

AGENDA

Page Nos.

1. **APOLOGIES FOR ABSENCE**
2. **DECLARATIONS OF INTEREST** – In terms of Section 5 of the Code of Conduct Members of the Committee are asked to declare any interest(s) in particular items on the agenda and the nature of the interest(s) at this stage.
3. **MINUTES**
  - (1) Finance, Economy and Corporate Services Scrutiny Committee of 26 October 2023. 4 – 8
  - (2) The following minute is submitted for noting only: -
    - Note of Budget Scrutiny Working Group of 25 October 2023. 9
4. **PLANNING PERFORMANCE FRAMEWORK 12 (2022-2023) - SCOTTISH MINISTER'S FEEDBACK.** – Report by the Head of Planning Services 10 – 23
5. **BUSINESS GATEWAY FIFE ANNUAL PERFORMANCE** – Report by the Head of Business & Employability 24 – 32
6. **ANNUAL PROCUREMENT REPORT 2022-23** – Report by the Head of Revenue & Commercial Services 33 – 109
7. **ETHICAL PROCUREMENT** – Report by the Head of Revenue & Commercial Services 110 – 129
8. **FINANCE & CORPORATE SERVICES DIRECTORATE PERFORMANCE REPORT.** – Report by the Executive Director Finance & Corporate Services 130 – 141
9. **2023/24 REVENUE MONITORING PROJECTED OUTTURN – PLANNING SERVICE, BUSINESS AND EMPLOYABILITY SERVICE** – Joint Report by the Executive Director Finance & Corporate Services and the Executive Director Place. 142 – 144
10. **2023/24 CAPITAL MONITORING PROJECTED OUTTURN – BUSINESS AND EMPLOYABILITY SERVICE** – Joint Report by the Executive Director Finance & Corporate Services and the Executive Director Place. 145 – 150
11. **2023/24 REVENUE MONITORING PROJECTED OUTTURN – FINANCE AND CORPORATE SERVICES** – Report by the Executive Director Finance & Corporate Services 151 – 155

12. **2023/24 CAPITAL MONITORING PROJECTED OUTTURN – FINANCE AND CORPORATE SERVICES DIRECTORATE** – Report by the Executive Director Finance & Corporate Services 156 – 160
13. **FINANCE, ECONOMY & CORPORATE SERVICES FORWARD WORK PROGRAMME** - – Report by the Executive Director Finance & Corporate Services 161 – 164

The Committee is asked to resolve, under Section 50(a)(4) of the Local Government (Scotland) Act 1973, as amended, to exclude the public and press from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph(s) 6 and 14 of part 1 of schedule 7a of the Act.

14. **FORTH GREEN FREEPORT – DELIVERY ARRANGEMENTS** – Report by the Head of Business & Employability 165 – 170
15. **COUNCIL'S PREPAREDNESS TO DEAL WITH ISSUES AROUND RANSOMWARE** – Report by the Head of Business Technology Solutions 171 – 176

**Members are reminded that should they have queries on the detail of a report they should, where possible, contact the report authors in advance of the meeting to seek clarification.**

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

Fife House  
North Street  
Glenrothes  
Fife, KY7 5LT

18 January, 2024

If telephoning, please ask for:  
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## **BLENDED MEETING NOTICE**

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

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

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

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

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

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

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

## 2023 FECSS 24

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

Committee Room 2, Fife House, North Street, Glenrothes

26 October, 2023

10.00 am – 1.00 pm

**PRESENT:** Councillors Allan Knox (Convener), Alistair Bain, Naz Anis-Miah (substituting for Councillor Lynn Ballantyne-Wardlaw), Auxi Barrera, Ian Cameron, Rod Cavanagh, Eugene Clarke, Colin Davidson, Sean Dillon, Graeme Downie, Robin Lawson, Dave Dempsey (substituting for Councillor James Leslie), Gordon Pryde, Alistair Suttie and Ann Verner.

**ATTENDING:** Eileen Rowand, Executive Director, Finance and Corporate Services; Les Robertson, Head of Revenue and Commercial Services, Revenue and Commercial Services; Pam Ewen, Head of Planning, Economy Planning and Employability Services, Gordon Mole, Head of Business and Employability, Peter Corbett, Lead Officer - Economy and Morag Millar, Programme Manager, Economy Tourism and Town Centre, Economy Planning and Employability Services; Sharon McKenzie, Head Of Human Resources, Graham Arnott, Health & Safety Lead Officer, and Barbara Cooper, Service Manager - HR, Health Safety and Wellbeing; Human Resources Service; Shelagh McLean, Head of Education and Childrens Services; Charlie Anderson, Head of Business Technology Solutions, Bob Urquhart, Security and Compliance Specialist, Business, Technology Solutions and Service Assurance - Security; Donna Grieve, Accountant, and Jackie Johnstone, Accountant, Lindsay Thomson, Head of Legal and Democratic Services, Helena Couperwhite, Service Manager - Committee Services and Michelle Hyslop, Committee Officer, Finance and Corporate Services.

**APOLOGIES FOR ABSENCE:** Councillors Lynn Ballantyne-Wardlaw and James Leslie.

#### 68. DECLARATIONS OF INTEREST

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

#### 69. MINUTE

The committee considered the minute of meeting of the Finance, Economy and Corporate Services Scrutiny Committee of 24 August 2023.

#### Decision

The committee agreed to approve the minute.



**70. BAD DEBTS 2022-23**

The committee considered a report by the Head of Revenue and Commercial Services and the Head of Housing Services updating members on the irrecoverable bad debts that had been written off during 2022-23 by the Finance and Corporate Services Directorate and Housing Services.

**Decision**

The committee noted the contents of the report.

**71. SMART PLACE APPROACH – CITY OF DUNFERMLINE**

The committee considered a report by the Head of Business and Employability Service updating members on the smart place approach within the City of Dunfermline.

**Decision**

The committee:

- (1) welcomed and the noted presentation;
- (2) noted the contents of the report; and
- (3) agreed that an update report on the smart place approach within the City of Dunfermline would be brought back to committee in 12 months time.

*Councillor Suttie joined the meeting during consideration of the above item.*

**72. ENTERPRISE AND ENVIRONMENT DIRECTORATE: BUSINESS & EMPLOYABILITY SERVICES AND PLANNING SERVICES PERFORMANCE REPORT**

The committee considered a report by the Head of Business and Employability and the Head of Planning presenting the 2022/23 performance scorecard for the Enterprise and Environment Directorate, Business and Employability and Planning Services.

**Decision**

The Committee:

- (1) noted the arrangements set out in Section 1.0 to fulfil the Council's obligation to comply with Audit Scotland's 2021 SPI Direction; and
- (2) considered the Enterprise and Environment Directorate, Business and Employability and Planning Service's performance information presented in Section 2.0 and detailed in Appendices 1 and 2 of the report.

*The meeting adjourned at 11.55am and reconvened at 12.05pm.*

*Councillors Davidson and Lawson left the meeting at this point.*

**73. ANNUAL HEALTH AND SAFETY REPORT 2022-23**

The committee considered a report by the Head of Human Resources updating members on the annual Health and Safety activity for 2022-2023.

**Decision**

The committee: -

- (1) noted the performance and activity for the 2022–2023 financial year;
- (2) noted the progress made regarding improving workforce practices and performance in the organisation; and
- (3) endorsed the continued focus on the priorities identified.

*Councillor Cameron left the meeting during consideration of the above item.*

**74. 2023/24 REVENUE MONITORING PROJECTED OUTTURN – PLANNING SERVICE, BUSINESS AND EMPLOYABILITY SERVICE**

The committee considered a report by the Chief Executive and the Executive Director - Finance and Corporate Services updating members on the projected outturn financial position for the 2023/24 financial year for the areas in scope of the Finance, Economy and Corporate Services Scrutiny Committee.

**Decision**

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

**75. 2023/24 CAPITAL MONITORING PROJECTED OUTTURN – BUSINESS AND EMPLOYABILITY SERVICE**

The committee considered a joint report by the Chief Executive and Executive Director (Finance and Corporate Services) updating members on the Capital Investment Plan and advised on the projected financial position for the 2023/24 financial year for the areas in scope of the Finance, Economy and Corporate Services Scrutiny Committee.

**Decision**

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

**76. 2023/24 REVENUE MONITORING PROJECTED OUTTURN – FINANCE AND CORPORATE SERVICES**

The committee considered a report by the Executive Director (Finance and Corporate Services) updating members on the projected outturn financial position for 2023/24 for the Finance and Corporate Services Directorate.

**Decision**

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

**77. 2023/24 CAPITAL MONITORING PROJECTED OUTTURN – FINANCE AND CORPORATE SERVICES DIRECTORATE**

The committee considered a report by the Executive Director (Finance and Corporate Services) updating members on the Capital Investment Plan and advising on the projected financial position for the 2023/24 financial year for the Finance and Corporate Services Directorate.

**Decision**

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

**78. FINANCE, ECONOMY & CORPORATE SERVICES FORWARD WORK PROGRAMME**

The committee considered a report by the Executive Director (Finance and Corporate Services) outlining a draft workplan for future meetings of this committee.

**Decision**

The committee:

- (1) noted the current Finance, Economy and Corporate Services Scrutiny Work Plan;
- (2) agreed that a report on the Community Council elections would be added to the forward work plan to be brought to a future meeting of the committee;
- (3) agreed that the minutes of the budget scrutiny working group meeting would be brought back to the next meeting of the committee in January 2024; and
- (4) agreed that a presentation on the Forth Green Freeport would be brought back to the next meeting of the committee in January 2024.

*The committee resolved, under Section 50(A)(4) of the Local Government (Scotland) Act 1973, as amended, to exclude the public and press from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in Part 1 of Schedule 7A of the Act.*

**79. COUNCIL'S PREPAREDNESS TO DEAL WITH ISSUES AROUND RANSOMWARE – PRIVATE REPORT**

The committee considered a report by the Head of Business Technology Solutions advising members on the Council's preparedness to deal with issues surrounding ransomware.

**Decision**

The committee agreed to defer the item for consideration at its next meeting in January 2024.

# Finance, Economy and Corporate Services Scrutiny Committee

## Budget Working Group

### Action Note

**Tuesday 25<sup>th</sup> October 2023**

**Present:** Cllr Alan Knox  
Cllr Robin Lawson  
Cllr Graeme Downie  
Cllr Alistair Suttie

**Attending:** Eileen Rowand, Executive Director Finance and Corporate Services and Elaine Muir, Head of Finance

#### **1. Note of previous meeting**

Agreed

#### **2. Review of Documentation**

An update was provided by officers on the following reports that had been considered by Cabinet and Full Council :-

- Capital Strategy
- Capital Plan
- Outturn Position
- Revenue Budget Papers

#### **3. Discussion**

Discussion then followed on a number of areas and the following actions were agreed:-

- To provide more details on the mechanism of the loans fund
- To meet again once budget position is known for 2024-25

#### **4. Date of next meeting**

ER to arrange.

25 January 2023  
Agenda Item No. 4

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## Planning Performance Framework 12 (2022-2023): Scottish Minister's Feedback

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**Report by:** Pam Ewen, Head of Planning, Planning Services

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**Wards Affected:** All

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### Purpose

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The purpose of this report is to brief members on the performance of the Planning Authority as set out in Planning Performance Framework (PPF) 12 over the period 2022/23 and the feedback received from the Scottish Government (Appendix 1).

### Recommendation(s)

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Members are requested to:

- Scrutinise the performance of the planning authority as set out within PPF 12, and provide feedback.

### Resource Implications

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There are no cost implications arising from this report.

### Legal & Risk Implications

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There are no legal or risk implications related to the implementation and submission of the PPF12 for Fife Council. The publication of the PPF is not a legislative requirement but this approach to performance management and measurement is agreed by Heads of Planning Scotland (HOPS), Scottish Government, COSLA and other key stakeholders.

### Impact Assessment

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

### Consultation

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

## 1.0 Introduction

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- 1.1 Following submission of the Planning Performance Framework 12 (PPF12) to the Scottish Government, feedback has been received on the 15 performance markers contained therein. The PPF12 covers the period of 1st April 2022 to 31st March 2023, which was submitted to the Scottish Government in July 2023 with the feedback being received from the Scottish Government in October 2023. The PPF12 was the twelfth annual submission to Scottish Ministers fulfilling the obligation placed on Fife Council to produce and submit its PPF. The format of the PPF is aligned with the guidance and templates published by the Scottish Government and Heads of Planning Scotland.
- 1.2 The PPF provides a comprehensive summary of the performance achieved and provides an opportunity to contextualise the performance and services delivered by Fife Council Planning Authority. In addition, the PPF identifies new initiatives implemented and opportunities where further improvement can be made to both performance and service delivery. The PPF feedback gives Planning Authorities the context against which they can identify the opportunities for improvement and develop a program to implement process improvements.

## 2.0 Context and Performance

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- 2.1 In his feedback the Minister for Local Government, Empowerment and Planning, Joe FitzPatrick MSP comments positively on the overall stability in terms of the performance markers awarded to each planning authority and praises the efforts put in to ensure that the planning system continues to run efficiently. The Minister also emphasises that resourcing the planning system is a key priority which he will continue to discuss with the High-Level Group on Planning Performance. The Minister also confirms that he has asked officials to bring together different parties to discuss resourcing in the autumn to identify practical solutions. The Minister also highlights the appointment of the National Planning Improvement Champion (NPIC) Craig McLaren.
- 2.2 The High-Level Group on Performance agreed a set of performance markers based upon a Red, Amber, Green (RAG) rating and assess each authority's PPF against those markers to give an indication of priority areas for improvement action. The High-Level Group monitor and evaluate how the key markers have been reported and the value which they have added at a national level. The High-Level Group considers planning performance and related matters. The Scottish Government and COSLA co-chair the group which includes Heads of Planning Scotland. Of 15 Areas reported in the Fife PPF12, 10 performance markers were allocated Green, and 2 were allocated Amber and 2 red. It should be noted that Markers 9 and 10 have been combined. In terms of the RAG markers, while this is apparently a poorer performance in terms of the markers reported in the feedback for PPF11 with 2 markers moving from Green to Red, one of the red markers relates to the age of the LDP which directly relates to the alignment of the LDP to the provisions within NPF4 which has lengthened the delivery lead in time. The other Red marker in PPF 12 relates to applications over 1 year old. This is based on the applications on hand on the 31<sup>st</sup> of March 2023 and the figure fluctuates throughout the reporting period. The Planning Service determined 64 legacy cases compared 75 reported in PPF11. In the PPF 12 reporting period this figure had been impacted due to a combination of staff absence but more significantly by impacts on complex negotiations relating to S75 applications and also delays arising from shortages in staffing in Public Protection and Harbours Flood and Coast. It was also noted in the PPF12 contextual

information relating to this marker that by the end of the following quarter (Q1 2023/24) the figure had reduced significantly back down to 11 cases.

- 2.3 Performance in relation to the determination of Local and Householder applications improved significantly in the PPF 12 reporting period, with performance just marginally higher than the Scottish average. The Fife Planning Service was marked Amber as the Fife performance of an average of 14.8 weeks was 0.4 of a week slower than the Scottish average of 14.4 for Local applications. In relation to Householder applications, we also achieved an Amber in the PPF12 period as the Fife performance of 9.6 ave weeks was higher than the Scottish average of 8.9 weeks, it should be noted that performance has continued to improve in these marker categories through the first 2 quarters of 2023/24 to consistently achieve 10 ave weeks for Local applications and 7 weeks for householders.
- 2.4 The most significant improvement in performance has been achieved in the Major Applications marker, which saw an improvement from 34.1 average weeks as reported in PPF11 to 16.6 weeks in PPF 12, which is faster than the Scottish average of 39.5 weeks. This reflects the prioritisation by Planning Services of this business area as one which has the most significant impact on the economic vitality of Fife and ensuring that Fife remains agile in responding to the needs of the business community and ensuring that investors can rely on a consistent and efficient planning service. Work also continues to improve and streamline the processing of legal agreements following determination of these large-scale applications. This is a particular focus for the next reporting period.
- 2.5 Continuous review of the Service's processes and systems particularly using LEAN business process improvement tools and techniques has achieved steady, embedded improvements and shifted the balance to green for most performance markers. The main PPF 12 RAG summary table is copied below for ease of reference.



| No. | Performance Marker  | RAG rating | Comments   |
|-----|---|------------|--|
| 1   | <b>Decision-making:</b> continuous reduction of average timescales for all development categories [Q1 - Q4]   | Amber      | <p><b>Major Applications</b><br/>Your average timescale is 16.6 weeks which is faster than the previous year and faster than the Scottish average of 39.5 weeks.<br/><b>RAG = Green</b></p> <p><b>Local (Non-Householder) Applications</b><br/>Your average timescale is 14.8 weeks which is faster than the previous year but slightly slower than the Scottish average of 14.4 weeks.<br/><b>RAG = Amber</b></p> <p><b>Householder Applications</b><br/>Your average timescale is 9.6 weeks which is faster than the previous year but slower than the Scottish average of 8.9 weeks.<br/><b>RAG = Amber</b></p> <p><b>Overall RAG = Amber</b></p> |
| 2   | <p><b>Processing agreements:</b></p> <ul style="list-style-type: none"> <li>offer to all prospective applicants for major development planning applications; and</li> <li>availability publicised on website</li> </ul>   | Green      | <p>You offer processing agreements for all applications, including major developments.<br/><b>RAG = Green</b></p> <p>You publish information about processing agreements and relevant forms on your website.<br/><b>RAG = Green</b></p> <p><b>Overall RAG = Green</b></p>  |
| 3   | <p><b>Early collaboration</b> with applicants and consultees</p> <ul style="list-style-type: none"> <li>availability and promotion of pre-application discussions for all prospective applications; and</li> <li>clear and proportionate requests for supporting information</li> </ul> | Green      | <p>You provide formal pre-application advice and wider online advice for all prospective applications. Guidance and information is published on your website.<br/><b>RAG = Green</b></p> <p>You ensure clear and proportionate information is requested by engaging in meetings with agents, consultants and developers throughout the process.<br/><b>RAG = Green</b></p> <p><b>Overall RAG = Green</b></p>   |
| 4   | <b>Legal agreements:</b> conclude (or reconsider) applications after resolving to grant permission reducing number of live applications more than 6 months after resolution to grant (from last reporting period)   | Amber      | Your average timescale for applications with legal agreement is 50.0 weeks which is faster than the previous year but slower than the Scottish average of 41.1 weeks. It is noted however that your average timescale is based on one local application.   |
| 5   | <b>Enforcement charter</b> updated / re-published within last 2 years   | Green      | Your enforcement charter was updated in March 2022 which is within the last 2 years.   |

|      |   |       |  |
|------|---|-------|--|
| 6    | <b>Continuous improvement:</b> <ul style="list-style-type: none"> <li>progress ambitious and relevant service improvement commitments identified through PPF report</li> </ul>  | Green | You have completed 5 out of 7 of your improvement commitments identified in the previous reporting period with a further 2 ongoing.<br><br>You have identified 5 improvement commitments for the coming year with some commitments building on work from the current reporting period.   |
| 7    | <b>Local development plan</b> less than 5 years since adoption  | Red   | Your LDP was 5 years and 6 months old at the end of the reporting period which is more than 5 years since adoption.  |
| 8    | <b>Development plan scheme – next LDP:</b> <ul style="list-style-type: none"> <li>project planned and expected to be delivered to planned timescale</li> </ul>  | Green | Your Development Plan Scheme was updated in November 2022 and sets out that the next LDP will be published in March 2027. A more detailed Development Plan Scheme is due to be published in the future which will set out more indicative timescales for the next LDP.   |
| 9&10 | <b>LDP Engagement:</b> <ul style="list-style-type: none"> <li>stakeholders including Elected Members, industry, agencies, the public and Scottish Government are engaged appropriately through all key stages of development plan preparation.</li> </ul> | Green | You have started initial engagement with key stakeholders for the development of the next LDP. It is noted however this is in the early stages and therefore more comprehensive engagement has not been carried out yet.   |
| 11   | <b>Policy Advice:</b> <ul style="list-style-type: none"> <li>Production of relevant and up to date policy advice</li> </ul>   | Green | You have provided evidence of ensuring policy advice has been kept up to date, which has included changes to wording in standard letters as well as maintaining your website so the information available to applicants is up to date and relevant.  |
| 12   | <b>Corporate working across services</b> to improve outputs and services for customer benefit (for example: protocols; joined-up services; single contact arrangements; joint pre-application advice)   | Green | You have provided various examples of corporate working across services. This includes joined up working with colleagues in Climate Change and Zero Waste to assist in planning applications as well as being involved in an extensive CPD programme across the Council to improve knowledge and understanding between services and teams. |
| 13   | <b>Sharing good practice, skills and knowledge</b> between authorities  | Green | You continue to actively engage in emerging policy and planning discussions through HOPS and other relevant bodies. You also share your experience of inter service working with other authorities.  |
| 14   | <b>Stalled sites / legacy cases:</b> conclusion or withdrawal of old planning applications and reducing number of live applications more than one year old  | Red   | You cleared 64 cases during the reporting period, however the number of cases remaining has increased substantially from 9 to 40. Although there is evidence you are clearing a large number of legacy cases each reporting period, there is still a substantial number of cases reaching legacy status.                                   |
| 15   | <b>Developer contributions:</b> clear and proportionate expectations <ul style="list-style-type: none"> <li>set out in development plan (and/or emerging plan); and</li> <li>in pre-application discussions</li> </ul>                                    | Green | You set out information on developer contributions in your current LDP and you set out the proportionate expectations in the related Supplementary Guidance.<br><b>RAG = Green</b><br><br>You continue to provide information during pre-application discussions.<br><b>RAG = Green</b><br><br><b>Overall RAG = Green</b>                  |

2.6 The areas which achieved Green performance markers in PPF 12 relate to the following topics:

**Marker 2: Processing Agreements.** The Scottish Government noted that Processing Agreements are available for all applications including major developments. A Processing Agreement is a formal arrangement between the applicant or agent involved with a planning application to agree an extended time period for determining their application. Often this will arise as a result of negotiations or resolving issues arising from

consultee responses. Additionally, the Scottish Government noted that information about processing agreements and relevant forms are published on the Fife Planning website.

**Marker 3: Early collaboration with applicants and consultees.** The Scottish Government commented that the Fife Planning Service provides pre-application advice and wider online advice for all prospective applications. Guidance and information is published on the website. It was also noted that clear and proportionate information is requested by engaging in meetings with agents, consultants and developers throughout the application process.

**Marker 5: Enforcement Charter.** The Scottish Government reflected that the Planning Enforcement Charter was updated in March 2022.

**Marker 6: Continuous Improvement.** The Scottish Government commented that Fife Planning Service had completed 5 out of 7 of the improvement commitments identified in the previous reporting period with a further 2 ongoing. 5 improvement commitments have been identified for the coming year with some commitments building on work from the current reporting period.

**Marker 8: Development Plan Scheme.** The Scottish Government noted that the Development Plan Scheme was updated in November 2022 and sets out that the next LDP will be published in March 2027. A more detailed Development Plan Scheme is due to be published in the future which will set out more indicative timescales for the next LDP. (NB as of 31 March 2023).

**Marker 9 and 10: LDP Engagement.** The Scottish Government reflected that Fife Planning had started initial engagement with key stakeholders for the development of the next LDP. It was noted however that this is in the early stages and therefore more comprehensive engagement has not been carried out yet. (NB as of 31<sup>st</sup> March 2023).

**Marker 11: Regular and proportionate policy advice.** The Scottish Government noted that evidence was provided which demonstrated that the Service ensures policy advice has been kept up to date, which has included changes to wording in standard letters as well as maintaining [the] website so the information available to applicants is up to date and relevant.

**Marker 12: Corporate Working Across Services.** The Scottish Government commented that the Planning Service had provided various examples of corporate working across services. This included joined up working with colleagues in Climate Change and Zero Waste to assist in planning applications as well as being involved in an extensive CPD programme across the Council to improve knowledge and understanding between services and teams.

**Marker 13: Sharing good practice, skills and knowledge.** The Scottish Government reflected that the Fife Planning Service continued to actively engage in emerging policy and planning discussions through HOPS and other relevant bodies. [The Planning Service] also shared experience of inter service working with other authorities.

**Marker 15: Developer Contributions.** The Scottish Government noted that the Service set out information on developer contributions in [the] current LDP and sets out the proportionate expectations in the related Supplementary Guidance. The Scottish Government also highlighted that the Service continues to provide information during pre-application discussions.

- 2.7 Whilst these areas have achieved a Green rating in the PPF 12 positive effort will be afforded to each area to ensure the highest rating is maintained and where appropriate elements of the Performance Markers improved upon for future performance reporting. As noted in the Minister's letter the recent appointment of the new National Planning Improvement Champion provides an opportunity to reflect on the planning system in Scotland in the context of the ongoing implementation of the provisions of planning reform set out in the 2019 Planning Act and also the implications arising from NPF 4. In addition, the opportunity is also presented to determine what format future local authority annual planning performance reports will take. Fife Council Planning Services will actively participate in consultations and discussions in that context.
- 2.8 The two Performance Markers which achieved an Amber rating are areas where greater focus is required to achieve or continue positive movement to higher Green rating in forthcoming Performance reports. This objective however also needs to be set against the prioritisation of maintaining service delivery and securing investment to assist and support economic recovery as well as the additional demands on the delivery of the planning system arising through increased focus on climate change, and the legislative provisions of NPF4.
- 2.9 With regards to **Marker 1: Decision-making: continuous reduction of average timescales for all development categories of planning applications**. The breakdown by development type markers highlights that the significant improvement in the Major applications category was marked Green as we improved performance in this area, reducing the time taken in terms of average number of weeks from the 34.1 reported in PPF 11 to 16.6 weeks in PPF 12. The householder and local applications categories also achieved further performance improvements with householder timescales reducing from 11 weeks in PPF 11 to 9.6 weeks in PPF 12. For Local applications the performance timescale also improved reducing from 15.7 weeks in PPF 11 to 14.8 in PPF 12. When scoped against the national performance trend the improvement in relation to Major applications achieved in Fife is substantial with the national average figure having improved from 44.6 weeks to 39.5 weeks, while these statistics are based on a relatively small number of cases it nevertheless highlights the ability of the planning service to deal with complex cases on a timely basis. Considering the national trend context for the determination of local and householder applications it is worth highlighting that while both national statistics across Scotland have slowed between the figures reported in PPF 11 and those in PPF 12, the average weekly performance for these development types in Fife are both faster than those reported in PPF 11.
- 2.10 With regards to **Marker 4: Legal agreements: conclude (or reconsider) applications after resolving to grant permission reducing number of live applications more than 6 months after resolution to grant (from last reporting period)**; this was also marked as Amber. However, the Scottish Government reflected that this marker was based on only one local application case. Fife Council continue to actively engage in the S75 process early and have measures in place to keep applicants and developers fully informed in the process including discussion on timescales.
- 2.11 The two Performance Markers which were marked Red in PPF 12 have specific context and require further explanation and clarification than is provided in the Minister's feedback.

- 2.12 With regards to **Marker 7: Local Development Plan**. The longevity of the current adopted development plan which exceeds the 5-year period set out in the PPF reflects a conscious decision that was taken to defer its replacement to align with the provisions of NPF4 and the legislative changes brought in through the 2019 Planning Act. As the Minister notes, work has commenced on the development of the next LDP. Markers 8, 9 and 10 are marked Green in that context.
- 2.13 With regards to **Marker 14: Stalled sites/legacy cases**. It is obviously regrettable that this marker has changed from Green in PPF 11 to Red in PPF 12. All cases are proactively monitored and reviewed however the introduction of NPF4 in February, an overall increase in the number of applications received throughout the PPF 12 reporting period as well as capacity issues with key consultees such as Harbours Flooding and Coasts and Public Protection impacted on a larger number of more complex cases taking longer to progress through the system. Simply refusing applications taking time to progress through the system would ensure consistent Green rating however the work undertaken to manage cases to positive outcomes for applicants and ensuring key consultee comments are obtained resulted in the reported number increasing between PPF 11 to PPF 12. This marker also needs to be considered in the context of the overall improvement in performance in the throughput of all applications which was evidenced in PPF 12 and continued into and sustained into Q1 and Q2 of 2023/24. As reported in the supporting information in PPF 12, in relation to this marker, by the end of Q1 2023/24 the figure of applications in this category had reduced to 11 cases. Proactive monitoring to ensure cases do not stall without good reason or justification is ongoing, and more importantly open and regular communication with applicants and agents is maintained in the context of such cases.

## 3.0 Resources

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- 3.1 Reflecting on the Ministers commitment to ensure resourcing remains a key priority; Fife Council Planning Services continues its work with schools and colleges to ensure a supply of new recruits to the planning profession. Fife Council Planning Services is actively involved through the High-Level Group, COSLA and Heads of Planning Scotland and welcomes the opportunity to work further to assist the Minister and his team in exploring the options and opportunities to place the resourcing of the planning system on a more stable and resilient footing. Similarly, Fife Council Planning Services looks forward to working with and supporting the recently appointed National Planning Improvement Champion in developing and supporting performance of the planning system.

## 4.0 Conclusions

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- 4.1 PPF 12 demonstrated the continuous improvement on performance across the planning service and highlighted through case studies, projects, workforce development, and process improvement positive outcomes, all of which contribute to delivering the Plan for Fife, and the Local Outcome Improvement Plan.
- 4.2 In the PPF12 reporting period, following the recent increase in planning fees the Service has invested in new posts and created posts to secure training and to widen the

opportunities to bring new talent into the profession and develop the planners of the future. This investment is directly reflected in the overall improvements in the throughput of all application types within the PPF 12 reporting period. In addition to achieving significant improvements in performance where the service has significantly bettered the national average in terms of major applications and is within touching distance of the national average for both locals and householders; the Service continues to proactively manage workloads and develop officers and implement a wide range of innovative business process improvements. We continue to define the priorities for business improvement with a customer focus. Overall, the Service continues to strive to increase the Green ratings achieved and delivering change including continuous improvement as set out in PPF12. Ultimately the quality of what we deliver on the ground and how we support the economic development of Fife while remaining focussed on addressing the climate emergency and building in climate resilience to new development is our primary objective and business focus on a day to day basis.

### **List of Appendices**

1. Letter from Joe FitzPatrick MSP with Feedback on PPF12

### **Background Papers**

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

1. [PPF 12 Draft Document Accessible \(wordpress.com\)](#)

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## APPENDIX 1 Minister's Feedback on Fife Council's PPF 12

Minister for Local Government Empowerment and  
Planning  
Ministear airson Cumhachdachadh is Dealbhachadh  
Riaghaltas Ionadail  
Joe FitzPatrick MSP  
Joe Mac Giolla Phádraig BPA



Ken Gourlay  
Chief Executive  
Fife Council

20 October 2023

Dear Ken Gourlay,

I am pleased to enclose feedback on your authority's twelfth Planning Performance Framework (PPF) Report, for the period April 2022 to March 2023.

Across the country, performance against the key markers continues to be stable and there has been little variation in the overall total of green, amber and red markings awarded this reporting period compared with previous periods. It is clear that each of you continue to put in considerable effort to ensuring our planning system continues to run efficiently. I have been particularly pleased to see there has been a marked improvement on speed of determination for major applications across some authorities.

Resourcing remains a key priority which I will continue to discuss with the High Level Group on Planning Performance, which I jointly chair with COSLA. I also have asked officials to bring different parties together to talk about resourcing in the autumn, to identify practical solutions. We need options that work for all sectors, and I think it would be really beneficial to discuss a variety of issues including full cost recovery, the local setting of fees, charges for additional services and approaches which could enable authorities to access the skills and expertise at the time they require.

Finally, I am delighted that we have recently announced the appointment of the National Planning Improvement Champion (NPIC), Craig McLaren, who took up this new post in early September. Craig will play a pivotal role in supporting improvement and will also be looking at how we can improve the way we measure and assess the performance of the planning system in the future.

If you would like to discuss any of the markings awarded below, please contact us at [chief.planner@gov.scot](mailto:chief.planner@gov.scot) and a member of the team will be happy to discuss them with you.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See [www.lobbying.scot](http://www.lobbying.scot)

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**JOE FITZPATRICK**

**CC: Pam Ewen, Head of Planning**

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# APPENDIX 1 Minister's Feedback on Fife Council's PPF 12 Ctd.

## PERFORMANCE MARKERS REPORT 2022-23

Name of planning authority: **Fife Council**

The High Level Group on Performance agreed a set of performance markers. We have assessed your report against those markers to give an indication of priority areas for improvement action. The high level group will monitor and evaluate how the key markers have been reported and the value which they have added.

The Red, Amber, Green ratings are based on the evidence provided within the PPF reports. Where no information or insufficient evidence has been provided, a 'red' marking has been allocated.

| No. | Performance Marker   | RAG rating | Comments   |
|-----|--|------------|--|
| 1   | <b>Decision-making:</b> continuous reduction of average timescales for all development categories [Q1 - Q4]  | Amber      | <p><b>Major Applications</b><br/>Your average timescale is 16.6 weeks which is faster than the previous year and faster than the Scottish average of 39.5 weeks.<br/><b>RAG = Green</b></p> <p><b>Local (Non-Householder) Applications</b><br/>Your average timescale is 14.8 weeks which is faster than the previous year but slightly slower than the Scottish average of 14.4 weeks.<br/><b>RAG = Amber</b></p> <p><b>Householder Applications</b><br/>Your average timescale is 9.6 weeks which is faster than the previous year but slower than the Scottish average of 8.9 weeks.<br/><b>RAG = Amber</b></p> <p><b>Overall RAG = Amber</b></p> |
| 2   | <b>Processing agreements:</b> <ul style="list-style-type: none"> <li>offer to all prospective applicants for major development planning applications; and</li> <li>availability publicised on website</li> </ul>   | Green      | <p>You offer processing agreements for all applications, including major developments.<br/><b>RAG = Green</b></p> <p>You publish information about processing agreements and relevant forms on your website.<br/><b>RAG = Green</b></p> <p><b>Overall RAG = Green</b></p>  |
| 3   | <b>Early collaboration</b> with applicants and consultees <ul style="list-style-type: none"> <li>availability and promotion of pre-application discussions for all prospective applications; and</li> <li>clear and proportionate requests for supporting information</li> </ul> | Green      | <p>You provide formal pre-application advice and wider online advice for all prospective applications. Guidance and information is published on your website.<br/><b>RAG = Green</b></p> <p>You ensure clear and proportionate information is requested by engaging in meetings with agents, consultants and developers throughout the process.<br/><b>RAG = Green</b></p> <p><b>Overall RAG = Green</b></p>   |
| 4   | <b>Legal agreements:</b> conclude (or reconsider) applications after resolving to grant permission reducing number of live applications more than 6 months after resolution to grant (from last reporting period)  | Amber      | Your average timescale for applications with legal agreement is 50.0 weeks which is faster than the previous year but slower than the Scottish average of 41.1 weeks. It is noted however that your average timescale is based on one local application.   |
| 5   | <b>Enforcement charter</b> updated / re-published within last 2 years  | Green      | Your enforcement charter was updated in March 2022 which is within the last 2 years.   |

## APPENDIX 1 Minister's Feedback on Fife Council's PPF 12 Ctd.

|      |   |       |   |
|------|---|-------|---|
| 6    | <b>Continuous improvement:</b> <ul style="list-style-type: none"> <li>progress ambitious and relevant service improvement commitments identified through PPF report</li> </ul>  | Green | <p>You have completed 5 out of 7 of your improvement commitments identified in the previous reporting period with a further 2 ongoing.</p> <p>You have identified 5 improvement commitments for the coming year with some commitments building on work from the current reporting period.</p>   |
| 7    | <b>Local development plan</b> less than 5 years since adoption  | Red   | <p>Your LDP was 5 years and 6 months old at the end of the reporting period which is more than 5 years since adoption.</p>  |
| 8    | <b>Development plan scheme</b> – next LDP: <ul style="list-style-type: none"> <li>project planned and expected to be delivered to planned timescale</li> </ul>  | Green | <p>Your Development Plan Scheme was updated in November 2022 and sets out that the next LDP will be published in March 2027. A more detailed Development Plan Scheme is due to be published in the future which will set out more indicative timescales for the next LDP.</p>   |
| 9&10 | <b>LDP Engagement:</b> <ul style="list-style-type: none"> <li>stakeholders including Elected Members, industry, agencies, the public and Scottish Government are engaged appropriately through all key stages of development plan preparation.</li> </ul> | Green | <p>You have started initial engagement with key stakeholders for the development of the next LDP. It is noted however this is in the early stages and therefore more comprehensive engagement has not been carried out yet.</p>   |
| 11   | <b>Policy Advice:</b> <ul style="list-style-type: none"> <li>Production of relevant and up to date policy advice</li> </ul>   | Green | <p>You have provided evidence of ensuring policy advice has been kept up to date, which has included changes to wording in standard letters as well as maintaining your website so the information available to applicants is up to date and relevant.</p>  |
| 12   | <b>Corporate working across services</b> to improve outputs and services for customer benefit (for example: protocols; joined-up services; single contact arrangements; joint pre-application advice)   | Green | <p>You have provided various examples of corporate working across services. This includes joined up working with colleagues in Climate Change and Zero Waste to assist in planning applications as well as being involved in an extensive CPD programme across the Council to improve knowledge and understanding between services and teams.</p> |
| 13   | <b>Sharing good practice, skills and knowledge</b> between authorities  | Green | <p>You continue to actively engage in emerging policy and planning discussions through HOPS and other relevant bodies. You also share your experience of inter service working with other authorities.</p>  |
| 14   | <b>Stalled sites / legacy cases:</b> conclusion or withdrawal of old planning applications and reducing number of live applications more than one year old  | Red   | <p>You cleared 64 cases during the reporting period, however the number of cases remaining has increased substantially from 9 to 40. Although there is evidence you are clearing a large number of legacy cases each reporting period, there is still a substantial number of cases reaching legacy status.</p>                                   |
| 15   | <b>Developer contributions:</b> clear and proportionate expectations <ul style="list-style-type: none"> <li>set out in development plan (and/or emerging plan); and</li> <li>in pre-application discussions</li> </ul>                                    | Green | <p>You set out information on developer contributions in your current LDP and you set out the proportionate expectations in the related Supplementary Guidance.<br/> <b>RAG = Green</b></p> <p>You continue to provide information during pre-application discussions.<br/> <b>RAG = Green</b></p> <p><b>Overall RAG = Green</b></p>              |

# APPENDIX 1 Minister's Feedback on Fife Council's PPF 12 ctd.

## FIFE COUNCIL

### Performance against Key Markers

| Marker |  | 13-14 | 14-15 | 15-16 | 16-17 | 17-18 | 18-19 | 19-20 | 20-21 | 21-22 | 22-23 |
|--------|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1      | Decision making timescales                               |       |       |       |       |       |       |       |       |       |       |
| 2      | Processing agreements                                    |       |       |       |       |       |       |       |       |       |       |
| 3      | Early collaboration                                      |       |       |       |       |       |       |       |       |       |       |
| 4      | Legal agreements   |       |       |       |       |       |       |       |       |       |       |
| 5      | Enforcement charter                                      |       |       |       |       |       |       |       |       |       |       |
| 6      | Continuous improvement                                   |       |       |       |       |       |       |       |       |       |       |
| 7      | Local development plan                                   |       |       |       |       |       |       |       |       |       |       |
| 8      | Development plan scheme                                  |       |       |       |       |       |       |       |       |       |       |
| 9 & 10 | LDP Early Engagement                                     | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   |       |       |
| 11     | Regular and proportionate advice to support applications |       |       |       |       |       |       |       |       |       |       |
| 12     | Corporate working across services                        |       |       |       |       |       |       |       |       |       |       |
| 13     | Sharing good practice, skills and knowledge              |       |       |       |       |       |       |       |       |       |       |
| 14     | Stalled sites/legacy cases                               |       |       |       |       |       |       |       |       |       |       |
| 15     | Developer contributions                                  |       |       |       |       |       |       |       |       |       |       |

### Overall Markings (total numbers for red, amber and green)

|         | Red | Amber | Green |
|---------|-----|-------|-------|
| 2013-14 | 0   | 8     | 5     |
| 2014-15 | 0   | 6     | 7     |
| 2015-16 | 0   | 2     | 11    |
| 2016-17 | 2   | 4     | 7     |
| 2017-18 | 1   | 3     | 9     |
| 2018-19 | 1   | 3     | 9     |
| 2019-20 | 0   | 3     | 10    |
| 2020-21 | 0   | 3     | 10    |
| 2021-22 | 0   | 2     | 12    |
| 2022-23 | 2   | 2     | 10    |

### Decision Making Timescales (weeks)

|                                     | 13-14 | 14-15 | 15-16 | 16-17 | 17-18 | 18-19 | 19-20 | 20-21 | 21-22 | 22-23 | 2022-23 Scottish Average |
|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------------------------|
| Major Development                   | 49.7  | 45.0  | 28.2  | 38.1  | 31    | 51.2  | 64.9  | 39.7  | 34.1  | 16.6  | 39.5                     |
| Local (Non-Householder) Development | 19.5  | 15.8  | 15.2  | 15.9  | 13.1  | 10.8  | 9.4   | 13.0  | 15.7  | 14.8  | 14.4                     |
| Householder Development             | 8.1   | 8.6   | 8.5   | 8.6   | 8.9   | 7.5   | 7.3   | 8.2   | 11    | 9.6   | 8.9                      |

25 January 2024

Agenda Item No. 5

## BUSINESS GATEWAY FIFE ANNUAL PERFORMANCE

**Report by:** Gordon Mole, Head of Business & Employability

**Wards Affected:** All

### Purpose

The purpose of this report is to provide an annual overview of the performance of Business Gateway Fife Ltd in delivering services during the period April 2022 to March 2023, including Fife Council's financial assistance to businesses scheme. The report provides information on performance and highlights areas of service adjustments to assist in the transition from European (EU) Funding to UK Shared Prosperity Funding (UKSPF).

