not simply an ICT-centric technology delivery strategy. Previously, an "ICT Strategy" would have simply articulated the technology changes and projects we intended to implement to support Council delivery. This Digital Strategy articulates a much broader scope and highlights, and links to, the changes required to the Council as an organisation and the digital potentials for the services which we deliver.
- 1.4 The recent and rapid changes necessitated by the COVID-19 pandemic have demonstrated that we have a solid technology platform on which to support radical and rapid change. This is a direct result of previously approved strategies and approaches which have seen us increasingly integrate systems, challenge siloed technology approaches and move to solutions which are open and can be accessed anywhere from any device while remaining secure.
- 1.5 However, as we mature in our use of digital solutions, our focus widens to developing a digital workforce, the right leadership approaches and the right culture of ambition and challenge to help Services to embrace and harness the digital potential.
- 1.6 This Strategy explores and expands on these essential elements under six themes:-
- **Develop** our approaches to change, our culture and leadership, our workforce and our use of data
  - **Improve** services rapidly using existing technologies and enablers rather than seeking whole new solutions.
  - **Transform** to meet unsustainable service demands through designing new digital services and solutions as part of Reform and Service Redesign activities
  - **Innovate** to explore and prove digital potentials before committing to wholesale change
  - **Renew** our legacy systems which hamper our progress or which are simply no longer fit-for-purpose and supportable.



- **Maintain** Trust, reliability, privacy and the right technology as well as professional ICT skills and support to continue to develop and maintain the underpinning technology solutions.
- 1.7 It is important that, in scrutinising digital plans for Council Services, that they demonstrate alignment with these themes and that they deliver comprehensive plans which are joined up across Council services and which utilise technology in a way which is cost-effective and efficient. The Strategy includes some key questions to be answered in Section 10 by Services planning for digitally enabled change and transformation.
  - 1.8 Finally, it is important to recognise that, in order to be successful, the Digital Strategy has to balance two critical factors.
  - 1.9 The first is that we must continue to drive “whole Council” approaches if we are to deliver cost-effective technology solutions which also support integrated service delivery to the public. This investment in the right technologies for the Council as a whole - appropriately shaped and adjusted to meet Service needs – has been key in our recent successful and rapid changes in the way we work.
  - 1.10 Secondly, the Strategy has to provide sufficient structure and challenge to Services to direct, shape and inform plans but not to the extent that digital change is seen as some form of pre-defined imposition. The Strategy therefore outlines the areas to be considered and explored by Directorates and Services and the approaches to be taken. It ensures, however, that these can be developed collaboratively and with Services themselves providing and shaping their own digital plans in line with this Strategy.
  - 1.11 This Strategy articulates a common Council-wide frame for digital development – one which not only ensures a convergence in approach and a framework of constructive challenge, but also sufficient latitude to enable the construction and ownership of the right digital plans at a Directorate and Service level, delivering across the 6 themes highlighted.

## **2.0 Conclusion**

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- 2.1 The Council Digital Strategy is a key policy document which will inform, shape, guide and deliver our ambition as a Digital Council. We want Fife Council to ultimately be recognised for delivering reliable, modern and joined up public services to the people of Fife.
- 2.2 The report is also accompanied by a “summary view” highlighting the key themes, influences and considerations laid out in the Strategy. The full Strategy includes more detail at a Council service level.
- 2.3 The Strategy is also far wider than a technology delivery strategy and references workforce, leadership and service delivery transformation potentials as well as technology elements. The Strategy is also a fundamental deliverable supporting the Council’s emerging Reform agenda.

## **List of Appendices**

- Appendix A      Summary View - Fife Council Digital Strategy 2020-2023  
Appendix B      Fife Council Digital Strategy 2020-2023

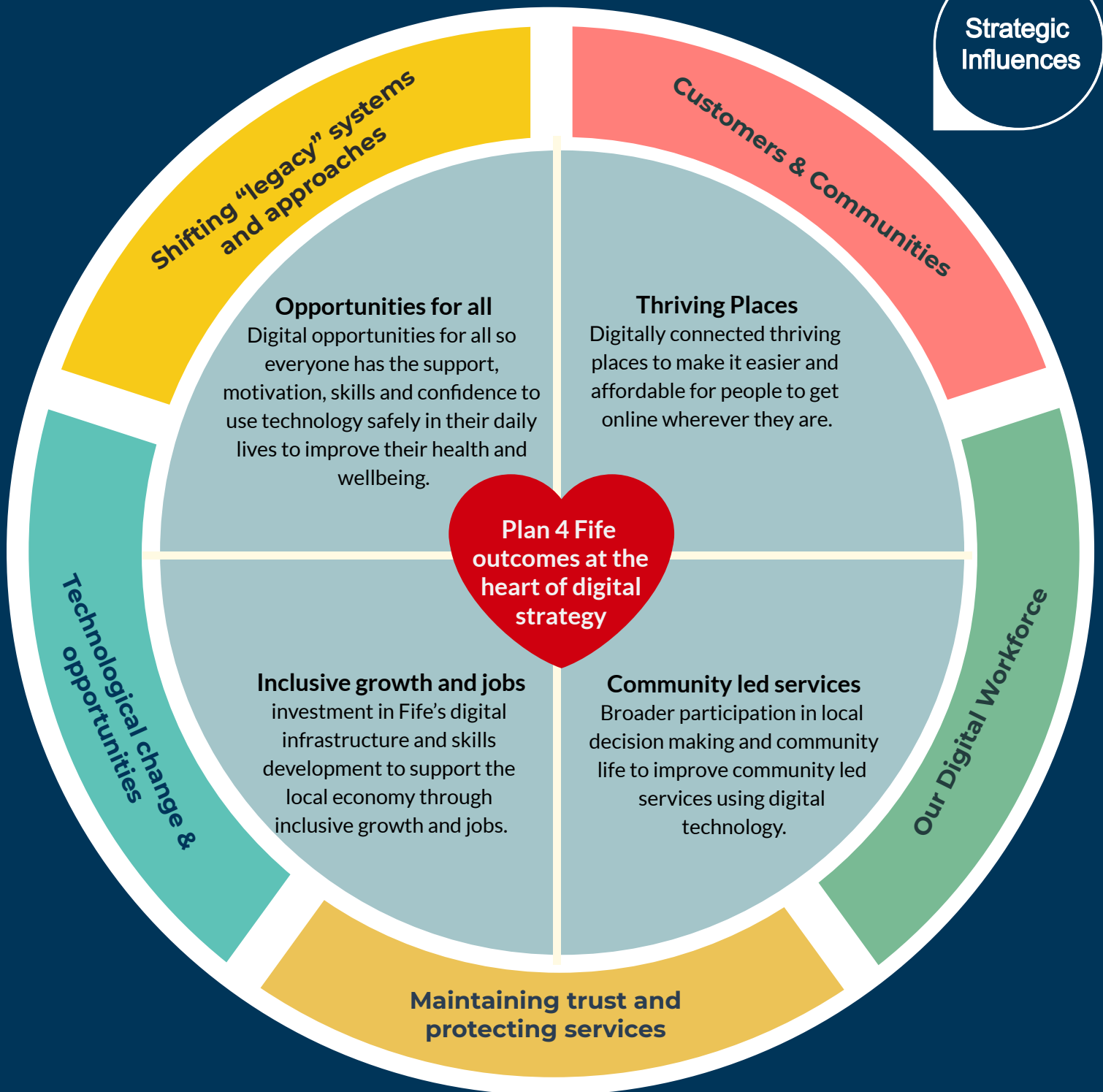
## **Report Contact**

Charlie Anderson  
Head of ICT  
Telephone: 03451 55 55 55 Ext No 440557  
Email – [charlie.anderson@fife.gov.uk](mailto:charlie.anderson@fife.gov.uk)

# Digital Strategy Summary 2020-2023

A Digital Council Delivering for Fife

Strategic Influences



Our digital strategy is driven by Plan 4 Fife outcomes and five key strategic influences.

It is owned and "made real" by Council Services and supported, analysed and challenged professionally by Services such as BTS.

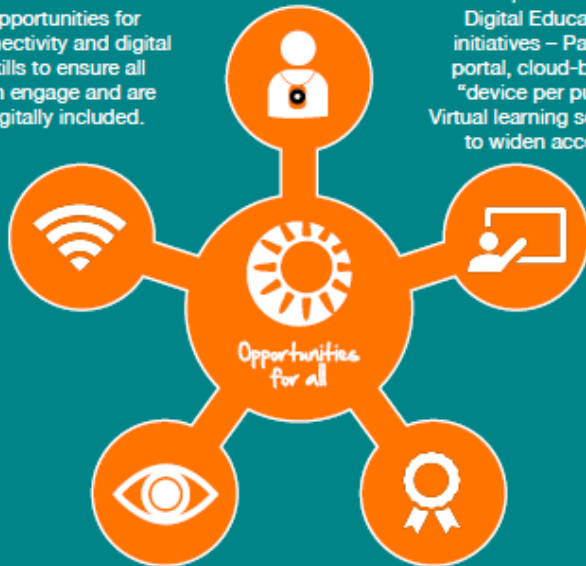
# Digital Strategy Summary 2020-2023

## Aligning with the Plan 4 Fife

Tech Enabled Care – better use of IoT and sensors to both extend opportunities for “stay at home” care and predict/prevent poor outcomes.

Provision of Fife-wide opportunities for connectivity and digital skills to ensure all can engage and are digitally included.

Development of new Digital Education initiatives – Parents portal, cloud-based “device per pupil”, Virtual learning solutions to widen access.



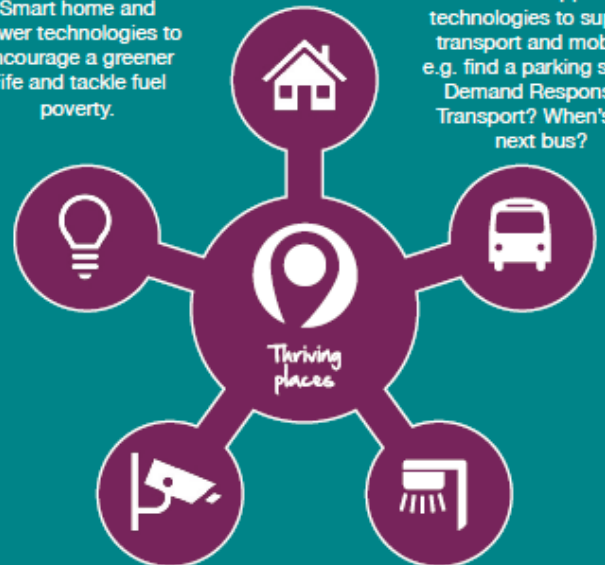
Development of technologies to rapidly alert and even predict “at harm” situations – better integration/ sharing of data, monitoring technologies, artificial intelligence and prediction.

Co-development of courses/ opportunities between colleges and universities and the public sector.

Smarter Housing – more targeted support for tenants, more online capabilities, smart home technologies to manage bills

Smart home and power technologies to encourage a greener Fife and tackle fuel poverty.

Innovative apps and technologies to support transport and mobility, e.g. find a parking space, Demand Responsive Transport? When's my next bus?



Development of technologies to capture and eliminate anti-social behaviour, e.g. fly-tipping, noise, dog-fouling, etc.

Public infrastructure which reports its own faults and provides predictive failure potential

Development of digital solutions to support tourism – Augmented & Virtual Reality solutions, developing more online capabilities, public wifi, use of data sources to provide insight.

Provision of effective and universal digital infrastructure throughout Fife not simply in conurbations. Providing an infrastructure reflecting the changing nature of work, e.g. self-employed, home-working etc.

Inward investments in emergent technologies like IoT, biotech, fintech.



Better use of Big Data to evaluate and assess what is working and what is not in terms of investment stimulation both in Fife and elsewhere.

Online/social connections to potential investors.

Better ways of connecting “talent supply” to “talent demand” using social platforms to connect employers to graduates and skilled labour.

Digital Service provision – going beyond online automated/ predictive services

Development of community portals and social platforms to foster local discussions and engagement

Better collaboration and social platforms connecting supply & demand to mobilise “self-help”



Providing a “digital platform” to enable community ownership of assets, e.g. booking and payments solution

Better use of “open data” by communities to support empowered decision making, e.g. on participatory budgets, crowd-sourcing or funding approaches.

# A Digital Council Delivering for Fife

## Our focus and priorities



## Key considerations



### Develop

Developing our capabilities as an organisation to maximise the potential of digital.

- Digital mindsets and practices
- Routes to innovation
- Use of data and analytics
- Product and delivery approaches

- What steps are Services intending to take to develop their culture, capabilities, staff skills, use of data and analytics and overall capacity to support their digital outcomes and plans?

### • Improve

- Using digital solutions to improve what we do today and how we do it.
- Operational efficiency
- Decision making
- Mobile and flexible working

- What areas are required to improve performance through the adoption of new digital solutions? Can these improvements be expressed in terms of a tangible business challenge, e.g. “we need to move from x to y in a given timescale”.
- How can you use existing platforms and technology investments to achieve that?

### Transform

Harnessing digital to create completely new services and ways of doing things to create new value or outcomes not previously possible.

- Education
- Health & Social Care
- Community empowerment
- Customer services

- What services are unsustainable in delivery terms and should be completely re-designed using new digital capabilities?
- What new digitally-enabled operating model is possible?

# A Digital Council Delivering for Fife

## Our focus and priorities



## Key considerations



### Innovate

Exploring new or emergent technologies to establish their potential for us as a Council.

- Smart housing
- Smart places and assets
- Smart care
- Artificial intelligence

- What further exploration, innovation or “proving” is required in terms of digital potentials to inform future plans or test out digital potentials?

### Renew

Replacing legacy systems to provide an agile foundation on which to build new transformation and improvement.

- Oracle
- COMIS and Housing
- SWIFT
- SEEMiS
- Technology and VOIP

- What existing systems or technologies are “legacy” and need to be replaced?
- What benefits will this replacement also bring by utilising new, more modern approaches?

### Maintain

Maintaining areas which must stay in focus of we are to continue to operate as a modern, digital Council.

