

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. **MINUTE** – Minute of meeting of the Finance, Economy & Corporate Services Scrutiny Committee of 15 June 2023. 4 – 5
4. **DIGITAL PROGRESS IN LOCAL GOVERNMENT - UPDATE ON FIFE POSITION** – Report by the Head of Business Technology Solutions. 6 – 24
5. **ASSET MANAGEMENT STRATEGY 2023-2028** – Report by the Head of Property Services. 25 – 39
6. **2022/23 REVENUE MONITORING PROVISIONAL OUTTURN – PLANNING SERVICE, BUSINESS AND EMPLOYABILITY SERVICE** – Joint Report by the Executive Director, Finance & Corporate Services and the Chief Executive. 40 – 43
7. **2022/23 CAPITAL MONITORING PROVISIONAL OUTTURN – BUSINESS AND EMPLOYABILITY SERVICE** – Joint Report by the Executive Director Finance & Corporate Services and the Chief Executive. 44 – 49
8. **2023/24 REVENUE MONITORING PROJECTED OUTTURN – PLANNING SERVICE, BUSINESS AND EMPLOYABILITY SERVICE** – Joint Report by the Executive Director, Finance & Corporate Services and the Chief Executive. 50 – 52
9. **2023/24 CAPITAL MONITORING PROJECTED OUTTURN – BUSINESS AND EMPLOYABILITY SERVICE** – Joint Report by the Executive Director, Finance & Corporate Services and the Chief Executive. 53 – 57
10. **2022/23 REVENUE MONITORING PROVISIONAL OUTTURN – FINANCE AND CORPORATE SERVICES** – Report by the Executive Director, Finance & Corporate Services. 58 – 63
11. **2022/23 CAPITAL MONITORING PROVISIONAL OUTTURN – FINANCE AND CORPORATE SERVICES DIRECTORATE** – Report by the Executive Director, Finance & Corporate Services. 64 – 68

- | | | |
|-----|--|---------|
| 12. | 2023/24 REVENUE MONITORING PROJECTED OUTTURN – FINANCE AND CORPORATE SERVICES – Report by the Executive Director, Finance & Corporate Services. | 69 – 72 |
| 13. | 2023/24 CAPITAL MONITORING PROJECTED OUTTURN – FINANCE AND CORPORATE SERVICES DIRECTORATE – Report by the Executive Director, Finance & Corporate Services. | 73 – 77 |
| 14. | FINANCE, ECONOMY & CORPORATE SERVICES FORWARD WORK PROGRAMME – Report by the Executive Director, Finance & Corporate Services. | 78 - 83 |

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

17 August, 2023

If telephoning, please ask for:
Michelle Hyslop, Committee Officer, Fife House 06 (Main Building)
Telephone: 03451 555555, ext. 445279; email: Michelle.Hyslop@fife.gov.uk

Agendas and papers for all Committee meetings can be accessed on
www.fife.gov.uk/committees

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 18

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

Fife House, North Street, Glenrothes

15 June, 2023

10.00am – 12.25pm

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

ATTENDING: Eileen Rowand, Executive Director, Finance and Corporate Services; Sharon McKenzie, Head of Human Resources, Barbara Cooper, Service Manager, Human Resources Service; Gordon Mole, Head of Business and Employability, Carlene Simpson, Project Manager, Strategic Growth City Deals, Business and Employability; Pam Ewen, Head of Planning, Mary Stewart, Service Manager, Major Business and Customer Service, Economy, Planning and Employability ; Elizabeth Mair, Committee Officer, Legal and Democratic Services.

48. DECLARATIONS OF INTEREST

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

49. MINUTE

The committee considered the minute of meeting of the Finance, Economy and Corporate Services Scrutiny Committee of 30 March 2023.

Decision

The committee agreed to approve the minute.

50. BUDGET WORKING GROUP - NOTE OF MEETING - 6 JUNE 2023

The committee considered the Budget Working Group note of meeting of 6 June 2023.

Decision

The committee noted the Budget Working Group meeting note from 6 June 2023.

51. ANNUAL ABSENCE AND WELLBEING UPDATE

The committee considered a report by the Head of Human Resources providing an update on absence and related absence and wellbeing activity since the report to the Environment, Finance and Communities Scrutiny Committee on 1 February 2022.

Decision

The Committee:-

- (1) noted the update and actions since absence information was last reported in February 2022;

2023 FECSS 19

- (2) noted that, following a number of reports and feedback from services, the Reform Board had agreed to take proposals to Cabinet Committee to strengthen corporate support for Attendance Management; and
- (3) agreed that an interim progress report be submitted to the committee at its meeting on 25 January 2024.

52. **BENEFITS REALISATION PLAN - FIFE INDUSTRIAL INNOVATION INVESTMENT (I3) PROGRAMME**

The committee considered a report providing information on the Benefits Realisation Plan for the Fife Industrial Innovation Investment (i3) Programme, funded through the Edinburgh and South East Scotland City Region Deal, summarising the approach and the benefits achieved by March 2022.

Decision

The committee noted the information provided in the report.

The meeting adjourned at 11.30am and reconvened at 11.40am.

53. **MANAGEMENT OF DEVELOPER OBLIGATION FUNDS**

The committee considered a report by the Head of Business and Employability providing an overview and update in respect of Developer Obligation Funds (Section 75 Funds) which were held by the council through payments associated with planning permissions to mitigate the specific impacts of approved developments.

Decision

The committee agreed that the Planning Services lead a review of the process for management of Developer Obligation Funds and examine the options for utilising Historic Developer Obligation Funds.

54. **FINANCE, ECONOMY AND CORPORATE SERVICES SCRUTINY COMMITTEE FORWARD WORK PROGRAMME**

The Committee considered the Finance, Economy and Corporate Services Scrutiny Committee Forward Work Programme.

Decision

The Committee noted:-

- (1) the current Finance, Economy and Corporate Services Scrutiny Work Plan;
- (2) that reports relating to the council's preparedness to deal with issues around ransomware and the interim progress report on Absence and Wellbeing would be added to the Forward Work Programme; and
- (3) that work was ongoing to spread the large number of annual reports due around October 2023 over several meetings to allow time for proper consideration to be given to each one.

24 August 2023

Agenda Item No. 4

“Digital Progress in Local Government” – Update on Fife’s position

Report by: Charlie Anderson, Head of ICT

Wards Affected: N/A

Purpose

In January 2021, Audit Scotland published the report “Digital Progress in Local Government” highlighting both progress made and challenges encountered in delivering true digital transformation in Scottish Councils. The purpose of this report is to outline Fife’s progress and areas of further consideration.

Recommendations

The Committee is asked to:-

- (i) note the progress made in Fife and note the areas for further development and improvement.