### Recommendations

It is recommended that the Committee agrees to:

1. consider the performance, expenditure and activity information on Business Gateway Fife for 2022/23, as detailed in this report;
2. note the repositioned delivery focus the reform theme of Leading Economic Recovery in supporting Fife businesses; and
3. note the transition from EU Funding to UKSPF from 1<sup>st</sup> April 2023

### Resource Implications

Business Gateway is a national programme funded by the Scottish Government to provide a consistent business advice and support service for stimulating pre-start, new start-up and engaging with existing businesses in a consistent manner throughout the country. Since 2008, delivery of this service has been devolved to local government. The budget allocated to deliver Business Gateway contract services in Fife for 2022/23 was **£811,728**. In addition, **£145,000** of funds was allocated to deliver repayable investments for small to medium sized businesses through the Fife Investment Fund (FIF).

| Financial Year                       | 2016/17  | 2017/18  | 2018/19  | 2019/20  | 2020/21  | 2021/22  | 2022/23  |
|--------------------------------------|----------|----------|----------|----------|----------|----------|----------|
| Business Gateway Fife Revenue Budget | £895,000 | £895,000 | £842,000 | £811,728 | £811,728 | £811,728 | £811,728 |

|                      |          |          |          |          |          |          |          |
|----------------------|----------|----------|----------|----------|----------|----------|----------|
| Fife Investment Fund | £245,000 | £160,000 | £145,000 | £145,000 | £145,000 | £145,000 | £145,000 |
|----------------------|----------|----------|----------|----------|----------|----------|----------|

## Legal & Risk Implications

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The Service Manager, Economic Development is responsible for the strategic oversight of Business Gateway Fife Ltd, an arms-length external organisation wholly owned by Fife Council. The Council is represented on the Board by two Directors nominated by the Council, comprising a Councillor nominee along with the Head of Business & Employability. Economic Development officers lead on operational delivery and compliance with robust monthly monitoring carried out on performance, including contractual income drawdown analysis.

The Business Gateway Fife European funding programme concluded in March 2023 (final claims may not be drawn down until December 2023). This external funding represented circa 33% of total funding that supports enhanced service delivery alongside the national core elements of business gateway delivery. Fife Council secured funding from the UKSPF, which has replaced EU funding from March 2023 allowing for continuity and enhancement of service delivery. Supporting innovation in key sectors, workforce upskilling, trade development, transition to Net Zero, entrepreneurship and providing specialist skills in carbon sustainability and energy generation.

## Impact Assessment

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An EqIA Checklist 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 inclusive economic growth, which is shared by all. The proposed action plan strengthens or will activate additional workstreams that contribute to the delivery of the Fife Economic Strategy 2023-2028 and its aims to deliver further economic growth across Fife.

## Consultation

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The Head of Legal and Democratic Services and Head of Finance were consulted on this report.

## 1.0 Background

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- 1.1 Business Gateway Fife (limited by guarantee) is an arms-length company, wholly owned by Fife Council which was established, originally as a joint venture with Scottish Enterprise Fife, to deliver Business Gateway services throughout Fife. Fife Council is the sole member of the company however the company is governed by a business led board. The Council is represented on the board by a Councillor nominee and the Head of Business & Employability.

- 1.2 Business Gateway offers information, advice and guidance to people thinking about starting up in business or growing their existing business. It is a national service with built in local flexibilities providing business solutions on a one-to-one basis for businesses with growth potential. It is supported by a national Enquiry Service and a national website with local microsites. Business Gateway services are managed by 18 Lead Local Authorities across Scotland.  
The Service Manager, Economic Development represents Fife on the Scottish Local Authorities Economic Development Executive Group (SLAED) and officers are engaged in national Business Gateway Network Forums.
- 1.3 Fife Council is responsible for ensuring that the services provided through Business Gateway are meeting the needs of the Fife business community and responds to market demand. The successful delivery of Business Gateway services is vital to achieving the Council's strategic economic and business development objectives. In this regard, Fife Council seeks to continuously develop and deliver services aligned to its business users, to develop genuine business engagement and achieve more local accountability for the services it delivers.
- 1.4 The Council's Business and Employability service also works to integrate with other local authority services such as Corporate Procurement, Property Services, Planning, Trading Standards and Revenues. Furthermore, Business Gateway services continue to dovetail with national enterprise agencies and intermediaries to improve alignment and coverage. The provision of a 'one door approach' for the delivery of business development services and partnership working is fundamental to maintaining and improving Fife's business customer experience and contributes to growing local business success.
- 1.5 The policy rationale for Business Gateway Fife is that it addresses key objectives of the refreshed Fife's Economic Strategy 2023-2028:
- Improve entrepreneurial skills in young people
  - Support new business start up and their early survival
  - Assist small and medium enterprises grow and expand
- 1.6 In addition to continuing to implement these strategic aims, Business Gateway Fife remains integral in supporting the wider objectives set out within the Fife Economic Strategy. Specifically, Business Gateway Fife services support the delivery of:
- Helping local businesses accelerate their transition to net zero and adopt digital technologies
  - Supporting access to finance and expert help in key sector disciplines
  - supports community owned cooperative and social enterprise models of business ownership
- 1.7 Fife Council Economic Development promotes an enterprising and entrepreneurial culture at grassroots level through enterprise in education collaboration and stimulating awareness of, and demand for, business support services (both public and private sector) among Fife's business base.
- 1.8 The Council was successful in being awarded the Most Enterprising Place in Britain at the Enterprising Britain UK Awards in October 2018 and continues to be creative and innovative with development of enterprise programmes for young people, also working alongside Developing Young Workforce (DYW) Fife, led by the private sector to encourage development of enterprise in education.

## 2.0 Issues and Performance

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- 2.1 Following two years focussed on managing the impact and delivery response to Covid-19 funding and resilience support. Business Gateway Fife colleagues have returned to the office on a hybrid work pattern, working from the office 2 days per week. They are ably supported by mobile working and IT solutions that allow effective working from home or remote locations such as customers' premises. Customer service remains paramount and the current hybrid working approach is reviewed regularly with that in mind.
- 2.2 The Scottish Government sought to support post COVID recovery through their Local Authority COVID Economic Recovery (LACER) fund. The Economic Development Team successfully bid for a £1.23m from Fife Council's LACER allocation to provide a Net Zero Transition Fund which commenced in April 2022. This fund, delivered by Business Gateway Fife and supported by colleagues in Economic Development, provided non-repayable grants of up to £3,000 to support measures that would help Fife-based SMEs (all sectors) to reduce their carbon emissions. The launch of this fund coincided with the significant rise in energy costs, resulting in a level of demand for these grants on a par with what was experienced during COVID. The fund supported 413 Fife businesses to improve their energy efficiency during an intense 5/6 month period, before funds were fully committed.
- 2.3 Following the move to digital delivery during Covid-19, Business Gateway training workshops and webinars continued to be delivered fully online throughout 2022/23. The recording of workshops, making them available on demand at a time that suits the customer was piloted during 2022/23 and will be revisited in 2023/24 along with the return of face to face workshop delivery for topics better suited to an in person approach. 2022/23 saw a full return to face-to-face Advisory Services with online support remaining an option based on customer preference.
- 2.4 The focus on delivering the Net Zero Transition Fund and helping businesses deal with rising energy costs, impacted the provision of Expert Help specialist services. Although a fundamental element to our enhanced service offerings, it proved challenging during this period to deliver an effective service. Advisors were focussed on supporting "the here and now" challenges with businesses and referral to expertise in some of these specialist fields was limited. The exception was for environmental expertise where we experienced a spike in demand as businesses undertook energy efficiency audits to identify how a Net Zero Transition Fund grant would best be deployed.
- 2.5 The repurposed Fife Business Matters (FBM) publication continues to be presented as an online e-zine to showcase the fantastic work of Fife businesses and their ongoing resilience in adapting their business models due to continuous external factors. The publication is now fully digital, delivered monthly due to ongoing demand from firms for business features and circulated to elected members, key partners and the Fife business community.
- 2.6 **Business Start Up**
  - 2.6.1 503 start-ups were supported in 2022/23 against a target of 600, which was back to pre-covid levels. It is anticipated that these start-ups will support the creation of 702 jobs. Start-ups by Women were 53% of total start-ups, which is well above the national average and up by 2% on previous year.



2.6.2 Young People start-ups equated to 32% (up 4% on previous year) of overall delivery, which is encouraging performance and linked to the ongoing small grant to assist young entrepreneurs.

2.6.3 As set out in the previous and refreshed Fife's Economic Strategy 2023-2028, Fife Council continues to prioritise start-up services to support enterprise and employment opportunities within Fife and across communities. That said, it is fundamental for the strategy to remain focussed on services that will support the early growth start-up market and using more digital and online solutions to support the volume of life-style businesses.

## 2.7 Business Growth

2.7.1 BG's activity during 2022/23 showed decreased levels of online engagement with businesses during this period and 767 individuals attended 151 adapted surgeries and training workshops. Through wider economic development provision, tailored solutions were delivered to some client groups (such as female/young people/olderpreneurs) as well as business industry sectors (manufacturing, tourism including food/drink production) to assist with trade development, innovation and digital solutions.

2.7.2 Existing business advisory services saw much needed assistance to 1868 indigenous businesses. Support for rising energy cost challenges as well as economic resilience and sustainability needs.

2.7.3 Through Business Gateway operational delivery, Fife Council continued to support an enhanced EU Funding service. During 2022/23, 137 businesses received more intensive Expert Help assistance from 33 specialist advisors across a variety of business themes.

Key 2022/23 headline performance indicators are outlined in Table 1 below – more detailed information is available on Appendix One attached.

BG Performance Table 1

| <b>Measure</b>                      | <b>Actual<br/>18/19</b> | <b>Actual<br/>19/20</b> | <b>Actual<br/>20/21</b> | <b>Actual<br/>21/22</b> | <b>Actual<br/>22/23</b> |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>BG Start Up Services</b>         |                         |                         |                         |                         |                         |
| Business Skills Workshops           | 71                      | 65                      | 60                      | 56                      | 51                      |
| Business Skills Attendees           | 526                     | 520                     | 304                     | 285                     | 197                     |
| Total Start Ups                     | 552                     | 615                     | 519                     | 603                     | 503                     |
| -Starts By Women                    | 305                     | 299                     | 250                     | 308                     | 263                     |
| No of job created from Total Starts | 720                     | 813                     | 676                     | 778                     | 702                     |



2.8

| <b>BG Business Growth Services</b> |     |      |      |      |       |
|------------------------------------|-----|------|------|------|-------|
| Business Skills Workshops          | 136 | 132  | 108  | 95   | 100   |
| Business Skills Attendees          | 965 | 864  | 793  | 722  | 570   |
| Business Advisory Services         | 867 | 1173 | 1257 | 1219 | 1,868 |
| Expert Help Assists                | 137 | 98   | 85   | 100  | 137   |

### **Financial Assistance to Business**

2.8.1 Fife Council provides funding to allow Business Gateway Fife to administer the Council's Financial Assistance scheme to support small/medium sized businesses. Assistance may be provided for a range of property, product, process improvements, innovation and market assistance. Up to a value of £10,000 of repayable grant, non interest-bearing. This funding can also sit alongside commercial loan funding to support a financial package of business investment.

2.8.2 During 2022/23 whilst the teams were administering LACER Net Zero Transition Fund grants, some 18 local funding applications were approved across a variety of industry sectors, this investment is forecast to create 31 jobs over 3 years. A pipeline of application submissions is in process too, with some tending to take time to undertake due diligence so projects will roll over into the next financial year.

Businesses are now looking to focus on economic investment to support continuous improvements. This repayable grant scheme continues to demonstrate the successful demand and highlights the benefits that even low levels of financial support can provide for small to medium businesses across Fife.

2.8.3 As part of the Council's EU Funding during 2022/23, local grants were made available to support Workforce Development Upskilling and Trade/Market Development, up to a value of £2k. 67 applications were approved for support during this time. The fund has obviously now come to an end and transition to UKSPF has now taken place to continue to support much needed upskilling and trade development support.

2.8.4 Fife Council continues to be a key part of delivery of the pan-Scotland local authority loan fund – Business Loans Scotland (BLS). The financial delivery is now 100% provision of support by the Scottish Government through limited legacy EU Funding. During 2022/23, only one Fife commercial loan was approved to the value of £250,000, albeit several referrals are in the pipeline. The Service Manager, Economic Development (who sits on the BLS Board) is working with national colleagues to monitor the exit from EU funding to ensure continuity and sustainability of BLS as well as our positioning within the wider Scottish Government financial schemes and the British Business Bank development, to deliver working capital and debt funding.

2.8.5 The ongoing development of financial systems has improved real-time data and compliance processes. Business projects can experience lengthy delays and be scaled back due to economic conditions at any given time. This functionality allows immediate write-backs to the fund balance to release previously committed grants, allowing approval of further applications that could not otherwise have been supported. Enhanced adaptations to the system have taken place during quarter 4 of 2022/23 to support the continuity and compliance of grants under the new UKSPF.

Key 2022/23 headline performance indicators are outlined below:

BG Financial Performance Table 2

| <i>Measure</i>                             | <i>Actual<br/>18/19</i> | <i>Actual<br/>19/20</i> | <i>Actual<br/>20/21</i> | <i>Actual<br/>21/22</i> | <i>Actual<br/>22/23</i> |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Fife Investment Fund</b>                |                         |                         |                         |                         |                         |
| Number of Applications Approved            | 22                      | 33                      | 36                      | 58                      | 18                      |
| Value of Applications Approved for Payment | £73,627.42*             | £198,167.63**           | £81,182                 | £98,916                 | £149,924                |
| Jobs created/safeguarded                   | 131                     | 154.5                   | 165                     | 123                     | 112.5                   |

\* Underspend was due to committed projects rolling over

\*\* overspend was due to rolling commitment from previous year

## 3.0 Conclusions

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- 3.1 In conclusion, 2022/23 has seen Fife Council's Economic Development team and Business Gateway Fife continue to provide a wide range of advice and support to businesses during what can only be described as a continued unsettling landscape. This report outlines the agility and flexibility the council has continued to apply, utilising government funding and readapting local funding mechanisms timeously to assist businesses.
- 3.2 European funding support has helped extend some of these services across the full spectrum of Fife's business base over many years. With the introduction of the new UKSPF, the Council will continue to identify opportunities to improve the services delivered by Economic Development and Business Gateway Fife and associated linkages with key partners to increase leverage of external funding.
- 3.3 The provision of a 'one door approach' for the delivery of business development services and partnership working continues to be fundamental to maintaining and improving Fife's business customer experience and contributes to growing local business success and community wealth building. The digital InvestFife platform continues to play a pivotal role in bringing services together to support inward

investment and indigenous investment for Fife, showcasing the economic proposition for business property and employment land opportunities.

- 3.4 Wider business development programmes such as the successful Culture of Enterprise Programme, Supplier Development Programme (SDP) and Trade Development Programme, (analysis shown in Appendix One) are delivered directly by Fife Council Economic Development officers, working closely with Business Gateway advisory services to increase awareness of opportunities to businesses.
- 3.5 For the operational year of 2023/24, with ongoing economic challenges, the Council is seeking to prioritise and explore how business services remain fit for purpose and responsive to the business support environment. These services require to provide flexible and agile support to businesses across Fife. There is a need for the coverage and approach to be expanded, enhanced knowledge transfer of advisory skills required to support current business needs. This will continue to ensure that business sustainability remains a key priority for Fife Council and addresses economic transformational change.

### **Background Papers**

Appendix One – BG Key Achievements 2022/23

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# Key Achievements 2022/23



## BUSINESS START UPS SUPPORTED BY BUSINESS GATEWAY FIFE

**503** NEW BUSINESS START UPS SUPPORTED

CREATING **702** NEW JOBS

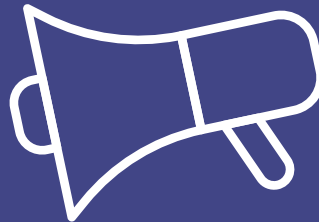


WITH A **17.1M** PROJECTED TURNOVER

## NET ZERO TRANSITION FUND

**413** GRANTS WERE APPROVED

TOTALLING **1.23M**



## SUPPORTING EXISTING & GROWING BUSINESS

**1,868** BUSINESSES SUPPORTED

**137** BUSINESSES HAVE RECEIVED SPECIALIST ADVISORY SUPPORT

**253** RECEIVED HR EMPLOYABILITY ADVICE

## DIGITAL BOOST

**DIGITAL BOOST**  
power up your business

**56** BUSINESSES RECEIVED 1-2-1 SUPPORT



## BUSINESS GATEWAY TRAINING EVENTS

**163** WEBINARS DELIVERED  
**800** ATTENDEES

## FINANCIAL SUPPORT

**264** ADDITIONAL JOBS CREATED

**£206,466** FINANCIAL SUPPORT PROVIDED



## INWARD INVESTMENT

**18.59M** VALUE OF INWARD INVESTMENT  
**186** JOBS CREATED

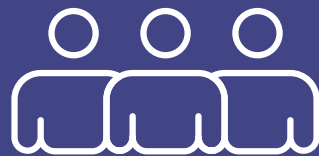


## TRADE & SUPPLIER DEVELOPMENT

**333** BUSINESSES SUPPORTED

**8** UK TRADE SHOWS ATTENDED

**41.7%** OF FIFE COUNCIL CONTRACTS AWARDED TO LOCAL BUSINESSES



## CULTURE OF ENTERPRISE

**1,010** SCHOOL EVENTS

**47,011** INSTANCES OF PUPIL ENGAGEMENT IN COE ACTIVITY



INSTANCES OF PUPIL ENGAGEMENT IN COE ACTIVITY

INSTANCES OF BUSINESSES SUPPORTING COE ACTIVITY **1,016**



25<sup>th</sup> January 2024

Agenda Item No. 6

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## Annual Procurement Report 2022-23

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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 detail of key Procurement activity and its impact from the financial year 2022-2023.

### Recommendation

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Members are asked to note the content of the Annual Procurement Report (Appendix 1) which will subsequently be published on the Fife Council website and notified to Scottish Ministers.

### Resource Implications

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There are no direct resource implications in resulting from this report, however, trend data detailed in the report highlights the increased demand on the Procurement function.

### 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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An Equality Impact Assessment (EqIA) is not required as there are no changes to existing service delivery or policy.

### Consultation

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Consultation of this report is not required, but content has been 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 encourages the maximising of economic benefit brought to Scotland from effective and efficient public procurement activity.
- 1.2 The Act requires public bodies with third party spend of over £5m per annum to publish procurement strategies to set out how they intend to carry out their regulated procurements, and to publish Annual Procurement Reports. The Annual Procurement Report is attached in Appendix 1 and it 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 criteria to be included as a minimum and it should be enhanced to include any content in relation to the specific organisation's Procurement Strategy. Areas such as Fair Work Practices, supporting the local economy and climate agenda are recognised priorities of Fife Council therefore these have been incorporated into the report also.
- 1.4 It is acknowledged that the Annual Procurement Report are lengthy, with extensive data provided, including multiple line appendices and in some cases, it may appear that some duplicate information is provided. As noted in 1.3, much of the content is required to comply with Statutory Guidance and is of interest or benefit to different audiences. Specifically, Appendices 1A, B, C and Annex A are specific requirements of the Act, a summary position and/or additional context to these appendices is provided in the main Annual Procurement Report (Appendix 1).
- 1.5 The reporting period that the report addresses is the respective financial year, 2022-2023, i.e., 1<sup>st</sup> April 2022 through to 31<sup>st</sup> March 2023.

## 2.0 Reporting Period Highlights

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- 2.1 The Annual Procurement Report acknowledges that the council had in excess of £550m 'in-scope' third party spend over the reporting period. Almost 74% of this spend is with Scottish based organisations.
- 2.2 The Annual Procurement Report acknowledges that 186 regulated contracts were awarded to 517 suppliers during the reporting period. The value of these contracts equate to an approximate overall contract value of £489m, £163m per annum. There were 662 contract awards published on Public Contracts Scotland (the national public sector procurement portal for advertising and awarding contracts).
- 2.3 In accordance with the Benefits Realisation Policy, almost £9m of financial savings and benefits have been reported during the reporting year with £3.67m of these being cashable. A summary of benefits generated for the last three years has been provided to show comparison and to illustrate that the collective benefit over that period is almost £27m.
- 2.4 In addition to the financial savings, other benefits from procurement activity have been reported, including:
  - Ensuring as much of Fife Council's procurement spend is spent with local Fife businesses as possible.
  - Reduction of environmental impacts
  - Delivery of Community Benefits from contracted suppliers

- Promoting Fair Work practices in procurement activity.

### **Sustainable Procurement – spend with local Fife Businesses/SMEs**

- 2.5.1 As well as the statutory requirement to achieve best value in every contract issued by Fife Council, there is a policy objective to obtain the best outcomes for the wider Fife economy and this is supported by targeting procurement spend to local businesses, especially the small to medium enterprise (SME, under 250 employees) sector.
- 2.5.2 Fife Council awarded 49% of the contracts via Public Contracts Scotland to businesses that are registered as trading from Fife, and 86% of those contract awards were to SMEs. 68% of the regulated contract awards were to SMEs.
- 2.5.3 Fife Council attributed 35% of its third party spend to Fife businesses. This is a decrease from previous years but additional analysis was undertaken to determine the reasons, and this is largely due to inflationary increases or additional spend with non-Fife businesses and has had a disproportionate impact on the statistics. Further information is provided in section 6.5 of the Annual Procurement Report.
- 2.5.4 Scotland Excel manage a portfolio of national frameworks for the local authority sector to use. Over the reporting period, there were 37 local suppliers on 27 Scotland Excel frameworks which also provides wider opportunity for those suppliers to supply to other member organisations. Collective spend with Fife suppliers through these frameworks was £21.59m, and £5.14m of this was spend with Fife Council.
- 2.5.5 Fife Council remains an active participant in the Supplier Development Programme helping to support local SMEs in their capability in participating in the tender process. Section 6.8 of the Annual Procurement Report provides detail of this involvement.

### **Sustainable Procurement – Climate/Reduction of Environmental Impacts**

- 2.6 Sustainable procurement aspects are incorporated into tender processes and through ongoing contract management as applicable. Some examples of this activity are provided in Section 8 of the Annual Procurement Report.

### **Sustainable Procurement – Community Benefits**

- 2.7.1 Community benefits are one of a range of social, economic and environmental considerations that can be included in public contracts and frameworks.
- 2.7.2 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. It is Fife Council's policy to also consider at lower levels in a relevant and proportionate manner.
- 2.7.3 Fife Council contracts have generated significant and varied community benefits ranging from jobs, apprenticeships, work-placements and training to sub-contract/supply chain benefits, social value rebates and donations etc. Further detail on benefits delivered are provided in Section 9 of the report, and its associated Appendix (Appendix 1B).

### **Sustainable Procurement – Fair Work Practices**

- 2.8.1 Fife Council remains committed to encouraging contractors to adopt fair work practices and attempt to ensure that payment of a fair wage is provided to relevant employees in its contractual activity.



- 2.8.2 96% of the contracted suppliers have reported to having committed to pay the Real Living Wage in the delivery of the regulated contract. Of the 17 (number) suppliers that did not commit to paying the Real Living Wage at the outset, 8 of those committed to doing so within the initial 2 years of the contract.

### **Annual Review of Procurement and Commercial Strategy**

- 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 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 priorities as follows:
- Supply Chain Impacts
  - Financial Savings/Benefits
  - Supporting Local Businesses, SMEs and Third Sector
  - Sustainable Procurement
- 2.9.3 The outcome of the review shall be added to the existing strategy to acknowledge outcome of the review.
- 2.9.4 The corporate Procurement Strategy is due to be refreshed in the financial year 2024.

### **Progress on Key Activity and Priorities Moving Forward**

- 2.10.1 Given significant transformation in the procurement function, and much of the improvement work becoming business as usual and/or spanning over multiple years, an action plan has been devised to allow effective reporting of progress activity. This can be found in Appendix 2 and includes detail on the following:
- Active participation in Reform & Recovery activity, specifically via the Local Economic Recovery Board and Community Wealth Building Support Group.
  - Supporting the Climate Emergency Reform Activity.
  - Continuous Improvement/Team Development
  - National Issues:
    - Public Procurement Priorities (Leadership & Visibility; Sustainable Economic Recovery; Supply Chain Resilience; Maximise the Impact of the Sustainable Procurement Duty; Achieving Professional Excellence; Using Systems to Drive Sustainable Outcomes and Support Reporting).
    - National Care Service activity
    - Pandemic Impacts (Covid-19 Inquiry and Review of Supplier Relief Scheme (due diligence))
  - Procurement Structure/Delegated Procurement Authority
  - Review of the Scheme of Tender Procedures

## **3.0 Conclusions**

---

- 3.1 Procurement activity has delivered almost £9m of financial benefits in the financial year 2022-23.
- 3.2 In addition to the financial benefits listed, Procurement has also achieved non-financial benefits in the form of community benefits as well committing to drive the fair work practices agenda and supporting sustainability related projects.
- 3.3 Fife Council has a significant spend being retained within the local Fife and wider Scottish economy, with much of its spend being attributed to SMEs.



- 3.4 Achievements and improvement activity continues within the function and has been reported on accordingly.
- 3.5 A reflection of current strategy and risks, issues present and areas of increased focus for the procurement function have been identified. Updates on progress shall be reported in subsequent years' Annual Procurement Reports as applicable.

## List of Appendices

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1. Appendix 1 Fife Council Annual Procurement Report, including subsequent appendices:
  - Appendix 1A – Regulated Procurement Summary 22-23
  - Appendix 1B – Community Benefits
  - Appendix 1C – Future Regulated Procurements (Pipeline)
  - Annex A (Scottish Government Return)
2. Appendix 2 – Update on commitments and actions

## 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](#)
- [Public procurement: annual procurement reports for 2022 - 2023: SPPN 2/2023](#)
- [Public procurement: priorities 2021 to March 2024](#)
- [Public procurement strategy: 2023 to 2028](#)
- [Fife Council Benefits Realisation Policy](#)
- 2022/23 Internal Audit Annual Report (Standards, Audit and Risk Committee, 30<sup>th</sup> June 2023)
- 2023/24 Internal Audit Plan (Standards, Audit and Risk Committee, 25<sup>th</sup> May 2023)

## Report Contacts

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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 £550 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 its regulated procurement activity. This report summarises the council's regulated procurement activity throughout 2022/2023. A regulated procurement is any procurement for public supplies or services with a value of over £50,000 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 2022/23, 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

2.1.1 In January 2019, Fife Council's Policy and Co-ordination Committee approved a five-year Procurement & Commercial Strategy for implementation in April 2019. This strategy was prepared 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.

2.1.2 The aspirations set out in the strategy are ambitious yet reflective of the journey that Fife Council and the procurement function has been (and continues to be) on.

2.1.3 This Annual Procurement Report presents performance and progress against policy objectives as well as mandatory reporting elements as dictated by the Procurement Reform (Scotland) Act 2014. This and previous year's Annual Procurement Reports reflect mandatory reporting elements as well as recognised Fife Council priorities.

2.1.4 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.*

2.1.5 The organisational Procurement Strategy is due to be refreshed in financial year 2024/25.

## **2.2 Procurement in Fife Council**

2.2.1 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.

2.2.2 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, fraud prevention, and continuous improvement.

2.2.3 The Procurement function utilises a category management approach with a structured sourcing programme. Categories of spend have been segmented into the following areas:

- Construction\*
- Corporate & Facilities Management\*
- Fleet, Plant, Hire & Environmental\*
- 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 and established governance is in place to aid consistency and compliance.

## **Section 3 – Format and Content**

3.1 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.

3.2 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

| <b><u>Spend and Savings Summary</u></b>  | <b><u>Source/Note</u></b>  | <b><u>2022/23</u></b><br><b><u>£m/%</u></b> |
|--|--|---|
| a) Total procurement spend for the period covered by the annual procurement report.              | Oracle Accounts Payable Transactions Report (DXC Transactions also known as Spikes Cavell) | 551.98                                      |
| b) Total procurement spend with SMEs during the period covered by the annual procurement report. |  | 259.18<br>(2196 suppliers)                  |
| c) Total procurement spend with Third sector bodies during the period covered by the report.     |  | 73.64<br>(187 suppliers)                    |
| d) Percentage of total procurement spend through collaborative contracts                         | Spend - Category A (Scottish Procurement)  | 24.05                                       |
|  | Spend - Category B (Scotland Excel)  | 43.76                                       |
|  | Spend - Other national/regional collaborative*   | 119.18                                      |
|  | Total  | 186.99                                      |
|  | Percentage   | 34%   |

*Table 1 – Statutory reporting and context*

\*includes National Care Home Contract (via COSLA) and BAM (Dunfermline Learning Campus (via HubCo)).

### 4.2 Savings and Benefits

4.2.1 Procurement 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.

4.2.2 Procurement benefits for financial year 2022-2023 have been verified at £8.995m, as illustrated below (Figure 1):

| Total Benefits               |              |              |              |              |              |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| 2022-23 Procurement Benefits |              |              |              |              |              |
|                              | Qtr 1        | Qtr 2        | Qtr 3        | Qtr 4        | Total        |
|                              | £m           | £m           | £m           | £m           | £m           |
| <b>Delivered</b>             | <b>1.346</b> | <b>3.107</b> | <b>0.955</b> | <b>3.587</b> | <b>8.995</b> |
| Cashable                     | 0.934        | 0.560        | 0.564        | 1.612        | 3.670        |
| Cost Avoidance               | 0.412        | 2.547        | 0.390        | 1.975        | 5.324        |

Figure 1 Verified Procurement Benefits

4.2.3 Within Figure 1, there will be multi-year contracts. The benefits will be recurring for the length of these contracts; therefore, some benefits may have already been reported in previous years.

4.2.4 Figure 2 – Comparison of benefits reported over last 3 years illustrating almost £27m of benefits have been realised over that period.

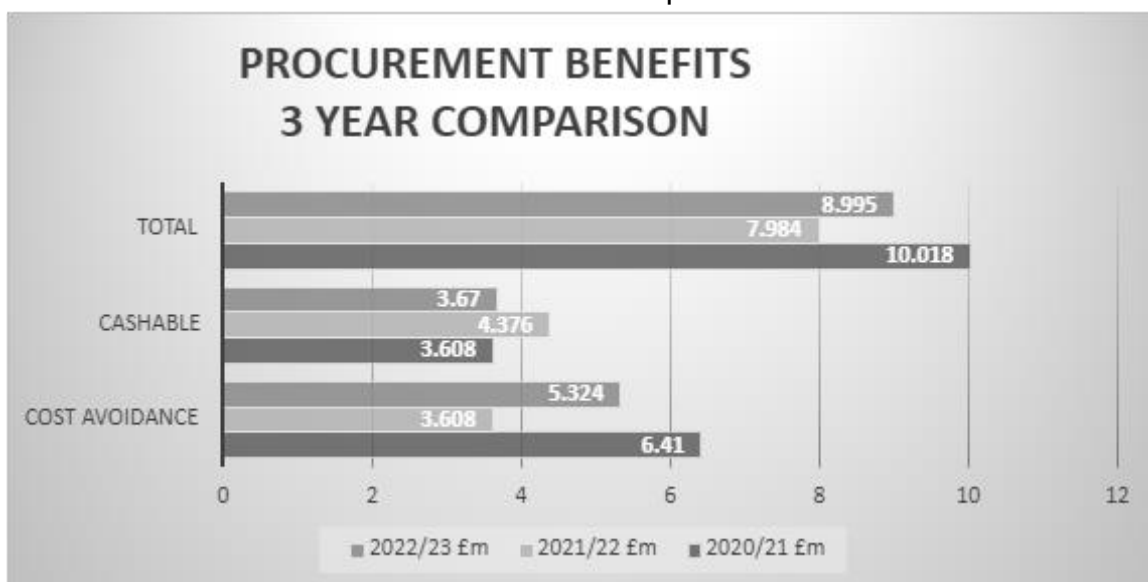


Figure 2 – Procurement Benefits 3 Year Comparison

## Section 5 - Summary of Regulated Procurements Completed

5.1 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 (Table 2) provides the statutory reporting detail on the procurement activity over the reporting period.

|  |   |
|--|---|
| Total number of regulated contracts awarded within reporting period  | 186 regulated procurement exercises (517 contract awards (suppliers)) |
| Total value of regulated contracts awarded within the report period  | £489.73m (approx. £163.48m per annum)                                 |
| Total number of 'contracts' awarded via PCS<br><i>N.B. each supplier awarded to a contract is considered a 'contract' and this might include unregulated awards as well as regulated, hence the higher figures</i> | 662   |

Table 2 – Statutory Reporting Procurement Activity

Appendix 1A provides summary of regulated procurement activity as required for statutory reporting.

- 5.2 There were 140 regulated procurement exercises conducted last financial year, illustrating an increase of activity and demand of approximately 30%.
- 5.3 During the reporting period there were circa. 551 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 in March 2022.

## Section 6 – Local Businesses & SMEs

### 6.1 Context and Approach

In relation to Scottish and Fife Council policy, there is a strong desire to support Small to Medium Enterprises (SMEs), particularly local companies and/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 Real Living Wage as a minimum. For this reason, activity in these areas are specifically reported on in addition to the minimum expected content.

Whilst locality of organisations is easily identified (assuming only focussing on organisations with head office based locally), businesses who are trading as SMEs are not always categorised as such in data sources. This therefore makes accurate capture of this information difficult but is improving year on year.

### 6.2 Local Contracts Awarded

Figure 3 below provides analysis of contracts awarded via Public Contracts Scotland (the national public sector procurement portal for advertising and awarding contracts). This portal is used for both regulated and unregulated procurement activity. The images below illustrate that 49% of contracts awarded are to businesses that are registered as trading from Fife.