- Security and privacy
- Cost and sustainability
- Responding to climate change

- What actions need to be taken to ensure plans are sustainable within existing Council resources and what opportunities exist to re-use existing digital capabilities?
- If new solutions or resources are required, how will the required resources (staff, funds, skills etc) to deliver and sustain these be secured and maintained through implementation and lifespan of that new solution?
- What impacts need to be considered in terms of security, privacy, environmental, ethical or exclusion concerns?

# Digital Strategy 2020-2023

A Digital Council delivering for Fife

People don't want to buy a quarter-inch drill.  
They want a quarter-inch hole.

**Theodore Levitt**

Former Harvard Business School marketing professor



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# 1. Introduction

- 1.1. In creating a Digital Strategy for Fife Council, the real question for many reading this will be - “why should I care?”. Some will be interested in how we intend to progress digitally and even the technologies, approaches and solutions we may use. Many more will care about the outcomes, about ensuring delivery meets expectations and that we are making the right choices and grasping the opportunities they would expect us to when it comes to delivering 21st century services to the public.
- 1.2. Digital and technology solutions are an intrinsic element of daily life. The word “integral” is not too strong a description in terms of the role digital technologies play in our lives every day. Similarly, digital solutions and technologies act as a key and critical enabler for all of the varied and diverse services provided by the Council.
- 1.3. That impact is set to grow. Recent years have seen an explosion of new technologies which present a set of new opportunities to improve and transform what we do within the Council. These technologies, properly harnessed, have the ability to not only transform services, but also change the way we engage with the people of Fife and, ultimately, positively impact on key priorities and outcomes laid out in the “Plan 4 Fife”.
- 1.4. There is another, and perhaps more important factor, ensuring services to the public can rapidly evolve and continue through events such as the COVID pandemic. Where services are supported by the right digital approaches, they can adapt quickly and continue to protect, deliver for, and support the people of Fife. These events have not only underscored the importance of the right digital approaches, but also have enabled the rapid development of new services and solutions, often in collaboration with partners across Fife and beyond.

- 1.5. Digital has underpinned new approaches, ways of working, and the “Team Fife” approach which has seen us working quickly, collaboratively and effectively to meet these unprecedented challenges.
- 1.6. In considering our approaches within the Council, we have noted that organisations who “do digital well” all share the same traits:-
- They don’t see digital as purely an “IT thing”, but rather a capability which needs developed throughout the organisation. The Council’s Business Technology Solutions service (BTS) plays a key role in supporting the technology elements of digital delivery, but the requirements of the Strategy extend beyond that into developing a digitally skilled and capable workforce with the right management and leadership approaches as well.
  - They focus on customer needs and issues and design services around those with one eye on the technology and keeping up-to-date with what’s possible.
  - They exploit, re-use and join-up capabilities and systems both within and outwith their organisation to deliver new solutions quickly and cost-effectively.
  - They work collaboratively in multi-disciplinary teams to plan and execute digitally-enabled change.
  - They think boldly and innovatively about how services can be delivered, even if that means a radical departure from the way it’s done today.
  - They consider change in a holistic way across the organisation and don’t work or operate in organisational siloes.

- 1.7. Previous strategies have focussed on the deployment of technology solutions and enablers to improve Council delivery. These have delivered a range of operational improvements and efficiencies which have been essential to keep pace with service demand while reducing costs and resources. That continual review of new technology opportunities to improve what we do remains a part of this Strategy.
- 1.8. It is also important to note that the term “digital” does not simply refer to online or web services as many in the past would have viewed it. As will be evident from the scope of this Strategy, the opportunities to develop new digital solutions and approaches are far wider than that. This Strategy also marks a watershed in our approach as it acknowledges more formally that the successful delivery of technology alone is not enough to meet current and future demands. This Strategy also recognises that, to be successful in future, we must acknowledge the following key influences:-
- Customers & Communities
  - Our Digital Workforce
  - Maintaining trust and protecting services
  - Technological change & opportunities
  - Shifting “legacy” systems and approaches
- 1.9. These influences are outlined further in Appendix A and have informed and driven the main delivery themes outlined in this Strategy.
- 1.10. Importantly, this Council Strategy is also intrinsically and clearly linked to the wider Digital Vision for Fife which has been prepared to more directly link to the Plan 4 Fife.

## 2. A Digital Vision for Fife

- 2.1. We want a digitally inclusive Fife that ensures that everyone learning, living, visiting and working in Fife has the best digital experience possible.
- 2.2. This Strategy aligns to the “Plan 4 Fife” and the 4 key outcomes:-
- Digital **opportunities for all** so everyone has the support, motivation, skills and confidence to use technology safely in their daily lives to improve their health and wellbeing.
  - Digitally connected **thriving places** to make it easier and affordable for people to get online wherever they are.
  - Investment in Fife’s digital infrastructure and skills development to support the local economy **through inclusive growth and jobs**.
  - Broader participation in local decision making and community life to improve **community led services** using digital technology.

Tech Enabled Care – better use of IoT and sensors to both extend opportunities for “stay at home” care and predict/prevent poor outcomes.

Provision of Fife-wide opportunities for connectivity and digital skills to ensure all can engage and are digitally included.

Development of new Digital Education initiatives – Parents portal, cloud-based “device per pupil”, Virtual learning solutions to widen access.



Development of technologies to rapidly alert and even predict “at harm” situations – better integration/ sharing of data, monitoring technologies, artificial intelligence and prediction.

Co-development of courses/ opportunities between colleges and universities and the public sector.

## 2.3. Our Digital Ambition Opportunities for All

- 2.4. Digital can help us deliver greater Opportunities for All in all aspects of public sector delivery – from education and vocational training to social care and protecting the most vulnerable in our communities.
- 2.5. Digital has the capability to connect, alert and extend services beyond current physical and resource constraints. Our ambitions digitally are to ensure that we are maximising opportunities for people in Fife at every stage in life – whether that is enhancing the experiences of our learners, ensuring pathways into work or supporting people requiring care to live as full and independent a life as possible at home supported by digital technology.

Smarter Housing – more targeted support for tenants, more online capabilities, smart home technologies to manage bills

Smart home and power technologies to encourage a greener life and tackle fuel poverty.

Innovative apps and technologies to support transport and mobility, e.g. find a parking space, Demand Responsive Transport? When's my next bus?



Development of technologies to capture and eliminate anti-social behaviour, e.g. fly-tipping, noise, dog-fouling, etc.

Public infrastructure which reports its own faults and provides predictive failure potential



## 2.6. Our Digital Ambition Thriving Places

- 2.7. Digital technologies have the capability to improve where we work, live and play under the Plan for Fife theme of Thriving Places.
- 2.8. Our ambition is to ensure that our Thriving Places are engaging, safe, well looked-after and easy to travel to and from.
- 2.9. Our High Streets, Community spaces, and Workplaces are also having to evolve to meet the challenges of an increasingly digital world. Our aim will be to ensure that these places are responding to these challenges and we are finding innovative new ways to re-energise them.
- 2.10. Ultimately, digital developments have the ability to both impact and shape the concept of “place” in Fife. Our ambition is to ensure that we are tapping into the best capabilities to deliver thriving, safe and attractive places throughout the region.

Development of digital solutions to support tourism – Augmented & Virtual Reality solutions, developing more online capabilities, public wifi, use of data sources to provide insight.

Provision of effective and universal digital infrastructure throughout

Fife not simply in conurbations. Providing an infrastructure reflecting the changing nature of work, e.g. self-employed, home-working etc.

Inward investments in emergent technologies like IoT, biotech, fintech.



Better use of Big Data to evaluate and assess what is working and what is not in terms of investment stimulation both in Fife and elsewhere.

Online/social connections to potential investors.

Better ways of connecting “talent supply” to “talent demand” using social platforms to connect employers to graduates and skilled labour.

## 2.11. Our Digital Ambition Inclusive Jobs and Growth

- 2.12. We are all working in, and getting services from, a growing digital economy. When considering how we can deliver Inclusive Growth and Jobs it is vital we consider the digital opportunities for Fife. This is especially important as we face the economic challenges raised by the COVID pandemic.
- 2.13. At one level, attracting businesses to Fife through the creation of the right digital conditions – such as the availability of world-class connectivity and skills – is essential to the future success of Fife and the people who live here.
- 2.14. In recent years, we have been successful in establishing new business in Fife in areas such as financial technology, but more needs to be done to ensure that we are making up for the loss of jobs in traditional industries and tapping into the growth prospects of the new digital economy.
- 2.15. At another level, our ambition is that digital drives greater growth in Fife's economy. Tourism is a great example of this. As a significant income stream for Fife, using digital solutions to both ease and enhance the tourist experience, in turn attracting more tourists to the area. This generates further growth and jobs in industries supporting tourism.

Digital Service provision – going beyond online automated/predictive services

Development of community portals and social platforms to foster local discussions and engagement

Better collaboration and social platforms connecting supply & demand to mobilise “self-help”



Providing a “digital platform” to enable community ownership of assets, e.g. booking and payments solution

Better use of “open data” by communities to support empowered decision making, e.g. on participatory budgets, crowd-sourcing or funding approaches.

## 2.16. Our Digital Ambition Community Led Services

- 2.17. The aspiration of Community Led Services is that communities will not only experience more responsive services, but also services which are more aligned and joined-up to meet specific community needs.
- 2.18. We know from recent analysis that different Fife communities can have quite different priorities and demands of public services. They may expect the same range of services and information, but often with a different view in terms of their relative importance.
- 2.19. We also want to see communities better informed and more actively engaged in what is going on in their area – ultimately taking a more active part in, or even ownership, of that delivery. That can be facilitated through digital channels and it also means ensuring that communities have access to data and information to help them make decisions in this respect.

# 3. The Roadmap for a Digital Council

- 3.1. To meet our digital ambitions for Fife, the Council must itself ensure that it is fit to adopt digital approaches and harness the opportunities that digital technologies can bring.
- 3.2. Our digital approaches can be represented in these 6 themes:
- **Develop**
  - **Improve**
  - **Transform**
  - **Innovate**
  - **Renew**
  - **Maintain**

## Develop

Developing our capabilities as an organisation to maximise the potential of digital.

- Digital mindsets and practices
- Routes to innovation
- Our use of data and analytics
- Product and delivery approaches

## Improve

Using digital solutions to improve what we do today and how we do it.

- Operational efficiency
- Decision making
- Mobile and flexible working

## Transform

Harnessing digital to create completely new services and ways of doing things and to create new value or outcomes not previously possible.

- Education
- Health & Social Care
- Community empowerment
- Customer services

## Innovate

Exploring new or emergent technologies to establish their potential for us as a Council.

- Smart housing
- Smart places and assets
- Smart care
- Artificial intelligence

## Renew

Replacing legacy systems to provide an agile foundation on which to build new transformation and improvement.

- Oracle
- COMIS
- Housing
- SWIFT
- SEEMiS
- Technology and VOIP

## Maintain

Maintaining areas which must stay in focus of we are to continue to operate as a modern, digital Council.

- Security and privacy
- Cost and sustainability
- Responding to climate change

# 4 Develop

## 4.1 Digital Mindsets and Practices in our workforce

4.2 A strategy based purely on technology will not, on its own, deliver a digital Council. We know that technology has the power to amplify the wrong processes, culture and behaviours just as effectively as it can amplify the best. We also now know that rapid changes to the way we work – such as the recent major shift to home working – are possible and may even have advantages going forward for our staff and customers.

4.3 To properly harness that, we must support the development of a Digital workforce who are confident to operate in these new ways. We will identify and develop the people and capabilities required to make digital work and this will focus on these key elements of both mindset and practices within our digital workforce.

4.4 In linking technology and workforce considerations, we have identified particular areas of focus for us as a Digital Council. These will be more fully explored within the Organisational Development (OD) Strategy.

$(\text{Mindset} + \text{Practices}) \times \text{Technology}$   
 $= \text{Digital Capabilities}$



# Mindset

## Culture

- Work is what you do, not where you do it
- We are self-directed based on outcomes, working dynamically cross-team/s
- We strive to increase collaboration and networking across the Council and with partners
- We act as digital coaches to others
- We value creation and innovation as competences
- We bring our digital skills from outside to inside work
- We foster and engage with new thinkers

## Behaviours

- How we work matters, and we will be working digitally
- We will embrace behaviours to meet the need of our digital future
- Continuous improvement - from reaction to proaction and prediction
- Trust and empowerment
- Collaboration and communication
- Self-directed learning - taking responsibilities for own learning

# Practices

## Leadership

- We will create adaptive leadership styles in response to:
- fluid teams, matrix management
- outcome-focused working
- people in remote locations, without standard working hours
- multi-skilled teams
- Our leaders will prioritise
- ensuring shared vision
- modelling digital behaviours, becoming digital savvy
- maintaining connectivity
- enabling employees to feel safe taking risks and trying new ideas

## Performance

- We will work to understand how data can drive performance and improvement
- Performance information will increasingly be available in real-time, and accessible to individuals
- We will gather learning at the point of need - just-in-time not just-in-case
- We will ensure ongoing good quality conversations through our Talking Points approach.

## Skills

- We will develop essential digital skills for all - no employee left behind
- Through development of a 'Fife Council Digital Toolkit'
  - Data & analytics
  - Collaboration & communication
  - Security & verification
  - Creation & innovation
- We will develop skills identified through workforce planning
- By enhancing our skills we can share these with our communities

## 4.5 Routes to Innovation

4.6 If we are to harness the opportunities offered by digital, we must find a way of more effectively exploring innovative new technologies and their potential for us as a Council. More traditional approaches to delivering change often work at a pace which mean that opportunities to improve or transform digitally are lost through:-

- A lack of awareness of the “art of the possible”.
- Attempting to create a fully formed business case right at the inception of what is essentially an unknown and unproven digital opportunity. This is something which is increasingly unnecessary as “technology exploration” can now be undertaken relatively cheaply without the need to invest in and justify significant infrastructure costs to explore.
- Attempting to plan and justify action against a backdrop of continual and rapid technology change which can render plans and justifications obsolete if the process is overly lengthy.
- An unnecessary risk aversion, which again, fails to reflect the reality that many explorations can be conducted without significant resource requirements.
- A lack of motivation to push through unnecessary bureaucracy without a high degree of assurance that a solution will work.