Resource Implications

Digital transformation projects and developments will be subject, where required, to separate approvals on additional resources.

Legal & Risk Implications

No specific additional risks noted at this stage.

Impact Assessment

An EqlA is not required because the report does not propose a change or revision to existing policies and practices, for example, annual reports or monitoring reports. Impact assessments will be carried out as required at an individual project or change level.

Consultation

This update has reflected responses from across the Council including BTS, HR, Finance, Education, Customer Services and Communities Directorate staff involved with the planning and execution of change.

1.0 Introduction

- 1.1 The Accounts Commission asked Audit Scotland to review the position related to digital progress in Local Government, following a similar audit on Central Government in 2019. This review was updated to reflect findings from Local Government's response to the COVID pandemic and makes broad recommendations in the following key areas of digital transformation ;-
 - Progress and Impact of COVID-19
 - Becoming a Digital Council
 - Citizens at the heart
 - Workforce and Skills
 - Data & Technology
- National Leadership and Collaboration
The report also reviewed the key characteristics of a Digital Council – digital leadership, user-focused design, a digital workforce, collaborative and innovative culture, technology and data-enabled service delivery with suggestions for next steps and referencing progress, areas of good practice as well as potential opportunities and barriers.
- 1.2 Although this report is a review of all Councils, it was noted that Fife is referenced throughout as an exemplar of best practice.
- 1.3 Appendix A provides the current progress as at July 2023 in relation to the points made in the report.

2 Summary of Fife's Position

- 2.1 As mentioned in the last update, the Audit Scotland report references the breadth of action required across many areas – leadership and culture, workforce and skills, technology and data – and also reflects a need to recognise that Digital Councils are not simply technology-enabled, they are people-driven.
- 2.2 Progress across many of the areas referenced in the report has generally been good. There are some areas have been more challenging and much of this has been down to capacity of Services to engage or create the necessary space to consider digital development and opportunities.
- 2.3 Many of the changes around how we work and learn in Fife which were implemented in response to the pandemic, are now embedded in our Council today and will be refined by feedback as we develop. By building on previous “any device, anywhere” learning and working strategies, we were able to make rapid changes to this and have since developed and refined these based on feedback.
- 2.4 In terms of becoming a Digital Council, we have made major in-roads by replacing many of the legacy systems which were hampering our future development and will shortly be reviewing our current Digital Strategy reflecting changes in both the needs of Fife and the technology and digital solutions we can bring to bear to meet these challenges.
- 2.5 New approaches which require service re-design around People and Place objectives will be driven by data and a greater need to join up systems and processes. These will be an area of focus for the strategic review and some initial work has begun on the potential technology enablers which could underpin and support those objectives.

- 2.6 We continue to design our online and digital services around customer needs and this has seen digital channels become the main means of contact now with us as a Council. New online consultation approaches are in place and being further developed as we have seen a growth in demand from Service in this area. These are all being actively driven by feedback from our citizens and services concerned as highlighted in the detailed response attached.
- 2.7 The development of a Digital Portfolio Board and the embedding of digital leadership in our management approaches continues and will assist in moving these key elements forward and maximising the benefits and outcomes delivered. This Board has a key role in not only ensuring our digital priorities and resources are properly focussed on Council priorities, but also to challenge more traditional approaches to implementing technology-enabled change and transformation.
- 2.8 Significant steps have been taken in developing the digital skills of our workforce starting with the establishment of a new Digital Skills Team within HR combining resources from BTS and HR. This reflects the increasing focus on this aspect of our digital approaches. In addition, BTS are working actively with Services to develop their own internal use of tools like Power BI. Building on the success of this initiative, we will shortly be extending this to include the development of automations and small apps by Services themselves – while still following appropriate governance and security.
- 2.9 We also continue to work with, and collaborate on, national initiatives and agencies including the Scottish Government, Digital Office and in combination with other Councils and partners directly to develop and progress broader digital initiatives such as a National Digital Identity.
- 2.10 Improving our management and use of data is essential to our future in Fife. We have well-established approaches to the management and governance of data – and we are further reviewing and strengthening these. Our approaches to exploiting and joining up data are progressing and opportunities will be identified and solutions put in place to deliver these as key actions for us moving forward. This will be done while maintaining compliance and necessary public trust in our approaches, through the governance mechanisms already in place.
- 2.11 Innovation – or more specifically, the time to innovate and evaluate digital opportunities – remains a challenge. It is difficult to dedicate resources to this when service delivery pressures across the Council are high. However, this is seen as an important issue to tackle if we are to fully exploit digital opportunities to improve outcomes in Fife.

3 Conclusion

- 3.1 Fife continues its journey to becoming a Digital Council and many of the key facets outlined in the Audit Scotland report are either now fully embedded or are progressed significantly in terms of our maturity of approach digitally. This includes our continued approaches to replacing legacy systems, new approaches to managing our “digital portfolio” of change or embracing the opportunities of new ways of working.
- 3.2 In technology terms, and with legacy systems steadily being replaced, we have a solid platform from which to build.

- 3.3 In terms of our workforce, work still needs to be progressed in developing the right leadership mindsets and culture, and in further developing digital skills in our workforce and these are now being actively progressed and developed. We also have to consider how we can open up some capacity within our workforce, despite challenging demands, to ensure we are not leaving people behind and that we are actively reviewing, innovating and exploring digital potentials as a business-as-usual activity.
- 3.4 We recognise that people remain at the centre of the development of digital approaches. This means actively capturing and acting on feedback from our workforce, citizens, pupils, communities, and partners as we continue our journey. This is essential if we are to deliver successful outcomes built on new digital approaches and, again, there are new channels in place or developing to gather and act on that feedback.
- 3.5 The Digital Strategy will be reviewed at the end of 2023 and this provides us with a good opportunity to ensure that we develop the right objectives aligned to Council aims and that we are successfully using digital solutions to address the challenges experienced by Fife today and for the foreseeable future.

List of Appendices

- Appendix A – Detailed Responses to Report Recommendations and Findings

Background Papers

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

- “Digital Progress in Local Government” report, January 14th 2021, prepared by Audit Scotland - [Digital progress in local government | Audit Scotland \(audit-scotland.gov.uk\)](https://www.audit-scotland.gov.uk/digital-progress-in-local-government)

Report Contact

Charlie Anderson
Head of ICT
Telephone: 03451 55 55 55 Ext No 440557
Email – charlie.anderson@fife.gov.uk

Appendix A – “Digital Progress in Local Government” – Detailed Fife response.