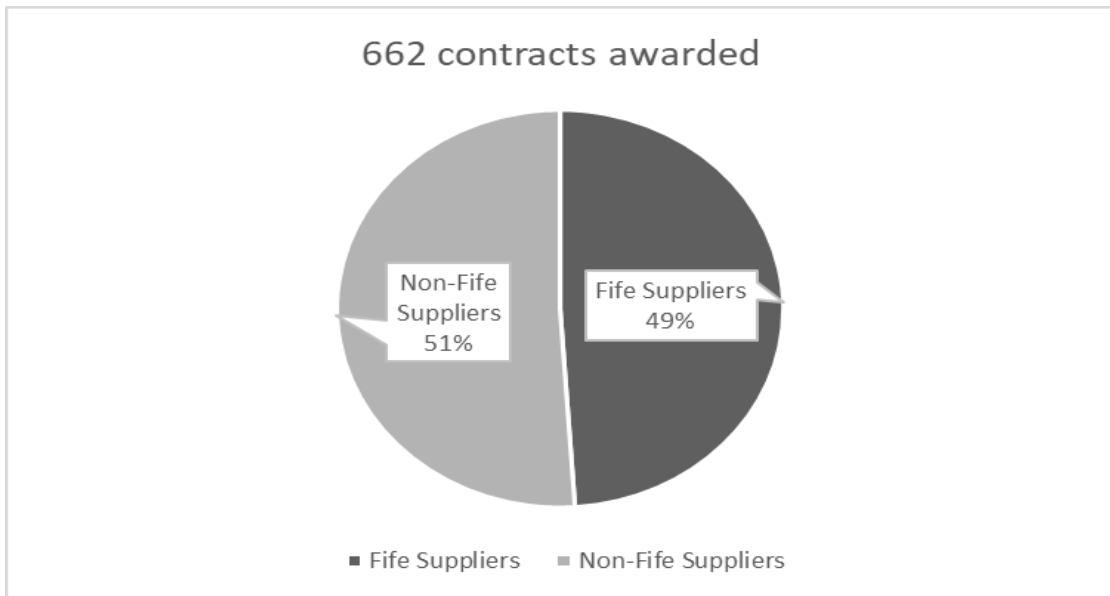


Figure 3 – analysis of PCS contract award notices 1<sup>st</sup> April 2022 – 31<sup>st</sup> March 2023 (locality)

### 6.3 Small to Medium Enterprises (SMEs)

Figure 4 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.

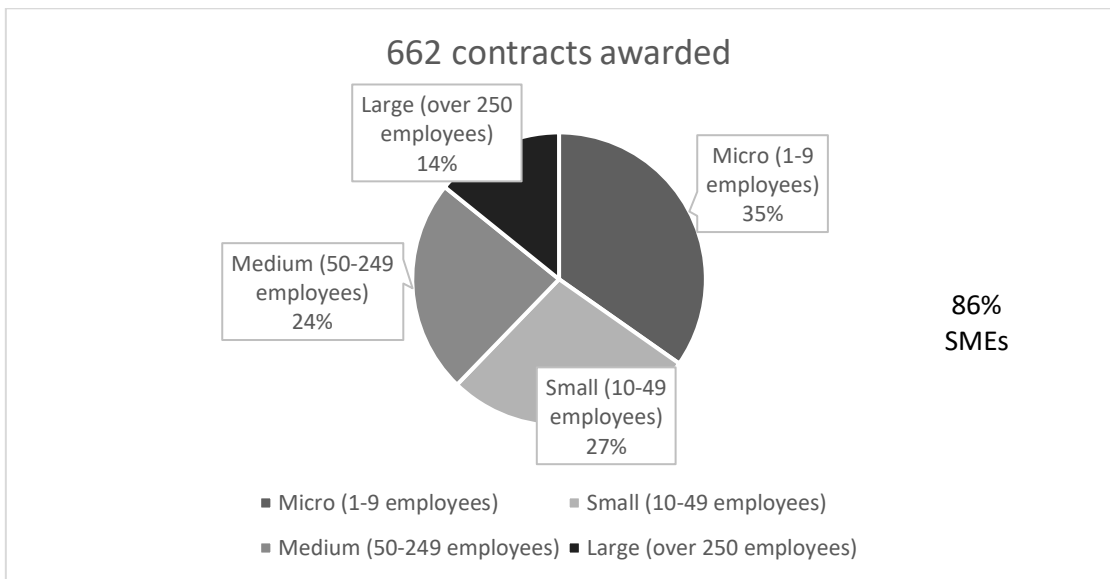


Figure 4 – analysis of PCS contract award notices 1<sup>st</sup> April 2022 – 31<sup>st</sup> March 2023 (organisation size)

## 6.4 Statutory Reporting

Table 3

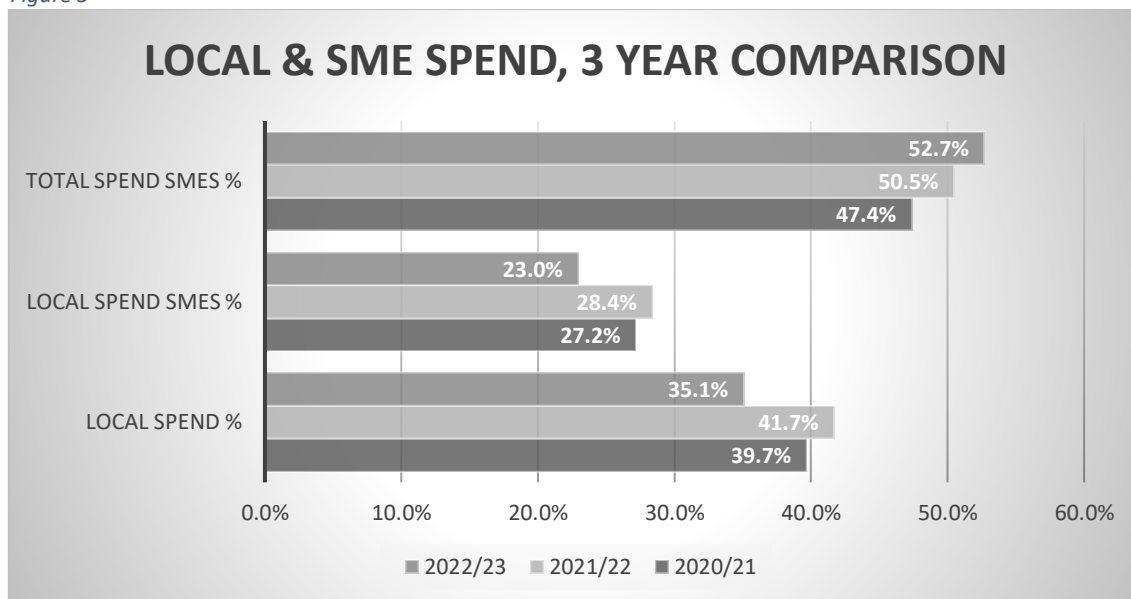
| <b>Regulated</b>  |           |
|---|-----------|
| Number of unique suppliers across (186) regulated contracts   | 466       |
| Number of (unique) suppliers awarded with contracts during reporting period that are SMEs               | 317 (68%) |
| Number of (unique) suppliers awarded with contracts during reported period that are Third Sector bodies | 12        |

## 6.5 Fife Council Spend – local and SME status

6.5.1 Table 4

|   | <b>2022/23<br/>£M</b> | <b>%</b> |
|---|-----------------------|----------|
| Total Fife Council Spend  | 551.98                |          |
| Total spend with suppliers based within Fife local authority boundary area  | 192.67                | 35.08    |
| Total spend with SMEs (where SME status is known, i.e. out of £491.69m)   | 259.18                | 47       |
| Total spend with Fife SMEs (where SME status is known, i.e. out of £491.69m)  | 130.23                | 23       |
| <p>N.B National Reporting methodology – Observatory/The Hub (national public sector procurement tool) presents percentage of spend with SMEs against total spend where supplier size is known rather than overall spend. Supplementary figures/percentages provided below.</p> <p><i>Total spend where size of organisation is known = 491.69m</i></p> <p><i>SME spend where size of organisation is known = 259.18m</i></p> <p><i>Fife SME spend where size of organisation is known = 171.79m</i></p> |                       |          |
|   |                       | 52.7     |
|   |                       | 34.9     |

6.5.2 *Figure 5*



6.5.3 It is noted that there has been a reduction in percentage spend with local suppliers. Some explanation for this is summarised below:

- Increase of overall spend reported of £49.24m (some changes to parameters of spend to be included as well as inflationary increases account for the additional spend).
- Decrease of circa. £16m (6.6%) spend with Fife businesses. A few areas of significant reduction with Fife businesses such as affordable housing development (Fife contractor had £2.8m contract last year), and £2.7m reduction with Fife College (land transaction last year). In addition, some non-procurement legal spend has been removed from the spend report, much of this was with Fife based solicitors.
- Some areas of significant increase in spend with non-Fife businesses has a disproportionate impact on the statistics, for example spend on gas has (due to inflation) increased by 128% (£3.5m), additional spend with Hub East Central Scotland for Dunfermline Learning Campus (£18.4m, 78% additional); additional spend of £9.3m with an Affordable Housing contractor. Note, both the Affordable Housing and Dunfermline Learning Campus generate many supply chain local impacts.

6.5.4 Whilst it is disappointing to see a reduction in percentage of local spend, it is reassuring that the quality of the data and baseline is improving and that the difference can be accounted for, and in some cases are outwith Fife Council’s control and it is accepted that particular areas of spend have an impact year on year, so it is important to ensure that fluctuations are understood and if any areas of opportunity are identified, that this be used to inform future policy or practice.

6.5.5 It should also be noted that local businesses may benefit from non-local procurement spend either through depots/employment within the local authority area, or through their onward supply chain. The scale of this is not feasible to accurately quantify, but as part of the tender process, suppliers are asked to confirm if they have depots/branches and/or local employment to service the contract tendered for. If they do, they are categorised as ‘Part-Local’ and can therefore be reported as such on that basis. £144m of the 22-23 spend has been categorised as ‘Part-Local’. The top 30 ‘part-local’ suppliers account for £139m of this spend.

## 6.6 Spend Distribution by Location

6.6.1 Whilst the Reform and Recovery, Community Wealth Building agenda seeks to maximise procurement spend within its local area, it is recognised that Fife is already a high performer in that regard and strives for continuous improvement. However, it is often the case that organisations within the Scottish markets require multi-regional customer bases to make them sustainable, therefore it is never going to be feasible to have all spend within an individual local authority area. The undernoted table provides a breakdown of location of spend and illustrates that 73.8% of Fife Council’s spend is with Scottish based organisations.

6.6.2 Spend Distribution by location:

| Region (Scottish Definition)        | Total Value (£m) | Total (%) | Suppliers (Number) |
|-------------------------------------|------------------|-----------|--------------------|
| Scotland - Tayside Central and Fife | 213.590          | 38.9%     | 1373               |
| Scotland - Glasgow and Strathclyde  | 69.49            | 12.7%     | 378                |
| Scotland – Forth Valley             | 64.77            | 11.8%     | 107                |
| Scotland - Edinburgh and Lothians   | 43.44            | 7.9%      | 346                |
| Scotland - Aberdeen and North-East  | 12.15            | 2.2%      | 33                 |
| Scotland - Highlands and Islands    | 1.075            | 0.2%      | 24                 |
| Scotland - South                    | 0.57             | 0.1%      | 19                 |
| Outwith Scotland                    | 144.12           | 26.2%     | 1260               |

Table 5 (Source – Spikes Cavell/DXC Report)



## 6.7 Scotland Excel – Local Supplier Reporting

6.7.1 Scotland Excel manage a portfolio of national frameworks for the local authority sector. Over the reporting period, there were 37 Fife based suppliers on 27 Scotland Excel frameworks (increase of 2 local supplier and presence on 3 frameworks from 2021/22). This also provides wider opportunity for these suppliers to supply out with Fife Boundaries. Collective spend with Fife suppliers through these frameworks was £21.59m. £5.14m of this spend was from Fife Council.

6.7.2 The below table (Table 6) provides further detail of local suppliers and spend via Scotland Excel frameworks:

Table 6 – from Scotland Excel Annual Value Report 22-23

| Year (at Q4) | No of Local Suppliers | Total Spend with Local Suppliers | Fife Spend with Local Suppliers | %Fife Spend with Local Suppliers |
|--------------|-----------------------|----------------------------------|---------------------------------|----------------------------------|
| 2018/19      | 26                    | £21,381,773                      | £5,778,260                      | 27.0%                            |
| 2019/20      | 27                    | £31,349,851                      | £8,139,677                      | 26.0%                            |
| 2020/21      | 33                    | £25,379,876                      | £6,536,962                      | 25.8%                            |
| 2021/22      | 35                    | £25,337,318                      | £5,319,577                      | 21.0%                            |
| 2022/23      | 37                    | £21,588,761                      | £5,144,618                      | 23.8%                            |



## 6.8 Supplier Development Programme

6.8.1 Fife Council, in conjunction with colleagues in Economic Development have active participation with the Supplier Development Programme (SDP).

6.8.2 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.

6.8.3 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.

6.8.4 The below table provides figures of registration with the Programme as well as participation in Meet the Buyer events:

Table 7

| Council Area  | Companies Registered in 2022/23 | Total Companies Registered |
|---|---------------------------------|----------------------------|
| Fife  | 89                              | 1023                       |
| Number of Businesses Participating in SDP Events & Activities (2022/2023) <ul style="list-style-type: none"> <li>- Meet the Buyer Fife Events &amp; Dunfermline Learning Campus Supply Chain Opportunities (90)</li> <li>- Meet the Buyer National (13)</li> <li>- Virtual Surgeries (1)</li> </ul> |                                 |                            |

Over the reporting period, Procurement representatives exhibited at the below events:

- 28<sup>th</sup> April 2022 Meet the Buyer Fife (Dunfermline Learning Campus Supply Chain Opportunities)
- 15<sup>th</sup> June 2022 – Meet the Buyer National
- 10<sup>th</sup> November 2022 – Meet the Buyer Fife
- 21<sup>st</sup> March 2023 – Meet the Buyer Fife
- 21<sup>st</sup> March 2023 – Fife and Tayside Virtual Surgeries

## Section 7 – Summary of Regulated Procurement Compliance

### 7.1 *Table 8*

|  |     |
|--|-----|
| Number of regulated contracts awarded within the period that complied with Procurement Strategy (and/or Scheme of Tender Procedures)       | 185 |
| Number of regulated contracts awarded within the period that did not comply with Procurement Strategy (and/or Scheme of Tender Procedures) | 2   |

7.2 Out of the 187 contracts awarded, there were 24 direct awards during the reporting period, 22 of these were still considered compliant as were awarded in accordance with specific criteria in Fife Council’s Scheme of Tender Procedures and/or the Procurement Regulations. The remaining 2 (Inverkeithing Public Realm and Maygate Exchange) did not breach Procurement Regulations, but breached internal governance as were progressed without delegated authority. Both cases were reported and lessons learned enacted accordingly.

7.3 Included in the 187 contracts awarded are 2 Affordable Housing contracts. These contracts do not always follow traditional procurement routes due to the nature of the transactions.

| Site                 | Developer          | Estimated Value* |
|----------------------|--------------------|------------------|
| West Road Saline     | Stanley Brash      | £7.9m            |
| Cupar Road, Newburgh | Morris Spottiswood | £6.72m           |

\*Estimated values include cost of land acquisition

7.3.1 The Affordable Housing Team when pursuing a site on their Strategic Housing Investment Plan (SHIP) for development are required to complete a Procurement Strategy Report detailing the approach being taken and justification for their intention to award. This report is then taken to a Procurement Review Board (PRB) seeking approval. The PRB will assess the report against the current procurement legal framework and best practice before approving.

7.3.2 Justifications for a direct award to a specific developer are generally based on three main criteria:

- a. A significant need for affordable housing the area
- b. Market research showing no other site in the area is realistically available in the same timescales.
- c. The Developer has acquired title to the site (or at least an exclusive option).

7.3.3 The two direct awards taken to relevant Committee(s) were approved by the Procurement Review Board and justified on the basis of the criteria above and the developer's exclusive right of ownership i.e., Fife Council cannot deal with another developer if affordable houses are required in the given site.

7.3.4 Good progress has been made to improve the process, transparency and governance around these requirements, and at the right time/order. Procurement continues to work closely with the Affordable Housing Team to establish a consistent process for endorsing any awards prior to taking to relevant Committee if/as required.

#### **7.4 Internal Audits & Counter-Fraud in relation to Procurement Activity**

7.4.1 Over the reporting period, the following Internal Audits were carried out that are linked to/feature procurement related activity:

- Education – Purchasing Cards
- Housing Services – Mutual Repairs
- Facilities Management – Catering and Cleaning Stock Control
- Accounts Payable – Recurring Payments

One of these Internal Audits had an improvement recommendation which has since been actioned accordingly.

7.4.2 There continues to be a close relationship with the Council's Corporate Fraud Team, with instances of suspected fraud/corruption and irregularity being referred to the Team for investigation as and when appropriate. The Corporate Fraud Team also provides advice and guidance and shares relevant intelligence from national groups/the wider public sector, with a view to mitigating the risk of fraud/corruption and irregularity.

7.4.3 Engagement with Internal Audit was conducted as part of the stakeholder consultation exercise to help inform the 2023/24 Internal Audit Plan. Planned audit activity which is likely to have a procurement involvement is as follows:

- Care in the Home (Contracts with, and payments to, Care providers for clients' care in the home.
- Procurement Cards (Corporate review of the internal controls in place to manage and monitor the use of procurement cards, including the authorisation of card transactions).

- Purchase Ordering (Review of the requisition, approval and ordering arrangements in place within Oracle for non-contract spend below £5,000).
- Regulated Procurement (Review of governance arrangements in place to ensure regulated procurement activity complies with relevant legislation, regulations and statutory guidance, including areas of delegated procurement).
- ICT Contract Management (Review of ICT contract management arrangements to ensure that specifications are successfully delivered and, if required, remedial actions taken/escalation procedures are efficient and effective).
- Pupil Equity Funding (Review of the framework in place to administer pupil equity funding and ensure that it is being effectively invested in line with the Pupil Equity Fund: National Operational Guidance).

7.4.4 Procurement will also assist with any involvement of other audit activity, including any relevant policies and/or unplanned work in audit/fraud investigation as necessary.

## **Section 8 – Sustainable Procurement Duty, Climate Duties**

### **8.1 Context (Public Sector Climate Change Duties)**

8.1.1 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.

8.1.2 In response to the Scottish Procurement Policy Note, Public procurement – taking account of climate and circular economy considerations: SPPN 3/2022, it is recognised that public procurement spend should support climate and circular economy ambitions, and this policy note clarifies expectations with respect to climate and circular economy considerations. 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 an example of the content is provided in the following sections:

#### **8.1.3 *How have procurement policies contributed to compliance with climate change duties:***

All Regulated Procurement activity must include a consideration of the Sustainable Procurement Duty, and this places a requirement for the procuring officer to take into account (where it is deemed proportionate and appropriate) how the exercise can improve the social environmental and economic wellbeing of Fife.



The procuring officer should also consider the impact and alignment of their procurement exercise on the following:

- The Climate Change (Scotland) Act 2009.
- Taking Account of Climate and Circular Economy, Climate Fife:
- Sustainable Energy and Climate Action Plan (2020 - 2030),

Additional to the above is the need for the Regulated Procurement to include, where relevant and proportionate, a Sustainability Test which is a tool that will aid the procuring officer embed relevant and proportionate sustainability requirements into the development of any frameworks/contracts.

Current Tender documents utilised by procurement within Fife Council include the following (for consideration were deemed proportionate and appropriate): -

- Sustainable Procurement Duties,
- Environmental, Human Rights
- and Ethical Procurement

and where appropriate the inclusion of weighted evaluation criteria that can include:

- The tenderers response to national climate emergency,
- waste reduction measures,
- climate resilience,
- monitoring methods used to measure sustainability and
- carbon footprint reduction.

#### 8.1.4 ***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 will work with clients to develop contract terms, criteria and apply appropriate weightings. Examples of procurement activity include:

- The procurement of alternative fuelled vehicles (electric) as part of the Council's Fleet Replacement Programme.
- Procurement of electric vehicle charge points.
- Specification of the latest EURO engine requirements in all heavy vehicles purchased.
- Renewed LED Lighting and Luminaire procurement.
- Ongoing commitment to support the elimination of single use plastics.

Other examples of corporate Sustainable Procurement support and ongoing work includes:

- Continuing the promotion of the Scottish Government's Sustainable Procurement Toolkit within all Fife Council procuring areas.

- Promotion of Sustainable Procurement e-learning modules within Corporate Procurement and other Fife Council Delegated Procuring Areas.
- Continuing to explore options with the Climate Team colleagues in relation to combining the Sustainable Procurement e-learning and Climate Literacy e-learning.
- Focus on payment of Real Living Wage and Fair Work Practices.

## Section 9 – Community Benefits

### 9.1 Context and Approach

9.1.1 Fife Council recognises that public procurement contracts can help realise a wide range of social and environmental benefits, including more and better employment opportunities.

9.1.2 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.*

9.1.3 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.

### 9.2 Statutory Reporting

9.2.1 *Table 9*

|  |                                      |                                   |
|--|--------------------------------------|-----------------------------------|
| Total number of regulated contracts awarded with a value of £4m or greater   |                                      | 22                                |
| Total number of regulated contracts awarded with a value of £4m or greater that contain Community Benefit requirements |                                      | 14                                |
| Total number of regulated contracts awarded with a value of less than £4m that contain Community Benefit requirements  |                                      | 132                               |
| <b>Community Benefit Type</b>  | <b>No.</b>                           | <b>£ value (where quantified)</b> |
| Number of jobs   | 35.32<br>Employees                   | £104,000                          |
| Number of apprenticeships  | 5 Employees/<br>275 Weeks            |                                   |
| Number of work placements  | 19 Weeks<br>2 Employees<br>534 Hours | £12,000                           |

|   |  |                    |
|---|--|--------------------|
| Number of qualifications achieved through training  | 1 Employee   |                    |
| 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>  |  | £16,048,540        |
| <ul style="list-style-type: none"> <li>Social Value Rebate (including donations, charitable work etc.)</li> </ul>   | 521 Hours<br>1 Employee                                  | £177,651           |
| <ul style="list-style-type: none"> <li>Skills and Training (Workshops, Careers advice etc.)</li> </ul>  | 335 Hours<br>2 Employees                                 |                    |
| <b>Total</b>  | <b>46.32<br/>Employees<br/>1,390 Hours<br/>294 Weeks</b> | <b>£16,342,191</b> |
| <b>In some cases, in the above and in Appendix 1B some entries do not contain either individual details (people) or financial values (£s). Some entries are valued in weeks i.e., Skill and Training.</b> |  |                    |

9.2.2 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

10.1.1 With a view to supporting the strategic aim of providing **Opportunities for all**, Fife Council considers payment of the Real Living Wage to be a significant indicator of an employer’s commitment to fair work practices and that payment of the Real Living Wage is one of the clearest ways that an employer can demonstrate that it takes a positive approach to its workforce.

10.1.2 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. Guidance has been refreshed on this, having been issued to Procurement teams in January 2023, with a stronger emphasis on mandating Fair Work criteria within contracts.

### 10.2 – Position/Statutory Reporting

#### 10.2.1 Table 10

|  |     |
|--|-----|
| Number of regulated contracts awarded during the period that have included a scored Fair Work criterion.                                     | 59  |
| Number of unique suppliers who have committed to pay the Real Living Wage in the delivery of a regulated contract awarded during the period. | 394 |

|  |    |
|--|----|
| Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period. | 88 |
|--|----|

10.2.2 Whilst only 394 suppliers (out of 466 unique suppliers) are reported to having committed to pay the Real Living Wage in the delivery of the regulated contract, it is appropriate to supplement this figure with an additional 55 of these suppliers are Sole-Traders and thus, out of scope for this reporting requirement. Taking this into account, 96% are reported to having committed to pay the Real Living Wage. 17 suppliers did not commit to payment of the Real Living Wage at the outset of the contract, but 8 of these committed to doing so within the initial 2 years of the contract.

### 10.3 – Other Council Commitments

10.3.1 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.

10.3.2 The Construction Charter is included in relevant construction related contracts to acknowledge the council aspiration and expectations for contractors 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.

10.3.3 Similarly, the Ethical Care Charter is incorporated into relevant procurement exercises for homecare related services.

## Section 11 – Invoice Payment Performance

### 11.1 Context

11.1.1 Fife Council is committed to ensuring that businesses are paid on time because it is understood 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.

11.1.2 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

332,670 invoices have been received during the reporting period, and 307,864 (92.5%) of these were paid within 30 days.

## 11.3 Supplier Portal

11.3.1 The Fife Council Oracle system has a Supplier Portal. This functionality allows suppliers to have their own unique login to their account details within the Council's system and the ability to review order, payment and catalogue status/details. Some suppliers 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).

11.3.2 During the reporting period, 61 suppliers submitted 20,513 invoices that were processed via this method.

## 11.4 eInvoices

11.4.1 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.

11.4.2 During the reporting period, 6 suppliers have processed 18,597 eInvoices via this method.

## Section 12 – Supported Businesses

### 12.1 Context and Approach

12.1.1 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.

12.1.2 During the reporting period, 2 regulated contracts were awarded to Supported Businesses as follows:

Table 11

| Contract Description  | Total Contract Value (Approx.) |
|---|--------------------------------|
| Winter Warmer Packs (Supplier – Seahawk Apparel)  | £60,400                        |
| Domestic Furniture & Furnishings (Supplier - Circular Communities Scotland (Castle Furniture and Furniture Plus)) | £819,948                       |

## 12.2 Spend with Supported Businesses

### 12.2.1 *Table 12*

| <b>Supported Business</b>                    | <b>2022/23</b>    |
|--|-------------------|
| Matrix Fife                                  | £317,504          |
| Castle Furniture                             | £275,877          |
| Dovetail Enterprises                         | £275,448          |
| Scott Direct                                 | £128,331          |
| Furniture Plus                               | £135,381          |
| Seahawk Apparel                              | £29,500           |
| Keela International Ltd                      | £3,792            |
| The Lady Haig's Poppy Factory                | £3,115            |
| <b>Total spend with Supported Businesses</b> | <b>£1,168,948</b> |

## Section 13 – Pipeline

### 13.1 *Table 13*

|   |     |
|---|-----|
| Total number of regulated procurements expected to commence in the next two financial years | 154 |
|---|-----|

\*(as of December 2023) NB, this is subject to change and refreshed 'Pipeline' is published on fife.gov website regularly.

13.2 Appendix 1C provides the Pipeline of regulated 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 – Annual Review of Procurement & Commercial Strategy

14.1 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. This and subsequent section shall be added to the existing strategy to acknowledge outcome of the review.

14.2 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 a continued increase of focus to support the council (and Scotland)'s broader objectives as follows:

14.3 **Supply Chain Impacts** - Continued monitoring and proactive activity to manage emerging/known impacts of multiple disruptions to supply chains.

#### 14.4 **Financial Savings/Benefits**

14.4.1 Budget pressures remain a significant challenge for Fife Council. Any identified opportunities around efficiencies relating to third party spend will continue to be pursued.

14.4.2 An 'Opportunities Pipeline' is maintained within the Procurement team, where potential opportunities are logged and progressed accordingly. There is currently over £3m of potential opportunities identified on this pipeline.

14.4.3 As a result of continued inflationary rises/instability, it is recognised that cost reduction on a like for like basis is unlikely to be achieved, and whilst any opportunities for financial savings shall be pursued, efforts will be focussed on minimising price impacts and keeping abreast of market conditions.

14.5 **Supporting Local Businesses, SMEs and Third Sector** - Due to the local economic impact of external events (COVID-19 pandemic and other geo-political events), it is recognised that procurement has a part to play in supporting economic recovery. This is addressed further in 'Progress on Key Activity and Priorities Moving Forward' section below.

14.6 **Sustainable Procurement** – Fife Council's Plan for Fife 2021-2024 Update acknowledges the need to make Fife resilient to unavoidable climate change that is happening now, while reducing our contribution to this global emergency. In addition, in accordance with the Scottish Procurement Policy Note, Public procurement – taking account of climate and circular economy considerations: SPPN 3/2022, it is recognised that public procurement spend should support climate and circular economy ambitions, and Procurement shall continue to explore opportunities around climate and circular economy considerations.

14.7 Fife Council's corporate Procurement and Commercial Strategy is due to be refreshed for financial year 24/25. Work will therefore take place during 23/24 to review and update accordingly, before being presented to Cabinet committee for proposed approval. This will take cognisance of the new Public procurement strategy: 2023 to 2028, the vision of which being:

*'Putting public procurement at the heart of a sustainable economy to maximise value to the people of Scotland'.*

### **Section 15 – Progress on Key Activity and Priorities Moving Forward**

#### **15.1 Context**

15.1.1 Previous Annual Procurement Reports had two separate sections covering the above. However, given significant transformation in the service, and much of the work becoming ongoing/business as usual and/or spanning over multiple years, these sections have been combined.

15.1.2 Over the reporting period, over and above work associated with letting contracts, there has been significant other work undertaken. An action plan was devised

from the 'Other Priorities/Moving Forward' section of last year's Annual Procurement Report. A summary of highlights of activity is bulleted below, and further detail is provided in Appendix 2 - Update on commitments and actions.

- Active participation in Reform & Recovery activity, specifically via the Local Economic Recovery Board and Community Wealth Building Support Group.
- Supporting the Climate Emergency Reform Activity.
- Continuous Improvement/Team Development
- National Issues:
  - Public Procurement Priorities (Leadership & Visibility; Sustainable Economic Recovery; Supply Chain Resilience; Maximise the Impact of the Sustainable Procurement Duty; Achieving Professional Excellence; Using Systems to Drive Sustainable Outcomes and Support Reporting).
  - National Care Service activity
  - Pandemic Impacts (Covid-19 Inquiry and Review of Supplier Relief Scheme (due diligence)
  - Procurement Structure/Delegated Procurement Authority
  - Review of the Scheme of Tender Procedures

## List of Appendices

Appendix 1A - Regulated Procurement Summary 22-23

Appendix 1B - Community Benefits

Appendix 1C - Future Regulated Procurements (Pipeline)

Annex A - Scottish Government Statutory Return

Appendix 2 - Update on commitments and actions

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## Note 1 - Framework Owners (key):

FC = Fife Council

SXL = Scotland Excel

SP = Scottish Procurement

CCS = Crown Commercial Services

| Contract Title  | Procedure | Initiating Contract Owner (note 1) | Contract Value | Annual Value (or in-year if one-off) | Contractor(s)   |
|---|-----------|------------------------------------|----------------|--------------------------------------|---|
| Swimming Pool Chemicals (Extension)                     | Call-Off  | SXL                                | £120,851       | £78,000                              | Brenntag  |
| Fife Council Insurance Policies                         | Open      | FC                                 | £29,071,410    | £5,814,282                           | Risk Management Partners Ltd  |
|   |           |                                    | £54,881        | £10,976                              | AXA XL  |
|   |           |                                    | £1,913,596     | £382,719                             | Zurich Municipal  |
| Employee Benefits                                       | Call-Off  | Other                              | £30,800        | £7,700                               | Sodexo Ltd  |
| Trading Standards Case Management System                | Call-Off  | CCS                                | £127,571       | £31,892                              | Idox Software Limited   |
| Adobe Licences  | Call-Off  | CCS                                | £99,000        | £33,000                              | Bytes Ltd   |
| Digital Marketplace                                     | Call-Off  | Other                              | £5,200,000     | £1,200,000                           | Amazon Business   |
| Road Maintenance Materials                              | Call-Off  | SXL                                | £851,805       | £273,935                             | Glasdon; Mallatite; PDM/Huws Gray Ltd; Scotia   |
| Trade Materials   | Call-Off  | SXL                                | £2,361,246     | £1,180,623                           | Decco Ltd T/A White Milne & Co.; Highland Industrial Supplies Limited; Jewson Limited (George Boyd); SIIS Limited; Crown Paints Limited; Imperial Chemical Industries Limited T/A ICI Paints AkzoNobel; PPG Architectural Coatings UK Limited |
| Power Tools   | Call-Off  | SXL                                | £356,271       | £118,757                             | Gibb & Beveridge (Engineering Agencies) Ltd   |
| Maintenance of North Glenrothes Roundabouts (Extension) | Other     | FC                                 | £1,136,492     | £284,123                             | T & N Gilmartin (Contractors) Ltd   |
| Strategic Transport Assessment                          | Call-Off  | SXL                                | £80,000        | £80,000                              | Systra Limited  |
| Installation of Heat Pumps (6 schools) (Extension)      | Call-Off  | SXL                                | £1,401,000     | £1,120,800                           | Alternative Heat Ltd  |

| <b>Contract Title</b>  | <b>Procedure</b> | <b>Initiating Contract Owner (note 1)</b> | <b>Contract Value</b> | <b>Annual Value (or in-year if one-off)</b> | <b>Contractor(s)</b>  |
|--|------------------|---|-----------------------|---|---|
| Affordable Housing Cupar Road, Newburgh  | Direct Award     | FC  | £672,000              | £672,000                                    | Morris & Spottiswood Limited  |
| Servicing & Repairs to Air Conditioning, Air Handling Units & Chillers (Extension) | Extension        | FC  | £1,322,000            | £220,333                                    | Lovats Catering & Engineering Services Ltd.   |
| Inverkeithing Public Realm   | Direct Award     | FC  | £290,000              | £290,000                                    | Denfind Stone Ltd.  |
| Advocacy   | Direct Award     | FC  | £466,666              | £280,000                                    | Circles Network   |
| Affordable Housing West Road Saline  | Direct Award     | FC  | £7,969,191            | £7,969,191                                  | Stanley Brash Construction Ltd  |
| Repair and Replacement of Glass for Fife Council's Vehicle Fleet                   | Call-Off         | SXL                                       | £56,000               | £28,000                                     | Plant Glazing Ltd   |
| Gartner Executive Guidance Services  | Call-Off         | CCS                                       | £141,000              | £70,200                                     | Gartner   |
| Day Care - Careology   | Direct Award     | FC  | £612,362              | £204,120                                    | Careiology Ltd  |
| Education Materials (Scotland Excel 1220)  | Call-Off         | SXL                                       | £5,400,000            | £1,350,000                                  | Findel Education Consortium & TTS Group   |
| Media Services (Scottish Procurement Framework SP-20-002)                          | Call-Off         | SP  | £182,100              | £45,525                                     | Precise Media Monitoring Ltd  |
| iDox Uniform & Document Management System  | Call-Off         | CCS                                       | £505,414              | £101,083                                    | iDox Ltd  |
| Analytic Tool for Reducing Rent Arrears  | Call-Off         | CCS                                       | £867,770              | £246,603                                    | Mobysoft Limited  |
| Infoblox Licences  | Call-Off         | CCS                                       | £157,000              | £52,000                                     | Khipu   |
| Framework for the repair of accident damaged vehicles                              | Open             | FC  | £1,100,000            | £275,000                                    | Elder and Paton Body Repairs; David Philp Commercials Ltd; Jackson Accident Repair Centre |
| First Aid Products   | Call-Off         | SXL                                       | £266,000              | £66,500                                     | Fast Aid Products Ltd; Aero Healthcare  |
| Lease of Gas Non-Half Hourly Automatic Meter Readers (Loggers)                     | Call-Off         | CCS                                       | £152,350              | £30,470                                     | Stark Software International Limited  |

| <b>Contract Title</b>   | <b>Procedure</b> | <b>Initiating Contract Owner (note 1)</b> | <b>Contract Value</b> | <b>Annual Value (or in-year if one-off)</b> | <b>Contractor(s)</b>  |
|---|------------------|---|-----------------------|---|---|
| River Leven Restoration Project, Professional Services  | Call-Off         | SXL                                       | £520,033              | £520,033                                    | RSK Environment Ltd.  |
| Vehicle Parts   | Call-Off         | SXL                                       | £1,579,384            | £394,846                                    | Dingbro Ltd.  |
| North Fife Scholars Travel Pass Agreement   | Direct Award     | FC  | £620,000              | £155,000                                    | Fife Scottish Omnibuses Ltd t/a Stagecoach East Scotland                              |
| Professional Development Award in Housing Law (DPS Learning and Development Award 21/22)                      | Call-Off         | FC  | £125,000              | £125,000                                    | Shelter Scotland  |
| Sexual Abuse Supporting Children & Young People (Lot 6 - DPS Learning and Development Award 2021/22)          | Call-Off         | FC  | £8,700                | £8,700                                      | Jan Swan  |
| Assessing Children who present with Sexual Abuse (DPS Learning and Development Award 2021/22)                 | Call-Off         | FC  | £12,240               | £12,240                                     | Safer Futures   |
| Performance and Care Excellence (DPS Learning and Development Award 21/22)                                    | Call-Off         | FC  | £15,120               | £15,120                                     | Sally Wassell   |
| Dyadic Development Practice Consultation Work (DPS Learning and Development Award 21/22)                      | Call-Off         | FC  | £4,500                | £4,500                                      | Edwin Grant   |
| Dynamic Maturation Model of Adult attachment (DPS Learning and Development Award 21/22)                       | Call-Off         | FC  | £15,300               | £15,300                                     | Bridget Rothwell  |
| Workforce Development Qualifications for H & S Care - Lots 1 and 6 (DPA Learning and Development Award 21/22) | Call-Off         | FC  | £432,000              | £144,000                                    | The Open University; West Lothian College; Edinburgh College; City of Glasgow College |

| Contract Title                        | Procedure    | Initiating Contract Owner (note 1) | Contract Value | Annual Value (or in-year if one-off) | Contractor(s)   |
|---------------------------------------|--------------|------------------------------------|----------------|--------------------------------------|---|
| Free Personal Care (External to Fife) | Direct Award | FC                                 | £8,400,000     | £1,200,000                           | Abbey Healthcare (Hamilton) Ltd; Caritas Services Ltd; Abbots Care Centre Ltd; Airthrey Care Ltd; Antonine Care Ltd; Jane Allan t/a Ashley House; HC-One Ltd; Balhousie Care Ltd; Beechgrove CH Ltd; Duncare Ltd t/a Benvie Care Home; Camphill (Blair Drummond) Trust Estate Ltd; Boclair Care Ltd; Tayside Care Ltd; Buchanan Lodge Care Ltd; Care UK Ltd; Avante Care and Support Ltd; Elder Homes Ltd; Corbenic Camphill Community Ltd; G Hill Ltd; Fairview Care Ltd; Dundee City Council; Cumbria City Council; Shaftesbury Care GRP Ltd; Barchester Healthcare Ltd; Erskine Hospital; Bon Accord Care; Barchester Healthcare Ltd; Aria Healthcare Group Ltd; Forthlands Care Ltd; Royal Blind Asylum and School t/a Sight Scotland; Tamaris (RAM) Ltd; Garvald West Linton Ltd; Mailler & Whitelaw Trust; Advanced Specialist Care Ltd; Musselburgh Care Home Ltd; Bupa Care Homes (AKW) Ltd; Skene Enterprises (Aberdeen) Ltd; Renaissance Care (No1) Ltd; Kincarrathie Trust; Randolph Hill Nursing Homes (Scotland) Ltd; Holmes Care Group Scotland Ltd; Care UK Community Partnerships Ltd; Livingston Care Home Ltd; Mead Medical Services Ltd; Manor Grange Care Home LLP; |