4.7 We have recently established and are currently trialling a Digital Innovation Hub which will focus on providing a route to stimulate and channel innovation. The role of the Innovation Hub, working with BTS, will be to assist Services in understanding “the art of the possible” and stimulate new areas for exploration and then rapidly commission “proofs of concept” to explore whether solutions will be viable before more significant investment or change activity is required.

## 4.8 Our use of data and analytics

4.9 The data stored within our systems alongside greater opportunities to link that data to other published or gathered data, e.g. climate/weather data, provides new opportunities to develop greater insight into our customer's needs. This can unlock new ways of improving our service performance and delivery.

4.10 We can now exploit digital capabilities to see patterns in data which could be challenging for us to achieve purely through manual means. The human element of this digital capability is in understanding what this new intelligence is telling us and how these new insights can generate new ways to improve or redesign our Council Services.

## 4.11 Project and delivery approaches

4.12 Delivering digital solutions at scale and effectively will require adjustments to the way we deliver and run projects. Resources and funding will be challenging, and the pace and development of technology means there will be more opportunities than we can reasonably deliver. It is imperative that we back the right solutions and maximise the benefits while minimising the additional costs and risks. We will be looking to address the following:-

- The need to develop greater agility in project approaches and developing new tools to support that, meaning less effort preparing and administering projects and preparing reports. We will explore a project and programme management solution built on top of Microsoft SharePoint to achieve that.
- Up-front analysis to ensure that we are striking the right balance between re-using what we have and buying completely new solutions.
- Developing and improving our capability to estimate, prioritise and deploy the resources required to deliver new solutions quickly. Where appropriate, ensuring that low or medium complexity solutions can be delivered with minimal technical effort and supporting a network of Service-based Digital Champions, professionally supported by BTS.
- Ensuring that digital solutions can be reused to maximum benefit, e.g. ensuring they are not overly specialised and can easily integrate technically to other Council and partner's systems.

# 5. Improve

## 5.1 Operations and service delivery

5.2

In recent times, we have implemented, and will be further developing, a series of “digital enablers” which can be applied to any Council Service or system to deliver improvements on existing processes, systems and services. These are:-

- Mobile Working and scheduling capabilities (TotalMobile) – a digital platform which enables the management of mobile workforces and mobilisation of any existing system, enabling mobile and community-based workers to automatically receive jobs and access and update information in real-time.
- Business Intelligence tools (Microsoft Power BI) – Standardised reporting and dashboarding which can provide management information from any system, graphically and with drill-down to detailed data on any device, anywhere.
- Robotic Process Automation (Thoughtonomy) – capabilities to automate and replicate many current processes or functions executed manually or with manual steps or interventions. This includes the potential to “read” and act on emails, forms and documents as well as undertake decision-making and assessment activities.
- Standard and automated document storage workflow, collaboration and management (Microsoft SharePoint).
- Conferencing, collaboration and co-production tools (Microsoft Teams) – a rapid way to create collaboration area enabling groups of people across the Council or even in other agencies to collaborate on projects, documents or proposals in real-time again from anywhere on any device.

- Small-scale web applications development and integration tools (Microsoft Office Power Apps and Power Automate) – to create agile and specialised small-scale apps which can be distributed through Office 365 to tackle specific business problems for which there is no commercial alternative.
- Microsoft Office 365 and Windows Virtual Desktop – providing the Council “in the office” tools and environment securely anywhere on any device.
- Employee engagement – providing an effective communications and engagement solution for informing and interacting with employees on their own devices and at their convenience. This has the potential to extend to much greater levels of interaction down to team or individual level, potentially integrating other tools to ensure we are really connecting to our workforce digitally.

5.3 Investing in these tools once, but for use Council-wide, ensures we deliver value as quickly as possible for as little cost as possible. Tools such as TotalMobile have demonstrated that they can be applied in areas as diverse as Social Care and Building Services and can deliver 20% productivity gains – more than capitalising on that single, adaptable technology investment.

5.4 Throughout the recent pandemic, we have demonstrated that these solutions can not only be brought to bear rapidly, and at little or no cost to keep vital Services running, but can also deliver significant new services and benefits in days or weeks to meet the demands placed on us.

5.5 In addition, almost all these enablers are cloud-based “pay as you use” tools meaning we pay for what we use and nothing more. We also don’t need to implement significant infrastructure to run them. This capability to be agile if we use what we have is essential to success in delivering benefits from digital transformation,

# 6. Transform

## 6.1 Education

6.2 Our digital priorities for Education are aimed at addressing these main priorities:-

- Continuing to improve the digital skills of teachers through focussed CPD, enabling the integration of digital throughout the curriculum and building on the growing number of Fife Schools who have already achieved Digital Awards status. We have recently accelerated our efforts in this area, with thousands of teachers now equipped and skilled to create online and digital materials for learners. We will now build on that to develop new learning materials and update our approaches as new technologies emerge.
- Switching to cloud-based learning tools to ensure that children are using the best and most up-to-date digital resources for learning and can do so from any device both in and out of School. This has the added advantage of enabling cheaper, but more flexible, device offerings in Schools and could free up funds to deliver even greater bandwidth, enabling more innovative multi-media based learning opportunities.
- Delivering greater bandwidth to all Fife Schools starting with upgrades to 1Gbps for all High Schools next year, opening up greater access to a wider range of digital skills for pupils.
- Utilising new virtual classroom and video-based learning capabilities to extend learning opportunities across Schools, building on our current VScene pilot and following the successful deployment of these approaches in the Western Isles.
- Working with partners in SEEMiS and GLOW to increase the opportunities for parents to get more actively engaged in their child's learning and progress.

## 6.3 Health & Social Care

- 6.4 Social Care is facing a tipping point in terms of demand. It is challenged to meet current demands and we know that, demographically, the gap between what needs to be delivered and the resources that can be provided – is likely to grow.
- 6.5 There has been a significant degree of work carried out in optimisation of our highly-mobile workforce. Both the recent “Care@ Home” project and our project to more closely manage external care provision have delivered significant benefits in terms of productivity and opening up capacity to cope with growing demand.
- 6.6 While more work in this area will be explored, simply optimising what we do is likely to be insufficient to keep pace with demand and this is one area where digital transformation is of paramount importance. Of importance will be the replacement of the core social care management platform, SWIFT. More on this in our later section on RENEW activity.
- 6.7 A newly-formed and cross-agency working group will be considering the areas where digital solutions can be delivered to have greatest impact, but there are several areas we anticipate will require to be explored further and developed:-
- The exploration and development of new and more affordable sensor-based technologies to more closely manage and monitor conditions in people’s homes (See “Innovate - Smart Care”). These new telehealth and telecare provisions will greatly augment our existing care approaches and enable more people to be cared for at home safely.
  - Secure integration of data across the areas covered by the Health & Care Partnership. Following the replacement of SWIFT, we will undertake implementation of a single Health & Care portal for practitioners, bringing key data sources to one portal, improving care decisions and facilitating integration of processes as a follow-on stage.
  - Better use of Business Intelligence, resource utilisation and reporting in Social Care, providing a more solid basis for decision-making as evidenced in previous mobile projects such as Building Services.



6.8 This, alongside the continuing mobilisation and replacement of SWIFT, will form the basis of the forward Digital agenda and roadmap for Social Care.

## 6.9 Community Led services

6.10 Another area of transformation, driven by public demands and Government policy around community empowerment, is the need to ensure communities have a real say in the nature of services delivered to them. As mentioned earlier, the growth in social media and digital collaboration has provided a means by which individuals and groups can now effect real change and are eager to do so. This expectation is something which challenges the more traditional delivery and design of public services and radically changes the nature of engagement between citizens and agencies like Fife Council.

6.11 These technologies have been invaluable in recent months when we have had to work very closely with partners and communities to develop specific and effective responses to the COVID pandemic. This has demonstrated the real value of digital engagement and we are keen to capitalise and extend this.

6.12 A Communities Programme Board has been established to drive forward change in this area and has the dual objective of enabling community empowerment and ownership as well as joining up relevant services to provide a single “community-facing” provision.

6.13 The key element of this is the establishment of a Communities digital platform or integrated offering, which will aim to bring several areas of community-related provision into one single engagement. This will draw together several areas of initial digital focus:-

- Participatory budgeting – following a model initially piloted successfully in Madrid and now across several government agencies globally as well as being adopted as a Scottish standard for community consultation going forward.
- Digital consultation – this solution could be used to gather consultation on other community initiatives and plans or explore suggestions for changes to community provision.
- Digital Planning – contributing to, and integrating with, Scottish Government plans to transform the planning and land use processes throughout Scotland.
- Engagement and support around the transfer of community assets into community ownership.
- A one-stop booking and payments solution for individuals or groups looking to book or use community assets, sports facilities, halls, etc.

## 6.14 Digital Customer Services

6.15 While Fife has been successful in placing many services on-line, there is still much more work to do on that respect to provide the level of digital service provision most citizens would expect from a service provider like the Council.

6.16 Working in tandem with the Customer Programme, which is developing a new and unified approach to Customer Engagement, we will be undertaking the following improvements as part of the Digital Strategy:-

- Delivering a new web-site to replace FifeDirect and deliver a modern presentation of services capable of being used on any customer device.
- Creating a new customer account to enable an individually customised view of Council services, integrating to national identity solutions for wider public sector use.
- Implementing a new standardised “e-forms” based solution facilitating the agile creation or amendment of digital services with a standardised look-and-feel for all Council services – and, again, accessible on any customer device.
- Using automation to create new “end-to-end” digital services – minimising the delays and improving our communications, especially where issues develop as a result of current manual interventions in our customer processes.
- As part of our “Innovate” theme, looking at the potential for Artificial Intelligence, in the form of chatbots, to provide a means of improving call-handling rates and freeing up agents to handle more complex enquiries.

6.17 During the later stages of the period covered by this Strategy, we will also be reviewing the main customer management solutions used both for internal staff (Assyst) as well as the system used for external customer contact (LAGAN), alongside other similar “Case Management” systems and considering whether further consolidation of these may make sense in terms of opportunities for cost reductions and further efficiencies within the Council.

# 7 Innovate

## 7.1 Smart Housing

7.2 We continue to work actively with Government and major fibre and mobile network providers to develop our public digital infrastructure across Fife. Not only is this important for Fife citizens, learners, visitors and business, but it is also essential if we are to drive new and innovative approaches based on “smart sensor” technologies, also known as “Internet of Things” or IoT solutions.

7.3 Equipping a home with smart sensors has the potential:-

- To alert us immediately to any serious issues arising within a property by either automatically remediating the issue or automatically raising a call and scheduling a repair automatically on the tenant’s behalf.
- To monitor devices within properties (e.g. boilers) over the longer term enabling us to analyse, predict and act on issues before they become more serious, costly and disruptive for the tenants.
- To cut inspection or monitoring effort by enabling 24x7 monitoring remotely.
- To allow tenants to receive data and even recommendations about items in their own home, e.g. on power usage, to enable them to more effectively manage their own situation.

7.4 These could, collectively, reduce costs and risks at the same time as improving the tenants overall experience within their home.

## 7.5 Smart Places and Assets

- 7.6 Another area of significant potential for these solutions is the inspection, care, maintenance and monitoring of community and “place-based” or “street-side” assets. The explosion of smart-phones fitted with miniaturised smart sensors in recent years has seen prices tumble for sensors (heat, light, pressure, speed/acceleration, position, proximity, motion, etc) which would previously have been too costly for us as a Council to deploy at scale.
- 7.7 It is now potentially cost-effective to fit suitably protected variations of these cheap sensors to monitor, collect and transmit real-time data from an inventory of “network-connected things” across Fife. These could be as diverse as grit and waste bins, street lights, car parks, road surfaces, street signs or even collect and automatically interpret data from cameras to identify issues, protect assets or detect potential problems.
- 7.8 With the replacement of our legacy asset management systems with more modern systems with an “IoT-ready” capability, there are a variety of potentials here which could transform the way we manage and maintain community assets.
- 7.9 In addition, we will consider extending similar “Smart Home” technologies to community assets such as halls and consider a similar set of benefits to these properties.

## 7.10 Smart Care

- 7.11 In the same way as we can detect, monitor and manage assets, there are also potentials for IoT to transform the way we manage and deliver care. There is a rapid growth in affordable health-monitoring devices, which can be paired to smartphones via Bluetooth or transmit privately and securely over public networks. This opens up significant potentials for individuals to self-manage or “co-manage” conditions under professional health and care supervision.
- 7.12 Acknowledging that there are privacy and other human issues to consider, there are undeniable benefits to the use of sensors in enabling greater capabilities for individuals to be safely cared for at home. There are several wider initiatives underway, such as the development of a Scottish Health and Care National Digital Platform, which aim to provide a safe, secure and standard way of managing health data from these devices. These can enable new options for “out-of-hospital” care for chronic conditions and drive detection or prevention of acute conditions through analytics applied to the data captured from these devices.
- 7.13 While this is not altogether something new, analogue (phone-based) systems of Telecare have been used in Fife for many years, there is the potential for digitisation to further extend capabilities and integrate to computerised systems or each other, at a much reduced cost. This could be a major benefit in tackling the growing demands arising from an ageing population and could also reduce the risks and costs associated with cases progressing to hospital-based care.

## 7.14 Artificial Intelligence

- 7.15 Another area of innovation and exploration will be the wider use of Artificial Intelligence or AI. Currently, specific examples of artificial intelligence have been applied to some systems, for example to prevent or detect payment fraud or dynamically schedule work for a mobile workforce.
- 7.16 However, through significant growth in availability of new sources of data and raw processing power at reduced cost, AI has developed to the point where it can be applied to much more complex activities such as driving a car, recognising faces, navigating to avoid traffic etc. With the potential to analyse and predict outcomes using patterns from multiple public data sources, e.g. climate/weather, traffic patterns, visitor patterns, organisations like Fife Council can start to more effectively plan for future events. Major retailers use AI to analyse climate, stock levels in stores and buyer's behaviour (and even TV schedules) to automatically restock supermarket shelves and minimise costs of supply and wastage. Councils have yet to catch up with this potential and we aim to explore new and innovative ways in which AI can deliver benefits to our citizens.
- 7.17 This could also provide transformational potentials for the Council in terms of providing new avenues of automation in customer interaction. This would mean identifying and acting on interventions early to avoid future undesirable events or failures which mean poorer outcomes, service failures and, ultimately greater cost financially or societally.
- 7.18 As an early project, we will be exploring the use of AI-driven chatbots to handle the bulk of routine customer calls (a technology well-established in other industries). This aims to provide a more consistent and rapid customer response as well as freeing up customer-facing staff to handle more complex or involved enquiries.