Area of review	Recommendation/best practice	Fife response
<p><u>Progress and impact of Covid-19</u> Councils are at different stages of digital transformation. Progress is strongest where councils have focused on how digital technology can deliver better outcomes for people. The pace of change has increased as digital technologies have played a vital role in the public sector’s response to the Covid-19 pandemic. It has also heightened the awareness of digital exclusion</p>	<p>To maintain momentum, councils should assess their progress, learn lessons, and identify and address barriers and inequalities</p>	<p>It is fair to say that the impact of COVID-19 had an accelerating effect on the adoption of digital solutions and new ways of working and learning in Fife. These are now largely embedded in what we do.</p> <p>Fife’s response was swift, enabled by our technology strategies which meant many of the required components were already in place to respond. This was regarded as exemplary by the report in its approach, integrating the people and property aspects needed to make it a success.</p> <p>One of the most significant and enduring impacts for Fife has been the development of new ways of working, building on previous work on technology enablement of our mobile and field workforce, and the strategic development of “anytime, anywhere, any device” working and learning – further accelerated by the COVID pandemic.</p> <p>In developing our “Future Workstyles” programme, Fife has led the way and navigated many challenges which are still being addressed by similarly-sized public and private sector organisations. We now have thousands of staff working successfully with a “blended workstyle” and also successfully using technology and systems which support home, office and mixed working in a way which would not have been remotely possible a few years back. This has not only proved to be a reliable way of working, but is enabling productivity, supporting flexibility and enabling property and asset rationalisation. This is now fully-embedded within Fife, but will be regularly adjusted based on feedback from our workforce.</p> <p>The changes in Fife’s Schools have been significant, too. From academic session 2020-2021, Fife’s Equity Approach has delivered over 15,500</p>

		<p>Chromebook devices and 1000 mobile Wi-Fi solutions to children and young people who lacked access to a device or internet to support learning from home. Our current Anytime Anywhere Learning (AAL) school network approach allows learners, staff and visitors to connect to a separate, parallel network in schools and use their own devices, or the Equity Approach Chromebooks. This is available in all 18 secondary schools and can be facilitated for P4-P7 learners in primary schools as part of their digital strategy to ensure it is managed safely and effectively.</p> <p>During Session 21/22, to support further investigation into the benefits and impacts of large-scale device rollout to schools, the Education & Children's Services Sub-Committee provided funds of £1 million to plan and implement a series of pilot projects, working with practitioners, learners, and their parents/carers in schools and early learning centres across Fife. These pilots were planned to help us understand how devices can best support learning; be confident that the most suitable devices are in place to support young people in their learning. The pilots also allowed us to examine the central teams' capabilities and resilience in co-ordinating and supporting a large-scale roll-out within settings.</p> <p>The 2020/21 Equity Approach rollout and the 2021/22 Device pilots have found that Chromebooks have provided a simple and easily accessible platform for learners and parents/carers to access online content to support learning. They are a cost-effective device which has proven simple for learners and families to manage and maintain. The pilots found that access to 1-1 devices opens opportunities for digital learning across a breadth of curricular areas, particularly for older learners.</p> <p>Information on the timescales, scope and overall strategic aims of the proposed Scottish Government funding is not yet available. However, as a result of the pilots undertaken, upon confirmation of the national strategy and associated funding, we are in a strong position to respond quickly to progress our 1-1 device strategy for learners in Fife. The proposed roll-out model will be impacted by the level of agreed funding to Fife but evidence from the pilot projects and consultation has allowed a draft approach to be created.</p>
--	--	--

		<p>Building on the development of digital learning and teaching over the past three years is important if we are to continue to be aspirational for our learners and families in Fife, remove inequality of digital access and increase opportunity. Our current Equity Approach is no longer funded and will end with the lifespan of the current devices (2026/27). Funding from The Scottish Government is expected to provide councils with financial support for 1-1 devices for learners. However, at this stage, no information has been communicated to Local Authorities on the approach to be taken, timescales, level of, or longevity of, funding.</p>
<p><u>Becoming a digital council</u></p> <p>Clear vision and leadership, with workforce and community engagement, are essential for realising the benefits of digital transformation. Delivering change requires a culture of collaboration and innovation, as well as aligned strategies and plans, effective governance, and engaged and informed elected members.</p>	<p>Councils should have a clear digital vision and strategy that sets out how digital transformation will deliver better outcomes for people. The strategy should be supported by plans detailing actions, timescales and the required investment in technology, people and skills.</p> <p>Councils should have a structured approach to collaboration and innovation, with staff given space and time to learn, test new ideas and put them into practice. Councils should actively collaborate through the Digital Office and other regional partnerships.</p>	<p>The Council agreed its Digital Strategy and incorporated Digital Vision for Fife in November 2020, incorporating the plans and views of Council Directorates, Services and in consultation through workshops with Fife partners. That Strategy will be reviewed and updated towards the end of 2023. This will reflect the current and future challenges facing Fife as well as exploiting opportunities which new and emergent digital technologies can bring.</p> <p>As an example, the Council’s key policy approaches relating to No Wrong Door and Community Wealth Building will require the digital approaches to ensure services, data, process and systems are joined up and integrated to deliver the transformations in our delivery that these policies require. We are currently examining the potential use for “data mining” tools as an enabler for these changes. These tools are designed to easily extract, merge and combine data from multiple sources. This can then further drive analysis through Business Intelligence tools, or even run predictive forecasts or highlight patterns or trends in the data, driving further action or improving our responses to those in greatest need.</p> <p>We continue to engage with regional or national programmes such as Digital Planning initiatives and initiatives to develop new Scottish Digital Identity as they progress. We also continue to engage directly with other Councils and through the Digital Office as appropriate.</p>

<p><u>Citizens at the heart</u></p> <p>There has been a lack of citizen involvement in digital service design and not enough focus on outcomes in monitoring progress of digital programmes.</p>	<p>To better understand the needs of citizens, councils should have a citizen and community engagement plan and ensure they have sufficient staff with the skills to carry out service design.</p> <p>Councils need to improve how they monitor outcomes. This could include adopting a benefits realisation approach.</p>	<p>We currently have over 230 online services and information, advice and guidance on fife.gov.uk with a proportion of these being integrated into 3rd party systems to improve responsiveness. Having transformed our corporate website in 2020, and with it now being fully operable on, and designed for, a wider range of customer technologies, we are now seeing web traffic take up the largest proportion of our customer contact. The website design has also been created with a clarity, simplicity and accessibility as key requirements.</p> <p>We recently replaced our customer contact telephony solution with a platform which is not only more cost-effective, but is also more future-proofed in that it is more connectable to different communication channels, including web, webchat and email, than our previous platform was.</p> <p>As we move forward, we are actively horizon scanning for innovative technologies and developments in the sector. Artificial Intelligence (AI) is a prime example of an emergent technology which can transform customer contact. We are looking forward to a seamless online chat experience which incorporates both chatbot and live chat technologies. We are also examining new technologies such as AI and how it can be utilized, for example to check and validate uploaded documents, speeding up processes where decisions are required to be made.</p> <p>Improved searching and location of information is also high on our agenda. Improvements to search functionality allowing campaigns to be highlighted and customers able to find information through cross marketing of services.</p> <p>Another area we want to move into is push notifications. Sending out notifications to remind customers of appointments, inform of closures, emergencies, bin collections etc.</p> <p>As regards value delivery from digital progress, the new Digital Portfolio Board will also have a significant role to play not only in optimising our efforts to deliver change, but also to consider and develop approaches to monitoring and scrutinising value delivery across the digital portfolio. Alongside, this we are refreshing the way benefits and value are managed and assessed within individual project and programmes and re-skilling leaders to become effective</p>
---	--	--