| Contract Title                                  | Procedure | Initiating Contract Owner (note 1) | Contract Value | Annual Value (or in-year if one-off) | Contractor(s)   |
|---|-----------|------------------------------------|----------------|--------------------------------------|---|
| Free Personal Care (External to Fife) continued |           |                                    |                |                                      | Priority Care Group Ltd; Avery Homes (Nelson) Ltd; MHA Auchlochan; Active Adult Ltd; Morningside Manor Ltd; Care UK Ltd; Larchwood Care Homes (North) Ltd; Park Homes (UK) Ltd; Active Neuro Ltd; Advinia Health Care Ltd; North Argyll Eventide Home Association Ltd; Stirling Care Home Ltd; Barchester Healthcare Ltd; Orchar Care Ltd; Parklands Care Ltd; Hudson (Pitkerro) Ltd; Randolph Hill Nursing Homes (Scotland) Ltd; Crown Care IV Ltd; Rubislaw Care LLP; Advanced Specialist Care Ltd; Advinia Care Homes Ltd; Adrian O'Brien Rachel Amiee O'Brien; Scottish Autism; Scottish Masonic Homes Ltd; Whitefield Nursing Home Ltd; St Modans Care Home Ltd; Viewpoint Housing Association (Benevolent) Ltd; Stow Healthcare Group Ltd; Church of Scotland t/a Crossreach; Christopher Curnin; The Grange (2016) Ltd; Rhindsdal House Ltd; United Health Group Ltd; Thorburn Manor Ltd; Tigh Na Muirn Ltd; Cure UK Ltd; Voyage 1 Ltd; Sharob Care (Bude) Ltd; Capability Scotland; Abbeyfield Perth Society Ltd; Countrywide Care Homes (3) Ltd; Wardside House Ltd; Westerlands Association; Westerton Care LLP; Church of Scotland t/a Crossreach; The Willows (Falkirk) Ltd |

| Contract Title     | Procedure | Initiating Contract Owner (note 1) | Contract Value | Annual Value (or in-year if one-off) | Contractor(s)   |
|--------------------|-----------|------------------------------------|----------------|--------------------------------------|---|
| Free Personal Care | Call-Off  | Other                              | £ 77,000,000   | £11,000,000                          | Abbeyfield Kirkcaldy Society Limited; Abbotsford Care Limited; Balhousie Care Limited; Bandrum Nursing Home Limited; Barchester Healthcare Limited; Barrogil Ltd; Care Concern Fife Limited; Carnegie Care Limited; Central Scotland Healthcare (St. Andrews) Limited; Enhance Healthcare Limited; Karen Reid; Christine Bennell; Anjum Tamanna; West Park House Limited; Rosturk House Limited; St. Serfs Care Home Limited; Newlands Care Limited; Leonard Cheshire Disability; Kingdom Homes Limited; HC-One Limited; Holmes Care Group; Glenburnie Care Limited; Fairfield Care Scotland Limited; Ganarn Limited; Fairfield Care Scotland Limited; Ganarn Limited; Four Seasons Homes No 4; St Philips Care Caledonia Limited; Beechwood Care (Partnership); Craighead Care Ltd; Villa Atina Limited; Four Seasons Beechcare Ltd; St Philips Care Caledonia Limited; Avondale Care (Scotland) Limited; Gowrie Care Ltd; Earlsferry House Care Ltd; Henderson Care Home Ltd; William Gibson's Trust; Thomas Dailey; Caring Homes Healthcare Group Limited (Aria Healthcare Group); Pitlair Limited |

| Contract Title   | Procedure    | Initiating Contract Owner (note 1) | Contract Value | Annual Value (or in-year if one-off) | Contractor(s)   |
|--|--------------|------------------------------------|----------------|--------------------------------------|---|
| Emergency First Aid Training (DPS Learning and Development Award 21/22)                      | Call-Off     | FC                                 | £36,000        | £36,000                              | Fife Training Services  |
| Safety Interventions & Classroom Culture Training (DPS Learning and Development Award 21/22) | Call-Off     | FC                                 | £40,940        | £40,940                              | Crisis Prevent Institute Inc  |
| External Wall Insulation   | Call-Off     | SXL                                | £1,190,000     | £1,190,000                           | SERS Energy Solutions (Scotland) Ltd  |
| North Fife Local Bus   | Open         | FC                                 | £8,351,207     | £2,087,802                           | Fife Scottish Omnibuses Ltd t/a Stagecoach East Scotland, Moffat & Williamson Ltd |
| Total Mobile (Extension)   | Open         | Other                              | £960,833       | £270,561                             | Total Mobile  |
| South Fife School Bus  | Open         | FC                                 | £333,132       | £111,044                             | A1 Minibus & Coach Services Ltd   |
|  |              |                                    | £3,092,250     | £1,148,550                           | Bay Travel Coaches Ltd  |
|  |              |                                    | £139,650       | £46,550                              | Leanne Ellis & John Dickson T/A Eazy Coach Hire Fife                              |
|  |              |                                    | £1,450,530     | £483,510                             | Festival Travel (Scotland) Ltd  |
|  |              |                                    | £10,024,212    | £3,687,390                           | Fife Scottish Omnibuses Ltd T/A Stagecoach East Scotland                          |
| Repair & Maintenance of Heavy Duty Laundry Equipment (Extension)                             | Open         | FC                                 | £540,000       | £135,000                             | Electrolux Professional Ltd   |
| University of Hull Consultancy Support   | Direct Award | FC                                 | £40,000        | £49,000                              | Lampada Digital Solutions   |
| Street Lighting Aluminium Columns  | Call-Off     | Other                              | £72,788        | £72,788                              | Mallatite   |
| Adam Smith Theatre - Furniture   | Call-Off     | CCS                                | £250,000       | £250,000                             | Wagstaff Interiors Group  |
| Bus Ticket Data Analysis   | Call-Off     | CCS                                | £80,600        | £20,150                              | EPM Bus Solutions Limited   |
| Abbeyview Ground Works   | Open         | FC                                 | £810,222       | £810,222                             | Advance Construction Scotland Ltd   |
| Abbeyview Joiner Works   | Open         | FC                                 | £842,189       | £842,189                             | Kingdom Maintenance Ltd   |
| Project Online   | Call-Off     | CCS                                | £260,000       | £86,666                              | Corporate Project Solutions   |
| Kingdom Centre Development Strategy  | Call-Off     | FC                                 | £49,000        | £49,000                              | Montagu Evans LLP   |

| Contract Title   | Procedure    | Initiating Contract Owner (note 1) | Contract Value | Annual Value (or in-year if one-off) | Contractor(s)  |
|--|--------------|------------------------------------|----------------|--------------------------------------|--|
| Out of School Club Transport - Castlehill Primary School                     | Direct Award | FC                                 | £4,944         | £4,944                               | A1 Minibus & Coach Services Ltd  |
| Auction Service (Extension)  | Open         | FC                                 | £70,464        | £17,616                              | Wilsons Auctions; John Pye & Sons Ltd; GPSV; Morris Leslie Auctions; Sweeney Kincaid Ltd; BCA; Manheim (Coxauto) |
| Purchasing Cards   | Call-Off     | CCS                                | £12,000        | £3,000                               | Natwest (Royal Bank of Scotland)   |
| Council Tax and Benefits System  | Call-Off     | CCS                                | £692,555       | £173,178                             | NEC Ltd  |
| Commercial Catering Equipment  | Call-Off     | SXL                                | £136,251       | £45,417                              | Lovat's Group Limited  |
| Timber Preservation & Rot Treatment for Domestic and Non-Domestic Properties | Direct Award | FC                                 | £600,000       | £600,000                             | Richardson & Starling  |
| Environmental Sample Analyst Service   | Open         | FC                                 | £145,000       | £28,275                              | SOCOTEC UK Ltd.  |
| Purchase of (previously leased) Nissan Vehicles                              | Direct Award | FC                                 | £217,035       | £217,035                             | Athlon Mobility Services UK Ltd.   |
| Cashless Catering  | Call-Off     | CCS                                | £345,842       | £85,000                              | CRB Cunningham   |
| South & West Fife High School  | Call-Off     | Other                              | £77,155,500    | £38,500,000                          | BAM Construct UK Ltd. (contract via Hub East Central Scotland)   |
| Automatic & Roller Doors   | Direct Award | FC                                 | £300,000       | £300,000                             | Alpha Doors & Shutter Ltd.   |
| Project Management Services for Civica Cx Implementation (retrospective)     | Direct Award | FC                                 | £258,000       | £129,000                             | DTL Creative Limited (no longer trading)   |
| Hire and Relocation of Welfare and Secure cabins (Extension)                 | Open         | FC                                 | £1,933,472     | £357,396                             | Wernick Hire   |
| Rigging, LED Upgrade & Audio PA Replacement across 4 Theatre/Event Sites     | Open         | FC                                 | £1,829,424     | £1,829,424                           | Adlib Audio Ltd  |



| Contract Title   | Procedure    | Initiating Contract Owner (note 1) | Contract Value | Annual Value (or in-year if one-off) | Contractor(s)  |
|--|--------------|------------------------------------|----------------|--------------------------------------|--|
| Consultancy for Fire Engineering (Extension)   | Open         | FC                                 | £60,000        | £20,000                              | Jeremy Gardner   |
| Provision of Project Management Resource with Specialist Knowledge of Offshore Wind Structures (Extension) | Direct Award | FC                                 | £67,500        | £67,500                              | Scottish Engineering   |
| Washroom Solutions (Lot 2 Sanitary Products)   | Call-Off     | SXL                                | £287,829       | £71,957                              | Personnel Hygiene Services Ltd                                       |
| Vehicle Parts (Replacement Glass)  | Call-Off     | SXL                                | £112,000       | £28,000                              | Plant Glazing  |
| Servicing of Stair Climbers (Lot 7)  | Other        | FC                                 | £65,000        | £16,250                              | Fast-Aid Products Limited  |
| M&E Consultant, Cowdenbeath Leisure Centre   | Call-Off     | Other                              | £102,000       | £42,840                              | Blackwood Partnership  |
| IFS Service Management (Axios/Assyst)  | Call-Off     | SP                                 | £23,510,400    | £4,702,080                           | Softcat Plc  |
| Scaffolding including Reactive Maintenance and Fixed Price Works (Extension)                               | Open         | FC                                 | £4,461,737     | £1,115,434                           | Mar Scaffolding (Scotland) Limited, Form Access Ltd; Form Access Ltd |
| Stairlift Framework Agreement (Extension)  | Open         | FC                                 | £4,000,000     | £1,000,000                           | Advanced Stairlifts (Scotland) Limited                               |
| Electronic Payment Services (Extension)  | Call-Off     | Other                              | £684,000       | £171,000                             | Allpay Limited   |
| Dunfermline Enterprise Hub - The Maygate Exchange  | Direct Award | FC                                 | £300,000       | £60,000                              | Anchorpoint Group Limited  |
| Northern Link Road Dunfermline   | Call-Off     | Other                              | £458,583       | £229,292                             | Triskelion Limited   |
| Cowdenbeath Flood Study  | Call-Off     | SXL                                | £102,000       | £102,000                             | AECOM Limited  |
| Hybrid Mail  | Call-Off     | SP                                 | £765,650       | £382,825                             | Critiqom Limited   |
| Exhibition Services (Extension)  | Open         | FC                                 | £160,000       | £40,000                              | JNM Exhibition Services Limited                                      |
|  |              |                                    |                | £20,000                              | Display Wizard Limited   |

| Contract Title   | Procedure    | Initiating Contract Owner (note 1) | Contract Value | Annual Value (or in-year if one-off) | Contractor(s)   |
|--|--------------|------------------------------------|----------------|--------------------------------------|---|
| Supply of Windows and Doors, Lot 1-3 (Extension)   | Call-Off     | Other                              | £1,000,000     | £1,000,000                           | Sidey Solutions Ltd, Bell Decorating Group Limited; DAS                               |
| Cavity Wall Insulation (HTTC), Solar PV and Battery Storage  | Call-Off     | SXL                                | £551,585       | £551,585                             | Valley Group Limited  |
| Internal Wall Insulation, Solar PV's and Battery Storage   | Call-Off     | SXL                                | £906,267       | £906,267                             | Everwarm Ltd  |
| Fife Local Bus Services (additional routes)  | Other        | FC                                 | £382,448       | £382,448                             | Fife Scottish Omnibuses Ltd t/a Stagecoach East Scotland                              |
| Winter Warmer Packs  | Direct Award | FC                                 | £60,400        | £30,000                              | Seahawk Apparel   |
| Fresh Meats, Cooked Meats and Fresh Fish (Extension)   | Call-Off     | SXL                                | £1,694,997     | £456,333                             | Campbell Brothers Limited   |
| Final Preparation of Statutory Accounts from Trial Balance, External Audit of Accounts and Specialist Tax Advice for Fife Trusts (Extension) | Call-Off     | Other                              | £70,000        | £35,000                              | Henderson Loggie LLP  |
| Installation of Heat Pumps (5 Schools)   | Call-Off     | SXL                                | £1,178,466     | £1,178,466                           | Alternative Heat Limited  |
| Supply & Installation for Air Source Heat Pumps and Hard to Treat Cavity Wall Installation for EES:ABS                                       | Call-Off     | SXL                                | £384,158       | £384,158                             | Everwarm Ltd  |
| Gym Equipment Maintenance and Inspection   | Call-Off     | Other                              | £160,000       | £40,000                              | Sportsafe UK Ltd  |
| Purchase of Leased Hyundai Konas   | Direct Award | FC                                 | £94,700        | £94,700                              | CEM Day Limited (T/A Days Fleet)  |
| North Fife School Bus Services   | Open         | FC                                 | £8,351,207     | £2,087,802                           | Fife Scottish Omnibuses Ltd t/a Stagecoach East Scotland; Moffat & Williamson Limited |
| Washroom Solutions (Lot 1 only)  | Call-Off     | SXL                                | £500,000       | £115,384                             | Rentokil Initial Plc  |
| Purchase of 7 Wessex Gang Mowers   | Call-Off     | SXL                                | £202,287       | £202,287                             | Fairways GM Ltd   |

| Contract Title   | Procedure | Initiating Contract Owner (note 1) | Contract Value | Annual Value (or in-year if one-off) | Contractor(s)  |
|--|-----------|------------------------------------|----------------|--------------------------------------|--|
| Vehicles for Mobile Emergency Care Home                                  | Call-Off  | SXL                                | £160,000       | £160,000                             | Vauxhall Motors Limited, Kerr and Smith (Cumnock) Limited  |
| Street Cleansing Solution  | Call-Off  | CCS                                | £114,260       | £28,565                              | Whitespace Work Software Limited   |
| Voice and Data Support   | Call-Off  | Other                              | £1,087,767     | £217,553                             | Virgin Media Business Limited  |
| Maintenance & Repairs of Commerical Catering and Refrigeration Equipment | Call-Off  | SXL                                | £951,482       | £278,482                             | Lovat's Catering Engineering Services Ltd  |
| Supply and Delivery of General Office Stationery (Extension)             | Call-Off  | SP                                 | £2,500,000     | £872,164                             | Lyreco UK Limited  |
| Servicing & Repair of Warden Call Equipment (Contract Novation)          | Open      | FC                                 | £250,000       | £50,000                              | SPG Fire & Security Limited  |
| First Aid Products   | Call-Off  | SXL                                | £64,000        | £32,000                              | Wallace Cameron  |
| Painting & Decorating Framework (Extension)                              | Open      | FC                                 | £8,800,000     | £2,200,000                           | Bell Decorating Group Limited  |
| Glazing Replacement Works  | Open      | FC                                 | £1,600,000     | £400,000                             | Cruickshank Glaziers Ltd; CR Smith Manufacturing Limited   |
| Medical Aids (Extension)   | Open      | FC                                 | £6,800,000     | £1,700,000                           | Arjo, Care & Independence; Care Ability/Prism Medical; Careflex; Direct Healthcare; Drive Devilbiss; Fast Aid; Frontier Therapeutics; H&M Bathlifts; Haltom; Invacare; James Leckey; Jiraffe/Jenx; Langham; Lisclare; Morrings Mediquip; NRS; R82/ETAC; Safe & Sound; Scan Mobility; Silvalea; Sumed Ltd; Sunrise; W Munro |
| Educational Materials (Musical Instruments)                              | Call-Off  | SXL                                | £120,000       | £40,000                              | Band Supplies Limited  |
| Health & Safety Compliance Service                                       | Open      | FC                                 | £120,000       | £30,000                              | Thomas & Adamson LLP   |
| Single Person Discount (Extension)                                       | Open      | FC                                 | £180,000       | £45,000                              | Datatank Limited   |
| Digital Marketplace - Amazon   | Call-Off  | Other                              | £400,000       | £200,000                             | Amazon Business  |

| <b>Contract Title</b>  | <b>Procedure</b> | <b>Initiating Contract Owner (note 1)</b> | <b>Contract Value</b> | <b>Annual Value (or in-year if one-off)</b> | <b>Contractor(s)</b>                      |
|--|------------------|---|-----------------------|---|---|
| Community Meals (Extension)  | Call-Off         | SXL                                       | £765,000              | £192,000                                    | Apetito                                   |
| Covid Related PPE & Sanitising Equipment (Extension)                                   | Call-Off         | SXL                                       | £1,000,000            | £500,000                                    | Instock Ltd                               |
| Catering Disposables   | Call-Off         | SXL                                       | £800,000              | £200,000                                    | Alliance Disposables                      |
| Frozen Foods   | Call-Off         | SXL                                       | £6,000,000            | £1,500,000                                  | William Yule & Son Ltd.                   |
| Fife Council Business Property Conditions Surveys                                      | Call-Off         | FC  | £160,000              | £53,333                                     | Thomson Gray                              |
| Electrical Testing, Replacement Rewire Works & PV Installations                        | Open             | FC  | £16,000,000           | £4,000,000                                  | Moffat Projects (Fife) Ltd                |
| Supply of Server Infrastructure  | Call-Off         | FC  | £400,000              | £100,000                                    | XMA Ltd                                   |
| Fife In-College Support Service  | Other            | FC  | £3,041,806            | £434,544                                    | Fife College, SRUC                        |
| Provision of Social Care Agency Workers (Lot 2) (Extension)                            | Call-Off         | SXL                                       | £6,800,000            | £1,700,000                                  | ASA Recruitment Ltd                       |
| Provision of Social Care Agency Workers  | Call-Off         | SXL                                       | £1,200,000            | £1,200,000                                  | Randstad Public Services Ltd              |
| Servicing Heat Recovery Units  | Open             | FC  | £193,210              | £48,302                                     | Lovat's Catering Engineering Services Ltd |
| Recruitment Advertising and Public Notices   | Call-Off         | FC  | £120,000              | £30,000                                     | TMP Limited                               |
| Tyres  | Open             | SXL                                       | £2,200,000            | £550,000                                    | McConechy's Tyre Service Limited          |
| Employee Benefits Package (Extension)  | Direct Award     | Other                                     | £11,250               | £11,250                                     | Sodexo Ltd                                |
| ELIPS - Extending the Scale to Ensure  | Call-Off         | FC  | £70,000               | £70,000                                     | University of Dundee                      |
| Provision of Storage and Removal Services  | Open             | FC  | £332,649              | £83,163                                     | AMC Removals UK                           |
| Hot Beverage Machinery (Lease/Rental) and Supplies (Coffee and Associated Consumables) | Direct Award     | SXL                                       | £477,000              | £95,400                                     | Myrtle Coffee Services Ltd                |

| Contract Title  | Procedure | Initiating Contract Owner (note 1) | Contract Value | Annual Value (or in-year if one-off) | Contractor(s)  |
|---|-----------|------------------------------------|----------------|--------------------------------------|--|
| Hire of Equipment, Plant and Vehicles   | Open      | FC                                 | £8,568,776     | £2,142,194                           | GAP Group Limited; JG Martin Plant Hire Limited; The Double A Trading Company Limited; John McGeady Limited; Trevor Harris Plant Repairs Ltd; Strathore Plant Hire Limited; Sandy Allan (Blacksmiths) Limited; James Penman (Plant Hire) Limited; E & J Douglas & Sons Ltd; Tayforth Machinery Ring; John Nixon Limited; Andrew Cook (Contractors) Ltd; Murdoch Mackenzie Limited; Sunbelt Rentals Limited; Jarvie Plant Limited |
| Traffic Management Sub-Contractors (Extension)  | Open      | FC                                 | £800,000       | £200,000                             | Central Traffic Management Limited; Glenmavis Traffic Management Ltd; Highway Barrier Solutions  |
| Scottish Autism SXL CHALD Framework 1918  | Call-Off  | SXL                                | £2,170,227     | £723,409                             | Scottish Autism  |
| Floorcoverings - Replacement & Lifting/Relaying Fife Wide   | Open      | FC                                 | £4,300,000     | £1,075,000                           | Kirkton Flooring; Bell Decorating Group Limited; Smith Brothers Marine   |
| Housing Service Customer Satisfaction Survey (Extension)  | Open      | FC                                 | £60,000        | £18,000                              | Knowledge Partnership  |
| DCES Alarm & Insulation Works (Overarching Framework - SXL Energy Efficiency Contractors Framework) | Call-Off  | SXL                                | £264,299       | £132,150                             | Vital Energi Utilities Limited   |
| Application Monitoring Tool (Extension)   | Other     | FC                                 | £112,000       | £56,000                              | Dynatrace  |
| Provision of Treasury Support   | Open      | FC                                 | £133,350       | £24,500                              | Link Treasury Services   |
| Maintenance of Artificial Pitches   | Call-Off  | SXL                                | £284,400       | £71,100                              | Sportex Group Ltd  |
| Microsoft Licences  | Call-Off  | FC                                 | £6,042,968     | £2,014,323                           | Softcat Ltd  |

| Contract Title  | Procedure | Initiating Contract Owner (note 1) | Contract Value | Annual Value (or in-year if one-off) | Contractor(s)  |
|---|-----------|------------------------------------|----------------|--------------------------------------|--|
| Consultancy Framework                                       | Open      | FC                                 | £7,500,000     | £0                                   | Hylman; Direct Ecology Limited; Jeremy Benn Associates Limited (JBA Consulting); APEM Limited; WSP UK Limited; SWECO UK Limited; Ironside Farrar Limited; Albion Environmental Limited; ECUS Limited; SLR Consulting Limited; Creative Business Solutions; FRP Advisory Group Plc; Momentum 4 Ltd; Pricewaterhouse Coopers LLP; On Axis Ltd; Clarity Consulting Associates Ltd; Arneil Johnston Limited; Northstar Consulting and Research Ltd; Nathaniel Lichfield & Partners Limited; Stirling Enterprise Park Limited (STEP); Space Solutions (Scotland) Limited; Gunn Stewart Solutions Ltd; Graham + Sibbald Partnership LLP; Montagu Evans LLP; Ryden LLP; DM Hall LLP; FDM Group Limited; Ultima Business Solutions Ltd; PDMS; Quorum Limited; Regional Development Solutions Limited; 4Consulting Limited; EKOS Consulting (UK) Limited (Ekosgen); Turner & Townsend Limited; CGI UK Limited |
| Provision of Domestic Furniture and Furnishings (Extension) | Call-Off  | SXL                                | £5,773,088     | £1,443,272                           | CF Services  |
|   |           |                                    | £819,948       | £204,987                             | Circular Communities Scotland (Castle Furniture and Furniture Plus)  |
|   |           |                                    | £443,990       | £1,109,975                           | The Furnishing Services  |

| Contract Title   | Procedure    | Initiating Contract Owner (note 1) | Contract Value | Annual Value (or in-year if one-off) | Contractor(s)  |
|--|--------------|------------------------------------|----------------|--------------------------------------|--|
| Supply of Roadstone Materials  | Open         | FC                                 | £12,000,000    | £3,000,000                           | Angle Park Sand & Gravel; Breedon Trading Ltd; Hillhouse Quarry Group Ltd; Skene Group Constructions Services Ltd; Tillicoultry Quarries   |
| Bathroom Replacement Framework                                       | Open         | FC                                 | £10,000,000    | £2,500,000                           | McTear Contracts; Bell Decorating Group Limited; Belac Group   |
| Professional Development Award in Housing Law Advice (Retrospective) | Call-Off     | FC                                 | £125,000       | £125,000                             | Shelter Scotland   |
| Supply of Electric Profiling Beds and Mattresses                     | Open         | FC                                 | £203,000       | £67,667                              | Linnet UK Ltd, W Munro   |
| Principle Designer (Retrospective)                                   | Direct Award | FC                                 | £66,125        | £10,580                              | Brownriggs   |
| Alcoholic Beverages  | Call-Off     | SXL                                | £225,000       | £90,000                              | Tennent Caledonian Breweries Wholesale Limited   |
| Taxi Mini Comps (Retrospective)                                      | Call-Off     | FC                                 | £20,000,000    | £5,573,123                           | A1 Minibus & Coach Services Ltd; Kingdom Taxis; Ian's Taxi; Crail Star Taxis; Steve's Taxi; Treble Twenty Taxis Ltd; Goodsir Taxis; Prompt Taxis; Living High Travel Ltd; Keto Coaches; Kingdom Transport Coaches; Hamish Gordon Ltd; Caledonia Taxis; Wilson's Taxis; Corporate Taxis Dunfermline; P&R Taxis; Ace Radio Taxis Ltd; AD Taxis; Scot's Taxi; Baynes Tayport Taxis; Cupar Taxis; Hars Cars; M&H Contracts; Paul's Taxi Smart Travel; St. Andrews Airport Transfer; Movin Sounds Disco Party Bus |
| Merchant Services (Extension)  | Call-Off     | FC                                 | £456,000       | £114,000                             | WorldPay UK LTD  |

| Contract Title                             | Procedure  | Initiating Contract Owner (note 1) | Contract Value | Annual Value (or in-year if one-off) | Contractor(s)  |
|--|------------|------------------------------------|----------------|--------------------------------------|--|
| Adhoc Coach Hires (Retrospective roll-up)  | Restricted | FC                                 | £61,668.50     | £61,668.50                           | Alexander Robertson T/A A Robertson & Son; A1 Minibus & Coach Services Ltd; Alan Gibson T/A Gibson Travel; Bay Travel Coaches Ltd; Bodyshop Edinburgh Ltd T/A Coach Hire Edinburgh; Capercaille Travel Ltd; City Circle UK Ltd; Clan McLeod Coaches Ltd; E&M Horsburgh Ltd; Earnside Coaches Ltd; Edinburgh Coach Lines Ltd; Fife Scottish Omnibuses Ltd T/A Stagecoach East Scotland; Gibbs Taxis Ltd; Hamish Gordon Ltd; Hunters Executive Coaches Ltd; Ian's Coaches Ltd; J C Rae T/A Kingdom Transport Coaches; Eazy Coach Hire Fife; Living High Travel Limited; Merlin Travel; Midland Bluebird Limited; Moffat & Williamson Ltd; Prentice Westwood Ltd; Ratho Coaches Ltd; Salmond's Mini Coach Hire Limited; Smart Travel; Smith & Sons Coaches; St Andrews Executive Travel Ltd; Star Travel Coaches; Xplore Dundee; HH Coaches; Festival Travel (Scotland) Ltd |
| PPE & Workwear (Extension)                 | Call-Off   | SXL                                | £1,645,676     | £137,486                             | Lion Safety; Stax  |
|  |            |                                    |                | £27,243                              | Stax   |
|  |            |                                    |                | £43,845                              | Scott Direct   |
|  |            |                                    |                | £112,595                             | The Arco Group   |
|  |            |                                    |                | £39,298                              | Bunzl Greenham   |
|  |            |                                    |                | £50,952                              | Engineering Agencies   |
| Supply and Delivery of Janitorial Products | Call-Off   | SXL                                | £280,000       | £70,000                              | Alliance Disposables; Instock  |



| <b>Contract Title</b>   | <b>Procedure</b> | <b>Initiating Contract Owner (note 1)</b> | <b>Contract Value</b> | <b>Annual Value (or in-year if one-off)</b> | <b>Contractor(s)</b>    |
|---|------------------|---|-----------------------|---|-------------------------|
| Purchase of 4 Narrow Body RCVS  | Open             | SXL                                       | £807,332              | £807,332                                    | Dennis Eagle LTD        |
| Levenmouth Connectivity Project   | Direct Award     | SXL                                       | £1,300,000            | £650,000                                    | Amey                    |
| Public Space CCTV Network Services (Noting Only & Retrospective)                        | Call-Off         | CCS                                       | £57,785               | £20,000                                     | Vodafone                |
| Servicing and Repairing of Medical Aids   | Open             | FC  | £288,000              | £72,000                                     | W Munro                 |
| Amenity Units and Chalets - Tarvit Mill (Noting Only & Retrospective)                   | Open             | FC  | £1,848,760            | £1,848,760                                  | Healthmatic             |
| Supply of Electricity (Noting Only & Retrospective)                                     | Call-Off         | SP  | £12,800,000           | £8,000,000                                  | EDF Energy              |
| Community Alarms Receiving Centre   | Restricted       | FC  | £244,800              | £48,960                                     | Boxxe Ltd               |
| Energy Masterplan Regional City Deals   | Direct Award     | Other                                     | £60,000               | £60,000                                     | Energy Systems Catapult |
| Surface Dressing  | Direct Award     | FC  | £856,000              | £856,000                                    | Tayside Contracts       |
| Cash in Transit   | Call-Off         | SXL                                       | £143,947              | £71,974                                     | G4S Cash Services       |
| Repair & Maintenance of Swimming Pool Equipment   | Open             | FC  | £1,170,000            | £234,000                                    | CMM Pool Ltd            |
| Purchase of Leased Nissans and Mitsubishi's (call off from overarching Strategy EF0051) | Direct Award     | FC  | £135,500              | £135,500                                    | Link Group              |
| Commvault Licencing and Support   | Call-Off         | SP  | £131,193              | £44,000                                     | Softcat Ltd             |
| Benarty Lodges Supported Living Service   | Call-Off         | FC  | £574,240              | £914,848                                    | Richmond Fellowship     |
| Provision of Project Management Resource (Extension)                                    | Direct Award     | FC  | £67,500               | £67,500                                     | Scottish Engineering    |

| Contract Title   | Procedure  | Initiating Contract Owner (note 1) | Contract Value | Annual Value (or in-year if one-off) | Contractor(s)   |
|--|------------|------------------------------------|----------------|--------------------------------------|---|
| Overarching Framework - SXL Energy Efficiency Contractors Framework (Energy Efficiency Advice and Support) | Call-Off   | SXL                                | £264,399       | £116,000                             | Vital Energi Utilities Limited                          |
| Energy Efficiency Programme Management and Support Service   | Open       | FC                                 | £237,000       | £116,000                             | Changeworks Resource                                    |
| Supply of Windows and Doors  | Call-Off   | FC/Other                           | £1,000,000     | £1,000,000                           | Sidey Solutions Ltd; Bell Decorating Group Limited; DAS |
| Low Income Family Tracker  | Call-Off   | CCS                                | £160,000       | £40,000                              | Policy in Practice                                      |
| Supply of Specialised Paper and Wide Format Media  | Open       | FC                                 | £300,000       | £100,000                             | Antalis; Clyde Paper and Print; Premier Paper Group     |
| Postal Services (excluding 1st Class Mail & Packages)  | Call-Off   | CCS                                | £96,397        | £96,397                              | Whistl UK Ltd   |
| Supply of Fresh Fish   | Open       | FC                                 | £160,000       | £40,000                              | G & J Wilson  |
| Supply and Erection of Memorial Plaques and Path Kerbers (Extension)                                       | Open       | FC                                 | £120,000       | £22,000                              | Quality Masonry Services                                |
| Actuarial Services   | Call-Off   | Other                              | £800,000       | £200,000                             | Hymans Robertson  |
| Provision & Delivery of Swimming Pool Chemicals to FC & FSLT Establishments (Extension)                    | Call-Off   | SXL                                | £312,000       | £78,000                              | Brenntag  |
| Provision of Social Workers (Lot 2) (Extension)  | Call-Off   | SXL                                | £1,209,000     | £1,209,000                           | Randstad Public Services Limited                        |
| Workforce Development Qualifications for Health and Social Care  | Restricted | FC                                 | £432,000       | £144,000                             | Open University; Fife College                           |
| Supply, Delivery and Installation of Water Coolers and Maintenance (Extension)                             | Other      | SXL                                | £305,500       | £76,375                              | Angel Springs T/A Waterlogic                            |
| Purchase of 9 Refuse Collection Vehicles   | Call-Off   | SXL                                | £1,762,857     | £1,762,857                           | Farid Hillend   |

| <b>Contract Title</b>                                | <b>Procedure</b> | <b>Initiating Contract Owner (note 1)</b> | <b>Contract Value</b> | <b>Annual Value (or in-year if one-off)</b> | <b>Contractor(s)</b>         |
|--|------------------|---|-----------------------|---|------------------------------|
| Strategic Transport Modelling and Option Development | Other            | SXL                                       | £60,000               | £60,000                                     | Stantec UK LTD               |
| Stratheden Redesign (Extension)                      | Open             | FC  | £580,000              | £290,000                                    | Kingdom Support and Care CIC |
| Electoral Management System (Extension)              | Restricted       | CCS                                       | £252,265              | £126,133                                    | Democracy Counts             |
| Employers Agent                                      | Open             | Other                                     | £1,200,000            | £400,000                                    | Faithful + Gould             |
| Support and Maintenance for SWIFT (Noting Only)      | Direct Award     | FC  | £310,000              | £160,000                                    | OLM Systems LTD              |

| APR Reporting Category                  | Contract Description                             | Benefit Description  | Committed Value/Units (where provided) | Unit Measurement |
|---|--|--|--|------------------|
| Jobs<br>(Priority Groups)               | Dunfermline Learning Campus                      | No. of local people (FTE) employed on contract for one year or the whole duration of the contract, whichever is shorter.   | 21.32                                  | Employees        |
|   | Domestic furniture and furnishings               | Recruitment (2 employees) £104,000   | 2                                      | Employees        |
|   |  | Circular Communities Scotland maintained employment at Furniture Plus and Castle Furniture   | 6                                      | Employees        |
|   | Care and Support Services                        | Recruitment (2 employees) following DWP/JCP Event  | 2                                      | Employees        |
|   | PPE Framework                                    | Recruitment (2 employees) following Kick Start Placement   | 2                                      | Employees        |
|   | Fresh Fruit & Vegetables                         | Recruitment (1 employee)   | 1                                      | Employees        |
| Appreticeships<br>(Priority Groups)     | Stairlifts Framework                             | Employment   | 1                                      | Employees        |
|   | Scaffolding Framework Agreement                  | Apprentice New Start - Full Time (from Priority Group)   | 1                                      | Employees        |
|   | Dunfermline Learning Campus                      | No. of weeks of apprenticeships on the contract that have either been completed during the year, or that will be supported by the organisation until completion. | 275                                    | Weeks            |
|   | Stairlifts Framework                             | Apprenticeship   | 2                                      | Employees        |
|   | Vehicle Parts Framework                          | Apprenticeship provided by Dingbro   | 1                                      | Employees        |
| Work<br>Placements<br>(Priority Groups) | Hire and relocation of welfare and secure cabins | Apprenticeship   | 1                                      | Employees        |
|   | Dunfermline Learning Campus                      | Work placements (weeks) or pre-employment courses SFT13  | 19                                     | Weeks            |
|   | Stratheden Re-deisgn                             | 6 month paid work placement (1 employee) £12000  | 1                                      | Employees        |
|   | Children's Residential Care                      | Psychology student at St Andrews University and Stirling University  | 114                                    | Hours            |
|   |  | Hillside School provided a student placement for a HNC Student at Fife College   | 420                                    | Hours            |
| Grounds Maintenance Machinery           | Work experience                                  | 1  | Employees                              |                  |

| APR Reporting Category                         | Contract Description                               | Benefit Description  | Committed Value/Units (where provided) | Unit Measurement |
|--|--|--|--|------------------|
| Qualifications (Priority Groups)               | Youth Justice Service                              | Aim3 Assessment Tool Qualification   | 1                                      | Employees        |
| Other - SME and Third Sector                   | Dunfermline Learning Campus                        | Value of work awarded to Local SMEs  | £16,048,540                            | £                |
| Other - Skills and Training                    | Dunfermline Learning Campus                        | Local school and college visits  | 158                                    | Hours            |
|  | Electrical Testing - Public Buildings (PA Testing) | Waid Academy work experience   | 2                                      | Employees        |
|  | Social Care Agency Workers                         | Work Experience with Fife area (Hours)   | 147                                    | Hours            |
|  | Provision of Banking Services                      | Carry out a workshop in a school or Community Centre in Fife linked to curriculum for excellence | 30                                     | Hours            |
| Other - Social Value Rebate                    | Dunfermline Learning Campus                        | Donations of Equipment and/or Resources and Community Support (SFT25/35/37)                      | £58,544                                | £                |
|  |  | volunteering time provided to support local community projects (SFT38)                           | 517                                    | Hours            |
|  | Social Care Agency Workers                         | Health Care Training Support Courses   | £8,050                                 | £                |
|  | Care and Support Services                          | Sponsorship of Community Clubs   | £85,500                                | £                |
|  | Groceries and Provisions                           | Donation to Cash For Kids  | £3,990                                 | £                |
|  | Building & Timber Materials                        | Donation to Cottage Family Christmas Appeal  | £1,000                                 | £                |
|  |  | Staff Volunteering at Charity Hub  | 4                                      | Hours            |
|  | Uplift and Disposal of IT Equipment                | Donation to Charity  | £220                                   | £                |
|  | Modular Accommodation Units                        | Support local Charities  | £100                                   | £                |
|  | Domestic Furniture and Furnishings                 | Sponsorship of local rugby team  | £500                                   | £                |
|  | Oracle Implementation Service                      | Donation (Community Support) to a local charity - Fife Carers Centre                             | £500                                   | £                |
|  | Glazing Replacement Works                          | Donations to various community Groups/Charities  | £4,598                                 | £                |
| Employee volunteering for Kirkcaldy Air Cadets |  | 1  | Employees                              |                  |

| APR Reporting Category   | Contract Description  | Benefit Description   | Committed Value/Units (where provided) | Unit Measurement |
|--|---|---|--|------------------|
| Other - Social Value Rebate                                      | Hire of plant and development works at Lochhead Landfill Site | Donations   | £3,500                                 | £                |
|  | Maintenance and Repair of Passenger Lift Installations        | Levenmouth Foodbank Donation                                    | 260                                    | kg               |
|  | Supply of First Aid Products                                  | Donation of Defibrillator to New Methilhaven Care Home          | £700                                   | £                |
|  | Electrical Testing - Public Buildings (PA Testing)            | Charity Donation to Victoria Hospital Children's Unit           | £582                                   | £                |
|  | Asbestos Framework  | Sponsorship of Rosyth FC (Full Match Day/Trainig Kit)           | £2,023                                 | £                |
|  | Supply of Frozen Foods  | Sponsorship of VIP night  | £450                                   | £                |
|  | Fostering   | Donation of Pantomime tickets to carers                         | £460                                   | £                |
|  | Vehicle Parts Framework                                       | Donation to Fife Cycling Initiative                             | £300                                   | £                |
|  |   | Sponsorship of Fife Council Apprenticeship of the Year          | £1,200                                 | £                |
|  | PPE Framework   | Donation to Ward 44 at Victoria Hospital                        | £200                                   | £                |
|  |   | Donation of wood/timber for projects                            | £40                                    | £                |
|  |   | Donation of Warm Clothing                                       | £3,339                                 | £                |
|  |   | Table Sponsorship at Apprentice of the Year                     | £300                                   | £                |
|  | Fresh Fruit & Vegetables                                      | Donation of Tool collection for Apprentice of the Year          | £333                                   | £                |
|  |   | Donation of Fresh Fruit/Vegetables to Healthy Eating initiative | £150                                   | £                |
|  | Electrical Materials Framework                                | Donations of Xmas and Easter confectionary by Cottage Centre    | £200                                   | £                |
| Education Taxis and Minibuses May and July 2022 Mini Competition | Contribution to a Local Registered Charity                    | £872  | £                                      |                  |