# 8 Renew

## 8.1 Legacy Systems replacement activity

8.2 During the next 3 years covered by this Strategy, a number of key systems will be renewed. In this respect, this will be one of the most intensive periods of change and systems replacement activity the Council has ever experienced. Dealing with the COVID pandemic has shown that, where technology and systems are kept up-to-date, service delivery can continue and even rapidly evolve to meet demands.

8.3 Several of our systems require replacement either to move them on to new platforms with more modern functionality in support of new service priorities or because they are systems which can no longer be effectively supported and maintained in line with business needs – or, in some cases, a mix of these two.

8.4 Over the next 3 years, these include the following:-

- **Oracle eBusiness Suite and iTrent HR/Payroll** – these are currently moving to a single, integrated and cloud-based Oracle Cloud solution. This is expected to reduce costs of IT operation, improve self-service, reduce manual effort resulting from HR and Finance being in two separate systems and provide new HR capabilities in areas such as development, talent and performance management.
- **COMIS** – our in-house asset management system written over 20 years ago and last upgraded in a major way in 2001-2002. This system is now unable to meet business or technical requirements and formal on-going support was removed as the result of IT savings back in 2008/9.
- **Housing** – our existing Housing system, Genero, is no longer fully supported by the software provider and we will be replacing this with a new offering, known as CX. This is scheduled to happen during 2020 and 2021 in a phased delivery.



- **SWIFT** – our main social care system, SWIFT has been in place for almost 20 years, but formal support is being removed by the supplier. The new solution will be the chosen following a procurement exercise being undertaken at the moment with the new system scheduled to go live during 2021.
- **SEEMiS** – this is the main Education system used as the core School and Pupil Management system in all Councils in Scotland, including Fife. This system will be replaced by a new, web-based system which will also incorporate new functionality for parents as well as for Schools.
- **Telephony and VoIP system** – the Council's current phone system will need replaced by 2022 and we are currently examining options for this with a view to executing a replacement project in 2021. This will require us to look at the current usage and trends related to phone usage both internal and external to the Council. This will also reflect on the significant growth in the use of tools such as Microsoft Teams and devices such as smartphones and tablets to minimise the costs which would have traditionally been associated with such a major upgrade.
- Other projects will need to be undertaken towards the end of the 3-year period of this Strategy. We will also need to review and potentially replace the Council Tax, Revenues and Benefits System (ORBIS) and the cash receipting solution, Civica Pay. Work will commence on analysing options within the next 12-18 months.

8.5 For all these projects, we will consider cloud-based solutions as a preference over in-house managed systems and will look to ensure that these systems are open, modular, and can be properly integrated with other Council systems complying with service design principles as a matter of course. We will also ensure that these have “whole life” costs which are sustainable and supportable in the medium to long term.

# 9 Maintain

## 9.1 Security & Privacy

9.2 Digital Service delivery will be greatly damaged if the public do not have a high degree of trust or assurance in these services. Given the broad range of digital delivery in train, across all Council Services, reputational damage caused by a failure to properly secure or protect privacy in a single service could have a wide-ranging negative impact across several services. Loss of public faith in digital services is not easily regained and, since the Council would not be in a position to revert to manual service delivery, this is a situation we must avoid.

9.3 This means mandating that all new digital offerings use the established Solutions Assurance process to ensure privacy and security considerations are handled prior to any procurement of a digital solution – whether the Service will ultimately be operated as a technology platform by the Council or not. It is not acceptable, given the risks outlined, for any supported Council Services to self-commission systems which contain or process Council data.

9.4 Even today, most security issues are caused by people and not failures in technical controls. Therefore, we will continue to develop and update training and guidance to all staff on data protection, cyber-security risks and information management ensuring staff keep up-to-date with these. To supplement that, and to ensure that awareness is maintained, we will also conduct regular and random “simulation” events to ensure staff are responding appropriately to potential threats.

## 9.5

To improve security and ensure privacy, we will:-

- Closely collaborate with national cyber/intelligence agencies such as the National Cyber Security Centre (NCSC) to ensure new risks are quickly identified, assessed and, if necessary, mitigation.
- Develop our “protective” approaches – by developing our newly-implemented “protective monitoring” solution and maintaining high operational compliance, such as ensuring regular patches are applied to managed environments.
- Maintaining a balance between security and usability with a focus on ensuring data is protected and managed rather than relying on locking down and managing devices, enabling non-Council devices or Council partners to access data securely.
- Working to ensure suppliers of IT solutions to the Council are appropriately accredited and risk-assessed as appropriate for the data they are processing.
- Ensuring that new systems, particularly those accessed over the internet by staff or citizens, do not simply rely on passwords, but also use other factors for authentication to absolutely verify that access is authorised and appropriate.
- Simplifying through the use of single, standardised and approved identity sources, whether that is for access by citizens or staff.
- Quickly acting on any “non-compliant” digital systems and services including shutting unauthorised services until a risk assessment can be taken and, where appropriate, remediation can be agreed.

## 9.6 Cost and sustainability

9.7 A continual and rapid rise in demands for technology will see technology costs continue to rise over the period of the Strategy unless we focus more effort on ensuring value, affordability and sustainability.

9.8 The adoption of cloud “pay-as-you-use” solutions presents both opportunities and risks to the Council. Managed and specified properly, this model can ensure that costs can scale or reduce as demand changes. However, monitoring and managing that consumption is imperative to ensure that costs do not increase unchecked and we will actively manage solutions to ensure we keep costs down.

9.9 Given that there are continued demands to make savings from technology budgets (as with most budgets across the Council), new digital solutions will only be progressed where they are fully supported by recurring funding to cover the costs of the solution and any Council or supplier support required to ensure the solution can be properly maintained over its lifespan.

9.10 During the period of this Strategy, this must be tackled conclusively by applying these measures as appropriate to all new and existing requirements:-

- For existing solutions, we will continue to ensure that reductions in staffing and support are only considered alongside appropriate reductions in the scale and number of digital solutions in place.
- For new requirements, the preferred approach will be to reuse technologies supportable within current IT resources. This means all new requirements will be reviewed with re-use in mind and must be actively discounted as an option before new solutions are considered.

- For some solutions, we will ensure we are maximising the means by which services can perform basic self-serve or self-support of technology solutions.
- Where new technologies must be implemented, we will be ensuring that staff and support costs are properly budgeted for through “whole life” costing, netting of costs from cashable benefits as appropriate.

9.11 It is through these means that we aim to ensure that technology costs and consumption are both managed and sustainable.

## 9.12 Responding to the climate emergency

9.13 In 2019, Fife Council passed a motion declaring a climate emergency, underscoring our commitment to reduce carbon emissions by 75% by 2035. In recent times, we have made several important steps to reduce our carbon footprint. Already, we have:-

- Cut power consumption from our Data Centres by moving from a system of forced-air cooling to free-air cooling.
- Ensured all equipment bought complies with standards designed to minimise power consumption.
- Switched from mechanical storage to solid-state storage where possible to further reduce power consumption.
- Enabled and sustained the recent huge growth in flexible and home-based working, cutting travel-to-work miles by our staff and potentially enabling further rationalisation of the Council's building estate (and associated power consumption).
- Enabled automated switch off and power down facilities which ensure machines are only powered on when in use.

9.14 We will continue to put the climate emergency at the heart of any future digital plans and further reduce the Council's carbon impact in Fife and deliver a greener Fife as a key aim.

# 10. How will this Strategy be delivered?

## 10.1 Background

10.2 A Strategy is not a Plan. It is an agreed statement of direction by the organisation and is used to frame and shape plans and prioritise our resources. This Strategy also highlights some of the known or expected elements of our overall Plan in the next 3 years – but it is not the finished product in that respect. As a Strategy, it must be owned and “made real” by Council Services themselves, supported, analysed and challenged professionally by Services such as BTS.

10.3 This Digital Strategy will be enacted both at a Council and Directorate level with more direct ownership and accountability falling to managers in the various services delivered by the Council than has been evident in recent years. A perceived ambiguity between “Council” and “Service” objectives must be addressed if we are to succeed and deliver digitally. Recent events have shown that the enabling technology is there, and solutions can be commissioned quickly if we exploit what we have. Management mindsets, accountabilities and culture will have to shift away from traditional “siloes” approaches if we are to succeed in delivering quickly and in a joined-up fashion.

10.4 Through the emerging Change and Reform agenda, Services will be actively engaged and will take ownership for the conversion of the Digital Strategy to action. While plans and actions are defined at a Service level, they must also integrate and work together to deliver a connected, digital Council as a whole. Individual and disconnected approaches will not meet the expectations that our customers, business, pupils and other agencies in Fife have of us as their Council.

## 10.5 Conversion to Delivery

10.6 In considering forward plans for Reform and Change, Services and Directorates will consider the potentials outlined in this Strategy and how they intend to develop their digital plans as a result.

10.7 These considerations will build on the 6 strategic Digital themes, i.e. Develop, Improve, Transform, Innovate, Renew, Maintain.

10.8 As part of the Reform agenda, Directorates will specifically consider, in business and not technology terms, how they intend to align to the Digital Strategy, considering questions such as those below:-

- **DEVELOP** – What steps are Services intending to take to develop their culture, capabilities, staff skills, use of data and analytics and overall capacity to support their digital outcomes and plans?
- **IMPROVE** – What areas are required to improve performance through the adoption of new digital solutions? Can these improvements be expressed in terms of a tangible business challenge, e.g. “we need to move from x to y in a given timescale”. How can you use existing platforms and technology investments to achieve that?
- **TRANSFORM** – What services are unsustainable in delivery terms and should be completely re-designed using new digital capabilities? What new digitally-enabled operating model is possible?
- **INNOVATION** – What further exploration, innovation or “proving” is required in terms of digital potentials to inform future plans or test out digital potentials?
- **RENEW** – What existing systems or technologies are “legacy” and need to be replaced? What benefits will this replacement also bring by utilising new, more modern approaches?

- **MAINTAIN** – What actions need to be taken to ensure plans are sustainable within existing Council resources and what opportunities exist to re-use existing digital capabilities? If new solutions or resources are required, how will the required resources (staff, funds, skills etc) to deliver and sustain these be secured and maintained through implementation and entire lifespan of that new solution? What impacts need to be considered in terms of security, privacy, environmental, ethical or exclusion concerns?

10.9 As part of the emerging Change and Reform agenda will ensure that:-

- We have an integrated approach across the Council.
- Plans are properly shaped, estimated and defined.
- Deliverables are aligned in the context of wider Council objectives.
- Resources are identified and prioritised.
- The right solutions can be delivered to meet requirements.
- That Services and management at a local level are enacting their key role of translating Strategy to plans and actions.
- And, ultimately, we are delivering on the promises of our Digital Strategy and creating an efficient, modern and connected Council.

10.10 The Council's Reform and Change approaches and governance are currently being developed. However, the Digital Strategy will form an essential underpinning to these plans and will directly influence how we shape, deliver and sustain digital approaches within the Council and as part of the "Plan 4 Fife".



## 11. Summary

- 11.1 The expectation of those who live, learn, work and visit Fife is that we deliver efficient, responsive and joined-up services taking advantage of modern digital capabilities as a key element of our delivery. To achieve that, this Digital Strategy outlines the ambition, opportunities and approaches to be taken to ensure Fife achieves that aim.
- 11.2 This is not a technology strategy. While it outlines technology opportunities and areas of potential, it also confirms our commitment to digital approaches as integral to our future plans and the way we work in Fife Council. This mirrors how integral it is to the daily lives of the public who rely on us as a Council.
- 11.3 This will inevitably mean adopting new cultures, mindsets and ways of exploring, proving and implementing digital solutions. We will ensure they are owned and designed by the people who are receiving or delivering those services and are best placed to shape them. Equally important, this will be done in a way which sees us re-use and integrate systems to deliver the efficient and joined-up services people and communities demand. We will approach this as a single and joined-up organisation, but ensure these new services, approaches and solutions are owned by those closest to the outcomes.
- 11.4 The Strategy lays out our approach within 6 key themes – Develop, Improve, Transform, Innovate, Renew and Maintain – and both highlights and challenges Services to think boldly and differently about how a digitally-enabled Council can develop our strategic aims in this area.

# Appendix 1. Strategic Influences

## Technology changes & opportunities

- Growth in internet and cloud-based services
- Ability to modularise and consume services ‘on demand’ rather than being ‘locked in’ to proprietary solutions
- Mobile, sensor and wearables - the ‘internet of things’ driving completely new service options
- Better and more open use of data to both improve services and open up decision-making to communities
- Developing analytics and Artificial Intelligence which can drive faster and better service delivery

## An increasingly digital workforce

- Improving productivity
- Reduction in bureaucracy and administrative activities
- A mobile workforce delivering in the communities they serve
- A flexible and progressive set of working practices supported by technology
- Freedom from mundane and repetitive tasks through automation
- A culture which facilitates innovation

## Customer & community expectations

- High awareness of what ‘good’ looks like
- ‘Real-life’ experience of how digital technologies can improve services
- Demands for greater transparency and joined-up service delivery
- Developing a culture of co-production and co-ownership of public service delivery
- Keeping data safe and ensuring privacy
- The Digital Vision for Fife based on the Plan 4 Fife

## Regulation, legislation, privacy and trust

- Drive to join up more services across government and voluntary agencies
- Regulation to protect government systems
- Delivery of systems from assured and trusted providers
- Data protection, records management and privacy regulation
- Managing the growing risks from cyber attack
- Ensuring service continuity as dependence on digital solutions grow

## Modernising & tackling legacy

- Modernising old monolithic systems with new open and modular solutions
- Building new digital mindsets with leadership
- Rethinking how systems are designed and delivered
- Challenging suppliers to change from 'locked in' systems to open, modular and cloud-based solutions at affordable cost levels
- Building systems which facilitate the integration of services



19th November, 2020.