		<p>in project delivery roles, such as enabling them to act more effectively as Senior Responsible Officer (SROs) for project and programme delivery.</p>
<p><u>Workforce and skills</u></p> <p>Insufficient staff capacity and digital skills are the most significant barriers to progress. There are digital skills initiatives in place, but there needs to be better alignment with councils' wider workforce plans.</p>	<p>Councils should conduct a staff skills survey to better understand what digital and data skills they need. Councils should have detailed workforce and skills development plans, including for leadership teams and elected members, that align with digital transformation plans.</p>	<p>The Digital Skills and Learning Team was established in HR from April 2022. This newly consolidated team brings together staff from BTS and HR. The team's work has focussed on increasing the digital skills and confidence of our workforce and digital leadership.</p> <p>Establishing a Digital Champions programme has been a key area of work and we launched the programme on a phased basis. We are currently working with 13 Services who have identified a Digital Leader and 10 of which have recruited their Digital Champions, 85 in total. Induction training for Digital Champions has also been developed and delivered. Our initial focus has been on the Communities, Enterprise & Environment and Finance & Corporate Services Directorates. We have now started engaging with the Education and Children's Directorate and the Health and Social Care Partnership, to roll the programme out further.</p> <p>A baseline digital skills survey has also been distributed to staff within 10 Services. The results have been analysed and shared. As well as starting to provide corporate intelligence of digital skill levels and gaps, this analysis gives a focus for work at a Service level and enables plans to be developed. This work will be aligned with our digital transformation plans.</p> <p>A new digital training calendar has been launched on the Technology Hub, including virtual, face-to-face, and self-directed training opportunities. The short virtual sessions have been well-attended, and feedback collected from sessions and the plans allows the team to adapt offerings to employee needs.</p> <p>We are also working with the colleagues in the Society of Personnel and Development Scotland (SPDS), the Scottish Digital Academy (SDA), and the Digital Office to collaboratively develop a Competency Framework to support local government in developing digital capabilities. Digital skills support was included as part of the new Elected Member induction last year.</p>

		There are digital skills training options available for members (annotation using tablets) and discussions are planned with Member Services around further areas of digital skills development for Elected Members.
<p><u>Data and technology</u></p> <p>Councils are starting to develop strategies to make better use of data. Data standards, governance and ethics are important areas in which councils need to make progress. Legacy systems, however, remain a barrier</p>	<p>Councils should understand their technology infrastructure and have a clear plan to address legacy systems to create better coordinated solutions.</p> <p>This could include common platforms and shared procurement. Councils should work with the Digital Office and Scottish Government in developing common data standards and a data ethics approach</p>	<p>Since the last report, key legacy systems in Housing, Social Care and Roads & Transportation have been replaced and work is on-going to replace legacy systems in Building Services and Property Services. With a growing number of legacy systems now replaced with modern cloud-based equivalents, we are entering a phase where they can be more fully exploited and new features can be more readily added than would have been the case previously.</p> <p>The replacement of our legacy Council Tax system and Civica Document Management system are planned for the next few years and, it is hoped that they can also be moved to cloud-based, modern equivalents. By this point, we will have replaced the major legacy solutions in the Council which were an on-going cause for concern and inhibitor to progress.</p> <p>Work on national approaches to common platforms and data standards has been slow to progress. We continue to engage with these, but not at the expense of progressing Fife's priorities where resources are constrained or we need to progress ahead of these national initiatives.</p>
<p><u>National leadership and collaboration</u></p> <p>There needs to be greater leadership and clarity of roles at a national level, with consistent vision and direction across the sector. The Digital Office has</p>	<p>The refresh of the digital strategy for Scotland provides an opportunity for all organisations which support the delivery of digital transformation in local government to set the</p>	<p>These action points and recommendations are largely for national partners.</p> <p>There remains a significant degree of ambiguity and potential duplication across the national landscape on relative roles and responsibilities, as well as a conflicting and cluttered landscape of initiatives.</p>

<p>enabled councils to collaborate, share knowledge and innovate. Opportunities exist for it to do more but this requires changes to how it works, how councils support it and how it is funded.</p>	<p>vision and agree shared priorities. These organisations, including the Digital Office, the Improvement Service and councils, should:</p> <ul style="list-style-type: none"> • agree on and clearly articulate their roles and responsibilities • identify where a shared approach would add value to developing and delivering common systems and platforms, and specialist skills • review the funding and delivery model for the Digital Office, to ensure it has the capacity and support to deliver on the agreed priorities • streamline a work programme for the Digital Office, with each part of the programme having senior-level sponsorship. 	<p>We continue to work with and advise the Digital Office, Improvement Services and Scottish Government on areas where required and, especially, where we see potential value to Fife.</p> <p>Progress on national programmes such as Common Platforms and Common Data arrangements through the Digital Office and Improvement Services has been slow, as large, multi-stakeholder initiatives inevitably are. However, initial pilot projects are now in train and will continue to have the support of Fife – again, especially where the use of resources demonstrably aligns with Fife objectives.</p> <p>We have, for many years within Fife Council, had a strategic aim to re-use common platforms and digital investments where appropriate and our approaches are relatively mature. As a result, we are supporting national objectives in this area by sharing our well-developed approaches to this.</p> <p>We have also assisted in the development and establishment of Public Sector frameworks for procurement of infrastructure, hardware and devices over a number of years now. Where possible, we use these and other common Scottish and UK procurement frameworks for ICT resources, software and hardware and Procurement and BTS work closely to that objective.</p>
--	--	---