**Note - this is indicative only and subject to continuous update.**

**Some contracts have optional extensions that might be utilised**

**Refreshed pipeline is published on Fife Council's website on a regular basis:**

<https://www.fife.gov.uk/kb/docs/articles/business2/doing-business-with-us>

| Description  | Anticipated Type of Procurement (not committed in all cases until strategy complete) | Anticipated Start of Procurement Activity or Contract Start Date | Anticipated Total Value (where known) |
|--|--|--|---------------------------------------|
| <b>Corporate/FM Category</b>                           |  |  |                                       |
| Milk Bar fridge hire and accessories                   | Fife Council Contract  | 01/04/2024   | £66,000                               |
| Frozen Foods   | Scotland Excel Framework   | 01/10/2024   | £7,200,000                            |
| Pre-packed Cakes and Biscuit products at coffee Kiosks | Fife Council Contract  | 01/04/2024   | £700,000                              |
| Vending Services FSLT                                  | Fife Council   | 01/04/2024   | £60,000                               |
| Supply of coffee and coffee related products           | Scotland Excel Framework   | 01/08/2024   | £880,000                              |
| Catering Sundries/disposables                          | Scotland Excel Framework   | 01/08/2024   | £880,000                              |
| Groceries & Provisions                                 | Scotland Excel Framework   | 01/05/2024   | £8,000,000                            |
| Supply of Alcohol and Beverages                        | Fife Council Contract  | 01/04/2024   | £400,000                              |
| Sandwiches and Food to Go                              | ESPO Framework   | 01/12/2024   | £415,000                              |
| Meal Concepts  | ESPO Framework   | 02/12/2024   | £280,000                              |
| Transcription/Translation/Interpretation               | Fife Council Contract  | 01/03/2024   | £640,000                              |
| Housing Customer Satisfaction Survey                   | Fife Council Contract  | 01/10/2023   | £50,000                               |
| Exhibition Services                                    | Fife Council Contract  | 31/12/2024   | £160,000                              |
| Advertising and Public Notices                         | Scottish Procurement Framework   | 11/07/2024   | £120,000                              |
| Media Services   | Scottish Procurement Framework   | 01/09/2025   | £136,576                              |
| Cleaning Equipment                                     | Scotland Excel Framework   | 01/05/2025   | £60,000                               |
| Window Cleaning Services                               | Fife Council Contract  | 01/04/2024   | £60,000                               |
| Janitorial Products                                    | Scotland Excel Framework   | 01/04/2024   | £1,000,000                            |
| Vehicle Steam Cleaning                                 | Fife Council Contract  | 01/04/2024   | £500,000                              |
| Cleaning of bins, bin chutes and bin storage areas     | Fife Council Contract  | 31/07/2024   | £320,000                              |
| Heavy Duty Laundry Equipment inc. Repair & Maintenance | Fife Council Contract  | 01/02/2024   | £540,000                              |
| Cash in Transit (including Car park collections)       | Scotland Excel Framework   | 01/07/2025   | £215,921                              |
| Pre Loaded financial cards                             | CCS Framework  | 01/06/2024   | £8,500,000                            |
| Payment Services                                       | Procurement for Housing Framework  | 01/12/2024   | £500,000                              |
| Accounting for Trusts                                  | Fife Council Contract  | 01/01/2024   | £100,000                              |
| Merchant Services                                      | CCS Framework  | 01/04/2024   | £120,000                              |
| Global Custodian/Performance                           | Fife Council Contract  | 01/11/2024   | £800,000                              |
| Single person discounts                                | Fife Council Contract  | 31/08/2025   | £50,000                               |
| Banking Service  | CCS Framework  | 01/04/2024   | £300,000                              |
| Sheriff Officer/Debt Collection                        | Scotland Excel Framework   | 01/04/2024   | £180,000                              |
| Fuel Payment Pilot                                     | CCS Framework  | 01/05/2024   | £250,000                              |
| Insurance and Risk Management Advisory Service         | CCS Framework  | 01/10/2024   | £6,000                                |
| Pre loaded financial cards/vouchers                    | CCS Framework  | 01/06/2024   | £500,000                              |
| Supply of specialised paper and wide format media      | Fife Council Contract  | 01/03/2025   | £400,000                              |

| Description  | Anticipated Type of Procurement (not committed in all cases until strategy complete) | Anticipated Start of Procurement Activity or Contract Start Date | Anticipated Total Value (where known) |
|--|--|--|---------------------------------------|
| Assessing Children who present with Sexual Abuse Supporting Children & Young People: Management & Risk reduction approach (MARRS). | Fife Council DPS   | 01/04/2024   | £12,240                               |
| Performance & Care Excellence  | Fife Council DPS   | 01/04/2024   | £15,120                               |
| Professional Development Award (PDA) in Housing Law Advice   | Fife Council DPS   | 04/05/2024   | £93,000                               |
| Business Engagement Executive for DYW Fife   | Fife Council Contract  | 01/08/2024   | £114,888                              |
| SLA: Hygienic Cleaning of Medical Aids   | Fife Council Contract  | 04/01/2024   | £495,565                              |
| Maintenance & Servicing of Electric Profiling Beds   | Fife Council Contract  | 01/09/2025   | £83,692                               |
| Medical Assessment for Taxi Drivers and Pension Appeals  | Fife Council Contract  | 01/05/2024   | £48,000                               |
| Maintenance & Servicing of Laser Equipment   | Fife Council Contract  | 31/10/2024   | £25,000                               |
| Swimming Pool Chemicals  | TBC  | 01/04/2024   | £312,000                              |
| Digital Publications and Services  | Scottish Procurement Framework   | 01/04/2024   | £80,000                               |
| Provision of Business Travel Services  | Fife Council Contract  | 01/07/2024   | £10,000                               |
| Fitness Equipment for Fife Sport & Leisure Trust   | ESPO Framework   | 01/01/2025   | £1,100,000                            |
| Promotional Items  | Fife Council Contract  | 01/04/2024   | £40,000                               |
| Security Shredding Service   | Fife Council Contract  | 01/01/2025   | £50,000                               |
| Resale of Sporting Goods for Fife Sports Leisure Facilities  | Fife Council Contract  | 01/04/2024   | £290,000                              |
| Provision of a Removals and Storage Service  | Fife Council Contract  | 01/08/2025   | £450,000                              |
| Provision of General Legal Services & Court of Session Work  | Fife Council Contract  | 01/07/2024   | £920,000                              |
| Electoral Canvassing   | Fife Council Contract  | 04/01/2024   | £100,000                              |
| Provision of domestic whitegoods for commercial premises   | Scotland Excel Framework   | 01/04/2023   | £200,000                              |
| Care Home Furniture and furnishings  | Fife Council Contract  | 01/09/2025   | £500,000                              |
| Supply, Installation, Repair & Alteration of Window Blinds   | Fife Council Contract  | 01/02/2024   | £420,230                              |
| Provision of rollerboards  | Fife Council Contract  | 01/09/2024   | £150,000                              |
| Domestic Furniture and Furnishings   | Scotland Excel Framework   | 28/02/2025   | £500,000                              |
| Annual Inspection of Gym Equipment   | ESPO Framework   | 01/09/2025   | £45,000                               |
| Health & Safety Compliance Service   | Fife Council Contract  | 01/10/2025   | £120,000                              |
| Provision of a funeral and undertaking service   | Fife Council Contract  | 01/02/2025   | £131,848                              |
| Provision of PPE and Workwear  | Scotland Excel Framework   | 01/07/2024   | £1,500,000                            |
| Provision of Winter warmer packs   | Fife Council Contract  | 01/11/2024   | £24,000                               |



| Description   | Anticipated Type of Procurement (not committed in all cases until strategy complete) | Anticipated Start of Procurement Activity or Contract Start Date | Anticipated Total Value (where known) |
|---|--|--|---------------------------------------|
| <b>Environment and Fleet</b>                              |  |  |                                       |
| Air Quality Management Provision                          | Fife Council Contract  | 01/08/2024   | £180,000                              |
| Bird of Prey Provision                                    | Fife Council Contract  | 01/04/2024   | £167,000                              |
| Framework agreement for the provision of auction services | Fife Council Contract  | 01/12/2023   | £0                                    |
| Hire and relocation of welfare and secure stores          | Fife Council Contract  | 01/12/2023   | £1,120,000                            |
| Trees, Plants & Shrubs                                    | Fife Council Contract  | 01/03/2024   | £520,000                              |
| Supply of Vehicle Parts                                   | Scotland Excel   | 01/04/2024   | £1,020,000                            |
| Provision of Eco Stars Scheme                             | City of Edinburgh Framework  | 30/04/2025   | £156,000                              |
| Recycling and Refuse Containers                           | Scotland Excel   | 08/12/2024   | £573,000                              |
| Maintenance of Traffic Signals                            | CCS Framework  | 01/05/2024   | £708,950                              |
| <b>Utilities</b>  |  |  |                                       |
| Supply of Electricity                                     | Scottish Procurement Framework   | 31/03/2024   | £40,000,000                           |
| Supply of Water   | Scottish Procurement   | 31/03/2024   | £12,000,000                           |
| Energy Efficiency Programme Management                    | Fife Council   | 28/02/2024   | £250,000                              |
| Supply of Gas   | Scottish Procurement   | 31/03/2025   | £10,000,000                           |
| Biomass Supply and Maintenance                            | Fife Council   | 09/05/2025   | £9,200,000                            |
| <b>Social Care</b>  |  |  |                                       |
| Care Homes for Adults                                     | Fife Council   | 01/12/2024   | £17,000,000                           |
| Group Living  | Fife Council   | 01/12/2024   | £13,500,000                           |
| Fostering and Continuing Care                             | Scotland Excel   | 01/07/2025   | £34,000,000                           |
| Secure Care   | Scotland Excel   | 01/04/2025   | £4,000,000                            |
| Kelty Day Care Service                                    | Fife Council   | 24/04/2023   | £1,000,000                            |
| Care and Support Services for 5 Service Users (Lynebank)  | Fife Council   | 03/11/2024   | £6,200,000                            |
| <b>Travel &amp; Transportation</b>                        |  |  |                                       |
| DPS: Adhoc Bus & Coach Hires                              | Fife Council   | ongoing  | £3,500,000                            |
| DPS: Education Taxis & Minibuses                          | Fife Council   | ongoing  | £27,000,000                           |
| Secure Care Transport Framework                           | Fife Council   | 01/03/2024   | £180,000                              |
| Education Taxi & Minibus Framework                        | Fife Council   | 01/08/2024   | £2,000,000                            |
| DPS: Mid Fife Local Services                              | Fife Council   | 19/08/2024   | £4,400,000                            |
| DPS: Mid & South Fife School Services                     | Fife Council   | 19/08/2024   | £11,700,000                           |
| <b>Transportation Works</b>                               |  |  |                                       |
| C14 Lighting Installation Works (up to £1m)               | Fife Council   | 01/02/2025   | £6,000,000                            |
| C11 Road Markings & Road Studs                            | Fife Council   | 09/10/2024   | £550,000                              |
| Controlled Crossings                                      | Fife Council   | 01/04/2024   | £400,000                              |
| Spray Injection Patching                                  | Fife Council   | 01/06/2024   | £384,000                              |
| Verge Cutting   | Fife Council   | 01/06/2024   | £100,000                              |
| <b>Construction Materials Category</b>                    |  |  |                                       |
| Fire Extinguishers & Safety Materials                     | Fife Council   | 01/03/2025   | £78,400                               |
| Construction Materials                                    | Scotland Excel   | 01/03/2025   | £13,418,004                           |
| Street Lighting Materials                                 | ESPO   | 15/04/2024   | £2,756,710                            |
| Supply of Kitchen Units                                   | Scotland Excel   | 01/04/2025   | £4,000,000                            |

| Description  | Anticipated Type of Procurement (not committed in all cases until strategy complete) | Anticipated Start of Procurement Activity or Contract Start Date | Anticipated Total Value (where known) |
|--|--|--|---------------------------------------|
| <b>Construction Works</b>  |  |  |                                       |
| Roller Doors & Automatic Doors   | Fife Council   | 01/03/2024   | £300,000                              |
| Roofing Framework (Flat Roofs)   | Fife Council   | 01/02/2024   | £4,000,000                            |
| Timber Panel Construction Framework  | Fife Council   | 01/04/2024   | £4,500,000                            |
| Grass Sports Pitch Maintenance   | Fife Council   | 01/02/2024   | £240,000                              |
| Woodland Maintenance   | Fife Council   | 01/02/2024   | £50,000                               |
| Fife Coastal Path Signage  | Fife Council   | 01/02/2024   | £500,000                              |
| Festive Lights - Fife Wide Framework   | Fife Council   | 10/10/2023   | £368,000                              |
| Minor Builder Works Framework  | Fife Council   | 01/02/2024   | £2,400,000                            |
| Maintenance & Repairs Passenger Lift Installation                                    | Fife Council   | 07/11/2025   | £700,000                              |
| Electrical Testing, PAT Testing in public buildings                                  | Fife Council   | 12/02/2024   | £2,300,000                            |
| Maintenance & Repairs to Central Battery Installations                               | Fife Council   | 15/09/2024   | £375,000                              |
| Internal & External Painting & Decorating Framework                                  | Fife Council   | 31/08/2024   | £5,600,000                            |
| Water Monitoring   | Fife Council   | 01/03/2024   | £600,000                              |
| Auto wash / Dry Toilet   | Fife Council   | 08/01/2024   | £70,000                               |
| New Build Residential Construction   | Scotland Excel   | Q4 2024  | £10,750,000                           |
| CCTV Maintenance and Repairs   | Fife Council   | 01/11/2024   | £600,000                              |
| <b>ICT</b>   |  |  |                                       |
| <b>Note - there is no guarantee that these will be procured</b>                      |  |  |                                       |
| <b>Such requirements go through an internal TIME review to determine progression</b> |  |  |                                       |
| Non-Geographic Numbering   | Crown Commercial Services  | 01/05/2024   | £200,000                              |
| Cars - Merchant Software   | Crown Commercial Services  | 22/04/2023   | £30,000                               |
| Electoral Management System  | Crown Commercial Services  | 01/05/2024   | £252,000                              |
| Provision of SIP Trunking  | Crown Commercial Services  | 30/11/2023   | £632,970                              |
| Supply of a Library Management System  | Fife Council   | 01/12/2023   | £202,085                              |
| Microsoft Campus Agreement   | Crown Commercial Services  | 31/03/2024   | £1,000,000                            |
| Microsoft SQL  | Fife Council   | 31/03/2024   | £6,000,000                            |
| Road AI  | Crown Commercial Services  | 01/04/2024   | £131,000                              |
| Postal Services  | Scottish Procurement   | 15/04/2024   | £240,000                              |
| Mobile Services  | Fife Council   | 20/09/2024   | £1,915,164                            |
| Support and Maintenance for SWIFT  | Crown Commercial Services  | 21/04/2024   | £310,000                              |
| Total Mobile   | Crown Commercial Services  | 01/05/2024   | £1,082,444                            |
| Low Income Family Tracker  | Crown Commercial Services  | 01/06/2024   | £160,000                              |
| Waste Disposal System  | Fife Council   | 03/06/2024   | £114,330                              |
| ForcePoint   | Fife Council   | 01/07/2024   | £96,504                               |
| Netloan  | Fife Council   | 05/07/2024   | £50,000                               |
| NNDR / FQV   | Crown Commercial Services  | 11/07/2024   | £125,000                              |
| Wide Area Network  | Crown Commercial Services  | 01/09/2024   | £7,000,295                            |
| Replacement Catering Live System   | Crown Commercial Services  | 27/09/2024   | £313,665                              |
| MyToolkit  | Crown Commercial Services  | 04/10/2024   | £49,000                               |
| Provision of a Compliance Document Management System (CDMS)                          | Fife Council   | 18/11/2024   | £164,835                              |
| Hybrid Mail  | Crown Commercial Services  | 31/12/2024   | £766,000                              |
| Multi Functional Devices (MFDs)  | Fife Council   | 01/01/2025   | £6,495,000                            |
| Electoral Canvassing   | Fife Council   | 05/01/2025   | £75,000                               |

| Description   | Anticipated Type of Procurement (not committed in all cases until strategy complete) | Anticipated Start of Procurement Activity or Contract Start Date | Anticipated Total Value (where known) |
|---|--|--|---------------------------------------|
| Mind of My Own App  | Crown Commercial Services  | 21/01/2025   | £61,174                               |
| Meals 2 People Support  | Fife Council   | 01/03/2025   | £25,000                               |
| Trapeze Pass Upgrade  | Fife Council   | 09/03/2025   | £16,000                               |
| Auto Desk Subscription  | Crown Commercial Services  | 18/03/2025   | £380,276                              |
| Provision of an Office 365 Back Up System                               | Crown Commercial Services  | 22/03/2025   | £75,000                               |
| Analytic Tool for Reducing Rent Arrears                                 | Crown Commercial Services  | 25/03/2025   | £867,770                              |
| Lone and remote working solution with integrated alarm receiving centre | Crown Commercial Services  | 01/04/2025   | £1,088,000                            |
| Commvault licenses  | Crown Commercial Services  | 28/06/2025   | £132,000                              |
| Bereavement Digitisation  | Crown Commercial Services  | 01/07/2025   | £200,000                              |
| Local Area Network  | Crown Commercial Services  | 01/07/2025   | £3,004,489                            |
| Microsoft Licences  | Crown Commercial Services  | 01/07/2025   | £6,042,968                            |
| PlotBox - bereavement Digitisation                                      | Crown Commercial Services  | 01/07/2025   | £159,000                              |
| Yotta   | Fife Council   | 01/09/2025   | £5,201,971                            |
| Cisco Voice and Data Support  | Crown Commercial Services  | 01/11/2025   | £1,098,619                            |
| Bus Ticket Data Analysis  | Scottish Government  | 01/12/2025   | £65,400                               |
| Drivers Licence Checks  | Crown Commercial Services  | 01/01/2024   | £75,000                               |
| Parking Management Information System                                   | ESPO   | 01/11/2026   | £140,000                              |

## Annual Procurement Report template

[NOTE: reference to contract is also to be construed as meaning a framework agreement]

|   |  |
|---|--|
| <b>1. Organisation and report details</b>   |  |
| a) Contracting Authority Name   | Fife Council   |
| b) Period of the annual procurement report  | 1 <sup>st</sup> April 2023 – 31 <sup>st</sup> March 2024 |
| c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)                     | Yes  |
| <b>2. Summary of Regulated Procurements Completed</b>   |  |
| a) Total number of regulated contracts awarded within the report period   | 186  |
| b) Total value of regulated contracts awarded within the report period  | £489.73m   |
| c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period                             | 466  |
| i) how many of these unique suppliers are SMEs  | 317  |
| ii) how many of these unique suppliers are Third sector bodies  | 12   |
| <b>3. Review of Regulated Procurements Compliance</b>   |  |
| a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy                           | 185  |
| b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy                     | 2  |
| <b>4. Community Benefit Requirements Summary</b>  |  |
| <b>Use of Community Benefit Requirements in Procurement:</b>  |  |
| a) Total Number of regulated contracts awarded with a value of £4 million or greater.   | 22   |
| b) Total Number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements. | 14   |
| c) Total Number of regulated contracts awarded with a value of less than £4 million that contain Community Benefit Requirements   | 132  |

**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) | 35.32 Employees                      |
| e) Number of Apprenticeships Filled by Priority Groups  | 5 Employees<br>275 Weeks             |
| f) Number of Work Placements for Priority Groups  | 2 Employees<br>19 Weeks<br>534 Hours |
| g) Number of Qualifications Achieved Through Training by Priority Groups                              | 1 Employee                           |
| h) Total Value of contracts sub-contracted to SMEs  | £16,048,540                          |
| i) Total Value of contracts sub-contracted to Social Enterprises                                      | 0                                    |
| j) Total Value of contracts sub-contracted to Supported Businesses                                    | £819,948                             |
| k) Other community benefit(s) fulfilled   | £177,651<br>1 Employee<br>521 Hours  |

**5. Fair Work and the real Living Wage**

|   |     |
|---|-----|
| a) Number of regulated contracts awarded during the period that included a Fair Work First criterion.   | 59  |
| 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. | 394 |
| c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract during the period.                 | 88  |

**6. Payment performance**

|  |         |
|--|---------|
| a) Number of valid invoices received during the reporting period.  | 332,670 |
| b) Percentage of invoices paid on time during the period ("On time" means within the time period set out in the contract terms.)                                 | 92.5%   |
| c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains. | 187     |
| 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     | 2          |
| b) Total spend with supported businesses during the period covered by the report, including: | £1,168,948 |
| i) spend within the reporting year on regulated contracts                                    | £1,162,041 |
| ii) spend within the reporting year on non-regulated contracts                               | £3,115     |

**8. Spend and Savings Summary**

|  |          |
|--|----------|
| a) Total procurement spend for the period covered by the annual procurement report.              | £551.98m |
| b) Total procurement spend with SMEs during the period covered by the annual procurement report. | £259.18m |
| c) Total procurement spend with third sector bodies during the period covered by the report.     | £73.64m  |
| d) Percentage of total procurement spend through collaborative contracts.                        | 34%      |
| e) Total delivered cash savings for the period covered by the annual procurement report          | £3.670m  |
| f) Total non-cash savings value for the period covered by the annual procurement report          | £5.324m  |

**9. Future regulated procurements**

|   |              |
|---|--------------|
| a) Total number of regulated procurements expected to commence in the next two financial years          | 154          |
| b) Total estimated value of regulated procurements expected to commence in the next two financial years | £349,673,103 |

## Progress on Key Activity and Priorities Moving Forward

*Note – there is some overlap with topics given interdependencies as well as local/national activity and legacy reporting of activity in connection with Commercialisation Programme*

### Community Wealth Building – Progressive Procurement

| <b>Action - Active participation in Reform &amp; Recovery work, e.g. Procurement represented at the Local Economic Recovery Board and Community Wealth Building (CWB) Support Group.</b>                                      |   |
|---|---|
| <b>Position/Progress Made (22/23)</b>   | <b>Next Steps (23/24 and/or beyond)</b>   |
| <p>Ongoing progress through strategic groups and further embedding/tailoring operational approaches.</p> <p>Reporting of progress against the CWB Policy Framework via Cabinet Committee and Fife Partnership committees.</p> | <p>Update Scheme of Tender Procedures providing policy requirement to consider local suppliers, and an increase in threshold for formal tender activity.</p> <p>Review of feedback from tenderers/prospective tenderers.</p> <p>Standardisation of community benefits approach (in construction and beyond) and capacity building with Communities and Corporate Development to provide strategic platform for identification and matching of Community Benefit opportunities. Pilot community project bank model in South and West Fife, working with Fife Voluntary Action and the West Fife Villages Forum.</p> <p>Capacity building with Communities and Corporate Development to provide strategic platform for identification and matching of Community Benefit opportunities.</p> <p>Continued supplier development via organised events such as Meet the Buyer, and through new Build Fife project.</p> |

|  |  |
|--|--|
| <b>Action - Leading on cross-service 'Local Procurement Group' to drive local spend agenda</b>   |  |
| <b>Position/Progress Made (22/23)</b>  | <b>Next Steps (23/24 and/or beyond)</b>  |
| Ongoing – group meet every six weeks. Discuss good news/issues arising/opportunities etc.  | Continue, develop strategy/action plan   |
| <b>Action - Active participation on Food4Fife Partnership and the Fife Food Procurement Working Groups.</b>  |  |
| <b>Position/Progress Made (22/23)</b>  | <b>Next Steps (23/24 and/or beyond)</b>  |
| Progression of Fife's food vision, food partnership, and food strategy.<br><br>Full consultation of strategy initiated (includes member consultation). | Ongoing consultation with elected members and full public. Final Strategy to be presented to Communities and Wellbeing Partnership and Full Council by March 2024.<br><br>Management of agreed Food Procurement Action Plan. |
| <b>Action - Continuing engagement with Economic Development and support of national, regional and local Meet the Buyer Events</b>                      |  |
| <b>Position/Progress Made (22/23)</b>  | <b>Next Steps (23/24 and/or beyond)</b>  |
| Ongoing – detail provided in section 6 (6.11) of the Annual Procurement Report.  | Continue to support and consider any alternative approaches that might complement this activity (via Local Procurement Group) – Action Plan  |
| <b>Action - Continuing the use of a Community Benefits recording system (Cenefits)</b>   |  |
| <b>Position/Progress Made (22/23)</b>  | <b>Next Steps (23/24 and/or beyond)</b>  |
| Ongoing  | Review and explore expansion and/or alternative approaches (e.g., use of TOMS/ESES) via the Local Procurement Group. Taking cognisance of aspirations of front-end 'wish-list' portal.                                       |
| <b>Action - Representation on the Dunfermline Learning Campus project's Community Benefits Working Group</b>   |  |
| <b>Position/Progress Made (22/23)</b>  | <b>Next Steps (23/24 and/or beyond)</b>  |
| Procurement Representation from Construction Category  | Continued engagement.  |



| <b>Action - Consideration of training and development needs in relation to Sustainable Procurement</b>  |  |
|---|--|
| <b>Position/Progress Made (22/23)</b>   | <b>Next Steps (23/24 and/or beyond)</b>  |
| Discussions with Scottish Government on suite of tools and training etc. National refresh on the agenda.  | Mandate of eLearning across procurement staff.<br><br>Review of Procurement Development Framework and Personnel Development Plans, which includes Sustainable Procurement as a training requirement. |
| <b>Action - Consider opportunity around a front-end portal for community groups to express their needs where there may be opportunity for these to be met via a community benefit from a public sector contract. Similarly, this could provide a platform for suppliers (current and prospective) to identify options/matches for community benefits that they could potentially deliver.</b> |  |
| <b>Position/Progress Made (22/23)</b>   | <b>Next Steps (23/24 and/or beyond)</b>  |
| Opportunity exploration ongoing via Community Wealth Building Support Group/Local Procurement Group.<br><br>Also considering triage service via Fife Voluntary Action Group to support this activity.   | Re-evaluation of need and potential solutions.   |

### **Supporting the Climate Emergency Reform Activity**

*Working with climate change colleagues to contribute to the Addressing the Climate Emergency (ACE) Action Plan in relation to sustainable Procurement. The action plan includes consideration of the undernoted activities.*

| <b>Action - Passenger Transport (inclusion of decarbonisation and environmental management practices in bus and coach contracts, and revised approach to inclusion of community benefits).</b> |   |
|--|---|
| <b>Position/Progress Made (22/23)</b>  | <b>Next Steps (23/24 and/or beyond)</b>   |
| Inclusion in tender documents/evaluations of Eco Star Ratings.   | Mandatory minimum requirement for Euro 5 engines, across all contracts, from August 2024.<br><br>Mandatory minimum requirement for Euro 6 engines, across all contracts, from August 2028 |

| <b>Action – Food Procurement</b>  |   |
|---|---|
| <b>Position/Progress Made (22/23)</b>   | <b>Next Steps (23/24 and/or beyond)</b>   |
| Food 4 Fife Strategy drafted (including Procurement Pillar) ongoing and consultation process ongoing.   | Food 4 Fife Strategy development/consultation ongoing.<br><br>Following presenting at appropriate committee ongoing management of procurement pillar action plan.<br><br>Collection of data (contract usage etc) to identify opportunities for improvements to local suppliers/producers within Fife Council supply chains.                                   |
| <b>Action - Levenmouth Circular Economy (River Leven Restoration)</b>   |   |
| <b>Position/Progress Made (22/23)</b>   | <b>Next Steps (23/24 and/or beyond)</b>   |
| River Leven Restoration Project's ongoing work and liaising between Fife Coast & Countryside Trust and Fife Council   | Continuing to enhance Sustainable Procurement considerations in contracts and continue engagement with SEPA, FCCT and FC  |
| <b>Action - Employee Training</b>   |   |
| <b>Position/Progress Made (22/23)</b>   | <b>Next Steps (23/24 and/or beyond)</b>   |
| Promotion of Sustainable Procurement eLearning within Fife Council's procuring services.  | Development of training plans that include mandatory completion of Sustainable Procurement eLearning modules and Fife Council Climate Literacy.<br><br>Development of training plans and consideration of other Sustainable Procurement training options such as Fife Council specific training delivered by external partners such Sustainable Scotland Ltd. |
| <b>Action - Establishing links between the ACE Board and Community Wealth Building</b>  |   |
| <b>Position/Progress Made (22/23)</b>   | <b>Next Steps (23/24 and/or beyond)</b>   |
| ACE Board <ul style="list-style-type: none"> <li>Reviewing the available Scottish Government Sustainable Procurement Toolkit and how best to support procurement colleagues across the Council in making it all easier to use (potential support in guidance to cut through the toolkit as it can appear quite daunting)</li> </ul> | Scottish Government to conduct review of Sustainable Procurement Toolkit.<br><br>Corporate Procurement to work with Scottish Government and improve guidance in relation to Sustainable Procurement.  |

|  |  |
|--|--|
| <ul style="list-style-type: none"> <li>Considering how best to consider sustainability for below Regulated procurements (potentially using FEAT)</li> </ul> <p>Review of templates to update as appropriate any new content around sustainable procurement.</p>  | Ongoing  |
| <b>Action - Investigating methods of measuring Scope 3 CO2 emissions from procurement activity with Fife Council climate colleagues and other procuring partners, i.e., Fife College, NHS Fife and St. Andrews University</b>  |  |
| <b>Position/Progress Made (22/23)</b>  | <b>Next Steps (23/24 and/or beyond)</b>  |
| <p>PIN (Prior Information Notice) issued to marketplace to generate interest, identify options available.</p> <p>Discussions with Scottish Government and Sustainable Scotland Ltd on potential of national reporting tool.</p>  | <p>Take forward with climate colleagues and partners during 23/24</p> <p>Ongoing discussions with climate colleagues in Fife Council regarding local Scope 3 emissions reporting.</p> <p>Scottish Government review of Sustainable Procurement and potential to include Scope 3 Emissions reporting toolkits.</p> <p>Progress training opportunities for Sustainable Procurement within procurement teams across Fife Council.</p> |
| <b>Action - Food Fife Partnership Projects (representation on the Food Fife Partnership and is working with internal council colleagues and Fife partners, specifically procurement, to draft a Food Procurement Strategy. Working with internal colleagues to co-ordinate local food pilots to enhance and encourage both producers and distributors to engage with Fife Council to supply locally sourced/produce to the pilot areas.)</b> |  |
| <b>Position/Progress Made (22/23)</b>  | <b>Next Steps (23/24 and/or beyond)</b>  |
| <p>Elected Members consultation carried out</p> <p>Full consultation (public etc)</p>  | <p>Redraft of strategy to be presented to Communities and Wellbeing partnership and Full Council.</p> <p>Procurement Pillar Action Plan to be managed.</p>   |

### Continuous Improvement/Team Development

| <p><b>Action - Development of the procurement team will continue, through formal training/development such as use of Scotland Excel's Academy (individual Workshops and/or CIPS/other accredited learning) and continued knowledge transfer efforts. This will be structured through a competency review framework (national Procurement Development Framework) as well as use of the corporate 'Our People Matter' approach.</b></p>  |  |
|--|--|
| Position/Progress Made (22/23)   | Next Steps (23/24 and/or beyond)   |
| <p>Procurement Development Framework ran for all procuring staff.<br/>Common training needs identified and plan created to address.</p> <p>Individual needs considered and fulfilled via individual development plans.</p> <p>Examples of formal training/development activity undertaken by the procurement team are as follows:</p> <ul style="list-style-type: none"> <li>- Serious Organised Crime (2-day workshop)</li> <li>- Scotland Excel Conference May 2023 (1 day online open to all with multiple sessions (92 attendees across 5 sessions, 28 unique attendees across sessions) and 1 day for Corporate Procurement Manager for peer development session).</li> <li>- National Procurement Conference and Procurex (Skills Zones and Exhibition)</li> </ul> | <p>Progress CIPS Level 4 accreditation for identified Corporate Procurement Officers.</p> <p>Participate in upcoming Scotland Excel offering for new accredited programmes for professional procurement qualifications.</p> <p>Continue to utilise Scotland Excel Academy and other relevant offerings for ad-hoc training/development requirements.</p> <p>Mandating of relevant eLearning across Procurement network.</p> <p>Annual Personnel Development Plans with Procurement Team members.</p> <p>Future Year – refresh role profiles and benchmarks in Procurement Development Framework.</p> |
| <p><b>Action - Review the form of contract used for applicable building and engineering contracts. Options around the purchase of licences and associated training for the latest suite of NEC (New Engineering Contracts), i.e. NEC4 shall be considered.</b></p>   |  |
| Position/Progress Made (22/23)   | Next Steps (23/24 and/or beyond)   |
| Licences purchased   | Training and implementation  |

|   |   |
|---|---|
| <b>Action - Discussion with key areas/stakeholders in the Council and applicable Trusts shall be had with a view to reviewing processes and procedures in terms of procurement activity to ensure it is in accordance with legislation and best practice, for example through the Town Centre Capital Delivery Group, Fife Coast &amp; Countryside Trust, and Fife Historic Buildings Trust.</b>            |   |
| <b>Position/Progress Made (22/23)</b>   | <b>Next Steps (23/24 and/or beyond)</b>   |
| Procurement is represented at the regular Town Centre Capital Delivery Group and this is tabled and discussed at each meeting.  | Extend/expand activity to other areas and widen conversations to discuss inclusion (or not) of these entities' procurement commitments/aspirations in Fife's future Procurement Strategy. |
| <b>Action – Review of Processes</b>   |   |
| <b>Position/Progress Made (22/23)</b>   | <b>Next Steps (23/24 and/or beyond)</b>   |
| Reviewed content of Strategy and Tender documents   | Update templates with new content as required   |
| Fair Work First - Updated guidance finalised and launched   | Ongoing review of effectiveness and subject to continuous improvement. Await national revised guidance expected 2024  |
| Procurement Governance – review of Summary Report Template, Evaluation Forms and Procurement Review Board approach etc.<br><br>Templates are subject to continuous improvement upon lessons learned/feedback etc.<br><br>Procurement Review Board – review session undertaken with Procurement Management team considering informal feedback. Terms of Reference and Roles & Responsibilities both updated. | Develop and agree process maps to ensure all parties are aware and content with roles, responsibilities and processes.  |
| Cyber Security in contracts - Engagement with BTS and Scottish Government to review current approach and look to streamline/ensure effectiveness. Work ongoing.   | Need to consider ongoing/sustainability of approach as Scottish Government advised that they will no longer be supporting the use of the national tool.                                   |
| Fraud & Serious Organised Crime - Engagement with Corporate Fraud Team on any learning from the community as standard.<br>Respond to and support any instances of alleged practice.<br>Participated in 1 investigation where no evidence of   | Work with HR and Audit & Risk Management to develop Whistleblowing policy and incorporate into procurement process and comms etc. as appropriate.   |

|  |   |
|--|---|
| malpractice had been found, albeit a couple of process recommendations were made.<br><br>Serious Organised Crime – 2 participants attended formal 2-day course on this subject and learnings brought back to the team. | Build in any learnings from training course to key templates/process.<br><br>Report to Finance, Economy & Scrutiny Committee re. Ethical Procurement (Jan 24).<br><br>Establish relationship with Police Scotland to consider opportunities to develop process for checks in relation to Serious Organised Crime. |
| Public Sector Rebates - Guidance and Process implemented   | Ongoing - Monitor usage and impacts   |
| Review of Terms and Conditions of contract (corporate and sector specific e.g., ICT and Social Care)   | Ongoing review of Terms and Conditions (2024) to be undertaken with consultation with Legal Services for Goods, Services, Hire, Consultancy and ICT.<br><br>Social Care terms and conditions to be fully reviewed and implemented in early 2024.  |
| Review of Strategic (Functional) risks and Category/Contract Risks   | Launch May 2023   |
| Whistleblowing Policy – Progressive work with HR and Audit & Risk Management   | Finalise and launch in 23/24  |
| NEW – Over-Arching Strategies and Roll-Up Reports – review current governance around use of routine frameworks and identify better ways of documenting approach and reporting accordingly.                             | Continue – monitor impacts and further opportunities for efficiencies   |
| NEW – Develop process and procedure for the sale/disposal of IT Equipment – Developed  | Continuous improvement  |
| NEW – Participate in the updated national PCIP (Procurement and Commercial Improvement Programme) Assessment – N/A for 22/23   | Scheduled for March 2024. Establish baseline and action plan for any resulting improvement activity identified.   |

|  |   |
|--|---|
| NEW – Agree suitable governance and reporting for Affordable Housing projects – more pro-active engagement and common understanding with reporting requirements.   | Ongoing (continuous improvement)  |
| NEW – Property Services works (over an agreed threshold) - in conjunction with Building Services to present over-arching strategies when a project is commissioned to Building Services for delivery (over agreed threshold), with indication of what will be delivered inhouse and what market opportunities might be available and providing transparency and audit trail of project as a whole. | Enhanced reporting with roll-up award reports to close off the project. |
| NEW – updated process maps for Purchase Card requests. Agreed a retrospective review of spend and development of action plan to address continuous improvement.  | Ongoing   |