Agenda Item No. 17

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## Severe Flooding - August 2020

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Report by: Ken Gourlay - Head of Assets, Transportation and Environment

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Wards Affected: Fife Wide

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### Purpose

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To update Committee on the severe flooding that occurred on 11<sup>th</sup>/12<sup>th</sup> and 25<sup>th</sup> August 2020 throughout Fife, to provide details on immediate mitigation measures put in place and additional works provided after the events and also to outline follow up actions to mitigate future problems.

### Recommendations

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It is recommended that Committee:-

- (i) notes the scale of the flooding events, the number of recorded locations and the scale of the follow-up drainage investigations to be carried out and the use of funding from an underspend on Quality of Life funding of £0.325m to instigate the initial list of follow up drainage investigations and complete a programme of offlet cutting and priority gully cleaning this financial year; and
- (ii) note that a review of roads drainage maintenance policy and standards including gully cleaning, ditch and offlet clearing to align policy within the available budget.

### Resource Implications

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To carry out all the identified investigations and follow-up works detailed in Appendix 1 to this report will require additional funding to deliver a proactive repair and maintenance regime. A programme of works to carry out flood mitigation measures will also be required and an underspend of former Quality of Life funding from another service area of £0.325m will be used to support this work in the current financial year.

### Legal & Risk Implications

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There is a risk that continued reactive mitigation could lead to a higher number of claims made to the Council for remuneration in line with perceived Council liability to protect private property. Carrying out investigation and follow up works will help to mitigate against this risk.

Scottish Government funding is available towards flood protection schemes, up to 80% of scheme costs, for projects that meet strict payback criteria. Usually, legal flood protection orders are required to deliver such projects and it can take many years from inception to delivery on the ground due to the processes involved.

Local authorities have a duty under the Roads (Scotland) Act 1984 to maintain road drainage systems and to keep roads clear of flooding. This duty can be frustrated by the incapacity of other drainage systems that are depended upon, but beyond the Council's span of control, to cope with additional flood water.

Such weather events are predicted to increase due to climate change and hence, there is the risk that it could happen again. There is an increasing requirement for the Council to respond in terms of climate change adaptation by working in partnership with other agencies and developing a longer-term programme of adaptation priorities to protect communities.

## **Impact Assessment**

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An EqIA is not required as this report does not propose a change or revision to existing policies and practices.

## **Consultation**

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Consultation has been undertaken with, Scottish Environment Protection Agency (SEPA), Scottish Water, Emergency Resilience, Finance and Corporate Services, and Communities Directorates.

## **1.0 Background**

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- 1.1. Fife was subject to severe disruption from extreme rainfall events on 11<sup>th</sup>/12<sup>th</sup> August and 25<sup>th</sup> August 2020 which caused severe flooding to many locations across Fife. There was damage to roads, structures, private properties, council buildings as well as service disruption.
- 1.2. A detailed list by date and location is provided as Appendix 1 to this report of all sites recorded as being affected on 12<sup>th</sup> and 25<sup>th</sup> August 2020. Whilst on this occasion the most severe disruption was focused on the mid and south areas of Fife this time, there is established knowledge there are also similar areas prone to severe flooding in North Fife.

## **2.0 Key Issues / Update on Progress**

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- 2.1 Fife Council receive regular warnings from both SEPA and the Met Office. A Yellow Warning for Thunderstorms was issued by the Met Office and a Flood Alert was issued by SEPA prior to the 12<sup>th</sup> and 25<sup>th</sup> August events. This is not unusual for this time of year. Included within these warnings is a risk matrix stating the likelihood and impact on the area. These warnings are on a large scale and included the whole east coast of Scotland and not focused on particular areas, towns villages or settlements. Leading up to the event of the 11<sup>th</sup> August, the SEPA risk matrix stated a Very Low Likelihood of Significant Impacts. Therefore, pre flood checks in line with the Flood Emergency Plan were carried out at all known locations where flooding is a known risk. Due to this level of warning, the duty Flooding Manager from Roads & Transportation Services carried out further investigation utilising the detailed weather forecasting service Fife Council use for assessment of extreme weather events in relation to winter maintenance and, in line with the Flood Emergency Procedures, Flooding Predicted and Flooding Imminent stage.

- 2.2 On 11th August, the Flooding Occurring stage of the Flood Emergency Procedure was implemented by the Flooding Manager and close liaison continued between Emergency Resilience, Flooding Manager and various council services and the media team throughout the next few days. The Recovery phase of the Flood Emergency Plan was implemented from Monday, 17th August 2020.
- 2.3 The same process was again followed from 25<sup>th</sup> August 2020 when storm Francis hit, with the Recovery Phase of the Flood Emergency Plan being implemented 27<sup>th</sup> August 2020.
- 2.4 It is important to highlight that 11<sup>th</sup>/12<sup>th</sup> August rainfall was a major storm event, one of the most severe ever encountered in Fife. This is evidenced by the information provided by SEPA in the table below:

Location	15 min	1 hour	4 hour	12 hour
<b>Kinghorn</b>	13.4 mm <b>(1:20)</b>	40.1 mm <b>(1:170)</b>	69.6 mm <b>(1:450)</b>	82.8 mm <b>(1:350)</b>
<b>Fife Airport</b>	15.8 mm <b>(1:45)</b>	40 mm <b>(1:180)</b>	73.8 mm <b>(1:700)</b>	105.6 mm <b>(1:1,000)</b>
<b>Kirkcaldy</b>	17.8 mm <b>(1:85)</b>	35.2 mm <b>(1:100)</b>	44.8 mm <b>(1:60)</b>	53 mm <b>(1:35)</b>
<b>Lathro</b>	14.4 mm <b>(1:35)</b>	21.4 mm <b>(1:10)</b>	31.8 mm <b>(1:10)</b>	57.4 mm <b>(1:30)</b>

*Maximum rainfall intensities for storm on 11-12 August 2020. Return period probability in years bold in brackets.*

- 2.5 Current national sustainable drainage design standards do not cater for this level of rainfall as the likelihood is so low. In many of the flood hit locations, the traditional drainage design standard, when constructed, would be the equivalent of a 1 in 5-year probability storm event for a maximum of 60-minute duration. As has been evidenced, Fife experienced rainfall at 1 in 20-year probability in a 15-minute duration in Kinghorn with other areas experiencing even greater rainfall events. The highest recorded rainfall was in Glenrothes area being worst hit with rainfall measured at Glenrothes Airport of 105.6mm overnight, equivalent to a 1 in 1000-yr probability rainfall event. This culminated in Police Scotland declaring a major incident through the Fife Local Resilience Partnership.
- 2.6 All the affected areas that the Flooding Manager was made aware of are detailed in Appendix 1. All areas were attended to over the period by on call personnel working 24 hours per day. A total of **129 personnel, 84 vehicles** and approximately **4300 sandbags** were deployed dealing with over **239** separate incidents over the period, between 11<sup>th</sup>/12<sup>th</sup> and 25<sup>th</sup> August 2020.
- 2.7 All flood pods were inspected and filled before, during and after the first event on evening of 11<sup>th</sup> August and, again, on the 24<sup>th</sup> August 2020. All trash screens and gullies in trouble spots were cleared before the events as part of the Predicted and Imminent stages of the Flooding Emergency Procedures and affected watercourses were also cleared of debris, having been washed down during the separate events. Gullies and screens were also inspected and cleared, as necessary, detailed within the Recovery stage of the Flood Emergency Procedures.

- 2.8 Appendix 1 provides a list of all sites affected on the two event dates of 11<sup>th</sup>/12<sup>th</sup> and 25<sup>th</sup> August 2020. This is split into date and location. Also provided is the reactive response at the time of being notified, short term response after the event and longer-term proposals, where considered appropriate. High level costs have been provided where available.
- 2.9 Fife Council as a Responsible Authority under the Flood Risk Management (FRM) Act have certain duties and responsibilities to fulfil. These are set out within the Local Flood Risk Management Plans (LFRMP), approved at Committee on 21<sup>st</sup> June 2016 (2016 E.C. 606).
- 2.10 Some locations affected are covered by these obligations at a strategic level. Cardenden, as an example, was highlighted as an area requiring further investigation with regards to the delivery of a fluvial flood study to examine the need to provide flood mitigation measures. Culross was highlighted as an area for consideration of flood mitigation against coastal flood risk. Further studies are planned for Glenrothes, Leven, Auchtermuchty, Cowdenbeath and East Wemyss all planned for completion before June 2021. In total, 16 Flood Studies, 9 Surface Water Management Plans, 2 Integrated Catchment Studies and 2 Natural Flood Studies are currently programmed for completion before the end of the first LFRMP cycle (June 2021) and, where appropriate and viable, works commenced on any design work for the provision of formalised Flood Protection Schemes commencing in the second LFRMP cycle.
- 2.11 Collaborative working with Scottish Water is delivering the above Integrated Catchment Studies for Dunfermline, Ironmill Bay (one study) and Levenmouth catchments (28 October 2014 Exec Committee 2014. E.C.375 para 489). These are examining the interactive process of both sewer flooding and flooding from overland flow, (i.e. surface water not entering the sewer system, or water running off fields) and how this combined flood water can be managed to mitigate flooding within these catchments. The information from these studies will confirm, at a strategic level, the Benefit Cost Ratio of carrying out any required engineering measures against the costs of flooding of the network and properties. From there, a financial bid to Scottish Government can be progressed if deemed a positive cost benefit. It is expected both studies will be completed in Autumn 2020 and 2021 respectively.
- 2.12 At a local level, discussions are ongoing with Scottish Water to jointly visit and examine all sites where the primary source of flooding was from the drainage network. It is important to note here that the flooding was severe and, as detailed at para 2.4 above, the rainfall events were far in exceedance of historical and current drainage design standards. In short, there are capacity issues when these rainfall events occur. The changing design standards, the increasing number of these severe rainfall events and climate change are all adding to the flooding events being seen throughout the UK.
- 2.13 Under current legislation, Fife Council have a duty to maintain the gullies and tails connecting the gullies to the main carrier pipe. Scottish Water, in the majority of cases, have the duty to carry out maintenance of the carrier pipe which is usually located within the carriageway. These sites are highlighted within Appendix 1 for further investigation and costs allocated for this investigative works are currently in the region of £0.002m per site for initial drainage clearance of any blockages and CCTV survey. The total value of this work is in the region of £0.600m. It is planned that this work will take place in the coming years subject to resources. Any larger scheme mitigation measures will be in addition to this figure and funding solutions will require development to allow this to proceed.



- 2.14 It has been agreed between Scottish Water and Fife Council officers that regular meetings will be progressed every 6-8 weeks to ensure progression of all investigative works highlighted in Appendix 1. This allows consideration to be given to any mitigation factors that can be progressed on completion of these investigations by both agencies either collaboratively or individually, depending on the outcome of the initial investigations.
- 2.15 The FRM Act outlines the responsibilities all parties have in dealing with flood events and the protection of an individual's property and possessions. This can be individuals and/or community groups set up to act as first responder prior to council staff attending.
- 2.16 Charities like the Scottish Flood Forum, and Council staff where possible, can help to develop low cost solutions for the local community. These groups are set up through residents' associations, Community Councils and individual residents/businesses and are supported by Charities including the Scottish Flood Forum. A good example of such a Group is the Falkland Flood Action Group and the Freuchie Flood Group, which are both extensions of the Community Councils and therefore covered by relevant insurances and protocols in place for those Community Councils. These Flood Action Groups meet independently of the Community Council meetings and membership includes residents, Community Council and Councillor representation as well as invites to other various interested groups. It is important to note that these are community led, however, Council staff will attend when invited.
- 2.17 Fife Council have also set up a Flood Group Chairs forum which meets on an annual basis. This forum, open to the various group Chairs, relevant Councillors and Council officers meet to discuss progression of the delivery of the FRM Act functions as well as discuss what actions each group have progressed the previous year.
- 2.18 Roads and Transportation have 9 roads operatives on standby outwith the winter period to deal with out of hours emergencies. During the winter period, this is extended to around 27 operatives. There is a wider workforce to be called upon in an emergency and this is the benefit of hosting a direct and local workforce.
- 2.19 A regular programme of watercourse inspections are carried out to mitigate problems with blockages and excess growth restricting flows. An annual programme of gully cleaning is carried out to maintain the operation of the gully pots. This is to prevent the likes of localised road-side ponding. The volume of runoff water associated with such intense storms is beyond the capacity of most road drainage systems and no level of increased routine gully cleaning would make little difference to the impact of such events. As part of the climate change adaptation agenda, there is a need to improve the resilience of such drainage networks but the cost of such joint projects with Scottish Water would likely be prohibitive.

## **3.0 Proposals**

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### **3.1 Watercourse clearance and repair**

- 3.1.1 Fife Council, as a Responsible Authority under the Flood Risk Management (Scotland) Act 2009, have a duty to inspect, prepare a schedule of that inspection and detail any works required for all bodies of water "from time to time". Roads and Transportation have prepared a risk-based schedule of inspection, maintenance and repair to meet this obligation. Any works required after inspection are highlighted to the landowner concerned to carry out those works deemed necessary, if not carrying out the works

would be detrimental to other actions contained within the Local Flood Risk Management Plan for that area. Clearance of Council controlled watercourses has been estimated at circa £0.150m for this financial year, which is financed from existing budgets. These costs, however, do not include any major repair work required to Council owned watercourses highlighted in the inspections that can occur from time to time.

### **3.2 Flood Pods**

3.2.1 Flood Pods are provided and are maintained at various flood risk areas throughout Fife to allow locals early access to flood sacs and snakes to protect their own properties at times of flood risk. While there is no obligation on Fife Council to provide these pods, it is believed that this is a further proactive solution to help local communities to act fast when the possibility of flooding may occur. These sites are currently being reviewed to take account of the new areas of flooding concern highlighted by the flood events of August 2020. Whilst the inventory will need to remain at a sustainable level, the priorities will be assessed to ensure the flood pods are allocated to the optimum locations.