<p>Digital Leadership</p>	<p>Councils that are making progress have a digital vision and strategy focussed on improving outcomes for citizens</p> <p>Digital strategies are most effective when leaders champion change in staff are engaged</p> <p>Leadership teams must have the right level of digital awareness, expertise and skills</p> <p>Involvement of elected members is not well developed</p> <p>Councils have adjusted governance arrangements to ensure the right level of scrutiny for digital programmes</p> <p>Investment to date has been largely focused on technology and infrastructure</p>	<p>Fife’s Digital Strategy articulates the Digital Vision for Fife aligned to the Plan 4 Fife.</p> <p>Since the last update, we now have a Digital Portfolio Board to provide strategic digital leadership and governance across the Council. This reflects the growing importance, and associated demands, for digitally-enabled change.</p> <p>Some digital leadership sessions have taken place and we will a continue a programme of digital awareness both at CLT and ECLT levels - advising on new strategic digital opportunities or considerations through regular briefing on specific topics such as New Ways of Working/Digitally-enabled workstyles, the emergence of AI, the development of Data-driven Innovation and delivery, etc.</p> <p>If there has been a difficulty in this area, it is around the engagement of Services to support and trial innovation as digital opportunities arise. Capacity of staff and leadership is the main constraint, but one we will have to tackle if Fife is to fully exploit and explore new opportunities, particularly in the emergence of data-driven approaches and AI and automation.</p> <p>Leadership teams within the Council are developing a greater awareness of the art of the possible as well as starting to address the leadership, cultural issues which drive digital change and progress. It is recognised that more work needs to be done in this area. The current Digital Strategy references the organisational development work we need to undertake to achieve this and there is joint work taking place with BTS and HR to progress work in this area. This is expanded on under the areas of “Workforce and Skills” and “Digital Workforce” in this Appendix.</p> <p>Members Working Groups led the 2020 reform work including new ways of working which included workstyle and digital change. Committee approval of the direction of travel was approved in April 2021 and progress on the Reform Agenda is reported back via the relevant Committees.</p>
----------------------------------	--	--

		<p>Technology are investments in Fife are split into :-</p> <ul style="list-style-type: none"> - Capital investments in infrastructure, managed through the ISG and reported to Committee as part of the Council; - Revenue investments in new or upgraded software solutions and services, governed through the Digital Portfolio Board. <p>Our approach to Capital investment in ICT devices and infrastructure is relatively mature and increasingly focuses more on end-user and pupil devices and associated networking and security infrastructure and less on data-centre provision as more systems move to “the cloud”.</p> <p>This means the demand for revenue funding for those “cloud-based” systems and solutions is increasing, which creates funding challenges for us as a Council, given the need to create revenue headroom in existing budgets for these investments.</p> <p>This drives further the demand to invest in less specialised “single Service” or single use” solutions, favouring investments which can deliver to multiple priorities instead to mitigate these revenue risks. This requires the right leadership approaches, and culture, to facilitate these changes.</p> <p>As we look to the refresh of the Council’s Digital Strategy towards the end of 2023, it will be imperative that clearly align that strategy to addressing these resourcing and financial challenges, while still delivering policy aims and improving the lives of the people and pupils who in Fife who benefit from continued digital investment.</p>
<p>User focused</p>	<p>Involving users and service designs is still limited in practise</p>	<p>The implementation of all digital solutions follow a process which starts with the requirement and service design and ends with user acceptance testing and skilling/training, ensuring that the users of the system are involved throughout. Where services are redesigned, we have in-house skills to map the process and systems elements and the customer journey aspects to assist in that work.</p>

	<p>Councils need to improve how they monitor outcomes from digital change</p> <p>Councils are adopting a “digital first” approach but must ensure that no one is left behind</p>	<p>We have placed citizen feedback at the heart of our progression through the development of multiple and diverse feedback channels.</p> <p>We have implemented a feedback mechanism for the website which means that all customer feedback through www.fife.gov.uk is now checked on a weekly basis, monitored and fixes and made very quickly. Our feedback form is on our pages of information as well as at the end of some of our more well used online forms. We can now see trends where information or structure is incorrect and make improvements to customer experience.</p> <p>When launching the new fife.gov.uk we also asked the Digital Participation Strategy Volunteer Group to participate in testing and made appropriate changes to our site based on the outcomes.</p> <p>We have recently created an Online Accessibility Working Group which will include participation from the Fife Centre for Equalities and the Deaf Communication Service alongside Fife Council Service representation to ensure all areas of society within Fife are engaged in any future online developments.</p> <p>We are currently (July 2023) testing a new homepage style on fife.gov.uk with our customers, through taking our citizens to an online form where they can leave feedback.</p> <p>We are also increasingly exploiting digital solutions to engage and broaden Fifers participation in terms of consultations.</p> <p>45% of services are conducting more than 10 engagements a year and the most popular channels are online, social media, printed publications and focus groups/events. There is demand for more visual and easily accessible options too such as maps and graphics. All services would like to be able to network more and have access to community engagement training and – increasingly – that means training in crafting questions/engagement methodology as much as technical, digital skills. In October, we will also be relaunching the Council’s consultation and engagement policy, practice/standards, support materials, training opportunities, a corporate steering group and engagement champion’s network to support the sharing of</p>
--	--	---

		<p>skill/resources across services and with partners to further improve our online and digital consultation approaches.</p> <p>As part of the National Support Programme for Participatory Budgeting (PB), COSLA and Scottish Government have supported the development of online participation platforms in a number of Scottish Councils. This is based on CONSUL open source software (first created by Madrid City Council and adopted as a standard by many government agencies globally). Fife has been an early adopter of CONSUL and is currently receiving support from the COSLA PB Team to implement a new version of the online platform which will include recent developments with MyAccount integration and machine learning in conjunction with the Alan Turing Institute. The original site is available at Let's Talk about our Fife (communitychoices.scot)</p> <p>Consultation and engagement is now led and coordinated through Community Development Support enabling closer links with Community Learning and Development, and the Council's area teams. Placing consultation policy, practice and tools in the community team facilitates a more local and integrated digital approach to both service and corporate engagements.</p> <p>To support this, we have established a dedicated team to coordinate developments and a specialist advisor with a community education background to work with services to help design and deliver online consultations that have relevance, are well targeted and make the best use of the range of tools available. We have also introduced a core standard of delivering all consultations in multiple formats – methods designed around the digital connectivity of the target audience.</p> <p>Our tool kit has extended to include a new online consultation diary and internal resource and advice centre for staff through the Council's intranet. We have a number of digital tools to support hybrid and online consultation/involvement from the use of MS Forms to the use of social media, as well as CONSUL and other bespoke engagement platforms.</p>
--	--	---