### National Approach/Priorities

*The Public Procurement Group has agreed a set of priorities, high level aims and aspiration delivery statements for all public procurement leaders in Scotland – the ‘Public Procurement Priorities’. These demonstrate commitment to using the power of procurement to deliver and influence outcomes that are good for the people of Scotland. They also support the commitments set out in the government’s National Performance Framework, the Programme for Scotland and the national Economic Recovery Implementation Plan.*

Note – whilst the principles of these priorities (by in large) already feature in the Procurement and Commercial Strategy), they are not articulated in the same language. For completion and transparency purposes, Fife Council’s position against each of the priorities has been noted below, although it is acknowledged that much of the activity will feature elsewhere due to the aforementioned overlap.

| <b>Priority – Leadership and Visibility</b>  |  |
|--|--|
| <b>Position/Progress Made (22/23)</b>  | <b>Next Steps (23/24 and/or beyond)</b>  |
| - Procurement is represented on Leading Economic Recovery Board and Community Wealth Building Support Group, both of which are directly feeding into corporate reform & recovery work. | Review of Stakeholder Engagement Strategy at functional and category level ensuring internal and external stakeholder engagement is positive and productive. |

|  |  |
|--|--|
| <ul style="list-style-type: none"> <li>- Active member of national eProcurement strategy working group.</li> <li>- Procurement feeds in to the Addressing the Climate Emergency Board</li> <li>- Procurement chairs a Local Procurement Group, with senior managers of Fife Council being group members (feeds in to Community Wealth Building/Economic Recovery work). We also lead on engagement with Fife Partners (NHS, Fife College and St. Andrews University) to promote cross-sector best practice and opportunities.</li> <li>- Active participation on Food for Fife Working Groups</li> <li>- Representation on internal governance boards for major legacy system replacement programmes.</li> <li>- Active participation in SLGPF (Scottish Local Government Procurement Forum) and other relevant forums such as ATCO (Association of Transport Co-ordinating Officers), APSE (Association of Public Service Excellence) etc.</li> </ul> | <p>Revision of corporate Procurement Strategy for implementation during 2024/25.</p>   |
| <ul style="list-style-type: none"> <li>- As mentioned above, Procurement sits on 2 senior board/reform groups in connection with Economic Recovery</li> <li>- Revision of proposed new policy document (Contract Standing Orders) promoting use of local businesses for below regulated procurement exercises.</li> <li>- Enhancement of community benefit opportunities, including development of Project Bank for third sector/community groups to access. Working with partners to join the dots from a regional point of view.</li> <li>- Maximising community benefit, employment and local supply chain opportunities within major capital programmes such as Dunfermline Learning Campus, South West Fife school and Levenmouth Rail link.</li> </ul>   | <p>Continue</p> <p>Implementation plan to launch effectively, including training and support as required.</p> <p>Continue to progress via Community Wealth Building Support Group.</p> <p>Continue to support/promote.</p> |



| <b>Priority – Supply Chain Resilience</b>   |   |
|---|---|
| <b>Position/Progress Made (22/23)</b>   | <b>Next Steps (23/24 and/or beyond)</b>   |
| <ul style="list-style-type: none"> <li>- Strategic intervention following loss of key supplier (went into administration) – broke requirement down to allow local suppliers to secure some interim work and keep operations going. Engaged with regional supplier via a framework to fulfil remainder resulting in retention of jobs and supply chain opportunities for local suppliers.</li> <li>- Extensive and enhanced contract and supplier management to keep abreast of supply chain issues such as construction materials. Working pro-actively to identify emerging issues and put mitigating actions in place where necessary.</li> <li>- Fife Council reported supply chain impact issues via COSLA on a weekly basis (Director of Finance group) for national review/discussion.</li> <li>- Monitoring and reporting of supply chain issues with relevant stakeholders</li> </ul> | Continued monitoring and pro-active discussions with suppliers/markets, service area(s), Finance and other key stakeholders as appropriate. |
| <b>Priority – Maximise the Impact of the Sustainable Procurement Duty</b>   |   |
| <b>Position/Progress Made (22/23)</b>   | <b>Next Steps (23/24 and/or beyond)</b>   |
| <ul style="list-style-type: none"> <li>- Direct engagement with Fife’s Supported Business, Matrix Fife for furniture and furnishings for new care homes</li> <li>- Direct engagement with Fife suppliers for non-regulated works contracts (where local provision has been tested and demonstrated best value recently)</li> <li>- Updated internal documentation to ensure coordinated approach to ensuring obligations under Sustainable Procurement Duty are fulfilled effectively.</li> </ul>   | Continued engagement with relevant parties, and ongoing discussion on live and future opportunities through appropriate forums.             |

| <b>Priority – Climate Emergency</b>  |   |
|--|---|
| <b>Position/Progress Made (22/23)</b>  | <b>Next Steps (23/24 and/or beyond)</b>   |
| <ul style="list-style-type: none"> <li>- Feed in to Addressing the Climate Emergency Board (several direct actions owned by Procurement)</li> <li>- Direct involvement with local food procurement strategic activity (Food for Fife Partnership)</li> <li>- Initiated market engagement to develop Scope 3 Emission toolkit.</li> <li>- Participated in Carbon Literacy pilot project.</li> </ul>   | <p>Ongoing</p> <p>Ongoing</p> <p>Awaiting recommendations from Scottish Government<br/>Extending roll-out of Carbon Literacy Programme to key procurement professionals as part of training plans.</p>  |
| <b>Priority – Achieving Professional Excellence</b>  |   |
| <b>Position/Progress Made (22/23)</b>  | <b>Next Steps (23/24 and/or beyond)</b>   |
| <ul style="list-style-type: none"> <li>- Successful bid for funding for additional resources to enhance the procurement team, including 2 x Modern Apprentices and university student.</li> <li>- Use of Procurement Development Framework to assess gaps in the Procurement team and beyond (those with Delegated Procuring Authority) and provided peer learning sessions and directed national training opportunities to help plug those gaps.</li> </ul> | <p>Look to finalise/stabilise structure.</p> <p>Support Modern Apprentices through their qualification.</p> <p>Progress relevant Procurement Officers on their professional procurement accredited courses, via Chartered Institute of Procurement and Supply. Engage with Scotland Excel around new accredited offering and pursue for future requirements.</p> <p>Personal Development Plans informed by Procurement Development Framework results.</p> <p>Pursue Procurement People of Tomorrow Programme.</p> |

| <b>Priority – Using Systems to Drive Sustainable Outcomes and Support Reporting</b>  |  |
|--|--|
| <b>Position/Progress Made (22/23)</b>  | <b>Next Steps (23/24 and/or beyond)</b>  |
| <ul style="list-style-type: none"> <li>- Active member of national eProcurement Strategy Working Group</li> <li>- Continued use of PCS, PCS-T, Procurement Hub</li> <li>- Developed new contract register and reporting tools (via Microsoft Lists) to replace cumbersome, ineffective spreadsheet.</li> </ul> | <p>Continue</p> <p>Review of use of PCS-T, expand use of Procurement Hub</p> <p>Continuous improvement</p> |

### Other National Priorities

| <b>Action/Priority – National Care Service</b>   |   |
|--|---|
| <b>Position/Progress Made (22/23)</b>  | <b>Next Steps (23/24 and/or beyond)</b>                             |
| Activity continues to be led at a national level during 22/23.   | Feed in to NCS Ethical Procurement and Commissioning Working Group. |
| <b>Action/Priority – Covid-19</b>  |   |
| <b>Position/Progress Made (22/23)</b>  | <b>Next Steps (23/24 and/or beyond)</b>                             |
| Assist with the national Covid-19 inquiry as required  | Provide quantitative detail regarding PPE purchases                 |
| <p>Review of Supplier Relief Scheme (due diligence)</p> <p>‘Closure Report’ presented to (now disbanded) Welfare Sub-Group (Executive Director of Finance and Corporate Services, Head of Finance, Head of Revenue and Commercial Services, Procurement Service Manager and Solicitor) in February 2023. The paper set out due diligence activity undertaken to ensure relief was used as intended and the group agreed the recommendation that sufficient efforts had been made to satisfy position, and that a number of lessons learned had been gleaned resulting in some relevant actions such as revision of contract conditions etc. The group reflected on the overall approach and were content that the governance and</p> | Complete  |

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| <p>process was strong, especially when reacting to the ever-changing challenging situation. There was a suggestion that the report be shared with internal audit for awareness and any further comment.</p> <p>Accordingly, the report was discussed and shared with the Service Manager, Audit and Risk Management. No concerns have been raised.</p> |  |
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### Procurement Structure/Delegated Procurement Authority

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| <p><b>Action/Priority – Review of the Procurement team structure to ensure it remains fit for purpose to deliver its strategic objectives and operational statutory requirements. Aimed to have this reviewed for implementation in the next financial year. Consideration of succession planning and talent growth will form part of these plans.</b></p>   |  |
| <p><b>Position/Progress Made (22/23)</b></p>   | <p><b>Next Steps (23/24 and/or beyond)</b></p>   |
| <p>New structure drafted, costed and funding approved for implementation.</p> <p>3 x new roles identified (2 x Lead Officer roles and a Procurement Support Assistant role). Role profiles created, evaluated and recruited into (including backfills).</p> <p>Succession Planning:<br/>Successful bid to Workforce Youth Investment Fund for funding for 1 x Modern Apprentice (MA). Recruited 2 MAs and secured part-time employment to university student following successful work-placement role.</p> | <p>As funding is temporary, structure and intended benefits need to be continually monitored and future planning activity ongoing.</p> <p>Completion and action in connection with Service People Plan as part of the Corporate Service Workforce Planning Framework.</p> <p>Continue to consider succession planning and how to actively promote procurement as a profession.</p> |
| <p><b>Action/Priority – Established governance and ongoing collaborative working with the Delegated Procuring areas shall continue to ensure compliance as well as alignment of processes and strategy.</b></p>  |  |
| <p><b>Position/Progress Made (22/23)</b></p>   | <p><b>Next Steps (23/24 and/or beyond)</b></p>   |
| <p>Model working well and subject to ongoing dialogue and feedback. Continuous improvement ongoing.</p>  | <p>Review those with Delegated Procurement Authority once revised Scheme of Tender Procedure limits are in place. Consider a 2-tier register to continue to keep individuals doing unregulated</p>   |

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|   | <p>procurement activity well equipped and informed, as well as a more targeted list of individuals who need to be engaged and embedded with procurement activity.</p> <p>Consider use of MS Forms or First Contact for registration process.</p> |
| <b>Action/Priority – Complete a gap analysis and agree roles and responsibilities around Contract &amp; Supplier Management between Procurement and the Health &amp; Social Care Partnership.</b> |  |
| <b>Position/Progress Made (22/23)</b>   | <b>Next Steps (23/24 and/or beyond)</b>  |
| <p>Gap analysis commenced to identify CSM tasks required, which are currently carried out and by whom.</p>  | <p>Progress this activity.</p> <p>Future year – consider other areas where contract and supplier management is prevalent, e.g. BTS and conduct similar exercise.</p>   |

### Review of Scheme of Tender Procedures

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|---|---|
| <b>Action/Priority – Scheme of Tender Procedures are subject to a review every 3 years. Whilst reviews have been undertaken routinely throughout the last 3 years, there will be a formal review of the content and any revision will be presented to Fife Council for consideration in accordance with the Council Standing Orders.</b>  |   |
| <b>Position/Progress Made (22/23)</b>   | <b>Next Steps (23/24 and/or beyond)</b>   |
| <p>Review has been undertaken and amendments made in consultation with key stakeholders. Formal consultation launched via Council Leadership Team in February 2023.</p> <p>Over and above small improvements/clarifications, key changes have been made to works thresholds and flexing of processes for below regulated thresholds to maximise opportunities for local spend/Fife Council policy objectives etc.</p> | <p>Final paper approved at Fife Council committee on 22<sup>nd</sup> June 2023.</p> <p>Launch (implementation plan), promotion and monitoring to ensure compliance and effectiveness.</p> |

## Technology in Procurement

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| <p><b>Action/Priority – Oracle Cloud/Procure to Pay (P2P) Processes</b></p> <p><b>Ensure functionality is used to its full potential and that efficiencies are maximised.</b></p> <p><b>In addition to efficiencies, any risk management capabilities using technology will be explored to combat any opportunity for procurement related fraud activity.</b></p>  |   |
| <p><b>Position/Progress Made (22/23)</b></p>   | <p><b>Next Steps (23/24 and/or beyond)</b></p>  |
| <p>Focussed effort with Business Management Innovation Unit is ongoing.</p> <p>Continuous improvement, examples being explored/implemented are:</p> <ul style="list-style-type: none"> <li>- Cross-reference of supplier number/registration number on contract register for transparency/audit trail.</li> </ul> <p>Retrospective checking on orders and purchase card activity being embedded as business as usual</p>   | <p>Monitor impacts of controls and processes. Review to ensure fit for purpose.</p> <p>Ongoing continuous improvement, e.g., new control on smart forms.</p> <p>Monitoring of PCS for further opportunities.</p>  |
| <p><b>Action/Priority – Power BI/other solutions</b></p> <p><b>Despite the Oracle Cloud system providing spend data, 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.</b></p>  |   |
| <p><b>Position/Progress Made (22/23)</b></p>   | <p><b>Next Steps (23/24 and/or beyond)</b></p>  |
| <p>'Back to basics' review of the spreadsheets currently in place undertaken and updated Microsoft Lists have replaced 2 x spreadsheets. Whilst theses are still in pilot stage, initial feedback is that it provides a better user experience and better-quality output which will in turn provide additional benefits for managing the procurement function more effectively.</p> <p>Enhanced content and format of intranet (Staff Toolbox for Fife Council, and own Sharepoint site page for Procurement team) and internet pages.</p> | <p>Continue with pilot and move into business as usual if all goes well. Potential to extend use for other purpose, e.g., Pipeline if proves effective and efficient.</p> <p>Explore the potential to utilise Power BI to connect the qualitative content with spend data from Oracle.</p> <p>Continue to build to enhance user experience.</p> |

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|  | <p>Consider technology to support the front-end (community and supplier view) and this shall be progressed through the Community Wealth Building Support Group (already referenced in CWB section).</p> |
|--|---|

### Customer Experience

| <p><b>Action/Priority – As a result of feedback received from customer areas, it is clear that the complex procurement process can be daunting for those who have had little or no experience. A need has been identified to consider supports, such as e-learning, training etc. for different roles within the process.</b></p>   |  |
|---|--|
| Position/Progress Made (22/23)  | Next Steps (23/24 and/or beyond)   |
| <p>Presentation to introduce roles and responsibilities for those involved in a procurement exercise developed and shared for roll-out in appropriate exercises.</p> <p>Use of MS Forms to gather individual scoring providing an easy-to-use platform and full audit trail.</p> <p>Use of Microsoft Sway functionality to provide key messaging to prospective tenderers.</p> <p>Enhanced content and format within Staff Toolbox Intranet Pages</p> | <p>eLearning module for non-procurement staff to support their role in a procurement process.</p> <p>Review of feedback mechanisms for consumers of procurement service as well as tenderers/prospective tenderers.</p> <p>Continue to empower team members to trial new methods/platforms to promote continuous improvement. Seek feedback, share with team members and embed good practice etc.</p> <p>Continue to build to enhance user experience.</p> |

**Commercialisation Programme Outstanding Actions** (this is included for completion purposes so that any continued activity is incorporated into future strategy and action plan)

| <b>Action/Priority – P1 – Effective Stakeholder Management</b>  |   |
|---|---|
| <b>Position/Progress Made (22/23)</b>   | <b>Next Steps (23/24 and/or beyond)</b>   |
| Issue stakeholder (customer) feedback questionnaires for appropriate procurement exercises<br><br>Creation of stakeholder maps                        | 23/24 - Category Managers to review Stakeholder Maps and Engagement strategy (via Category Strategy)<br><br>Revision of mechanisms for obtaining feedback from relevant stakeholders (in conjunction with Economic Development) |
| <b>Action/Priority – P2 – Developing the Procurement Team – already addressed under ‘Continuous Improvement/Team Development’</b>                     |   |
| <b>Action/Priority – P4 – Social Care Optimisation (Reducing costs of residential placements; Additional residential care beds)</b>                   |   |
| <b>Position/Progress Made (22/23)</b>   | <b>Next Steps (23/24 and/or beyond)</b>   |
| Began to review appropriate care requirements with H&SCP and determine where SXL contracts can be utilised to optimise contract use and reduce costs. | Continue to review care packages and transfer to SXL contracts where appropriate to do so.  |



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| <b>Action/Priority – P8 – Re-enforcing Procurement foundations – already addressed under ‘Procurement Structure/Delegated Procurement Authority’.</b> |  |
| <b>Position/Progress Made (22/23)</b>   | <b>Next Steps (23/24 and/or beyond)</b>  |
| Ongoing review of PCS-T<br>Review and embed current CSM process and guidance  | Identify issues/gaps with usage of current process/guidance.<br>Explore any further opportunities.<br><br>Peer learning of CSM process for existing and new colleagues   |
| <b>Action/Priority – P11 – Demand Management</b>  |  |
| <b>Position/Progress Made (22/23)</b>   | <b>Next Steps (23/24 and/or beyond)</b>  |
| Ongoing   | Continue to promote guidance/practice<br><br>Cyclical review of process (BAU)  |
| <b>Action/Priority – P12 – Benefits Tracking</b>  |  |
| <b>Position/Progress Made (22/23)</b>   | <b>Next Steps (23/24 and/or beyond)</b>  |
| Tracking of savings and benefits – well embedded BAU  | Cyclical review of guidance, incorporating any additional activity in accordance with Scotland Excel review undertaken in 2023 to ensure consistency with best practice. |
| <b>Action/Priority – P13 – Delegated Procurement Authority – already addressed under ‘Procurement Structure/Delegated Procurement Authority’.</b>     |  |

25<sup>th</sup> January 2024

Agenda Item No. 7

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## Ethical Procurement

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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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To provide detail on how Corporate Procurement, and those with Delegated Procurement Authority (DPA) address the requirements of Ethical Procurement. This paper is focussed on the ethics of prospective/existing suppliers rather than the ethics of procurement staff/activity although this is touched upon as part of the evaluation process. Organisational ethics, including involvement in procurement activity is incorporated in the [Employee Code of Conduct](#).

### Recommendation(s)

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Committee is asked to consider the following recommendations:

- (1) to note the activity undertaken by the Procurement functions with acknowledgement that additional due diligence and investigation can be undertaken on a case-by-case basis when required.
- (2) to consider the potential opportunities for continuous improvement identified within Section 4 of this report, with acknowledgement that Opportunities 5 and 6 might require further work and/or discussion with committee members following committee.

### Resource Implications

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The demand on the individuals and functions undertaking Regulated Procurement Activity is continually increasing and resource levels are at capacity. It is challenging to embrace all the additional policy aspirational work whilst maintaining compliance although best efforts are continually made.

### Legal & Risk Implications

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The Council's Procurement activity is governed most commonly by the following Acts and Regulations as follows:

- [The Public Contracts \(Scotland\) Regulations 2015](#)
- [Procurement Reform \(Scotland\) Act 2014](#), implemented into [Public Procurement \(Scotland\) Regulations 2016](#) (this includes the Sustainable Procurement Duty).

The following Regulations are also applicable to the Council, but less frequently relevant to the Council's activities:

- [The Concessions Contracts \(Scotland\) Regulations 2016](#)
- [The Utilities Contracts \(Scotland\) Regulations 2016](#)

There are other Acts specifically referenced to areas such as Child Labour, Human Trafficking, Bribery, Corruption, Money Laundering and Modern Slavery. These have not been listed in their full form/entirety as it is acknowledged that legislation is mandatory requirement to be adhered to.

## Impact Assessment

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An Equality Impact Assessment (EqIA) is not needed at this point as no change or revision to existing policies is proposed.

The Sustainable Procurement Duty (a requirement within the Procurement Reform (Scotland) Act 2014) requires public sector contracting authorities to consider how they can improve the social, environmental and economic wellbeing of the area(s) in which they operate. Aspects highlighted in this report highlight opportunity for consideration of such issues in the context of ethical procurement.

## Consultation

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Scotland Excel (Centre of Procurement Expertise for Local Authorities) and SLGPF (Scottish Local Government Procurement Forum) were consulted in order to research and identify best practice within the sector.

Consultation has also taken place with Audit and Risk Management, and Legal Services.

## 1.0 Background

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- 1.1 The Sustainable Procurement Duty, outlined in the Procurement Reform (Scotland) Act 2014, requires public contracting authorities to think about how they can improve the Social, Environmental and Economic wellbeing of the area that they operate. Some aspects of these considerations are also known/termed as 'Ethical Procurement'. Such considerations are mandatory for regulated procurement activity, i.e., procurements for supplies and services over £50,000 and/or works over £2m.
- 1.2 Each contract or Framework Agreement must include conditions relating to the performance of the contract (which are linked to the subject matter). These conditions must be considered reasonably necessary to ensure the supplier(s) comply with these environmental, social and legal obligations.
- 1.3 The landscape of considering and applying Sustainable Procurement is complex and wide ranging, especially given the wide range of goods, services and works that the council procures. A range of 'tools' have been made available by the Scottish Government and are intended to support a structured approach to applying the Sustainable Procurement Duty. These are used by the Procurement team (and DPA) where appropriate.
- 1.4 Given the request from Committee was to explore specific factors associated with 'ethical' procurement, this paper here on in will focus more on the social and economical considerations and risks etc. and less on environmental aspects. It was felt necessary to set the scene in terms of the wider sustainable procurement considerations to illustrate the breadth of factors included in procurement activity.

- 1.5 Fife Council’s organisational [Procurement Strategy](#) is due a refresh in 2024, so additional policy/committed activity can be incorporated into that as appropriate.
- 1.6 The Chartered Institute of Procurement and Supply (CIPS), a global professional body that promotes best practice and provides services for the procurement and supply profession states that there are 10 common components for ethical procurement as follows:
1. Transparency, confidentiality, and fairness
  2. Use of power
  3. Corruption
  4. Declaring an interest
  5. Social Responsibility
  6. Forced labour
  7. Employment relationship
  8. Health and Safety
  9. Law
  10. Wages and working hours
- 1.7 The council caters for some of these components within the Code of Conduct which all employees are bound by. All of these components are catered for at an organisational level for Fife Council, but these must also be considered in the context of procuring from external third parties. The components that are considered already addressed under corporate process are Transparency, confidentiality, and fairness; Use of power; and declaring an interest. These are therefore presumed to be effective and well-practiced within the Procurement function and organisation.
- 1.8 Most any of these components can also be raised through the council’s Whistleblowing Policy (refreshed and launched September 2023) by any employees or anyone working for contracted suppliers.
- 1.9 This report shall therefore focus on the other components and to bring into practical consideration of the topic. It is acknowledged that ultimately, committee seeks assurance that the goods, services or works being procured are done so in a fair and ethical manner. Table 1 below illustrates the link between the concerns specifically requested by committee and the CIPS components:

Table 1

| <b>Consideration</b>  | <b>Link to CIPS component</b>  |
|---|--|
| Are there concerns around practice of Fair Work (including extended supply chain conditions and potential worker exploitation, e.g., Modern Day Slavery/Human Trafficking/Forced Labour etc.?)<br>Country of Origin | Social responsibility; Forced Labour; Employment relationship; Health and Safety; Law; Wages and working hours |
| Are there concerns around unlawful activity such as Serious Organised Crime, Fraud, Bribery or Corruption?  | Forced Labour; Corruption; Law   |
| Are there concerns around poor tax conduct (i.e., paying the right amount of tax at the right time)?  | Social responsibility; Law   |

- 1.9.1 It is noted that activity such as Modern Slavery, Human Trafficking and Forced Labour is relevant in both Fair Work and Unlawful Activity.

- 1.10 Ethical procurement can be considered at all stages of the procurement life cycle as summarised in Table 2, and further detail as to practical application is provided in Appendix 1 and Appendix 2 of this report.

Table 2

| Procurement Stage | Procurement Related Activity   |
|-------------------|--|
| Develop Strategy  | <ul style="list-style-type: none"> <li>• Sustainable Procurement</li> <li>• Commodity/Service Characteristics</li> <li>• Opportunity Assessment</li> </ul>   |
| Develop Documents | <ul style="list-style-type: none"> <li>• Specifications</li> <li>• Exclusion, selection and award criteria</li> <li>• Single Procurement Document (SPD)</li> <li>• Invitation to Tender (ITT)</li> </ul> |
| Tender            | <ul style="list-style-type: none"> <li>• Contract Notice and Issue of Tender Documents</li> <li>• Evaluation</li> <li>• Clarification</li> </ul>   |
| Contract          | <ul style="list-style-type: none"> <li>• Contract Award</li> <li>• Contract Mobilisation &amp; Implementation</li> <li>• Contract &amp; Supplier Management</li> <li>• Lessons Learned</li> </ul>        |

- 1.11 In accordance with the [Public Contracts \(Scotland\) Regulations 2015](#), there are circumstances in which a bidder must be excluded from a procurement process. There are other circumstances in which it is discretionary to consider on a case-by-case basis whether a bidder should be excluded. These are listed in Figure 1 below:

Figure 1 – Types of Exclusion Criteria, source – Procurement Journey (<https://procurementjourney.scot>)

| Exclusion Criteria in Route 3 Procurement Exercises                              | Must ask | May ask | Self-Cleansing Applies |
|--|----------|---------|------------------------|
| Criminal Convictions   | •        |         | •                      |
| Blacklisting   | •        |         | •                      |
| Tax and Social Security Breach (Binding decision - judicial or administrative) * | •        |         |                        |
| Tax and Social Security (Decision by any other means) *                          |          | •       |                        |
| Environmental, Social and Labour Law   |          | •       | •                      |
| Bankruptcy and Insolvency  |          | •       | •                      |
| Grave Professional Misconduct  |          | •       | •                      |
| Conflict of Interest   |          | •       | •                      |
| Distortion of Competition  |          | •       | •                      |
| Contract Deficiencies  |          | •       | •                      |
| Misrepresentation  |          | •       | •                      |
| Unduly Influence   |          | •       | •                      |

\*In the case of tax and social security breaches, where self-cleansing does not apply, the bidder should not be excluded if they:

- have met their obligations by paying or entered into a binding agreement with the view to paying monies due.
- have a clear disproportionate (i.e., minor) amount of taxes or social security contributions unpaid; or
- the obligation to repay otherwise ceases.

- **Mandatory exclusions:** you must ask questions regarding these exclusions, and the bidder may be excluded from the procurement process if specified offences have been committed and the self-cleansing measures taken are insufficient to demonstrate reliability. For example, corruption, bribery, money laundering or certain types of fraud.
- **Discretionary exclusions:** you may ask questions concerning discretionary exclusions where they are relevant and proportionate to the contract. You should determine whether a bidder should be excluded based on the bidder's response and any evidence provided of self-cleansing measures (if required) which are sufficient to demonstrate reliability. These should be considered on a case by case basis by you and your organisation.

- 1.12 The Scottish Government shall issue any implications and options in relation to any sanctions that might be in place, for example excluding bidders affected by sanctions. Or terminating existing contracts etc. An example of current guidance is in a Scottish Procurement Policy Note – [Public procurement - Russian and Belarusian companies: SPPN 1/2022 - gov.scot \(www.gov.scot\)](#)
- 1.13 Fife Council Procurement (including DPA) team members have undergone Corporate Fraud training via the Corporate Fraud Team, but this was a few years ago and is due to be refreshed.
- 1.14 A new Corporate Fraud e-learning module has gone live on Oracle in December 2023. This includes a section on Procurement and Council Executive Team have approved that this e-learning shall be mandatory for all employees.
- 1.15 It is also acknowledged that PREVENT eLearning is already mandatory for all employees.

## 2.0 Application of Considerations and Mitigations

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- 2.1 Each strategy prepared for a regulated procurement exercise requires the relevant officer to consider the following Sustainable Procurement aspects:
- Market Research & Engagement and Supply Chain
  - Detection of Fraud and Corruption
  - Modern Slavery/Human Trafficking
  - Sustainable Procurement Duty
  - Sustainability Test
  - Government Buying Standards
  - Fair Work First/Real Living Wage
  - IR35 - also known as off-payroll working rules, is a UK tax legislation designed to identify contractors and businesses which are avoiding paying the appropriate tax by working as 'disguised' employees.
  - Selection Process – Use of the Single Procurement Document (SPD)
  - Financial Vetting
  - Terms & Conditions
  - Specification
  - Award Criteria
  - Health & Safety
  - Contract Supplier Management
- 2.2 Tender documents include sections relating to the Sustainable Procurement Duty, Fair Work First, Real Living Wage, declarations in relation to Modern Slavery, Human Trafficking & Exploitation and Off-Payroll working (IR35).



- 2.3 Appendix 1 sets out how the concerns/ethical components are considered, with mitigating actions embedded into the procurement activity in general terms and some specific examples of application of relevant considerations in procurement Fife Council has let (or are consumers of) are provided in Appendix 2. These examples include commodities such as food, solar panels, CCTV and social care.

### 3.0 Limitations/Challenges with Considerations/ Mitigations

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- 3.1 Transparency in the supply chain refers to the ability to track and trace products and materials as they move through the various stages of production and distribution. While there has been a growing emphasis on supply chain transparency in recent years, there are still several challenges that organisations face in achieving and maintaining transparency.
- 3.2 Supply chains are often complex, with multiple tiers of suppliers, sub-suppliers, and sometimes global networks. This complexity makes it difficult to track the movement of goods and ensure transparency at every stage.
- 3.3 Organisations can sometimes be hesitant to share sensitive supply chain information with external parties due to concerns about data security and/or competitive advantage. This reluctance can hinder transparency efforts. In most cases, due to the council's position in the supply chain, responses to enquires are taken at face value unless any concern warrants further exploration. It is also noted that activity should be relevant and proportionate, and not pass unnecessary burden on to prospective suppliers.
- 3.4 Whilst pro-active activity is attempted, where proportionate and relevant to do so, it is often the case that investigations are undertaken upon intelligence or concern being flagged.
- 3.5 It is recognised that most pro-active activity is conducted at contract strategy/tender stage, and less so at contract stage, and this is largely due to workload pressures (capacity) and in some cases lack of expertise (competence) within procurement teams. Limited budgets and resources can hinder the ability to invest in comprehensive monitoring systems or dedicated knowledgeable and experienced staff for thorough oversight of exhaustive procurement processes.
- 3.6 As Fife Council utilise several national Framework Agreements, there is a reliance and expectation that the framework owners carry out the necessary due diligence for the contractors and supply chains as appropriate.

### 4.0 Continuous Improvement/Options

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- 4.1 As a result of research and preparation of this report, some findings have generated potential opportunities for continuous improvement in this area. These are detailed below.

**Opportunity 1 – Identify relevant learning activity and mandate (as appropriate) across relevant procurement personnel.**

Examples (not exhaustive):

- Fife Council Corporate Fraud eLearning – due to be rolled out across the organisation imminently (added to Oracle 14<sup>th</sup> December 2023).
- CIPS eLearning (Ethical Procurement and Supply)
- Competition and Markets Authority eLearning 'How to Spot Bid Rigging'
- Scottish Government, Procurement and Commercial Training Framework - Social Issues in Procurement
- Fife Council Climate Literacy (in house) training (1/2 day)

|                 |   |
|-----------------|---|
|                 | <ul style="list-style-type: none"> <li>• Scottish Government eLearning - Introduction to Sustainable Public Procurement, Climate Literacy (note – team members would not be expected to do this as well as the in-house training due to extensive overlap) and Circular Procurement and Supply.</li> <li>• Scotland Excel – DETeRring Serious Organised Crime</li> </ul>  |
| Time Commitment | Circa. 2 hours per person per annum (in-house Climate Literacy is ½ day and Scottish Government eLearning is 1 day approx.). Other learning time commitment is varied.  |
| Cost            | <p>Corporate Fraud – free (now that it is developed)</p> <p>CIPS - £50 per person for non-members (majority of team are not members)</p> <p>Competition Markets Authority – free</p> <p>Social Issues in Procurement - £175 per person</p> <p>Scottish Government eLearning – free</p> <p>Fife Council in-house training – free</p> <p>Scotland Excel DETeR - £99 per person</p>  |
| Quality/Impact  | <p>All content has been reviewed. It is comprehensive and from reputable sources. The CIPS content is wide ranging, with significant overlap with Scottish Government Public Sector Procurement resources, as well as Fife Council corporate resources. Also includes some unfamiliar terms/language in relation to Scottish Public Sector.</p> <p>Aims to increase knowledge and awareness of potential risks to look out for and highlight opportunities where additional mitigations are required to be considered.</p> <p>The Social Issues in Procurement course is applicable to procurement practitioners and those with responsibility for applying social/ethical/socio economic sustainable procurement requirements to procurements and liaising with relevant stakeholders. It is also suitable for those who influence budget and procurement decision making.</p> |
| Conclusion      | <p>It is understood that the Corporate Fraud eLearning will be a mandatory requirement for all employees anyway. It is also recommended that the Competition and Markets Authority eLearning should be mandated for (at least) those undertaking regulated procurement activity, and that other learning identified should be considered for individual Personnel Development Plans.</p> <p>The Scottish Government eLearning (and for selected relevant senior employees the in-house Climate Literacy Training) should be mandated for those undertaking regulated procurement activity. This should be facilitated through Training Plans/Personal Development Plans.</p>  |



## Opportunity 2 – Continuous Improvement (Template Updates)

- 4.2 Incorporate additional declarations and contract conditions gleaned from research for this report into standard contract template documentation, sharing rationale and purpose with all team members.

|                 |  |
|-----------------|--|
| Time Commitment | Circa. 5 hours for individual team member to collate and update documents.<br>Additional declarations/checks might require additional officer time once implemented.   |
| Cost            | Indirect (resource) cost only.   |
| Quality/Impact  | Improved quality, providing enhanced contractual mechanisms for onward contract and supplier management, or dispute resolution if required.<br>Concern that additional forms will appear to add bureaucracy and not necessarily add proportionate value. |
| Conclusion      | Recommended, and work already ongoing as considered business as usual continuous improvement.  |

## Opportunity 3 – Additional due diligence in relation to ethical procurement

- 4.3 Conduct additional due diligence/checks diligence in relation to ethical procurement pre-award and during contract (over and above existing contract and supplier management).

|                 |   |
|-----------------|---|
| Time Commitment | Medium/High (dependant on extent of activity)   |
| Cost            | Indirect (resource) cost only.  |
| Quality/Impact  | Improved quality, providing additional assurances of compliance with commitments made, and good practices within the supply chain where feasible to do so.<br>Concerns around ability to conduct such activity in a meaningful manner remain an issue, as highlighted in section 3 of this report.  |
| Conclusion      | Additional checks and activity should be conducted as standard where relevant and proportionate to do so. Recognition that ethical matters are considered as part of wider sustainable components of procurement activity, and as such not considered in isolation. This paper has highlighted opportunity to ensure wider awareness and consideration, but ability to enhance actual activity as standard (unless specific cause for concern is raised) is not feasible to implement within current resource levels. |

#### **Opportunity 4 – Develop Relationship with Police Scotland**

- 4.4 Develop a relationship with Police Liaison Officer, Police Scotland with a view to developing an Information Sharing Protocol Agreement and enhancement of processes and procedures in accordance with the Serious Organised Crime Strategy.

|                 |   |
|-----------------|---|
| Time Commitment | Unknown at this point – contact initiated   |
| Cost            | Indirect (resource) cost only   |
| Quality/Impact  | Unknown – need to have confidence that processes and procedures add value, and that intelligence can be acted upon. |
| Conclusion      | Recommended to pursue within existing parameters of business-as-usual continuous improvement.                       |

#### **Opportunity 5 – Consider use of Modern Slavery Assessment Tool (MSAT)**

- 4.5 Explore the use of the Modern Slavery Assessment Tool (MSAT), developed by the Cabinet Office. The MSAT is a modern slavery risk identification and management tool. This tool has been designed to help public sector organisations work in partnership with suppliers to improve protections and reduce the risk of exploitation of workers in their supply chains. It also aims to help public sector organisations understand where there may be risks of modern slavery in the supply chains of goods and services they have procured.

|                 |  |
|-----------------|--|
| Time Commitment | Unknown at this point (contact initiated) but activity looks concerningly onerous.   |
| Cost            | Presumed to be indirect (resource) cost only   |
| Quality/Impact  | Unknown – the tool looks like there is extensive activity to be input and assessed. Need to understand impact on both procurement personnel and prospective bidders. A view is sought from the Scottish Government on this but not yet received. |
| Conclusion      | Not feasible to implement with current resource and without external considerations. Further investigation would be required if committee wanted this explored.  |

#### **Opportunity 6 – Fair Tax Foundation Declaration/Pledge**

- 4.6 Consider signing up to the Fair Tax Foundation. The ‘Fair Tax Foundation’ is an organisation set up in 2014, that advocates for fair and responsible tax practices among businesses in the United Kingdom. Via their Fair Tax Mark accreditation scheme, they seek to encourage and recognise businesses that pay the right amount of corporate income tax at the right time and in the right place.
- 4.7 The Fair Tax Foundation is looking for changes in public procurement rules to allow councils to do more to tackle tax avoidance (enhanced powers conveyed to allow the exclusion of bidders from public procurement) and reward suppliers that demonstrate responsible tax conduct.

|                 |   |
|-----------------|---|
| Time Commitment | Dependent on expectation in terms of assessment/monitoring etc.   |
| Cost            | Indirect (resource) cost only   |
| Quality/Impact  | <p>Concern around additional value this would bring.</p> <p>Cannot add 'good tax conduct' as a contract award criteria. The regulations only permit social and environmental criteria that can be clearly linked to the subject matter of the contract. Legal opinion (via Fair Tax Foundation) has stated that tax cannot be linked in this way as it constitutes general corporate wide behaviour, and the 'subject matter' restriction means that any such criteria could be challenged as anti-competitive and thus illegal under procurement regulations.</p> <p>In addition, concern around ability to monitor and investigation such issues (capacity concern as well as competence in this field).</p> <p>There is already the ability to exclude any bidder where it has been established that they have breached their tax or social security obligations (as referenced in Table 3) of this report).</p> |
| Conclusion      | This is a political consideration. There must also be recognition that the pledge goes beyond Procurement, so the other aspects have not been investigated/commented on as part of this consideration.  |

## 5.0 Conclusions

- 5.1 Considerations around procuring ethically are undertaken at various stages of the procurement cycle. Its effectiveness can be varied, with recognition of the limitations and challenges that are associated with some of the monitoring aspects. Activity is deemed to be compliant, and is undertaken on a relevant and proportionate basis, although there is recognition that some additional activity and/or investigations might positively develop the council's effectiveness on this subject.