### **3.3 Gully Cleaning**

3.3.1 There are circa 80,000 road gullies across Fife. The inherited policy standard is for road drainage gullies to be cleaned on an annual basis. To operate within the budget, the service has been using a form of risk-based approach by prioritising gully cleaning in higher priority areas at the expense of less critical and mostly urban locations.

3.3.2 In addition to the gully emptying, the proactive clearing of trash screens on established watercourses identified as flood risk will continue as a priority service funded from within this budget area.

### **3.4 Ditch Cleaning and Offlet Cutting**

3.4.1 There are circa 275km of ditches and offlets across Fife, mostly in the North East and South West areas of Fife. The inherited policy standard is to cut and clear offlets once per year before winter and to clean ditches on a 3-yearly cycle. Like gully cleaning, the service has operated a risk-based approach to demand in this area.

3.4.2 A review of roads drainage maintenance policy and standards including gully cleaning, ditch cleaning and offlet cutting will be taken forward to develop options for a proposed sustainable policy approach.

### **3.5 Specific Investigation and Mitigation Works**

3.5.1 From the list in Appendix 1, site investigation works, some of which can resolve a problem at the same time, are being progressed within available resources. Some of the sites are in collaboration with Scottish Water with whom good partnership working has been evident. As an outline estimate, the commitment is conservatively estimated at £0.600m to carry out this initial investigative work alone. As this cannot be met from existing budgets, additional funding of £0.125m has been identified for the initial priorities this financial year.

3.5.2 The sites have been assessed based on various factors and given an initial Red/Amber/Green status that will, subject to further analysis and refinement, take account of both risk, complexity and an expected resolution period. It is expected that this assessment of current sites will require resources at varying levels dependent on findings, to conclude investigations, examine any mitigation measures required and

deliver works to mitigate future flood events. This does not include any known or future sites outwith the events of August 2020 that could result in a further financial pressure. Climate change adaptation is a genuine and growing demand on council priorities and resources and flood protection will be taken into greater account within the Climate Change Reform Agenda programme.

### 3.6 Site specific flood mitigation works

- 3.6.1 There are currently 2 sites at Dysart and Dalgety Bay where specific flood mitigation investigation and design works have been progressed in the last few months. Both sites have had flooding events that have affected both Council assets and private individual's property over several years and funding options are being explored.

## 4.0 Flood Risk Management

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- 4.1 The out of hours standby staff available to the Council is not enough to deal with the volume of activity that is generated in such events. However, this must be weighed up against the likelihood of such events occurring and the difference the council could have made had more resource been available. In the case of most flooding events additional operatives on site would not have been able to prevent the flooding but would have been able to assist residents in dealing with the incident. Fife is a large geographical area and the locations that have suffered severe flooding over the last few decades are usually different and often over a wide area.
- 4.2 Sections 2 & 3 and Appendix 1 details how Fife Council provided reactive aid to all areas affected, what further investigative and mitigation works have and will be progressed as well as in some instances, conservatively estimated costs associated with the initial investigations.
- 4.3 Proactive catchment area mitigation is also a considerable budgetary constraint, with limited opportunity to bid for funding through Scottish Government to finance any proposed measures. This is because all proposed schemes throughout Scotland are ranked and given a priority based upon the Benefit Cost Ratio derived from the Flood Studies and limited to financial limit of 80% grant funding from Scottish Government with the Local Authority providing the additional 20%. Within the first 6-year cycle of the FRM Act to 2021, there is a financial limit of £252m for the whole of Scotland.
- 4.4 Some sites may not meet this requirement and therefore would not qualify for Scottish Government funding. In relation to Cardenden, a recent flood study of the area, undertaken by consultants on behalf of Fife Council, confirmed that capacity for flow under the B981 Den Burn Bridge is a significant contributor to flood risk. In response, the Updated Fife Bridge Strengthening Programme agreed by the Economy, Tourism, Strategic Planning and Transportation Sub Committee on 1st October 2020 (para 135 of 2020 ETSPT 58 refers) now includes the Den Burn Bridge as a bridge replacement project in 2024/26.
- 4.5 Flood Studies highlighted under the FRM Act can be completed but not to the timescales set out within the FRM Act due to resource constraints.
- 4.6 Flood protection projects that meet the cost/benefit requirements are very costly and take many years from inception to delivery and then bring with them quite high recurring revenue costs. The No.1 priority project identified in Fife at present, is at Kinness Burn, St Andrews and it was not actually affected by the recent storms that were more focussed on mid/west Fife. Culross was mostly affected by over ground

water from higher land and, at Cardenden, there was the most unfortunate incident of a builders' herras fencing being washed in the watercourse and blocking at a bridge. As we work through the outcomes of the flood studies, some projects may arise and will be factored into future planning.

## 5.0 Conclusions

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- 5.1 The current resource levels for out of hours activity is in normal circumstances enough to cope with emergency situations. However, when there is wide scale flooding across Fife, this resource is stretched beyond its limit. This can mean that residents are left to deal with their situation without immediate assistance from the council.
- 5.2 Climate change is here to stay and the impacts of such storm events in August require equivalent levels of regular and proactive maintenance as opposed to the resources all being required for reactive works. On that basis and as a starting point, a review of the roads drainage maintenance policy and standards will be taken forward.
- 5.3 The list of follow-up investigations and mitigation measures is challenging. These will be carried out on a priority basis using the RAG status shown in Appendix 1 using the £0.325m funding identified. The £0.325m is required for roads drainage to initially tackle the green coloured sites on the list at an estimated cost of £0.125m and complete a programme of offlet and priority gully cleaning this financial year at an estimated cost of £0.200m. The next levels of sites (amber & red) will be progressed in the future as resources become available.

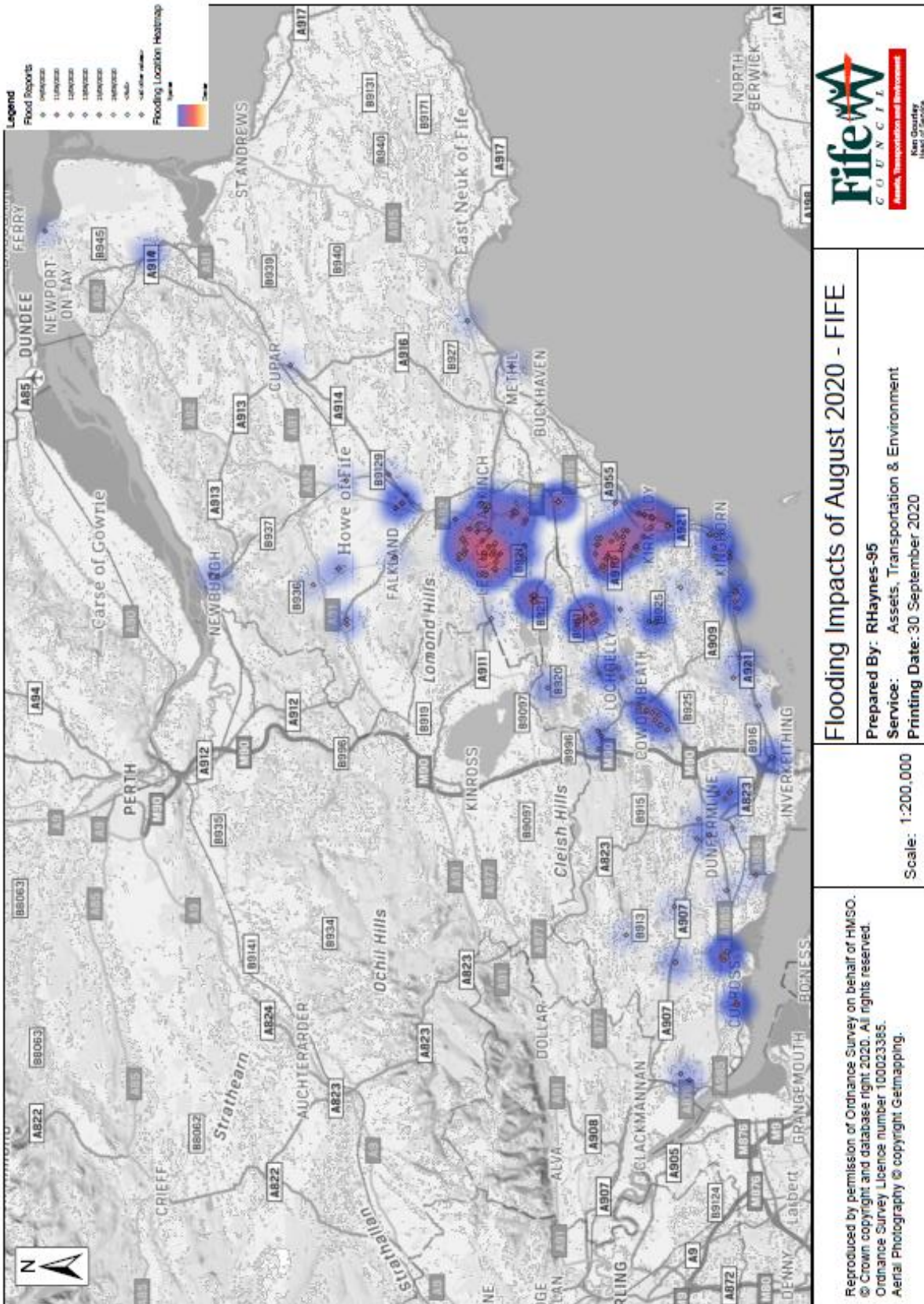
### List of Appendices

Appendix 1 – Affected sites - August 2020.

#### Report Contacts:

Ross Speirs  
Service Manager (Structural Services)  
Bankhead Central  
Bankhead Park, Glenrothes, KY7 6GH  
Telephone: 03451 55 55 55, Ext No 444390  
Email : [ross.speirs@fife.gov.uk](mailto:ross.speirs@fife.gov.uk)

Derek Crowe  
Senior Manager, Roads & Transportation Services  
Bankhead Central  
Bankhead Park, Glenrothes, KY7 6GH  
Telephone: 03451 55 55 55 Ext. 450441  
Email : [derek.crowe@fife.gov.uk](mailto:derek.crowe@fife.gov.uk)



**Flooding Impacts of August 2020 - FIFE**

**Prepared By:** RHaynes-95  
**Service:** Assets, Transportation & Environment  
**Printing Date:** 30 September 2020

**Scale:** 1:200,000

## APPENDIX 1

Date	Address	Town	Flooding Issue	Work Carried Out	Further works proposed	High Level Cost estimates	Revenue/Capital	RAG Status
<b>Aberdour</b>								
12/08/2020	64 Main Street	Aberdour	flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	Shore Road	Aberdour	flooding	2x road closed	Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020		Aberdour	Footbridge loss		FC (Structural Services) progressing	£150,000	Capital	Green
12/08/2020	Mill Farm Road	Aberdour	Property flooding. Road closure	road closure. Ongoing investigation by Network. Blockage identified in culvert.	Order to be issued for repair	£1,500	Revenue	Red
<b>Auchtermuchty</b>								
12/08/2020	17&19 Bondgate	Auchtermuchty	Requested tanker	Tanker and Sandbags	Joint investigation with SW	£2,000	revenue	Amber
12/08/2020	Low Road	Auchtermuchty	Flooding/Damaged retaining wall	tanker and Sandbags	Investigation required. Previous upgrade not working.	£2,000	revenue	Red
<b>Auchtertool</b>								
12/08/2020	Camilla Lodge, Main Street	Auchtertool	Flooding	Tanker and sandbags	Investigation FC only	£12,000	Revenue	Red
25/08/2020	K11, Auchtertool	Kirkcaldy	Flooding	Tanker	Investigation FC only	£2,000	Revenue	Red
<b>Ballingry</b>								
12/08/2020	Kirkland Gardens	Ballingry	flooding	Tanker	Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	Kirkland Gardens	Ballingry	Flooding, tanker required	Tanker	Joint investigation with SW	£2,000	Revenue	Amber
<b>Blairhall</b>								
12/08/2020	Woodland Terrace	Blairhall	flooding	sandbags	Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	Woodland Terrace	Blairhall	Flooding, tanker required	Sandbags	Joint investigation with SW	£2,000	Revenue	Amber
<b>Burntisland</b>								
11/08/2020	Rosend Terrace	Burntisland	Flooding	Tanker sent	Joint investigation with SW	£2,000	Revenue	Amber
11/08/2020	B923, Kinghorn Loch	Burntisland	Flooding	Tanker sent, Car stuck	Investigation FC only	£2,000	Revenue	Red
11/08/2020	A921 (at caravan park)	Burntisland	Land slide	JCB attended	Investigation FC only	£5,000	Revenue	Red
12/08/2020	Links Park	Burntisland	Manhole Cover	Cover replaced	Joint investigation with SW	£2,000	Revenue	Green