<p>Digital Workforce</p>	<p>Insufficient staff capacity and digital skills are the most significant barriers to progress</p> <p>Councils need to improve workforce planning</p> <p>Councils are “growing their own” digital capacity and skills in a variety of ways</p> <p>Working with business partners can accelerate digital transformation, but Councils still need their own expertise</p>	<p>Fife is not immune from a widescale challenge on skills development, recruitment and retention, including for digitally-skilled staff.</p> <p>See “Workforce and Skills” response above for the steps which are being taken to address this and develop a digitally-skilled and confident workforce..</p> <p>We will continue to prioritise the development of in-house skills and capabilities where it makes sense to do so, using external resources where short-term specialist input is required or where short-term capacity issues exist which impact delivery to our priorities. At the moment, delivery demands outstrip our ability to deliver through in-house resources alone and discussions are on-going through the Digital Portfolio Board on appropriate levels of staff augmentation in certain areas to deliver this demand.</p>
<p>Collaborative</p>	<p>Collaboration is needed within councils to support council-wide change</p> <p>The Digital Office has helped councils collaborate, share knowledge and innovate but its overall impact is not clear</p>	<p>Many of the steps outlined already in response address the points here.</p> <p>Fife remains committed to collaborating widely through agencies like the Digital Office. We will continue to push for greater agility and value delivery from these initiatives.</p> <p>As we review the Council's Digital Strategy in the coming months, we will focus attention on addressing the needs of the People and Place based approaches the Council is developing to support Fife’s policy objectives.</p>

	<p>The Digital Office's current delivery model is not sufficient to deliver the pace of change required</p> <p>A refreshed digital strategy for Scotland provides an opportunity to set out a shared vision and priorities and to clarify rules and responsibilities at national level</p> <p>There are barriers to jointly procuring and sharing systems in developing common platforms</p> <p>Place-based strategies involving stakeholders from across region are important in taking a more collaborative approach</p>	
<p>Technology & Data enabled</p>	<p>Councils need to address legacy systems and put in place a more simplified technical architecture</p> <p>Digitally mature Councils have digital strategies with a focus on data</p>	<p>As noted earlier, work on legacy systems replacement has progressed well, especially given the scale and impact potential of some of the changes required to achieve this. The Digital Strategy will be reviewed this year and will continue to have a focus on data-driven and data-enabled approaches as also noted above.</p> <p>In relation to data and information governance, the Council has mature governance approaches in relation to legislative requirements, such as data protection and records management. These are underpinned by a range of</p>

	<p>Councils need to put data governance frameworks in place</p>	<p>assessment processes such as a Data Protection Impact Assessment process and an Information Sharing Assessment process.</p> <p>SharePoint implementation has improved our management of “unstructured data” such as electronic documents and this has now been rolled out across the entire Council replacing old legacy information stores, such as Novell.</p> <p>In response to our annual reporting to the Keeper of the Registers of Scotland they have responded positively that Fife Council “continues to take their statutory obligations seriously”. Further work is being progressed to develop a robust assessment framework, covering the development of new cloud-based approaches, including considerations on the hosting locations of data nationally and internationally as required.</p> <p>An Information Governance Maturity Assessment framework is being designed in order to identify areas in which further improvements are required. It is envisaged this will be implemented in late 2023.</p> <p>Work to conclude a review of our Information Asset Register planned for completion by 2021 was delayed due to records management priorities, primarily related to Pandemic and the Scottish Child Abuse Inquiries.</p> <p>Progress has been made with re-defining key roles, responsibilities, and processes covering Information Asset Owners, administrators and those handling information, especially in the light of evolving risks and regulation in this area.</p> <p>With this now in place a refresh of the Council’s Information Asset Register is underway focussing on key business systems identified as critical to the operation of the council. Finance & Corporate Services have concluded this work with remaining Directorates scheduled for completion by March 2024.</p>
--	---	--

<p>Innovative</p>	<p>Councils are at an early stage of developing the shared digital culture needed to support change and innovation</p> <p>People need to be outward looking and be given the space and time to innovate</p> <p>Councils are using different approaches to support transformation but this requires skills that in short supply</p>	<p>Work is on-going to develop the right leadership approaches to support change and innovation. As noted earlier, Council policies around delivering systems in a re-designed way around People and Place mean a challenge to existing Service-specific approaches and culture. Combined with shifts in the way technology is implemented and funded (i.e.through revenue), this means that leadership focus and culture will inevitably have to shift to more holistic and joined-up approaches which align with implementing, re-using and exploiting common technology investments, wherever practicable.</p> <p>BTS have also enabled, through a network of Digital Champions, Services to fully exploit new capabilities such as Power BI to deliver appropriate technical solutions for themselves – but in a way which is still within governance requirements and with the right skills. This has proved successful, and we will be seeking to further extend and develop this model, further opening up opportunities to develop technology around specific Service needs.</p> <p>We will also be reviewing and assessing the viability of new solutions around data mining, process mining, chatbots and Artificial Intelligence as key tools to support further strategic development digitally.</p> <p>Challenges remain in engaging services in some of these initiatives, primarily down to capacities within Services to collaborate on these. However, we recognise that it is imperative to continue to allow room for this type of innovation and exploration if we are to deliver benefits and exploit changes in technology as they emerge.</p>
--------------------------	--	--

24th August 2023

Agenda Item No. 5

Asset Management Strategy 2023 -2028

Report by: Alan Paul, Head of Property Services

Wards Affected: All

Purpose

This report outlines the draft Asset Management strategy for the 5 years from 2023. As with the previous 5 year plan, annual updates will be submitted to Committee detailing activity and progress during the year whilst identifying immediate challenges and opportunities.

Recommendation(s)

The Committee is asked to consider the information contained in the report and make comment on the draft Property Asset Strategy.

Resource Implications

The resource implications associated with the delivery of projects outlined in the asset strategy will be monitored at individual project and programme level and are reported through the Capital Plan process.

One-off income receipts from property disposals excluding HRA assets are estimated to total circa £18m over the plan period.

Legal & Risk Implications

There are no material risks or legal issues anticipated arising beyond those identified and addressed in the individual projects and programmes, with any necessary mitigating actions implemented.

Impact Assessment

An Equality Impact Assessment does not require to be carried out as this report does not propose any change to existing Council policies.

Consultation

Regular engagement with Council Services and partner organisations will be carried out in line with the activities described in the annual update.