### List of Appendices

1. [Considerations of Ethical Components in Procurement Activity \(in general terms\)](#)
2. [Example Contract Activity](#)

### 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](#)
- Fife Council [Code of Conduct](#)
- [Fife Council Whistleblowing Policy](#)
- Procurement Regulations
- [CIPS Procurement Ethics](#)
- [Procurement Journey](#) including standard documentation and tools
- Scotland Excel contract documentation
- [Modern Slavery Assessment Tool – Cabinet Office.](#)
- [Public procurement - Russian and Belarusian companies: SPPN 1/2022](#)

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**Appendix 1 – Considerations of Ethical Components in Procurement Activity (in general terms)**

| Procurement Stage | Mitigating Activity   | Specific Actions for Relevant Concern  |   |   |
|-------------------|---|--|---|---|
|                   |   | Fair Work/ Exploitation etc.   | Unlawful Activity   | Poor Tax Conduct  |
| Develop Strategy  | <p>Understanding the market and profile of the goods/services/ works being procured helps to determine to what extent relevant concerns might be prevalent in the supply chain.</p> <p>Use of sustainable procurement tools such as the ‘sustainability test’ to consider social, economic, and environmental impacts.</p>  | <p>Consideration of how relevant Fair Work practices are to the scope of the requirements (including Sub-Contract requirements, and wider supply chain relevance) where appropriate.</p>   | <p>Identification of at-risk markets</p> <p>Robust selection stage - Limiting access to bona fide tenderers</p> | <p>Identification of at-risk markets</p> <p>Robust selection stage - Limiting access to bona fide tenderers</p>   |
| Develop Documents | <p>Selection Criteria – use of the Single Procurement Document (SPD) to exclude bidders from tendering for public contracts where they fall within a ground for exclusion.</p> <p>It may be appropriate to require bidders to demonstrate their experience of managing their supply chain as a means of determining their ability to tackle ethical and social issues using related sections of the SPD. This could be a pass/fail or scored criteria depending on procurement route used.</p> <p>Specification – include expectations/conditions around standards of conduct, onward</p> | <p>Exclusion – e.g., Child labour and other forms of trafficking in human beings; any offence under part 1 of the Human Trafficking and Exploitation (Scotland) Act 2015.</p> <p>Consideration of relevance of Fair Work First and including within specification (mandate) and/or award criteria etc.</p> | <p>Exclusion – e.g., corruption, bribery, money laundering or fraud, etc.</p>                                   | <p>Exclusion – e.g., met all its obligations relating to the payment of taxes or social security contributions, both in the UK, and in the country in which it is registered, if that is not the UK.</p> <p>Note 1 below*</p> |

|          |   |  |  |  |
|----------|---|--|--|--|
|          | supply chain monitoring etc. Use of Government Buying Standards, and/or relevant Labels to determine quality standards.   |  |  |  |
| Tender   | <p>Contract Notice - notify bidders of any particular contract performance requirements or any essential award criteria.</p> <p>The evaluation of tenders will be carried out in a fair, transparent manner.</p> <p>Carry out clarification/due diligence – investigate any abnormally low bids, correct certification requirements, etc.</p> | <p>Seek declarations in relation to Modern Slavery and Human Trafficking.</p> <p>Reference to Whistleblowing Policy and Corporate Fraud Strategy.</p>  | <p>Seek declarations in relation to Modern Slavery and Human Trafficking.</p> <p>Reference to Whistleblowing Policy and Corporate Fraud Strategy.</p>  | N/A  |
| Contract | <p>Contract Management – monitoring of commitments made, pro-active discussions where any opportunities for improvement were identified.</p> <p>Investigating any emerging issues/reported cause for concern.</p> <p>Capturing any learnings for consideration for any future contract requirements.</p>                                      | <p>Take any remedial action if and when required, including allowance for termination if material breach, or identification of falling within a ground for exclusion.</p> <p>Renewed declaration of non-involvement in Serious Organised Crime and/or Human Trafficking and Labour Exploitation.</p> | <p>Take any remedial action if and when required, including allowance for termination if material breach, or identification of falling within a ground for exclusion.</p> <p>Renewed declaration of non-involvement in Serious Organised Crime and/or Human Trafficking and Labour Exploitation.</p> | <p>Where appropriate off-payroll (IR35) test/checks via the HMRC online checking process and any associated onward activity, e.g., adding affected individual to payroll to ensure appropriate tax and National Insurance obligations are adhered to.</p> <p>Where appropriate, undertake any discussions regarding self-cleansing regime.</p> |

\*Note 1 - Procurement Regulations ([Reg. 58\(3\)\(a\)](#)), state that a contracting authority must exclude an economic operator where it has been subject to a binding decision (judicial or administrative) and which is found to be in breach of its legal obligations to pay tax or social security. The regulations also stated that a contracting authority can exclude where it establishes by any appropriate means that the economic operation has breached its tax or social security obligations. This means that where there is evidence which falls short of a judicial or administrative decision, the authority still has the option of excluding where it thinks it is appropriate to do so. However, where an economic operator can provide evidence that it has fulfilled its obligations by paying the amount due, it must not be excluded on this basis alone and a balanced view of self-cleansing/action taken must be considered.

## Appendix 2 – Example Contract Activity

### Example Contract 1 – Supply of Groceries and Provisions (Scotland Excel Framework)

The market and impacts of the food and drink industry is wide ranging and complex, with sustainability being a key consideration. In addition, price volatility, impacts to trade deals as a result of exiting the EU and changes to dietary requirements have further altered the provision of such products. Demand has increased within the local authority sector as a result of the Scottish Government's pledge to increase the provision of free early learning and childcare provision to 1140 hours per year with a lunch service as well as the potential to extend free school meals to primary 4 pupils and beyond.

The following was included as part of the contract:

#### Specification

Required standards:

|  |  |
|--|--|
| Country of Origin  | All items supplied under this specification shall be obtained from countries that have been approved by the EU for supply of pre-packed products within the European Union.  |
| Related Documents  | All items supplied under this specification shall fully comply with the relevant provisions of the above Regulations (or national equivalent where non-United Kingdom Goods are supplied) prevailing at the time of the Contract.  |
| Packaging  | The Goods shall be packed in non-returnable containers of a suitable quality so as to ensure safe delivery and storage to our delivery points. All packaging, wherever possible, should be recyclable and marked accordingly. All packaging must comply with The Food Information (Scotland) Regulations 2014 and subsequent amendments made thereunder. |
| Markings   | The containers and/or bags shall be clearly marked with the contents, quantity, manufacturer's identification, product batch code and Use By/Best Before date.   |
| Irradiated Foods   | No irradiated foods shall be used in the process of manufacture of any item for issue under this specification.  |
| Genetically Modified Organism                                      | No GMO ingredient shall be used in the process or manufacture of any item for issue under this specification.  |
| Acceptability  | Goods shall conform to the samples approved for the Contract as regards any properties or qualities, which are not defined in this specification.  |
| Specific Product Requirements (including Age of Goods on Delivery) | For all other pre-packed products – Minimum 3 months life expectancy (from point of delivery at Council Establishment).  |
| Palm Oil   | For any goods containing palm oil this must be sustainably sourced.  |

Award criteria included Fair Work Practices and Supply Chain Traceability.

Contract conditions included:

- Ethical Requirements (General) stating that the contract shall be performed in accordance with Scotland Excel's sustainable procurement strategy, with particular reference to Scotland Excel's policy of ethical procurement and sourcing (which is to promote appropriate standards regarding legal, ethical and social issues including, for example, the prohibition of modern slavery (as provided for in the Modern Slavery Act



2015), health and safety, security of employment rights, equality, corruption and fair trade, in particular in low cost or developing countries).

- 'Traceability' requiring the contractor to comply with the Law and Guidance relative to traceability, i.e. systems and procedures to identify where products have been supplied from, where their products have been supplied and that adequate labelling is made available to the consumer to facilitate its traceability.
- 'Authenticity' to acknowledge requirement for contractor to carry out traceability audits to validate food claims. Any examples of false or fraudulent authenticity claims is regarded as a material breach of contract.
- 'Fairly-Traded/Ethically Sourced Goods' to acknowledge that any products that have been classed as 'ethically-sourced', the goods and their ingredients must comply with the required standards as per the product in question.
- 'Modern Slavery' advising that contractors might be required to provide evidence of responsible sourcing and supply chain monitoring in relation to the Modern Slavery Act 2015.

Fife Council, via the Food4Fife Partnership is working on a food specific strategy and action plan to 'Create a sustainable food culture for a healthy Fife', by pursuing community wealth building opportunities.

Fife Council is seeking quarterly management information from suppliers, detailing the origin per product and stating what products are fair trade or other ethical means.

In addition, Fife Council is also working with other public sector bodies to encourage local producers and suppliers into the supply chain with regards to the food to be procured, which will then lead to a better understanding of the lifecycle of the food we purchase, raw ingredients and the development of such food stuff, for example, the soil used to grow the food (such as fruit and vegetables) is pesticide free.

**Conclusion – progressive work continues in this area with a wide range of relevant stakeholders.**

### **Example Contract Area 2 – Social Care**

One of the recommendations from the Independent Review of Adult Social Care (Feeley Report) under Commissioning for Public Good is "the establishment of core requirements for ethical commissioning to support the standardisation and implementation of fair work requirements and practices must be agreed and set at a national level by the new National Care Service and delivered locally across the country".

The CCPS define the Ethical Commissioning Principles as:

- Person Centred Care
- Human Rights Approach
- Full Involvement of People with Lived Experiences
- Fair Work
- High Quality Care
- Climate and Circular Economy
- Financial transparency, sustainable pricing and commercial viability
- Share Accountability
- Focus on Improving Outcomes

Of those, the following are currently being addressed in FC procurements:

|  |  |
|--|--|
| Person Centred Care  | Forms part of social care contract specifications.   |
| Human Rights Approach  | Standard T&Cs for social care contracts include:<br><b>HUMAN RIGHTS</b><br>The Service Provider shall in its implementation of the Contract comply with the requirements of the Human Rights Act 1998 (“the 1998 Act”) and all secondary legislation made under the 1998 Act as though the Service Provider were a Public Authority for the purposes of the Human Rights Act 1998. |
| Full Involvement of People with Lived Experiences                    | Within each procurement, Fife H&SCP’s Commissioning Strategy is considered. The Commissioning Strategy included widespread consultation including those with lived experience.   |
| Fair Work  | Award criteria included Fair Work Practices including payment of the Scottish Government Social Care minimum pay rate.   |
| High Quality Care  | Forms part of social care contract specifications and underpins the quality aspect of our evaluation process.  |
| Financial transparency, sustainable pricing and commercial viability | Payment of the Scottish Government Social Care minimum pay rate is mandated within relevant Contracts.   |
| Focus on Improving Outcomes  | Forms part of social care contract specifications.   |

### Scotland Excel Social Care Contracts

A recent Internal Audit conducted by Scotland Excel assessed the extent to which its Social Care contracts support the principles relevant to commissioning and procurement as set out in the recommendations detailed in the Feeley Report, and to identify any areas for improvement and outline actions to address these.

The overall Audit opinion was that in the care frameworks currently being created by Scotland Excel, the commissioning and procurement recommendations set out in the Feeley Report have been incorporated, where possible, to include areas such as a collaborative, rights based and participative approach and ethical and fair work requirements. Work has also been undertaken to ensure that the additional processes outlined in the Feeley Report will be included in future frameworks.

### Gaps/Opportunities

The Feeley Report was produced in February 2021 and many of the recommendations are still being worked through.

Of the list of Ethical Commissioning Principles detailed above, the following are gaps/further opportunities for Fife Council/H&SCP:

- Climate and Circular Economy
- Share Accountability

There is a further opportunity to consider the appropriate elements of UNISON’s Ethical Care Charter, which applies only to Care at Home services, in a wider context i.e., across other relevant Contracts. It is recognised however, that many of the elements of the Charter are already considered within specifications and/or addressed via Fair Work criterion.

### **Example Contract 3 – Solar Panels**

Scotland Excel's Energy Efficiency Contractors' Framework is Fife Council's proposed route to market. Procurement Service was made aware of issues regarding concerns raised in connection with Human Rights/Forced Labour in relation to the production of solar panels. Scotland Excel were contacted regarding their procedure for obtaining information from tenderers regarding Sustainable and ethical procurement.

They confirmed that all tenderers had to fill in and pass a Declaration of non-involvement in human trafficking and exploitation. They were also asked to complete section 1.30 and 1.31 in the Single Procurement Document (SPD) in regard to forced labour.

As with all public procurement exercises responses to tender questions are received in good faith, validated where appropriate and possible through the collection of relevant documentation as specified in the tender documents. Should Scotland Excel become aware of any deviation from the initial position, either through regular contract management checks, customer intelligence, market intelligence or supplier information provided, they would rely on the provisions set out in the terms of the Framework Contract under which the framework was established. The conditions place obligations in respect of human rights, equalities and ethical standards on all contractors. These provisions permit them to deal with any breaches should they become aware of them.

Conclusion – Scotland Excel will notify framework users of any deviation of contractors' tender submissions.

Lessons learned – Additional due diligence of market at strategy stage, contact framework owner for additional intelligence.

### **Example Contract 4 – System Design, Installation and Commissioning for Fire Alarm, Intruder Alarm, CCTV and Door Access Systems**

Fife Council intends to set up a multi supplier Framework Agreement for the Design, Installation, Commissioning, Testing & Maintenance (over Defects Period) of Fire Alarm, Intruder Alarm, CCTV and Door Access Systems within Residential (Care homes and Flats), Commercial & Industrial properties.

The UK Government is moving away from using Hikvision CCTV Equipment due to ethical concerns with the supply chain of this product. The marketplace is in support of this. To ensure there are no concerns with the supply chain for ethical/modern day slavery concerns, these will be addressed in the Tender documents.

In the SPD question 4C.4 was used 'Please provide a statement of the relevant supply chain management and/or tracking systems use'.

A two-stage tender procedure is being used. Stage one has been completed. There are no concerns with the candidates (and their supply chains) who will be invited to tender in Stage two. Within stage 2, tenderers will be asked to complete a human trafficking declaration. The specification will contain details of the British Standards for CCTV.

Outcome – As part of the procurement exercise, Stage two is currently being progressed.

### **Example Contract 5 – concern raised about potential criminal activity (money laundering) of existing contractor.**

Anonymous concern was raised around a contractor in use by the Council. Once brought to the attention of Procurement, additional due diligence was carried out against the contractor, which

included enhanced financial checks, review of strategy and business case. Advice was sought from the Corporate Fraud team and no further action was deemed necessary.

Conclusion – No evidence of any criminal activity.

Lessons learned – Enhanced due diligence of any prospective contractors if deemed at risk, using additional questions in SPD and tender award criteria (if relevant). More engagement with relevant stakeholders for similar contracts.

### **Example Contract 5 – Abnormally Low Bid**

Occasionally, bids can be received that appear to be abnormally low compared to other submitted bids. Regulation 69 within the Public Contracts (Scotland) Regulations 2015 provides guidance on how to deal with abnormally low bids. Within the tender documentation we may describe the process for dealing with an abnormally low bid. When a bid is considered to be abnormally low, the bidder is contacted to confirm they understand the requirements and that they are content with their submitted price. Where the bidder confirms their bid is correct and it is considered that the reasons given are sufficient, and risk is low, then the bid is accepted. If the bidder who submitted the low bid is subsequently awarded the contract, then the level of contract management may be higher than originally considered at the contract strategy stage to ensure this aspect is monitored carefully.

Building Services - If an abnormally low bid is received, the Building Services surveyor will assess the bid against current rates first, clarify with the bidder that they have read and understood the documents and stand by their rates and then make a common-sense judgement on them based on the surveyor's knowledge i.e. if the company are one of their incumbents and they assess as low risk. Building Services have had a few situations of this in recent years and it comes from both a good understanding by incumbents, the size of the contracts and the willingness in the present climate to work with a local authority and payment security.

Conclusion - to continue to seek clarification from bidders who appear to have submitted an abnormally low bid.

### **Example Contract 6 – Amazon**

Fife Council Procurement have been working with representatives at Amazon to ensure that only products which support the Councils objectives are visible through our Corporate Amazon Prime account. Procurement have made amendments to the account to ensure:

1. Products available from local suppliers are marked as 'preferred' and appear first on searches conducted by requisitioners.
2. Products with sustainable and ethical certifications are also marked as preferred and appear at the top of any searches for products. There are a number of certifications/categories available to highlight as essential and Procurement have selected all available to ensure any products shown in search results are sustainable and ethical. These certifications/categories include:
  - Biodiversity (e.g., Fairtrade International)
  - Carbon Impact (e.g., Climate Neutral Certified)
  - Safer Chemicals (e.g., Global Organic Textile Standard)
  - Circular Materials (e.g., Pre-owned Certified)
  - Energy Efficiency (e.g., EPEAT)
  - Manufacturing Practises (e.g., Bluesign)
  - Organic Content (e.g., EU Organic)
  - Packaging Efficiency (e.g., Compact by Design)
  - Recycled Materials (e.g., Global Recycled Standard)

- Water and soil quality (e.g., Rainforest Alliance)
- Worker well-being (e.g., Forest Stewardship Council)

A message is highlighted to requisitioners on these products which states the following: 'This product is part of the Climate Ledge Friendly Programme. You're encouraged to buy this product over other alternatives.'

3. Our account is also set up with controls that mean only VAT registered resellers are available for us to purchase from on our Corporate Prime account, ensuring only 'viable' suppliers are available.

Conclusion – continue positive contract and supplier management with Amazon and continue to pursue any identified opportunities for improvement.

### **Example Contract 7 – Timber**

Fife Council is committed to the purchase of goods, materials and services that minimise or reduce the impact of its activities on the environment. The Council will only purchase timber from managed and sustainable forests and will specify goods manufactured from recycled materials as a first choice.

Building Services include in their tender documents a section 'Sustainable Timber Registration/Certification'. Timber must be sourced from managed, sustainable resources and documentary evidence is to be provided to support this. All successful tenderers are required to submit their suppliers FSC/PEFC certificate and licence numbers.

Scotland Excel Building and Timber Materials Framework 0318 – Fife Council has entered into several contracts through this framework agreement. The framework's Standard Terms of Supply to the General Conditions of Contract for Supply include the following clauses:

**Environmental Policy** - The Contractor shall not supply any Goods which will endanger the health of any person, will cause significant damage to the environment during manufacture, disposal or use, will consume a disproportionate amount of energy during manufacture, use or disposal, will cause unnecessary waste, or will contain materials derived from threatened species or environments. If requested the Contractor shall provide the Council with a copy of its environmental policy.

**Ethical Requirements** - The Contractor shall perform its obligations under each Call-off in accordance with the Council's ethical procurement and sourcing policy (which is to promote appropriate standards regarding legal, ethical and social issues including, for example, the prohibition of modern slavery (as provided for in the Modern Slavery Act 2015), health and safety, security of employment rights, equality, corruption and fair trade, in particular in low cost or developing countries). If requested by the Council, the Contractor shall provide the Council with a copy of its ethical procurement and sourcing policy (or equivalent).

Included in the specifications for certain Lots within the framework are requirements for FSC/PEFC certification.

Conclusion – continue to ask suppliers to provide the necessary certification and licences.

25<sup>th</sup> January 2024

Agenda Item No. 8

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## Finance & Corporate Services Directorate Performance Report

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**Report by:** Eileen Rowand, Executive Director

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**Wards Affected:** All

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### Purpose

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To present the Finance & Corporate Services Directorate Performance Scorecard for 2022/23.

### Recommendation(s)

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Members are asked to: -

1. Note the arrangements to fulfil the Council's obligation to comply with Audit Scotland's 2021 SPI Direction.
2. Consider the Finance & Corporate Services Directorate performance information including current challenges/priorities and Risks. A high-level overview of Finance & Corporate Services Directorate KPIs is attached in Appendix 1 – covering 4 lenses: Local Government Benchmarking Framework (LGBF), Plan for Fife (P4F), Customer, Resources and Service Operations.

### Resource Implications

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None

### Legal & Risk Implications

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There are legal requirements highlighted within this report, linked to a risk of regulatory intervention if the Council does not adhere to the standards and expectations set by Audit Scotland.

### 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 required.

## 1.0 Background

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- 1.1 Audit Scotland published an update on Statutory Performance Direction in December 2021. The Council is required to report a range of information setting out:
- i. Its performance in improving local public services, provided by both (i) the council itself and (ii) by the council in conjunction with its partners and communities
  - ii. Its progress against the desired outcomes agreed with its partners and communities
  - iii. Its performance in comparison (i) over time and (ii) with other similar bodies including information drawn down from LGBF in particular and from other benchmarking activities
  - iv. Its assessment of how it is performing against its duty of Best Value, and how it plans to improve against this assessment.

Below is a Link to the Direction Statutory Performance Indicators (revised) published in December 2021: -

[https://www.audit-scotland.gov.uk/uploads/docs/um/spi\\_direction\\_2021.pdf](https://www.audit-scotland.gov.uk/uploads/docs/um/spi_direction_2021.pdf)

## 2.0 Performance Reporting

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- 2.1 Appendix 1 to this report is presented in the form of a balanced scorecard covering the areas of LGBF/P4F, Customer, Resources and Service Operations. A current snapshot of Service Challenges is included along with a section on Risks.
- 2.2 Overall the Directorate is performing well, despite facing an increase in demand for support from other Directorates and the challenges associated with recruitment and retaining staff with the necessary skill set for specific roles.
- 2.3 Effective workforce planning for the Services in 2023/24 and beyond will be crucial to ensure challenges related to core skills development, recruitment and retention of the workforce are addressed.

## 3.0 Conclusion

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- 3.1 In conclusion, the report highlights the positive performance of the Finance & Corporate Services Directorate for the fiscal year 2022/23. There are ongoing actions in progress to address areas for improvement.

## List of Appendices / Appendix 1 – Finance & Corporate Services Directorate Performance

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**Report Contact: Eileen Rowand**

Author Name: Eileen Rowand

Author's Job Title: Executive Director, Finance and Corporate Services Directorate

Email: [Eileen.Rowand@fife.gov.uk](mailto:Eileen.Rowand@fife.gov.uk)



### FINANCE & CORPORATE SERVICES

#### Current Challenges & Priorities

Key challenges over the past year include:

- Demand currently exceeds resource levels and capacity. Priorities, based on the future organisational model adopted and change agenda, will need to be reviewed in line with resources, capacity and risk areas. Given the financial challenge the Council faces, we anticipate a need to reduce the workforce and we may need to use NOIs to manage any staffing reduction balanced with maintaining critical skills, if possible, whilst delivering required financial savings. Additional challenge from growth areas where there is both temporary and permanent investment (equal pay project team and attendance support unit).
- There are a significant number of workforce issues facing the Council and the Directorate both supports work on these and manages the impact for the Directorate. Work around our pay strategy including significant support for equal pay work; recruitment; absence management including the development of the Attendance Support Unit, health & safety and ensuring the wellbeing of employees are critical activities where there is a strong focus.
- A challenge lies in the need to get the most benefit in what we invest in ICT software and services while changing the way we utilise solutions and data. There is a necessity to revise current approaches to align them with the Council's aspirations and objectives to join up service delivery and enabling an agile response to change.
- Replacing Legacy systems with new ones remains a complex task, as existing business processes must adapt to digital platforms. We must be mindful of the sustainability of these systems and make sure we reap the benefits of our significant investments.
- Managing finances within the current economic climate can be challenging with pressures such as inflationary increases impacting on both revenue and capital budgets. The budget position and financial monitoring are reported to the Cabinet and the Scrutiny Committees.
- Reform of the non –domestic Rating system meant that the Assessor Service required to transform its operations to meet legislative change and significantly increased workloads. A raft of new legislation introduced many changes including; three yearly revaluations (previously five), a narrower tone (valuation) date, greater transparency in approach, production of a draft Valuation Roll and a new two-stage appeal system.

In addition to Rating reform, a further change included the transfer of the functions of the Valuation Appeal Committees to the Scottish Courts and Tribunals Service on the 1<sup>st</sup> April 2023 and the Service is currently adapting to this change. The Service has grown to meet the increased workloads and changes but recruiting the correct skillsets

has proved very challenging for the Service. Rating is a highly specialised field and recruitment challenges have resulted in the Service having to invest heavily in training to create a pipeline of well-trained, qualified staff to support the Service for the future, more particularly for Revaluation 2026 which will be the first three yearly revaluation to take place. The implementation of a new IT software system is currently ongoing, having been subject to many delays, and is a further challenge that the Service works to overcome.

- Significant changes to electoral legislation applying to the conduct of elections and registration of electors have required resources to prepare for and implement the changes. The next major electoral event will be a general election, likely in 2024.
- Delivering the improvement actions identified as part of the Annual Governance statement will also be a priority for Legal and Democratic Service.

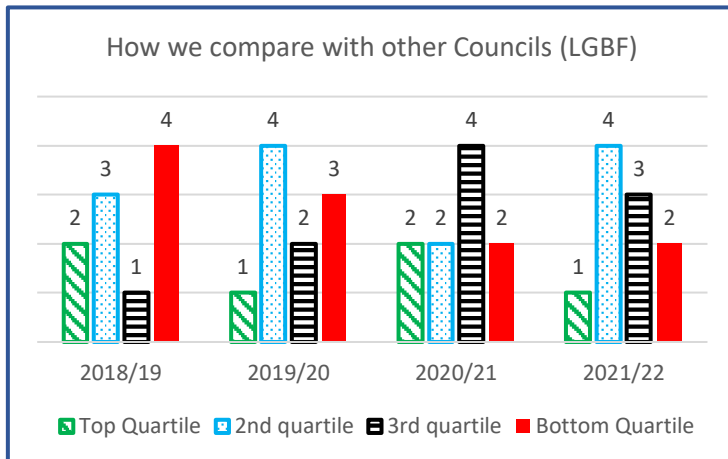
## RISKS/EMERGING RISKS

The Directorate oversees the following strategic risks:

- **FC001 ICT Failure**- a critical failure of council systems and information will not be available to support service delivery.
- **FC009 Poor Corporate Governance & Leadership**- a failure to adequately and consistently apply the Council's Code of Corporate Governance and a failure of leadership.
- **FC010 Elected Members**- Failure to comply with Council Governance and Councillors' Code of Conduct.
- **FC012 Financial Instability**- The Council and its partners fail to deliver Plan for Fife ambitions. The Council's Financial sustainability is compromised.
- **FC013 Failure to Effectively Discharge Statutory Health and Safety Obligation** - (Managing to minimise) the risk of accident, injury or harm to a member of staff, service user, contractor, or other 3rd parties.
- **FC014 Workforce Challenges** – a range of factors at national and local level which combine to create a more competitive labour market and potentially more challenging organisation to resource and develop in keeping with the Council's vision.
- **FC015 Ineffective Information Governance**- a failure to meet statutory responsibilities under GDPR, DPA, FOISA, EIR and PR(S)A.
- **FC016 Ineffective Transformational Change Agenda/Strategic Planning**- the Council does improve significantly or at pace.
- **FC017 Legal and Regulatory Compliance Failure**- the Council does not plan effectively to meet legislative changes or is in breach of its statutory obligations.

These represent substantial risks, and we have controls in place to proactively mitigate any potential impact.

## KEY OUTCOMES (LGBF/P4F)



Key - Top quartile - Ranked 1-8 in Scotland  
 2nd quartile - Ranked 9-16 in Scotland  
 3rd quartile - Ranked 17-24 in Scotland  
 Bottom quartile - Ranked 25-32 in Scotland

As shown in chart opposite there is 1 indicator in the top quartile, 4 indicators in the 2<sup>nd</sup> quartile, 3 indicators in the 3<sup>rd</sup> quartile and 2 indicators in the bottom quartile as per table below.

Due to the timing of the report to the Committee, the LGBF Figures for 2022/23 will not be published until 2024 on the Improvement Service website. The table below gives Fife's figures for 2022/23 from internal sources on progress. Many of the LGBF indicators are Council wide rather than for the Directorate alone.

Further narrative on these indicators is detailed throughout this document.

| LGBF  | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|---|---------|---------|---------|---------|---------|
| Support services as a % of total gross expenditure (LGBF)   | 4.76%   | 5.69%   | 4.51%   | 4.02%   | 3.55%   |
| % of highest paid 5% employees who are women (LGBF)   | 57.00%  | 57.60%  | 59.20%  | 60.70%  | 61.00%  |
| The Gender Pay Gap (%) (LGBF)   | 1.90%   | -0.66%  | 1.79%   | 1.69%   | 1.10%   |
| Sickness Absence Days per Employee (excl. teachers) (LGBF)  | 13.1    | 13.85   | 11.83   | 15.29   | 15.8    |
| % of total spend that is spent locally (with businesses located in the Fife area) not with local SME's (LGBF) | 35.50%  | 31.90%  | 37.20%  | 40.20%  | 35.08%  |
| Useable reserves as a % of annual budgeted revenue (LGBF)   | 7.80%   | 8.40%   | 19.90%  | 22.50%  | 24.80%  |
| GF Balance as a % of annual budgeted net revenue (LGBF)   | 1.80%   | 2.30%   | 5.40%   | 3.30%   | 3.80%   |
| Financing Costs to Net Revenue Stream - GF (LGBF)   | 8.37%   | 7.79%   | 6.10%   | 6.39%   | 1.27%   |

|  |         |        |        |        |        |
|--|---------|--------|--------|--------|--------|
| Financing Costs to Net Revenue Stream - HRA (LGBF)   | 20.23%  | 21.54% | 22.00% | 22.04% | 23.77% |
| Actual outturn as a % of budgeted expenditure (LGBF) | 100.29% | 99.60% | 91.98% | 93.64% | 92.00% |

### Support services as a percentage of total gross expenditure

The Local Government pay award and investment in ICT has contributed to the expenditure on Support Services costs, although additional funding to partially cover the cost of the pay award was received from the Scottish Local Government to balance some of these costs. Support Services have taken action which has resulted in a significant reduction in our costs.

### Highest-paid employees who are women

We continue to see a rising number of women in the top 5% of earners and this is higher than the Scottish Local Authority average (58.9%). Through our work towards Equally Safe at Work accreditation, we have been focussing on gender equity in the workplace and have spotlighted female leadership within the Council.

### Gender Pay Gap

The gender pay gap continues to be lower than the Scottish Local Authority average (2.5%), although we do still see areas of occupational segregation within areas of the workforce. We continue work to challenge traditional perceptions and stereotypes for example by using recruitment adverts showing male employees in early years settings.

### Sickness Absence Days per Employee

The long-term absence rates have increased. The profile of sickness continues to show an increased number and duration of absences for conditions requiring hospital or medical treatment.

It should be noted that the absence figures above are inclusive of Covid absences, whereas the 2022/23 SPI figures that will be published early in 2024 will show figures excluding Covid absences.

To sustain a long-term improvement in the levels of absence across the council Cabinet Committee agreed additional funding to establish an Attendance Support Unit in HR to strengthen and extend current support provision. The HR Manager (Attendance Support Unit) took up post in November and recruitment is ongoing to fill the other new positions, essential to increasing wellbeing and improving attendance management.

A programme of New Manager Attendance Management Induction is already underway, and many existing managers are using the opportunity to attend to check and refresh their knowledge. Additional training covering specific issues is in development, as is a generic induction video for all new employees.

### Procurement spent on local enterprises

There has been a reduction in local spend in 2022-23 due to some areas of significant increase in spend with non-Fife businesses. This is largely due to disproportionate inflationary increases in areas such as utilities as well as additional spend in capital projects with a non-Fife contractor. The Procurement Service continues to promote the awarding of suitable contracts to local business wherever this provides best value for the Council and work closely with Economic Development via the Supplier Development Program to encourage local businesses to tender for Fife Council contracts.

#### Useable reserves as a percentage of annual budgeted revenue

Application of the revised accounting guidance in respect of Service Concession arrangements resulted in a significant underspend in Loan Charges budget which made a significant contribution to the balances position. This accounts for the increase in the level of useable reserve as a percentage of budgeted revenue. These will be used to fund additional capital expenditure and will reduce over time.

#### GF Balance as a percentage of annual budgeted revenue

Application of the revised accounting guidance in respect of Service Concession arrangements resulted in a significant underspend in Loan Charges budget which made a significant contribution to the general fund balances position. This accounts for the percentage increase which has offset where balances have been used.

#### Financing costs to net revenue stream – GF

Application of the revised accounting guidance in respect of Service Concession arrangements resulted in a reduction in the cost of borrowing for 2022-23 as the benefits generated were realised in year. As a result of this cost reduction, the percentage to net revenue stream has reduced significantly. The percentage is expected to increase again in future years reflecting the levels of borrowing required to finance the capital plan.

#### Financing costs to net revenue stream – HRA

This financing costs to Net Revenue Stream (HRA) indicator has steadily increased reflecting increased capital expenditure on HRA and Affordable Housing, therefore there is an increased cost of covering the borrowing associated with these projects. This remains fairly constant at 23.77% for 2022-23 and is in line with the agreed levels per the HRA Business Plan.

#### Actual Outturn as a percentage of budgeted expenditure

The actual outturn as a % of budgeted expenditure prior to 2021 was around 100% reflecting that Directorates more or less managed expenditure to their overall budgets. In 2020-21 the percentage decreased to 91.98% which reflected the impact of the Pandemic. In addition, a significant amount of government funding was received late in 2020-21 and had to be carried forward. The percentage of 92% reflects continued levels of one-off government funding that is held in committed balances plus a change in accounting treatment for some ring-fenced grants and Service Concession arrangements as noted above.

A RAG has been added to the following sections of the Template: -

| Key to Council Scorecard Results Tables |  |              |   |         |  |
|---|--|--------------|---|---------|--|
| Green (G)                               | Performance improved, or above target and no action required | Amber (A)    | Performance static, slightly below target and action in place | Red (R) | Performance significantly worse, and requires immediate action |
| <b>N/A</b>                              | Not Available to report                                      | <b>DIV/0</b> | Zero response   |         |  |

## CUSTOMER

| PI Short Name                              | 2019/20 | 2020/21 | 2021/22 | 2022/23  | Q1 2023/24 | Q2 2023/24 |
|--|---------|---------|---------|----------|------------|------------|
| F&CS Stage 1 Complaints actioned < 5 days  | 79%     | 95%     | 100%    | 96% (G)  | 100%       | 100%       |
| F&CS Stage 2 Complaints actioned < 20 days | 75%     | 100%    | 100%    | 100% (G) | 0          | 100%       |

The Directorate consistently handles complaints promptly and takes necessary actions, to enhance service delivery and address concerns effectively. The number of complaints remains minimal, given that the Directorate primarily focuses on supporting internal customers rather than external ones.