12/08/2020	Haugh Road	Burntisland	closed	Cleared and reopened	Joint investigation with SW	£2,000	Revenue	Green
12/08/2020	Kinghorn Road	Burntisland	2 manhole cover lifted	Manhole Covers replaced	Joint investigation with SW	£2,000	Revenue	Green
12/08/2020	White Lough, B9157	Burntisland	Sandbags requested	Sandbags delivered and area allowed to drain	Investigation FC only	£2,000	Revenue	Amber
13/08/2020	Dick Crescent	Burntisland	manhole cover	Manhole replaced.	Joint investigation with SW	£2,000	Revenue	Green
23/08/2020	Cromwell Road	Burntisland	Flooding	Manhole Covers replaced	Joint investigation with SW	£2,000	Revenue	Green
<b>Cairneyhill</b>								
12/08/2020	Pitfinnie Road & Avenue	Cairneyhill	Flooding, tanker required	Tanker	Cairneyhill NFM 2020			Amber
					Cardenden Flood Study 2019	£20,000	Revenue	Amber
					Cardenden Flood Study possible 2019	£10,000,000	Capital	Red
<b>Cardenden</b>								
11/08/2020	Main Street, Cardenden	Cardenden	Flooding, Road Closed	Sandbags				Red
12/08/2020	Orebank Road	Cardenden	Flooding	Sandbags				Red
					Gullies cleaned jetted and tested post flood. All now working correctly.			
12/08/2020	Cardenden Road	Cardenden	Flooding	Sandbags				Red
12/08/2020	Kiers Brae	Cardenden	Flooding	Sandbags				Red
12/08/2020	Cardenden Industrial Estate	Cardenden	Sandbags requested	Sandbags				Red
12/08/2020	Denfield Gardens	Cardenden	Flooding, tanker required	Sandbags				Red
23/08/2020	Castle Terrace	Cardenden	Flooding near school	Pallet sandbags				Red
23/08/2020	49 Dundonald Park	Cardenden	Flooding	Sandbags				Red
23/08/2020	82 Cardenden Avenue	Cardenden	Flooding	cleared				Red
23/08/2020	Carden Castle Avenue	Cardenden	Flooding	Sandbags	Investigation post flood. Order issued to replace two sections of collapsed pipe	800		Red
23/08/2020	21 Derran Drive, Cardenden	Cardenden	Flooding	Sandbags				Red
	Carden Castle Park	Cardenden	flooding	Sandbags	Investigation post flood. All working correctly. SW capacity issue	500		Red
<b>Cowdenbeath</b>								
12/08/2020	Mossbank	Cowdenbeath	flooding	Tanker		£2,000	Revenue	Red
12/08/2020	21 Beath View Road	Cowdenbeath	flooding	Tanker	Joint investigation with SW	£2,000	Revenue	Red
12/08/2020	40 Rowan Terrace	Cowdenbeath	Sandbags requested	Sandbags	FC investigation	£2,000	Revenue	Amber
12/08/2020	231 Broad Street	Cowdenbeath	flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	35 Mosside Road	Cowdenbeath	flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Red
12/08/2020	Burgh Road	Cowdenbeath	Flooding, tanker required	Tanker	Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	Hill Street/Foulford Rd	Cowdenbeath	Flooding tanker and sandbags required	Tanker	Kirkton Burn overtopped FC investigate	£2,000	Revenue	Amber

12/08/2020	Valleyfield Place	Cowdenbeath	Flooding. No properties affected. Cul de sac	unknown	All gullies cleaned and running correctly post flood.	£250	Revenue	Red
12/08/2020	3 Pit Road	Cowdenbeath	Flooding to property and road	unknown	SW investigation. Ian Lawson contact. Network to investigate run off from car park. Wet day check		Revenue	Red
<b>Crombie</b>								
12/08/2020	D14, A983, West of Crombie	Crombie	Jet gullies	Gullies jetted	Investigation FC only	£2,000	Revenue	Green
<b>Crosshill</b>								
25/08/2020	Wormit Terrace, Crosshill	Crosshill	Full carriageway flooded	Tanker	Investigation FC only	£2,000	Revenue	Green
<b>Culross</b>								
12/08/2020	Balgonie West	Culross	flooding	sandbags	Joint investigation with SW	£2,000	Revenue	Red
12/08/2020	Blue Bell Cottage	Culross	flooding	Tanker	Joint investigation with SW	£2,000	Revenue	Red
12/08/2020	Blairburn, Bluebell Cottage	Culross	Flooding, tanker required	Tanker	Joint investigation with SW	£2,000	Revenue	Red
12/08/2020	Burnside Cottage	Culross	Flooding	sandbags	Alter wall obstructing flow	£5,000	Revenue	Red
<b>Cupar</b>								
25/08/2020	28 Sandylands Road	Cupar	Flooding	Needs jetted	Investigation FC only	£2,000	Revenue	Amber
25/08/2020	Bank Street	Cupar	Some braches on road	Removed from road				Green
25/08/2020	Kings Kettle to Kennoway	Cupar	Large tree down	Road closure, signs, cones				Green
25/08/2020	A914 (New Inn to Welltree)	Cupar	Running out at field	Tried to redirect to gully	Investigation FC only	£2,000	Revenue	Green
<b>Dalgety Bay</b>								
12/08/2020	Skua Drive	Dalgety Bay	flooding	Tanker	Joint investigation with SW	£2,000	Revenue	Amber
<b>Dunfermline</b>								
11/08/2020	Clunie Road	Dunfermline	Flooding	Signs	ICS and Dunfermline Flood Studies nearing completion	£5,000,000	Capital	Amber
12/08/2020	Aberdour Road	Dunfermline	flooding	Tanker	Gullies cleaned jetted and tested post flood. SW capacity issue	£2,000	Revenue	Amber
12/08/2020	Liggers Place	Dunfermline	Drain cover lifted due to flooding	Covered with metal plate		£2,000		Amber
12/08/2020	Wedderburn Street	Dunfermline	Flooding, tanker required	Tanker	Joint investigation with SW	£2,000		Amber
12/08/2020	39 Arthur Street	Dunfermline	Broken Manhole	Manhole belongs to SW		£2,000		Amber
12/08/2020	South Dewar Street	Dunfermline	Flooding, tanker required	Tanker		£2,000		Amber
8/12/2020	Pitreveie Drive	Dunfermline	Reported post flood. Unsure of attended to on date		Cleaned and jetted gully. Working correctly.	£2,000		Red
<b>Dunshalt</b>								
12/08/2020	Ladybank Road, Dunshalt	Dunshalt	Flooding	Tanker Sent	Investigation FC only	£2,000	Revenue	Amber



12/08/2020	Ladybank Road, Dunshelt	Dunshelt	Flooding, sandbags required	Tanker Sent	Investigation FC only	£2,000	Revenue	Amber
Falkland						£30,000	Revenue	
25/08/2020	31-41 Southfield, Falkland	Falkland	Burst pipe (ongoing issue)	Sandbags, owners driveway starting to lift	No further work required. Private party damage, FC repaired. Private land			Green
Freuchie					Future Study?	£1,000,000	Capital	
12/08/2020	Freuchie	Freuchie	Request from Fire fire and rescue for JCB to remove wall		Joint investigation with SW	£2,000	Revenue	Red
12/08/2020	10 Eden Valley Gardens, Freuchie	Freuchie	Property Flooding		Joint investigation with SW	£2,000	Revenue	Red
25/08/2020	Eden Valley Gardens, Freuchie	Freuchie	Burn was ready to burst banks, course major change	Sandbags	Joint investigation with SW	£2,000	Revenue	Red
25/08/2020	Freuchie	Freuchie	Burn was up	Checked various times	Joint investigation with SW	£2,000	Revenue	Red
Glenrothes					Glenrothes Flood Study (completion 2022)	£2,000,000	Capital	Green
						£30,000	Revenue	Green
04/08/2020	Cadham Road	Glenrothes	Flooding	Tanker Sent	Joint investigation with SW	£2,000	Revenue	Green
04/08/2020	Markinch (89130)	Glenrothes	Flooding	Tanker Sent	Joint investigation with SW	£2,000	Revenue	Green
11/08/2020	Sorn Green	Glenrothes	Flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Green
11/08/2020	Fyvie Green	Glenrothes	Flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Green
11/08/2020	Tanshall Court	Glenrothes	Flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Green
11/08/2020	Faraday Road	Glenrothes	Flooding, drains over flowing	Tanker sent	Joint investigation with SW	£2,000	Revenue	Green
11/08/2020	Cawder drive	Glenrothes	Flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Green
11/08/2020	Napier Road	Glenrothes	Flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Green
11/08/2020	Altyre Avenue	Glenrothes	Flooding	Tanker sent	Joint investigation with SW	£2,000	Revenue	Green
11/08/2020	Ednam Drive	Glenrothes	Flooding	Tanker sent	Joint investigation with SW	£2,000	Revenue	Green
11/08/2020	433 Murchison Path	Glenrothes	Flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Green
11/08/2020	Western Avenue	Glenrothes	Flooding	Clear	Joint investigation with SW	£2,000	Revenue	Green
11/08/2020	6 Beechwood Place	Glenrothes	Flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Green
11/08/2020	476 Heather Park	Glenrothes	Flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Green
11/08/2020	Sorn Green (22-23)	Glenrothes	Property Flooded	Sandbags	Joint investigation with SW	£2,000	Revenue	Amber
11/08/2020	Tanshall Court	Glenrothes	Flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Green
12/08/2020	36 Cullen Drive	Glenrothes	Flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Green
12/08/2020	Formonthills Road	Glenrothes	Culvert blocked and flooded garages	Need JCB to clean	Order issued for trial holes. New culvert required.	£2,000	Revenue	Red
12/08/2020	Faraday Road	Glenrothes	Warehouses flooding, request for tanker	Tanker sent	Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	Southfield Industrial Estate	Glenrothes	Request for tanker	Tanker Sent	Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	30 Moffat Court	Glenrothes	Request sandbags		Joint investigation with SW	£2,000	Revenue	Green
12/08/2020	434 Murchison Place	Glenrothes	Front garden flooded, water receding slow		Joint investigation with SW	£2,000	Revenue	Green

12/08/2020	Heather Path	Glenrothes	SFRS requested sandbags		Joint investigation with SW	£2,000	Revenue	Green
12/08/2020	Woolmill Road	Glenrothes	Requested tanker	Tanker Sent	Joint investigation with SW	£2,000	Revenue	Green
12/08/2020	Woolmill Road	Glenrothes	Stones blocked drains, flooding	Tanker Sent	Joint investigation with SW	£2,000	Revenue	Green
12/08/2020	Fraser Place	Glenrothes	Requested tanker	Tanker Sent	Joint investigation with SW	£2,000	Revenue	Green
12/08/2020	Rosemount Road (opp Rosemount Cresc)	Glenrothes	Requested tanker	Blocked gullies - tanker sent and cleared	Joint investigation with SW	£2,000	Revenue	Green
12/08/2020	Harris Way	Glenrothes	Requested tanker	Tanker Sent	Joint investigation with SW	£2,000	Revenue	Green
12/08/2020	95 South Parks Road	Glenrothes	Water coming up through drains	tanker Sent	Joint investigation with SW	£2,000	Revenue	Green
12/08/2020	2-8 Brent Place	Glenrothes	Requested tanker	Tanker Sent	Joint investigation with SW	£2,000	Revenue	Green
12/08/2020	48 Huntly Drive	Glenrothes	Request sandbags	Sandbags	Joint investigation with SW	£2,000	Revenue	Green
12/08/2020	Balgeddie Park	Glenrothes	Manhole cover	Could not find	Joint investigation with SW	£2,000	Revenue	Green
12/08/2020	7-13 Douglas Place	Glenrothes	Flooding to property	Sandbags	Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	Secret Gardens	Glenrothes	Flooding	sandbags	Joint investigation with SW	£2,000	Revenue	Green
12/08/2020	22 Ayton Court	Glenrothes	Property Flooded	sandbags	Joint investigation with SW	£2,000	Revenue	Green
13/08/2020	B921 Bankhead central - M&S	Glenrothes	Manhole lid off on verge	Replaced	Joint investigation with SW	£2,000	Revenue	Green
13/08/2020	A911 at Rail Bridge southbound	Glenrothes	pothole	Filled with temp material	Joint investigation with SW	£2,000	Revenue	Green
23/08/2020	7 Douglas Place	Glenrothes	sandbag requested	sandbags	Joint investigation with SW	£2,000	Revenue	Green
23/08/2020	Delgatie Avenue	Glenrothes	Flooding, blocked drain	Tanker Sent	Joint investigation with SW	£2,000	Revenue	Green
23/08/2020	425 Tantallon Court	Glenrothes	Flooding	tanker sent	Joint investigation with SW	£2,000	Revenue	Green
23/08/2020	Pitcoudie Avenue	Glenrothes	Flooding	Clean gully	Joint investigation with SW	£2,000	Revenue	Green
23/08/2020	Leslie Road	Glenrothes	Flooding	tanker Sent	Joint investigation with SW	£2,000	Revenue	Amber
23/08/2020	Markinch, Raith Lake	Glenrothes						Amber
23/08/2020	13 Lothian Court	Glenrothes	Flooding	sandbags	Joint investigation with SW	£2,000	Revenue	Green
23/08/2020	10 Alburne Court	Glenrothes	Flooding to property	sandbags	Joint investigation with SW	£2,000	Revenue	Amber
23/08/2020	Leslie Road (at Lid)	Glenrothes	Full carriageway flooded	Tanker	Joint investigation with SW	£2,000	Revenue	Green
23/08/2020	Napier Road	Glenrothes	Request for sandbags	sandbags	Joint investigation with SW	£2,000	Revenue	Amber
23/08/2020	6 Lauder Court	Glenrothes	Request for sandbags	sandbags	Joint investigation with SW	£2,000	Revenue	Green
23/08/2020	1 Balgeddie Close	Glenrothes	Request for sandbags	sandbags	Joint investigation with SW	£2,000	Revenue	Green
23/08/2020	19 Formonthills	Glenrothes	Request for sandbags	sandbags	Order issued for trial holes. New culvert required.	£2,000	Revenue	Red
23/08/2020	Leslie Road	Glenrothes	Gullies	tanker Sent	Joint investigation with SW	£2,000	Revenue	Green
23/08/2020	Delgatie Avenue	Glenrothes	flooding, blocked drain	cleared	Joint investigation with SW	£2,000	Revenue	Green
23/08/2020	425 Tantallon Court	Glenrothes	flooding	cleared	Joint investigation with SW	£2,000	Revenue	Green
23/08/2020	Pitcoudie Avenue	Glenrothes	flooding	cleared	Joint investigation with SW	£2,000	Revenue	Green
23/08/2020	Southfield	Glenrothes	Flooding	Flood signs	Joint investigation with SW	£2,000	Revenue	Green
<b>Hill of Beath</b>								