1.0 Background

- 1.1 The council has a strategic approach to the management of its assets and for over a decade, has made significant changes in the way its assets are utilised, seeking more efficient use of them, improving stewardship whilst aligning with the prevailing corporate priorities most recently the Plan4Fife.
- 1.2 This report sets out the strategy to be adopted for the next five years, it builds on the successful 2017 – 22 strategy approved in 2018 by the Assets, Property and Facilities Committee. The strategy outlines the approach to developing and managing property assets whilst addressing key challenges including; meeting the climate change net zero obligations and supporting the corporate priorities including Community Wealth Building.
- 1.3 The strategy aims to improve the way the Council's property estate is managed against the following objectives:
 - to support Council objectives;
 - Support Council frontline service delivery
 - and the requirements of the Community it serves
 - property is sustainable,
 - minimise operating costs,
 - maximise value and capital receipts
- 1.4 Proposals which support the Asset Strategy objectives will be set out in the Asset Management Action Plan with various actions implemented to improve the stewardship of the estate, including greater engagement with Services to ensure assets align with anticipated future needs. New software systems will support productivity and service improvements whilst also offering better insights into building condition and compliance.
- 1.5 As well as the Plan4Fife, the strategy aligns with the Scottish Government Infrastructure Investment Plan 2022. It includes a greater emphasis on collaboration with public sector partners, as well as more focus on place and community.
- 1.6 Climate change, and the need to achieve net zero, underlies much of the strategy. Carbon reduction is to be achieved through adoption and retrofitting new green technology and improved building construction. This is exemplified by the adoption of Passivhaus standards at Dunfermline Learning Campus. Reductions in the footprint of the estate through vacating older inefficient premises will also support the objective.

2.0 Change over the 2017 – 22 plan period

- 2.1 The 2017 strategy sought to address the challenge of an extensive, aged property estate, aligning investment with future needs and corporate objectives including the change agenda. Whilst further change and improvements are still required, we have delivered a smaller, more integrated and modern, community and operational property estate; provided working environments which support service delivery to our communities, and importantly made inroads into the carbon reduction objectives.

- 2.2 Significant investment has been made, both directly and in partnership, in premises which support improved services to customers and communities, in schools and care homes, as well as sports and leisure facilities. These buildings support the delivery of council objectives and that of our community partners.
- 2.3 Another important strand to the strategic plan was the delivery of the affordable housing programme and improving the condition of affordable homes within Fife - both council corporate priorities.
- 2.4 Operational properties were the focus of the office and depot rationalisation programmes, changes which facilitated the introduction of mobile and flexible working practices and enabled a reduction in the occupied floorspace. Adjustments have also been made in response to changes in use and demand from the evolving workstyle changes.
- 2.5 Some notable achievements over the 5-year period include;

Education

The provision of replacement secondary schools for Madras College and Waid Community Campus. Significant investment has also been made in early years / nursery facilities through the 1140 programme.

Adults & Older People –

There have been several care home / care village replacements to include Ostlers Care Village, Kirkcaldy, Lindsay House, Lumphinnans and Napier House, Glenrothes. The new inter-generational care village at Methil has recently been completed and will be followed in due course with new care homes in Cupar and Anstruther. These will continue our cross-service approach by including housing and nursery provision.

Community Asset Transfer

The council embraced the CAT legislation which has largely subsumed the Council's previous approach to discounted asset disposals to community and similar organisations. Over the course of the plan period, the council has disposed of 10 assets under the CAT process with other applications currently at various stages. In addition, considerable support continues to be given to sports clubs, community and not-for-profit organisations, with circa 200 discounted leases in place and a new Subsidised Lease Policy introduced.

Community Facilities -

Provision has included various improvements in sports and leisure facilities to include Levenmouth Swimming pool and the Adam Smith Theatre. Major new community hub proposals have been developed for Templehall, Kirkcaldy and Abbeyview, Dunfermline.

Office & Depot rationalisation –

Depot consolidation in west Fife resulted in the closure of 4 previous depots with personnel co-located in a new facility at Halbeath, Dunfermline. Since March 2017 the occupied office and depot operational space has reduced by over 15% (103,622 sqm – 87,932sqm).

Property Management –

Rental income from leased out portfolio increased from £4.15m to £5.06m. Rating appeals against the 2017 revaluation secured revenue savings of circa £8.5m.

Energy

Since 2017 energy consumption and carbon emissions from the operational estate have reduced by 5.5% and 40% respectively. The continued focus on reduction is evidenced by the development of Glenrothes Energy Network and the expansion of the Dunfermline Community Energy Scheme to serve new housing developments in the town.

Community Partners

Engagement and alignment has enabled co-location to take place with a range of partners including Social Security Scotland, Police Scotland and Fife College.

3.0 Proposals 2023 - 28

- 3.1 The annual update reports have illustrated changes in the council's portfolio over the past years and whilst significant positive change has occurred, the asset strategy seeks to address a range of opportunities and challenges.
- 3.2 Key changes anticipated include;

Reform & Recovery

We will continue to shrink the operational office estate disposing or removing surplus space. We will continue to work with our partner organisations to share and integrate service delivery.

Despite the significant reduction in the office estate in previous years, as a result of the change to blended workstyles, the corporate office estate is significantly underutilised. To address that a range of actions will be undertaken; leases terminated (e.g. New City House Dunfermline lease expiry February 2023), premises sold or, as in the case of Kingdom House, demolition. Opportunities for further rationalisation and efficiencies, will be explored over the plan period.

Education

We continue to invest in the school estate, with the existing Woodmill and St Columba's High School sites earmarked for redevelopment following the relocation of pupils and staff to the new Dunfermline Learning Campus in Autumn 2024. The new South West Fife High school, due to open in 2026, will enable the existing dated Inverkeithing High to be closed and disposed of.

Housing –

Phase 4 of the affordable housing programme will deliver new affordable homes from a variety of sources including the Fife Housing Alliance and private sector developers. The existing housing stock will also benefit from the ongoing component replacement works typically £30m pa.

Capital Receipts

One-off capital receipts from property disposals (excluding HRA transactions) of around £17m are anticipated over the 5 year plan period.

Property Revenue costs

Energy efficiency improvements, reduction in occupied space, and relocations to more modern property will all support the ambition to reduce operating costs and backlog maintenance.

Property condition and suitability

With a large and ageing property estate the objective remains to maintain the Council's operational assets in a safe and useable condition, complying with all statutory and legislative requirements within available budgetary constraints.

- 3.3 A more detailed list of activities to be implemented will be set out in the Asset Management Action Plan which also covers the 5 year period to 2028.

4.0 Challenges

- 4.1 The impact of macro-economic factors is having a significant impact on current and future operations. Inflation within the construction sector is compounded by material and labour shortages, which in turn have scope to adversely affect project timescales, affordability, and management of risk.
- 4.2 Achieving our net-zero obligations will be a significant challenge. Major investment will be required in net-zero technology to achieve a 75% reduction by 2030 and 100% by 2028. Technology will need to improve and become more affordable as will the skills and capacity of our supply chain. Significant additional investment will also be needed to improve and maintain our buildings, for which currently there is limited provision. We will also need to rely on improvements to the electricity grid to allow us to decarbonise and change the way in which we use our estate, for example in relation to energy generation and electric vehicle provision. In parallel significant investment will also be needed as we adapt and respond to the challenges of climate change, for example flooding.