## RESOURCES

| PI Short Name  | 2019/20 | 2020/21 | 2021/22 | 2022/23    | Q1 2023/24 | Q2 2023/24 |
|--|---------|---------|---------|------------|------------|------------|
| Finance & Corporate Services - Average WDL per FTE                     | 10.51   | N/A     | 9.77    | 11.32 (R)  | 12.15      | 11.52      |
| Finance & Corporate Services - Average Long-Term WDL per FTE           | 6.32    | N/A     | 7.36    | 7.94 (A)   | 8.28       | 8.2        |
| Finance & Corporate Services Workforce who are Female (%)              | 73.20%  | 73.50%  | 74.90%  | 74.40% (G) | N/A        | N/A        |
| Finance & Corporate Services Workforce who are Full-time (%)           | 77.40%  | 76.50%  | 73.00%  | 75.30% (G) | N/A        | N/A        |
| Finance & Corporate Services Workforce who are Permanent Employees (%) | 76.80%  | 78.60%  | 95.60%  | 96.30% (G) | N/A        | N/A        |
| Finance & Corporate Services Employees aged 24 and under (%)           | 5.00%   | 4.70%   | 3.70%   | 5.70% (G)  | N/A        | N/A        |
| Finance & Corporate Services Employees aged 29 and under (%)           | 10.20%  | 9.50%   | 8.10%   | 10.10% (G) | N/A        | N/A        |
| Finance & Corporate Services Employees aged 55 and over (%)            | 24.20%  | 25.80%  | 29.40%  | 27.50% (G) | N/A        | N/A        |
| Finance & Corporate Services Number of Voluntary Redundancies (FTEs)   | 17      | 2       | 4       | 1          | N/A        | N/A        |
| Finance & Corporate Services Number of WYI Bids                        | 12      | 3       | 2       | 7 (G)      | N/A        | N/A        |
| Finance & Corporate Services Number of WYI Programme new starts        | 5       | 0       | 5       | 6 (G)      | N/A        | N/A        |

- In 2021/22, as we returned to work either in full or on a blended workstyle basis, our absence rate has increased but remains lower than pre-pandemic levels, perhaps in part due to the flexibility many staff have in the way they work. In 2022/23, as we have returned to a post-pandemic period our levels of absence have increased perhaps due to the increase in employees mixing with more people and the levels of transmission of ailments increasing due to no restrictions being in place. However, Finance and Corporate Services, at an average of 11.32 average working days lost for the rolling year to 31 March 2023, sits below the Fife Council average of 14.02 average working days lost (or average of 15.85, if teachers' absence is excluded).
- Our headcount by age range peaks at 55 to 59, and we have approximately the same number of staff aged 50 to 54 as we do under the age of 40. This demographic is seen across the Council. This is concerning as there is a desire to bring more young people into the workforce however this is limited given the stable state of the workforce. However, there was an increase in the workforce aged under 30 in the past year.

- Services in the Directorate have continued to find retaining skilled staff and attracting new talent challenging. Our workforce strategy (Our People Matter) sets out our strategic commitment to addressing those challenges and our work in Services and at a corporate level on workforce planning explores and tests solutions.
- In addressing these challenges, as part of the first cycle of workforce planning activities, Services across the Directorate have identified key areas for action, including upskilling staff and identifying training and development needs to improve staff retention, succession planning, and increasing opportunities for young people and taking a grow our own talent approach.
- Good progress has been made in addressing the ageing profile of the Directorate. Notably, 46% of new starts in 2022/23 were under the age of 30.
- The Directorate has supported new starts through the Workforce Youth Investment (WYI) Programme. This has been very successful. Services were able to start 6 young people during 2022/23 utilising WYI funding, including 5 Modern Apprentices across Business Support, Finance, Electoral Services and Procurement and a Fire Safety Trainee within HR. Of these 6, 2 have already went on to successfully gain permanent roles within the Directorate.

The table below provides information on **Finance and Corporate Services** workforce data by Budgeted (FTE) for the current year and the last 4 years.

| Budgeted (FTE) April 2019 | Budgeted (FTE) April 2020 | Budgeted (FTE) April 2021 | Budgeted (FTE) April 2022 | Budgeted (FTE) April 2023 | Difference in FTE 2022 2023 |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|
| 1,272.16                  | 1,102.11                  | 1,069.42                  | 1,033.90                  | 1046.73                   | 12.83                       |

There has been some increase in the establishment since April 2022. This mainly relates to additional funded posts, where we have seen temporary and longer-term investment to increase resource capacity. We have also seen some in-service restructuring which has realigned positions and impacted on FTE.



## SERVICE OPERATIONS

| PI Short Name                                      | 2019/20 | 2020/21 | 2021/22 | 2022/23       | Q1 2023/24 | Q2 2023/24 |
|--|---------|---------|---------|---------------|------------|------------|
| Invoices sampled that were paid within 30 days (%) | 96.90%  | 94.60%  | 93.80%  | 92.80%<br>(A) | 95.60%     | 97.9%      |

The introduction of a new system, coupled with the challenges posed by the pandemic, resulted in a temporary dip in the performance of this indicator in 2022/23. However, it is encouraging to see a subsequent improvement. In 2023 new technology known as Intelligent Document Recognition (IDR) was implemented to enhance the invoice payment process. The automation of part of the manual process within Accounts Payable has resulted in a notable improvement in the efficiency of invoices being paid within 30 days. We aspire to achieve a position in the top quartile once the LGBF indicators are published.

25 January 2024  
Agenda Item No. 9

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## 2023/24 Revenue Monitoring Projected Outturn – Planning Service, Business and Employability Service

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**Report by:** Eileen Rowand, Executive Director, Finance and Corporate Services  
Carol Connolly, Executive Director, Place

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**Wards Affected:** All

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### Purpose

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The purpose of this report is to give members an update on the projected outturn financial position for the 2023/24 financial year for the areas in scope of the Finance, Economy & Corporate Services Scrutiny Committee.

### Recommendations

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

### Resource Implications

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None.

### Legal & Risk Implications

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There are no direct legal implications arising from this report.

### Impact Assessment

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

### Consultation

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None.

## 1.0 Background

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- 1.1 The purpose of this report is to advise Members of the projected outturn for the Executive Director, Planning, and Business and Employability Services, for the 2023-24 Revenue Budget, and to highlight the major variances as at October 2023. This is the third monitoring report to the Scrutiny Committee for the 2023-24 financial year.
- 1.2 The preparation of the 2023-24 Revenue Budget focussed on applying service underspends, budget realignment and vacancy factors to close the budget gap, and as such no specific savings proposals were approved by the Council as part of the Revenue Budget. There is therefore no requirement to include a Savings Tracker as part of financial reporting for the 2023-24 financial year.

## 2.0 Issues

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### 2.1 Projected Outturn

- 2.1.1 There is no projected variance for the areas falling under the scope of this committee. A summary of the 2023/24 projected out-turn for the areas under the scope of this committee is detailed in Appendix 1. This shows projected expenditure against budget across the service headings within the Directorate. It should be noted that the balances are extracted from the ledger system and are shown as rounded thousands. This may mean that there are some rounding differences contained within the appendices, but these are immaterial values that do not impact on the overall financial position. The following paragraphs provide a brief explanation of the main areas where there are significant variances (+/-£0.250m) to budgets.

## 3.0 Major Variances

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- 3.1 There are no major variances to report as at October 2023.

## 4.0 Conclusions

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- 4.1 The projected outturn position for the areas under the scope of the Finance, Economy and Corporate Services Scrutiny Committee is on budget and no variances to report.

### List of Appendices

- 1 Projected Outturn 2023/24 Summary

### Background Papers

None

### Report Contact

Ashleigh Allan  
Finance Business Partner  
Finance Service  
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| <b>BUDGET MONITORING REPORT SUMMARY<br/>FINANCE, ECONOMY &amp; CORPORATE SERVICES<br/>October 2023</b> |  |                                    |                        |                       | <b>Appendix 1</b>                                |  |
|--|--|------------------------------------|------------------------|-----------------------|--|--|
| <b>ENTERPRISE &amp; ENVIRONMENT</b>  | <b>CURRENT<br/>BUDGET<br/>2023-24<br/>£m</b> | <b>FORECAST<br/>2023-24<br/>£m</b> | <b>VARIANCE<br/>£m</b> | <b>VARIANCE<br/>%</b> | <b>PREVIOUS<br/>REPORTED<br/>VARIANCE<br/>£m</b> | <b>MOVEMENT FROM<br/>PREVIOUS REPORTED<br/>VARIANCE<br/>£m</b> |
| <b>TOTAL COST OF SERVICES</b>  | <b>31.591</b>                                | <b>31.374</b>                      | <b>(0.216)</b>         | <b>-0.69%</b>         | <b>(0.134)</b>                                   | <b>(0.082)</b>   |
| <b>LESS: CORPORATELY MANAGED ITEMS</b>   | <b>23.808</b>                                | <b>23.808</b>                      | <b>0.000</b>           | <b>0.00%</b>          | <b>0.000</b>                                     | <b>0.000</b>   |
| <b>SERVICE MANAGED NET BUDGET</b>  | <b>7.783</b>                                 | <b>7.566</b>                       | <b>(0.216)</b>         | <b>-2.78%</b>         | <b>(0.134)</b>                                   | <b>(0.082)</b>   |
| <b><u>ANALYSIS OF SERVICE MANAGED BUDGET</u></b>   |  |                                    |                        |                       |  |  |
| EE EXECUTIVE DIRECTOR  | 0.449  | 0.346                              | (0.103)                | -23.00%               | (0.081)  | (0.022)  |
| PLANNING   | 1.209  | 1.105                              | (0.104)                | -8.56%                | (0.010)  | (0.094)  |
| BUSINESS & EMPLOYABILITY SERVICE   | 6.125  | 6.115                              | (0.010)                | -0.16%                | (0.044)  | 0.034  |
|  | <b>7.783</b>                                 | <b>7.566</b>                       | <b>(0.216)</b>         | <b>-2.78%</b>         | <b>(0.134)</b>                                   | <b>(0.082)</b>   |

25<sup>th</sup> January 2024  
Agenda Item No. 10

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## 2023/24 Capital Monitoring Projected Outturn – Business and Employability Service

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**Report by:** Eileen Rowand, Executive Director, Finance and Corporate Services  
Carol Connolly, Executive Director, Place

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**Wards Affected:** All

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### Purpose

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The purpose of this report is to provide an update on the Capital Investment Plan and advise on the projected financial position for the 2023/24 financial year for the areas in scope of the Finance, Economy & Corporate Services Scrutiny Committee.

### Recommendation(s)

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

### Resource Implications

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None.

### Legal & Risk Implications

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None.

### Impact Assessment

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

### Consultation

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None.

## 1.0 Background

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- 1.1 This report summarises the projected capital outturn for the areas falling under the scope of this Committee for 2023/24. Projected expenditure is £13.312m, representing 89% of the approved capital programme for 2023/24.
- 1.2 Appendix 1 shows an analysis of specific projects in the current capital investment plan which have a budget greater than £1.000m and analyses total project cost rather than only in year spend.
- 1.3 Appendix 2 details the projected expenditure against budget for each project, along with any associated income.

## 2.0 Issues, Achievements & Financial Performance

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### 2.1 Key Issues / Risks

- 2.1.1 Appendix 1 details the total cost forecast position for all capital projects within the areas under the scope of the Committee with an overall value of £1.000m and over. The key risks associated with the major projects are noted below.
- 2.1.2 Across the Capital Investment Plan there continues to be risk that both the timing and the costs of projects are adversely affected by the current economic climate. Throughout the programme, issues are continuing to be identified in relation to the supply of construction materials, the consequences of which have been considered and reflected in the Capital Investment Plan review which was approved by Fife Council on 22 June, 2023. Monitoring of the impact of any additional costs on projects still in their infancy will continue and any significant impact on timescales and associated risks will be reported to this committee. Where appropriate, any known impact on timing of delivery of projects has been built in to the rephased plan and the overall scale of any additional costs or further delays has been considered as part of the review of the Capital Investment Plan.

### 2.2 Major Projects – Potential Risks and Actions

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

### 2.3 Financial Performance – 2023/24 Projected Outturn

- 2.3.1 Appendix 2 provides a summary of the projected outturn for each project for the financial year 2023/24. The appendix shows a projected outturn of £13.312m against a Capital Investment plan of £14.973m, a spending level of 89%. The variance of (£1.661m) is slippage which relates to delays in delivery and projects are still expected to be delivered in full and within budget, albeit over a longer timeframe.
- 2.3.2 Appendix 2 also provides a summary of the projected outturn for each project for the financial year 2023/24 for capital income. The appendix shows a projected outturn of £10.132m against a capital income budget of £12.012m.
- 2.3.3 The reasons for significant variances (+/-£0.500m) are detailed in paragraph 2.4.

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

## **2.4 Significant Variances**

### **2.4.1 Industrial Investment Programme – slippage of (£0.700m)**

The main reason for slippage is delay at Fife Interchange North where a new contractor for groundworks was required and is now in place, resulting in slippage of £0.567m. Further slippage of £0.322m is a result of delay at Glenrothes Flemington Road project where there had been difficulty in accessing third party premises and delayed responses to requests for information. These issues have been resolved and the project is progressing to the next stage. Underspend of £0.138m is a result of planned acquisition which will no longer go ahead this year and funds will be redirected to the final phase of the Fife Industrial Innovation Investment Programme. The slippage and underspend are offset by £0.441m advancement in development of new business units at Levenmouth to maximise external funding available in this financial year.

### **2.4.2 Industrial Investment Programme income – shortfall of £1.040m**

The Industrial Investment Programme is funded by Edinburgh & South East Scotland City Region Deal grant. The reduction in programme expenditure reported at paragraph 2.4.1 reduces the level of grant which can be claimed in this financial year, however, this does not reduce the overall funding to the programme and the shortfall will be recovered in future years.

## **3.0 Conclusions**

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3.1 The total 2023/24 approved programme for the areas in scope of the Finance, Economy and Corporate Services Scrutiny Committee is £14.973m. The projected level of expenditure is £13.312m, which represents 89% of the total programme, resulting in slippage of (£1.661m).

3.2 The management of capital resources require us to look across financial years, as well as within individual years. The current year performance is only a snapshot of the existing plan and the Directorate will adjust expenditure levels within future years of the plan to accommodate the advancement or slippage of projects.

### **List of Appendices**

1. Total Cost Monitor
2. Capital Monitoring Report

**Report Contact**

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FIFE COUNCIL  
 FINANCE, ECONOMY AND CORPORATE SERVICES SCRUTINY COMMITTEE  
 ENTERPRISE AND ENVIRONMENT - BUSINESS AND EMPLOYABILITY SERVICE  
 CAPITAL INVESTMENT PLAN 2023-33  
 TOTAL COST MONITOR - MAJOR CAPITAL PROJECTS

| Project                                       | Service                   | Original Approved Budget £m | Current Project Budget £m | Total Outturn £m | Variance £m | Variance %   | Current Project Status | Expected Project Completion Date |
|---|---------------------------|-----------------------------|---------------------------|------------------|-------------|--------------|------------------------|----------------------------------|
| Fife Interchange Business Units - Phase 1 & 2 | Inclusive Growth and Jobs | 8.130                       | 11.518                    | 11.518           | -           | 0.00%        | Current Project        | 2024-25                          |
| John Smith Business Park Business Units       | Inclusive Growth and Jobs | 3.644                       | 5.517                     | 5.517            | -           | 0.00%        | Current Project        | 2026-27                          |
| <b>Total Major Projects over £5.000m</b>      |                           | <b>11.774</b>               | <b>17.035</b>             | <b>17.035</b>    | <b>-</b>    | <b>0.00%</b> |                        |                                  |
| Queensway Development Site                    | Inclusive Growth and Jobs | 2.113                       | 3.399                     | 3.399            | -           | 0.00%        | Current Project        | 2023-24                          |
| Levenmouth Business Units - Phase 1           | Inclusive Growth and Jobs | 1.602                       | 3.674                     | 3.674            | -           | 0.00%        | Current Project        | 2023-24                          |
| Dalgety Bay Business Units - Phase 2          | Inclusive Growth and Jobs | 2.853                       | 3.980                     | 3.980            | -           | 0.00%        | Current Project        | 2023-24                          |
| Queensway Refurbishment                       | Inclusive Growth and Jobs | 1.380                       | 2.451                     | 2.451            | -           | 0.00%        | Current Project        | 2024.25                          |
| Fife Interchange North Site Servicing         | Inclusive Growth and Jobs | 3.046                       | 1.511                     | 1.511            | -           | 0.00%        | Current Project        | 2024-25                          |
| Levenmouth Business Units - Phase 2           | Inclusive Growth and Jobs | 2.898                       | 3.135                     | 3.135            | -           | 0.00%        | Current Project        | 2025-26                          |
| Kirkcaldy Flexible Business Premises          | Inclusive Growth and Jobs | 1.686                       | 1.686                     | 1.686            | -           | 0.00%        | Future Project         | 2028-29                          |
| Kirkcaldy Esplanade Phase 3                   | Thriving Places           | 1.500                       | 1.302                     | 1.302            | -           | 0.00%        | Current Project        | 2023-24                          |
| SE Joint Venture - Fife Interchange South     | Thriving Places           | 1.138                       | 1.138                     | 1.138            | -           | 0.00%        | Future Project         | 2024.25                          |
| Inverkeithing Built Heritage                  | Thriving Places           | 1.176                       | 1.168                     | 1.168            | -           | 0.00%        | Current Project        | 2024-25                          |
| <b>Total Major Projects over £1.000m</b>      |                           | <b>19.392</b>               | <b>23.443</b>             | <b>23.443</b>    | <b>-</b>    | <b>0.00%</b> |                        |                                  |
| <b>Total Major Projects</b>                   |                           | <b>31.166</b>               | <b>40.478</b>             | <b>40.478</b>    | <b>-</b>    | <b>0.00%</b> |                        |                                  |

**FIFE COUNCIL  
FINANCE, ECONOMY AND CORPORATE SERVICES SCRUTINY COMMITTEE  
ENTERPRISE AND ENVIRONMENT - BUSINESS AND EMPLOYABILITY SERVICE  
CAPITAL INVESTMENT PLAN 2023-33  
MONITORING REPORT 2023-24**

Appendix 2

| <b>Expenditure</b>                                | <b>Current Budget<br/>£m</b> | <b>Actual to Date<br/>£m</b> | <b>Total<br/>Outturn<br/>£m</b> | <b>Variance<br/>£m</b> | <b>Outturn as<br/>% of Plan</b> |
|---|------------------------------|------------------------------|---------------------------------|------------------------|---------------------------------|
| Regeneration - Town Centres                       | 2.503                        | 0.718                        | 2.308                           | (0.195)                | 92%                             |
| Regeneration - Other                              | 0.173                        | -                            | 0.173                           | -                      | 100%                            |
| Business Premises Refurbishment Programme         | 0.594                        | 0.026                        | 0.665                           | 0.072                  | 112%                            |
| Growing the Economy                               | 0.547                        | 0.435                        | 0.205                           | (0.342)                | 37%                             |
| Place Based Investment Programme                  | 1.213                        | 0.653                        | 0.718                           | (0.495)                | 59%                             |
| Business Property Portfolio                       | 0.128                        | -                            | 0.128                           | -                      | 100%                            |
| Site Servicing Rolling Programme                  | 0.280                        | -                            | 0.280                           | -                      | 100%                            |
| Vacant/Derelict Land                              | 0.010                        | 0.412                        | 0.010                           | -                      | 100%                            |
| Industrial Investment Programme                   | 9.259                        | 4.131                        | 8.559                           | (0.700)                | 92%                             |
| Business Portfolio Energy Efficiency              | 0.266                        | -                            | 0.266                           | -                      | 100%                            |
| <b>TOTAL BUSINESS &amp; EMPLOYABILITY SERVICE</b> | <b>14.973</b>                | <b>6.375</b>                 | <b>13.312</b>                   | <b>(1.661)</b>         | <b>89%</b>                      |
| <b>TOTAL EXPENDITURE</b>                          | <b>14.973</b>                | <b>6.375</b>                 | <b>13.312</b>                   | <b>(1.661)</b>         | <b>89%</b>                      |

| <b>Income</b>                                     | <b>Current Budget<br/>£m</b> | <b>Actual to Date<br/>£m</b> | <b>Total<br/>Outturn<br/>£m</b> | <b>Variance<br/>£m</b> | <b>Outturn as<br/>% of Plan</b> |
|---|------------------------------|------------------------------|---------------------------------|------------------------|---------------------------------|
| Regeneration - Town Centres                       | (1.057)                      | (2.231)                      | (0.623)                         | 0.434                  | 59%                             |
| Regeneration - Other                              | (0.050)                      | (0.050)                      | (0.050)                         | -                      | 100%                            |
| Business Premises Refurbishment Programme         | (0.115)                      | (0.115)                      | (0.115)                         | -                      | 100%                            |
| Growing the Economy                               | (0.140)                      | 0.354                        | (0.140)                         | -                      | 0%                              |
| Place Based Investment Programme                  | (2.282)                      | (1.915)                      | (1.876)                         | 0.406                  | 0%                              |
| Industrial Investment Programme                   | (8.368)                      | (2.267)                      | (7.328)                         | 1.040                  | 88%                             |
| <b>TOTAL BUSINESS &amp; EMPLOYABILITY SERVICE</b> | <b>(12.012)</b>              | <b>(7.034)</b>               | <b>(10.132)</b>                 | <b>1.880</b>           | <b>84%</b>                      |
| <b>TOTAL INCOME</b>                               | <b>(12.012)</b>              | <b>(7.034)</b>               | <b>(10.132)</b>                 | <b>1.880</b>           | <b>84%</b>                      |

25<sup>th</sup> January 2024  
Agenda Item No. 11

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## 2023/24 Revenue Monitoring Projected Outturn – Finance and Corporate Services

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

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**Wards Affected:** All

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### Purpose

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The purpose of this report is to give members an update on the projected outturn financial position for 2023/24 for the Finance and Corporate Services Directorate.

### Recommendations

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

### Resource Implications

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None.

### Legal & Risk Implications

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There are no direct legal implications arising from this report.

### Impact Assessment

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

### Consultation

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None.

## 1.0 Background

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- 1.1 The report summarises the projected outturn position for 2023/24, taking into account the actual expenditure incurred, and provides an explanation of the main budget variances at section 3. This is the second monitoring report to the Scrutiny Committee for the 2023-24 financial year.
- 1.2 The preparation of the 2023-24 Revenue Budget focussed on applying service underspends, budget realignment and vacancy factors to close the budget gap, and as such no specific savings proposals were approved by the Council as part of the Revenue Budget. There is therefore no requirement to include a Savings Tracker as part of financial reporting for the 2023-24 financial year.

## 2.0 Issues

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### 2.1 Projected Outturn

- 2.1.1 Based on current information for the Finance and Corporate Services Directorate, of a service managed net expenditure budget of £52.900m the position across all Services is a projected expenditure of £51.665m resulting in a projected net underspend of (£1.235m) (2.34%). This projected underspend includes COVID-19 financial pressures of £0.627m.
- 2.1.2 Also, within the Finance and Corporate Services Directorate, there is a net expenditure budget of £6.814m for Benefits & Council Tax and Miscellaneous Services which is currently forecasting an underspend of (£1.034m). This budget sits within the Directorate but is managed corporately. Therefore, the Services within Finance and Corporate Services do not have a direct influence on these budgets.

Within the net expenditure budget of £6.814m there is an expenditure budget of £88.052m, mainly for Housing Benefit (HB) payments and Empty Property Relief, and income targets of (£81.424m) which includes the corresponding HB subsidy claim and the eligible HB Administration Fee.

- 2.1.3 Appendix 1 shows projected expenditure against budget across the various Services within the Finance and Corporate Services Directorate. Section 3 provides a brief explanation of the main areas where there are significant variances (+/-£0.250m) between planned and projected expenditure and income across service managed budgets.

## 3.0 Major Variances

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- 3.1 Directorate position – Variance (£2.269m) underspend, Movement (£1.979m)
- 3.1.1 Directorate Service Managed position (£1.235m) underspend, Movement (£0.945m)

The COVID-19 pressures of £0.627m noted in paragraph 2.1.1 relate to home and remote working and additional staffing resources. These pressures are mainly within BTS and Human Resources.

The movement mainly relates to staff vacancies across the Directorate.

Revenue & Commercial Services (£0.516m) underspend, Movement (£0.164m)

There is a projected underspend on staff costs of (£0.594m) within Revenue & Commercial Services. This underspend is due to higher than anticipated staff turnover and vacant posts, particularly in Business Support (£0.519m). Business Support are still facing significant challenges in respect of recruitment leading to a considerable number of vacancies. Recruitment exercises have not been fully successful when Business Support try to fill posts as the number and standard of applicants is low. The number of vacancies will have an impact on providing full support to Services.

Human Resources (£0.567m) underspend, Movement (£0.817m)

There is a projected underspend on staff costs of (£0.625m). The main area of underspend relates to the Youth Investment Fund (£0.601m). This is a ring-fenced budget and any underspend will be carried forward to 2024-25. There has also been higher than anticipated staff turnover which has resulted in an underspend on staff costs of (£0.247m) which is offset by COVID pressures within HR relating to additional resources. There may be an impact on the level of service if the level of vacancies continue.

The movement relates to the forecasted underspend for the Youth Investment Fund which is as a result of a change in reporting methodology, where previously the forecasted variance was reported as nil as the budget is ring-fenced, with any underspend carried forward to the following financial year.

### 3.1.2 Benefits & Council Tax (£1.034m) underspend, Movement (£1.034m)

An underspend of £0.942m is anticipated on the Empty Property Relief (EPR) funding which was devolved by the Scottish Government this financial year.

## 4.0 Conclusions

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- 4.1 The projected outturn position for the service managed budget within the Finance and Corporate Services Directorate is a net underspend of (£1.235m) (2.34%), which includes COVID-19 financial pressures of £0.627m. Benefits & Council Tax and Miscellaneous Services are projecting an underspend of (£1.034m) (15.6%).

### List of Appendices

- 1 Projected Outturn 2023/24 Summary

### Background Papers

None

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| <b>BUDGET MONITORING REPORT SUMMARY<br/>FINANCE, ECONOMY &amp; CORPORATE SERVICES</b> |  |                                    |                        |                       | <b>Appendix 1</b>                                |  |
|---|--|------------------------------------|------------------------|-----------------------|--|--|
| <b>FINANCE AND COPORATE SERVICES</b>  | <b>CURRENT<br/>BUDGET<br/>2023-24<br/>£m</b> | <b>FORECAST<br/>2023-24<br/>£m</b> | <b>VARIANCE<br/>£m</b> | <b>VARIANCE<br/>%</b> | <b>PREVIOUS<br/>REPORTED<br/>VARIANCE<br/>£m</b> | <b>MOVEMENT FROM<br/>PREVIOUS<br/>REPORTED<br/>VARIANCE<br/>£m</b> |
| <b>TOTAL COST OF SERVICES</b>   | <b>70.824</b>                                | <b>68.554</b>                      | <b>(2.269)</b>         | <b>-3.20%</b>         | <b>(0.290)</b>                                   | <b>(1.979)</b>   |
| <b>LESS: CORPORATELY MANAGED ITEMS</b>  | <b>11.109</b>                                | <b>11.109</b>                      | <b>0.000</b>           | <b>0.00%</b>          | <b>0.000</b>                                     | <b>0.000</b>   |
| <b>SERVICE MANAGED NET BUDGET</b>   | <b>59.715</b>                                | <b>57.445</b>                      | <b>(2.270)</b>         | <b>-3.80%</b>         | <b>(0.290)</b>                                   | <b>(1.979)</b>   |
| <b><u>ANALYSIS OF SERVICE MANAGED BUDGET</u></b>                                      |  |                                    |                        |                       |  |  |
| FINANCE & CORPORATE SERVICES MANAGEMENT   | 1.763  | 1.732                              | (0.030)                | -1.71%                | (0.034)  | 0.003  |
| ASSESSORS SERVICE   | 2.005  | 1.989                              | (0.016)                | -0.79%                | 0.080  | (0.096)  |
| FINANCE   | 3.645  | 3.445                              | (0.200)                | -5.49%                | (0.181)  | (0.020)  |
| REVENUE & COMMERCIAL SERVICES   | 15.627                                       | 15.111                             | (0.516)                | -3.30%                | (0.352)  | (0.164)  |
| HUMAN RESOURCES   | 6.923  | 6.356                              | (0.567)                | -8.19%                | 0.250  | (0.817)  |
| BUSINESS TECHNOLOGY SOLUTIONS   | 18.758                                       | 18.793                             | 0.036                  | 0.19%                 | (0.107)  | 0.143  |
| LEGAL & DEMOCRATIC SERVICES   | 4.180  | 4.237                              | 0.058                  | 1.38%                 | 0.053  | 0.005  |
|   | <b>52.900</b>                                | <b>51.665</b>                      | <b>(1.235)</b>         | <b>-2.34%</b>         | <b>(0.290)</b>                                   | <b>(0.945)</b>   |
| BENEFITS & COUNCIL TAX  | 6.628  | 5.594                              | (1.034)                | -15.60%               | 0.000  | (1.034)  |
| MISCELLANEOUS SERVICES  | 0.186  | 0.186                              | 0.000                  | 0.00%                 | 0.000  | 0.000  |
|   | <b>6.814</b>                                 | <b>5.780</b>                       | <b>(1.034)</b>         | <b>-15.17%</b>        | <b>0.000</b>                                     | <b>(1.034)</b>   |
| <b>FINANCE AND CORPORATE SERVICES</b>   | <b>59.714</b>                                | <b>57.445</b>                      | <b>(2.269)</b>         | <b>-3.80%</b>         | <b>(0.290)</b>                                   | <b>(1.979)</b>   |

25<sup>th</sup> January 2024  
Agenda Item No. 12

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## 2023/24 Capital Monitoring Projected Outturn – Finance and Corporate Services Directorate

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

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**Wards Affected:** All

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### Purpose

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The purpose of this report is to provide an update on the Capital Investment Plan and advise on the projected financial position for the 2023/24 financial year for the Finance and Corporate Services Directorate.

### Recommendation(s)

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

### Resource Implications

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None.

### Legal & Risk Implications

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None.

### Impact Assessment

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

### Consultation

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None.



## 1.0 Background

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- 1.1 This report summarises the projected capital outturn for the Finance and Corporate Services Directorate for 2023/24. At this stage, it is forecast that expenditure will be £3.058m against a budget of £3.069m, representing 99.6% of the approved capital programme for 2023-24.
- 1.2 Appendix 1 shows an analysis of specific projects in the current capital investment plan which have a budget greater than £1m and analyses total project cost rather than only in year spend.
- 1.3 Appendix 2 details the forecast expenditure against budget for each project. A brief explanation of any significant forecast variances is provided at section 2 within this report.

## 2.0 Issues, Achievements & Financial Performance

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### 2.1 Key Issues / Risks

- 2.1.1 Appendix 1 details the total cost forecast position for all capital projects within the Finance and Corporate Services Directorate with an overall value of £1m and over. The key risks associated with the major projects are noted below.
- 2.1.2 Across the Capital Investment Plan there continues to be risk that both the timing and the costs of projects are adversely affected by the current economic climate. Throughout the programme, issues are continuing to be identified in relation to the supply of construction materials, the consequences of which have been considered and reflected in the Capital Investment Plan review which was approved by Fife Council on 22 June 2023. Monitoring of the impact of any additional costs on projects still in their infancy will continue and any significant impact on timescales and associated risks will be reported to this committee. Where appropriate, any known impact on timing of delivery of projects has been built in to the rephased plan and the overall scale of any additional costs or further delays will be considered as part of the review of the Capital Investment Plan.

### 2.2 Major Projects – Potential Risks and Actions

- 2.2.1 There are no additional or new risks arising in the current reporting period from any of the major projects being progressed.
- 2.2.2 There is one major project with a budget of over £1m for Finance and Corporate Services. This project relates to the Local Area Network (LAN) as detailed in Appendix 1. The total budget is £7.314m over the life of the project. The projected spend for this project is on budget.

### 2.3 Financial Performance – 2023/24 Projected Outturn

- 2.3.1 Appendix 2 provides a summary of the projected outturn for each project for the financial year 2023/24.

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

2.3.3 There are no major variances within the current approved programme.

## 3.0 Conclusions

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3.1 The total 2023/24 approved programme for the Finance and Corporate Services Directorate is £3.069m, with a forecasted level of expenditure of £3.058m.

3.2 The management of capital resources require us to look across financial years, as well as within individual years. The current year performance is only a snapshot of the existing plan, and the Directorate will adjust expenditure levels within future years of the plan to accommodate the advancement or slippage of projects.

### List of Appendices

1. Total Cost Monitor
2. Capital Monitoring Report

### Report Contact

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 FINANCE, ECONOMY AND CORPORATE SERVICES SCRUTINY COMMITTEE  
 FINANCE & CORPORATE SERVICES  
 CAPITAL INVESTMENT PLAN 2023-33  
 TOTAL COST MONITOR - MAJOR CAPITAL PROJECTS

| Project                                  | Service                | Original Approved Budget<br>£m | Current Project Budget<br>£m | Total Outturn<br>£m | Variance<br>£m | Variance<br>% | Current Project Status | Expected Project Completion Date |
|--|------------------------|--------------------------------|------------------------------|---------------------|----------------|---------------|------------------------|----------------------------------|
| Local Area Network                       | Maintaining Our Assets | 7.200                          | 7.314                        | 7.314               | -              | 0.00%         | Current Project        | 2029-30                          |
| <b>Total Major Projects over £5.000m</b> |                        | <b>7.200</b>                   | <b>7.314</b>                 | <b>7.314</b>        | <b>-</b>       | <b>0.00%</b>  |                        |                                  |

**FIFE COUNCIL  
FINANCE, ECONOMY AND CORPORATE SERVICES SCRUTINY COMMITTEE  
FINANCE & CORPORATE SERVICES  
CAPITAL INVESTMENT PLAN 2023-33  
MONITORING REPORT 2023-24**

**Appendix 2**

| <b>Expenditure</b>                            | <b>Current Budget<br/>£m</b> | <b>Actual to Date<br/>£m</b> | <b>Total Outturn<br/>£m</b> | <b>Variance<br/>£m</b> | <b>Outturn as<br/>% of Plan</b> |
|---|------------------------------|------------------------------|-----------------------------|------------------------|---------------------------------|
|   |                              |                              |                             |                        |                                 |
| ICT Programme                                 | 1.592                        | 1.304                        | 1.592                       | -                      | 100%                            |
| BTS Capital                                   | 1.000                        | 0.355                        | 1.100                       | 0.100                  | 110%                            |
| BTS Rolling Programme                         | 0.478                        | 0.298                        | 0.366                       | (0.112)                | 77%                             |
| <b>TOTAL FINANCE &amp; CORPORATE SERVICES</b> | <b>3.069</b>                 | <b>1.956</b>                 | <b>3.058</b>                | <b>(0.012)</b>         | <b>99.6%</b>                    |
|   |                              |                              |                             |                        |                                 |

25 January 2024

Agenda Item No. 13

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## Finance, Economy and Corporate Services Scrutiny Committee Workplan

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

**Wards Affected:** All

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### Purpose

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

### Recommendation(s)

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It is recommended that the Committee review the workplan and that members come forward with suggestions for areas of scrutiny.

### Resource Implications

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

### Legal & Risk Implications

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

### Impact Assessment

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None required for this paper.

### Consultation

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The purpose of the paper is to support the Committee's discussion and therefore no consultation is necessary.

## 1.0 Background

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- 1.1 Each Scrutiny Committee operates a workplan which contains items that fall under three broad headings: performance reporting, planning and improvement work. These items will often lead to reactive rather than proactive scrutiny. Discussion on the workplan agenda item will afford members the opportunity to shape, as a committee, the agenda with future items of business it wishes to review in more detail.

## 2.0 Conclusions

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- 2.1 The current workplan is included as Appendix one and should be reviewed by the committee to help inform scrutiny activity.

### List of Appendices

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1. Workplan

### Background Papers

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

None

### Report Contact

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| <b>Finance, Economy and Corporate Services Scrutiny Committee of 18 April 2024</b>                  |                                |                   |                 |
|---|--------------------------------|-------------------|-----------------|
| <b>Title</b>  | <b>Service(s)</b>              | <b>Contact(s)</b> | <b>Comments</b> |
| Annual Report - Edinburgh and South East Scotland City Region Deal                                  | Business and Employability     | Morag Millar      |                 |
| Opportunities Fife  | Business and Employability     | Gordon Mole       |                 |
| Absence and Wellbeing Interim Progress Report   | Human Resources                | Barbara Cooper    |                 |
| Tay Cities Deal Annual Report   | Business and Employability     | Morag Millar      |                 |
| Management of Developer Obligation Funds  | Planning Service               | Mary J Stewart    |                 |
| 2023/24 Capital Monitoring Projected Outturn – Business and Employability Service                   | Finance and Corporate Services | Ashleigh Allan    |                 |
| 2023/24 Revenue Monitoring Projected Outturn – Planning Service, Business and Employability Service | Finance and Corporate Services | Ashleigh Allan    |                 |
| 2023/24 Revenue Monitoring Projected Outturn – Finance and Corporate Services                       | Finance and Corporate Services | Tracy Hirst       |                 |
| 2023/24 Capital Monitoring Projected Outturn – Finance and Corporate Services Directorate           | Finance and Corporate Services | Tracy Hirst       |                 |

| <b>Finance, Economy and Corporate Services Scrutiny Committee of 13 June 2024</b> |                   |                   |                 |
|---|-------------------|-------------------|-----------------|
| <b>Title</b>  | <b>Service(s)</b> | <b>Contact(s)</b> | <b>Comments</b> |
| Minute  |                   |                   |                 |

| <b>Finance, Economy and Corporate Services Scrutiny Committee of 13 June 2024</b> |                   |                   |                 |
|---|-------------------|-------------------|-----------------|
| <b>Title</b>  | <b>Service(s)</b> | <b>Contact(s)</b> | <b>Comments</b> |
| Finance, Economy & Corporate Services Forward Work Programme                      |                   |                   |                 |

| <b>Unallocated</b>  |  |                           |                 |
|---|--|---------------------------|-----------------|
| <b>Title</b>  | <b>Service(s)</b>                                | <b>Contact(s)</b>         | <b>Comments</b> |
| Annual Report - Business and Employability: Service Performance Report                                    | Business and Employability                       | Peter Corbett             |                 |
| Asset Management Strategy 2023 – 2028   |  |                           |                 |
| Review of Community Council Elections   | Democratic Services                              | Lindsay Thomson           |                 |
| Bad Debts 2023-2024   | Finance and Corporate Services, Housing Services | Les Robertson, John Mills |                 |
| Enterprise & Environment Directorate: Business and Employability and Planning Services Performance Report | Planning, Business and Employability             | Gordon Mole, Pam Ewen     |                 |
| Annual Health & Safety Report 2023-2024   | Human Resources                                  | Sharon McKenzie           |                 |
| Smart Place Approach - City of Dunfermline  | Business and Employability                       | Morag Millar              |                 |
| report on support and services for staff and elected members  | Finance and Corporate Services                   | Lindsay Thomson           |                 |