12/08/2020	Swintons Place	Hill of Beath	Flooding, tanker required	Tanker	Whole system cleaned jetted and tested post flood. All working correctly. SW input required.	£2,000	Revenue	Amber
Inverkeithing								
12/08/2020	Primrose Cottage	Inverkeithing	flooding	Tanker	Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	North Road	Inverkeithing	sandbags	Sandbags	Joint investigation with SW	£2,000	Revenue	Red
Kelty								
12/08/2020	Keltyhill Road	Kelty	Sandbags requested	sandbags	Whole system cleaned jetted and tested post flood. All working correctly. SW input required.	£2,000	Revenue	Red
12/08/2020	John Smith Place	Kelty	Sandbags requested	sandbags	Joint investigation with SW	£2,000	Revenue	Red
Kettlebridge								
25/08/2020	Kettlebridge Inn, Cuper Road	Kettlebridge	Sandbags	Sandbags	Investigation FC only	£2,000	Revenue	Amber
Kincardine								
11/08/2020	Tulliallan Golf Course	Kincardine	Flooding		Investigation FC only	£2,000	Revenue	Amber
Kinghorn								
11/08/2020	Kinghorn	Kinghorn	Wall collapse		Investigation FC only	£2,000	Revenue	
12/08/2020	North Overgate	Kinghorn	(Glass section to property's cellar has collapsed	covered with yellow board and coned	Investigation FC only	£2,000	Revenue	Amber
12/08/2020	Kirkcaldy Road	Kinghorn	Flooding, tanker required	Tanker	Joint investigation with SW	£2,000	Revenue	Red
12/08/2020	Eastgate	Kinghorn	Unknown	Ongoing issue. Properties affected by flooding for over 4 years.	Joint investigation with SW. Order issued for two additional gullies	£2,000	Revenue	Red
Kirkcaldy								
04/08/2020	Barnton Road	Kirkcaldy	Flooding, Blocked Gully	Tanker Sent	Joint investigation with SW	£2,000	Revenue	Amber
04/08/2020	Dunvegan Avenue	Kirkcaldy	Flooding, Blocked Gully	Tanker Sent	Joint investigation with SW	£2,000	Revenue	Amber
04/08/2020	Auchtertool (at bridge)	Kirkcaldy	Flooding	Tanker Sent	Joint investigation with SW	£2,000	Revenue	Amber
11/08/2020	Torbain Road (Shewsmill Farm)	Kirkcaldy	Bridge collapse	Road closed	Investigation FC only	£10,000	Revenue	Red
11/08/2020	Babyland, High Street	Kirkcaldy	Flooding		Passed to SW			
11/08/2020	Volunteers' Green	Kirkcaldy	2x SW manhole covers gone		Passed to SW			
11/08/2020	Valley Gardens	Kirkcaldy	Flooding, Road Closed	Tanker Sent, Sandbags	Investigation FC only	£10,000	Revenue	Red
11/08/2020	Bridge Street	Kirkcaldy	Flooding, Road Closed	Sandbags	Investigation FC only	£5,000	Revenue	Amber
11/08/2020	Oriel Road	Kirkcaldy	Flooding	Road closed (car blocking road)	Joint investigation with SW	£2,000	Revenue	Amber

11/08/2020	Overton Road	Kirkcaldy	Tar broken up, unsafe manholes		Investigation FC only	£2,000	Revenue	Amber
11/08/2020	Kirkcaldy Promenade	Kirkcaldy	Flooding, Road Closed	Road closed	Investigation FC only	£2,000	Revenue	Green
11/08/2020	Brodick Road	Kirkcaldy	Flooding	Nothing found?				
11/08/2020	12 Wellington Crescent	Kirkcaldy	Flooding	Sandbags	Investigation FC only	£2,000	Revenue	Amber
11/08/2020	Kirkcaldy Promenade	Kirkcaldy	Property Flooded	Sandbags	Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	Linton Lane	Kirkcaldy	Manhole Cover	Manhole replaced.	Passed to SW			
12/08/2020	Strathallan Drive	Kirkcaldy	Manhole Cover, potholes	Manhole replaced.	Passed to SW			
12/08/2020	24 & 35 Culzean Crescent	Kirkcaldy	Requested tanker		Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	Tummel Drive	Kirkcaldy	Requested tanker		Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	Templehall Avenue	Kirkcaldy	Request sandbags	Sandbags	Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	93-98 Chapelhill	Kirkcaldy	Requested tanker		Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	12 Valley Gardens	Kirkcaldy	Road flooded, property flooding		Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	2 Dean Park Grove	Kirkcaldy	Requested tanker		Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	16 Lyon Road	Kirkcaldy	Requested tanker		Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	Beveridge Road	Kirkcaldy	Requested tanker & sandbags		Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	131 Craigmount	Kirkcaldy	Blocked drain, flooding	Drain cleared				Amber
12/08/2020	Alloway Drive	Kirkcaldy	Property flooding		Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	Balcomie Road	Kirkcaldy	Flooding, tanker required, jet gullies at 15&17	Tanker	Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	89157	Kirkcaldy	Flooding, tanker required		Investigation FC only	£2,000	Revenue	Amber
12/08/2020	Malkings	Kirkcaldy	Flooding		Joint investigation with SW	£2,000	Revenue	Amber
13/08/2020	261 Valley Gardens	Kirkcaldy	water breaking up footway		Joint investigation with SW	£2,000	Revenue	Amber
25/08/2020	Kirkcaldy Promenade	Kirkcaldy	Flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Green
25/08/2020	8 Esplanade	Kirkcaldy	sandbag requested	Sandbags	Joint investigation with SW	£2,000	Revenue	Amber
25/08/2020	40 Chapelhill	Kirkcaldy	Flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Amber
25/08/2020	Golspie Street	Kirkcaldy	Flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Amber
25/08/2020	114 Winfred Street	Kirkcaldy	sandbag requested	Sandbags	Joint investigation with SW	£2,000	Revenue	Amber
25/08/2020	39 Chapelhill	Kirkcaldy			Joint investigation with SW	£2,000	Revenue	Amber
25/08/2020	395 High Street	Kirkcaldy	Flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Amber
25/08/2020	19 Chapelhill	Kirkcaldy	Flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Amber
25/08/2020	Links Street/Pratt Street	Kirkcaldy	Flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Amber
25/08/2020	51 Dunbar Place	Kirkcaldy	Flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Amber
25/08/2020	39 Chapelhill	Kirkcaldy	Flooding	sandbags	Joint investigation with SW	£2,000	Revenue	Amber
25/08/2020	299 Red Craigs	Kirkcaldy	Flooding	sandbags	Joint investigation with SW	£2,000	Revenue	Amber
25/08/2020	40 Chapelhill	Kirkcaldy	Flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Amber

25/08/2020	Golspie Street	Kirkcaldy	Flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Amber
25/08/2020	114 Winfred Street	Kirkcaldy	sandbag requested	sandbags	Joint investigation with SW	£2,000	Revenue	Amber
25/08/2020	51 Dunbar Place	Kirkcaldy	Flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Amber
25/08/2020	Kirkcaldy Promenade	Kirkcaldy	flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Green
25/08/2020	8 Esplanade	Kirkcaldy	Sandbags requested	sandbags	Joint investigation with SW	£2,000	Revenue	Green
25/08/2020	53 St Kilda Crescent	Kirkcaldy	Flooding	sandbags	Joint investigation with SW	£2,000	Revenue	Amber
<b>Kinghorn</b>								
13/08/2020	Nethergate/St James Road	Kinghorn	Flooding		Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	Link Street / Pratt Street	Kinghorn	Flooding		Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	Kinghorn Loch Road	Kinghorn	Flooding		Investigation FC only	£2,000	Revenue	Amber
<b>Kinglassie</b>								
11/08/2020	Redwells Road, Kinglassie	Kinglassie	Flooding to house	Sandbags, Road Closed	Investigation FC only	£2,000	Revenue	Red
11/08/2020	Burnside, Kinglassie	Kinglassie	River burst bank	(Police & Fire)	Investigation FC only	£2,000	Revenue	Red
11/08/2020	Parliament Place, Kinglassie	Kinglassie	River burst bank	Unable to assist, Police, Bank washed away	Investigation FC only	£2,000	Revenue	Amber
11/08/2020	Pitlochrie Terrace, Kinglassie	Kinglassie	Flooding	Tanker sent	Investigation FC only	£2,000	Revenue	Amber
12/08/2020	Parliament Place, Kinglassie	Kinglassie	Request sandbags		Investigation FC only	£2,000	Revenue	Amber
12/08/2020	Ashgrove Terrace, Kinglassie	Kinglassie	Request sandbags		Investigation FC only	£2,000	Revenue	Red
12/08/2020	33 Ashgrove Terrace, Kinglassie	Kinglassie	Request sandbags		Investigation FC only	£2,000	Revenue	Red
25/08/2020	Burnside Cottages, Kinglassie	Kinglassie	Flooding	Sandbags, road closed	Investigation FC only	£2,000	Revenue	Red
<b>Ladybank</b>								
12/08/2020	Melville Road, Ladybank	Ladybank	Requested tanker		Joint investigation with SW	£2,000	Revenue	Amber
<b>Leslie</b>								
12/08/2020	16 & 18 Valley Drive, Leslie	Leslie	Requested tanker		Joint investigation with SW	£2,000	Revenue	Amber
11/08/2020	Cabbagehall Road, Leslie	Leslie	Flooding, Road Closed	Tanker Sent road closed	Investigation FC only	£2,000	Revenue	Red
12/08/2020	A911, Mansfield & Glenwood Road	Leslie	Flooding	Tanker Sent road closed	Investigation FC only	£2,000	Revenue	Red
12/08/2020	15 Valley Drive, Leslie	Leslie	Requested tanker	Tanker Sent road closed	Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	Glenwood Road, Leslie	Leslie	Requesting tanker	Tanker Sent road closed	Investigation FC only	£2,000	Revenue	Red
12/08/2020	Allan Street, Leslie	Leslie	Requesting tanker & sandbags		Joint investigation with SW	£2,000	Revenue	Amber
11/08/2020	A911, Leslie	Leslie	Flooding, Road Closed	Sandbags	Investigation FC only	£2,000	Revenue	Amber
<b>Lochgelly</b>								
12/08/2020	Mid Street	Lochgelly	flooding	Tanker	Joint investigation with SW	£2,000	Revenue	Amber

12/08/2020	Bank Street	Lochgelly	flooding	Tanker	Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	Station Road	Lochgelly	flooding	Tanker, Needs Road Closed	Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	Station Road	Lochgelly	Flooding, tanker required	Tanker	Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	Small Street	Lochgelly	Flooding, tanker required	Tanker	Joint investigation with SW	£2,000	Revenue	Amber
<b>Lundin Links</b>								
04/08/2020	Largo Road, Lundin Links	Lundin Links	Flooding	Flood Signs	Order issued for drainage upgrade. Carried out under ARP scheme	£30,000	Revenue	Red
<b>Methil</b>								
25/08/2020	74 Durie Street, Methil	Leven	Flooding, blocked gully	cleared				Green
<b>Newburgh</b>								
25/08/2020	C46 Newburgh	Newburgh	Burst pipe (washing out road)	Dug offlets to get water off road	passed to SW			
25/08/2020	A912	Newburgh	Various full carriageway flooding	Dug offlets (this is a hot spot all the time)	Investigation FC only	£2,000	Revenue	Green
<b>Saline</b>								
12/08/2020	4-5 The Glebe	Saline	flooding	Tanker	Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	East Bonhard Farm	Saline	Wall collapsed into farmers field, c/w and f/w not affected	wall has collapsed into field	Private?			
<b>Strathmiglo</b>								
08/12/2020	Cash Feus	Strathmiglo	Flooding		Joint investigation with SW	£2,000	Revenue	Green
08/12/2020	42 Bankwell Crescent	Strathmiglo	Flooding		Joint investigation with SW	£2,000	Revenue	Amber
<b>Tayport</b>								
25/08/2020	65 Tay Street	Tayport	Blocked gully, property flooding	Water coming out of witches hat in footway	Joint investigation with SW	£2,000	Revenue	Green
<b>Thornton</b>								
11/08/2020	Main Street, Thornton	Thornton	Burst Banks	Sandbags	Investigation FC only	£2,000	Revenue	Red
11/08/2020	Main Street, Thornton	Thornton	Properties flooding, burst bank	Sandbags	Investigation FC only	£2,000	Revenue	Red
12/08/2020	147 Main Street, Thornton	Thornton	Requested tanker		Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	Main Street, Thornton	Thornton	Properties flooding	Sandbags, unable to attend, police/fire	Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	Low Road at Ore Bridge, Thornton	Thornton	Flooding	Sandbags, unable to attend	Investigation FC only	£2,000	Revenue	Red
12/08/2020	Thornton	Thornton	Flooding	Sandbags	Joint investigation with SW	£2,000	Revenue	Amber
13/08/2020	Main Street, Thornton	Thornton	Flooding	Tanker, Road Closed	Joint investigation with SW	£2,000	Revenue	Amber
<b>Valleyfield</b>								
12/08/2020	Abbey Street	Valleyfield	flooding	sandbags	Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	B9037 at bend	Valleyfield	flooding	Tanker, Needs Road Closed	Investigation FC only	£2,000	Revenue	Amber
12/08/2020	Forth Crescent	Valleyfield	flooding	Tanker	Joint investigation with SW	£2,000	Revenue	Amber

12/08/2020	Main Street	Valleyfield	Sandbags requested	sandbags	Joint investigation with SW	£2,000	Revenue	Amber
12/08/2020	Forth Crescent	Valleyfield	Flooding, tanker required	Tanker	Joint investigation with SW	£2,000	Revenue	Amber
13/08/2020	Sharps Brae	Valleyfield	flooding		Joint investigation with SW	£2,000	Revenue	Amber
<b>Rural</b>								
11/08/2020	A909		Check for flooding	clear on arrival				
12/08/2020	Hatfield Road		Unsafe manhole	Manhole replaced.	Passed to SW			
13/08/2020	C33 100m from C50		Flooding debris	Cleared and made safe				
25/08/2020	C29		Large tree blocking carriageway	Road closure, signs, cones				
25/08/2020	C29	Faulscausway	Full CW flood	unknown	2 additional gullies required	2000	Revenue	Red
25/08/2020	K11	Auchtertool	Flooding		Investigation FC only	£2,000	Revenue	Amber
25/08/2020	A919 St Michaels to Leuchars		Flooding		Investigation FC only	£2,000	Revenue	Amber
26/08/2020	B9157		Flooding		Investigation FC only	£2,000	Revenue	Amber
25/08/2020	A916, St Michaels to Leuchars		Full carriageway flooded		Investigation FC only	£2,000	Revenue	Red