5.0 Conclusions

- 5.1 The new five year strategy sets out a framework to support the continued improvement and spatial reduction in council property estate, with an improved and more fit-for-purpose asset base from which to serve our community and workforce.

List of Appendices

Appendix 1 Draft Asset Management Strategy 2023-28

Report Contact

Ross Tulloch

Asset Management Lead

Bankhead Central

Telephone: 03451 55 55 55 +

Email: ross.tulloch@fife.gov.uk

Sustaining Success

Consultation Draft 15.05.23



Property Asset Strategy



2023 – 2028

Draft

Sustaining Success

Property Asset Strategy 2023-28

Foreword

I am pleased to introduce Fife Council's property strategy for the period 2023 to 2028. This sets out the principles that will help us make decisions as we continue to invest and reshape our property estate to meet the needs of the people of Fife.

Our fundamental property strategy is well established. It is based on the principles of **improving efficiency** (doing more with less); **the effectiveness of our activities** (achieving better outcomes); and **improving leverage** through driving inclusive growth and working in partnership. It supports and aligns with the Recovery and Renewal Plan4Fife.

Recent years have seen unprecedented challenges through external factors such as the COVID-19. We have adapted to meet these challenges. However, the need to make the most effective use of our resources whilst supporting recovery to build resilient communities has never been greater.

We have consistently delivered against our strategy and the Council's priorities over the previous years. The evidence for this is in the class leading buildings and facilities we provide. From new high schools, care villages, energy efficiency projects, housing improvement, COVID-19 support, integrated community facilities, net-zero projects, sport, and recreational facilities, blended working facilities and affordable housing; these projects contribute directly to improved services and outcomes for the people of Fife and the overarching Council priority of **Community Wealth Building**.

The current challenges will require even greater flexibility and innovation. Our activities will require to be further focussed on **efficiency and effectiveness**, and on **improving leverage** to drive **inclusive growth** and help create **resilient communities**. We will be required to work in an increasingly **collaborative manner**, with partners from across the public and third sectors. However, these challenges are coupled with an exciting and diverse array of projects that will make a significant difference working in partnership with our communities.

Introduction

Property assets have traditionally been considered illiquid and fixed in nature, but the driving forces of the climate crisis, austerity and the digital revolution have combined to challenge this view.

An effective asset management strategy is a critical driver of change, it has the ability to: improve front line service delivery, deliver improved community outcomes, increase public sector collaboration, increase staff and customer satisfaction, support efficient funding solutions (including income generation and cost reduction), support economic development, and reduce property related risk, all while aligned to government and Council priorities and commitments such as Net Zero.

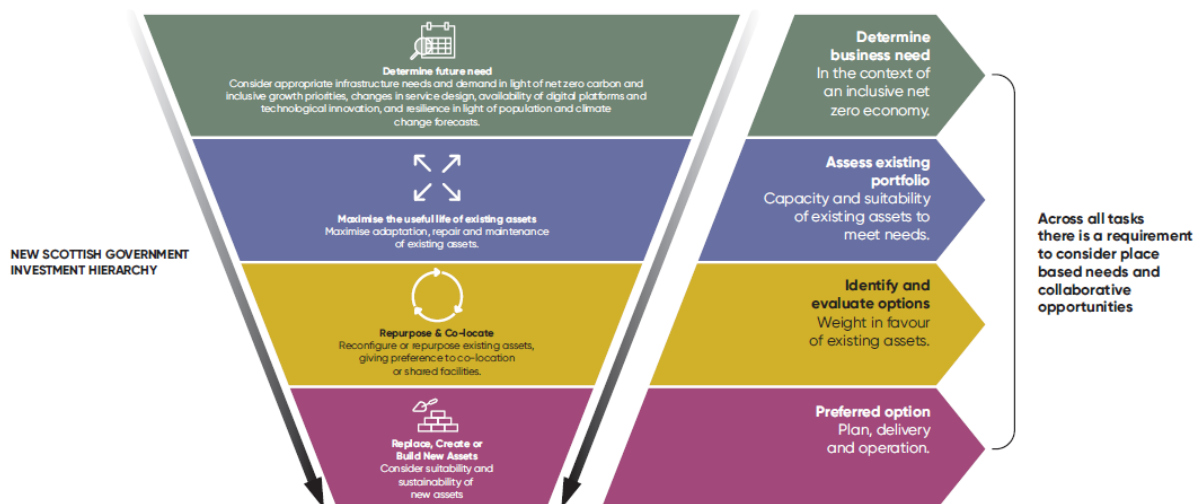
Recognising that the economic outlook is uncertain, it is more important than ever that we maximise the contribution our assets can have to the wellbeing of our communities in Fife. That will mean more and better collaboration with our local partners, the third sector and our communities as we support delivery of today's needs and plan for challenges of the future.

Our approach

Our Property Asset Strategy includes guiding principles to act as a framework for decision-making, which mirror the four stages of the Scottish Government Infrastructure Investment Plan for Scotland 2022 guidance:

- Determining future need,
- Assessing scope of existing assets to meet the need,
- Evaluating options and
- Delivery of the preferred option.

The hierarchy is illustrated below.



Our strategic approach builds on successive previous strategies and on the corresponding projects and programmes. Whilst we have achieved much in modernising our estate, improving our buildings, and providing new facilities, we still have a **large and ageing estate**.

We need to ensure a strategic approach to the **prioritisation and approval of capital investment** based on benefits, risk, revenue consequences and especially alignment with **community outcomes**.

We need to capitalise on opportunities for wider asset rationalisation and service integration with our partners, such as NHS Fife, and links to growth and place-based investment strategies such as City Deal. **Collaboration and sharing** will be fundamental to our approach, as we seek to harness our resources.

All partner services need to work together to deliver the best outcomes for Fife. **Building no wrong door** means making it easier for the community to access public and third sector services.

We will reduce our corporate property costs so that **local service delivery** can be prioritised.

The need to combat **climate change** by achieving **net-zero emissions** is central to everything we do.

The fundamental principles of our strategy remain: **improving the efficiency** of our estate (doing more with less); the **effectiveness of our activities** (achieving better outcomes); and **improving leverage** through driving inclusive growth. External challenges such as COVID-19 require even greater rate of change.

We will continue to support this through reshaping our estate:

- **Improving Stewardship** – having the right assets in place to support future needs and priorities. We also need to meet our climate change and net zero obligations.
- **Alignment with the Plan for Fife** – all our resources collaborate to meet the needs of our customers
- **One Fife Approach (No Wrong Door)** – where public assets are viewed as part of a joined-up service offering

Our property asset strategy sits within a wider context as defined in the **Plan for Fife** and the Scottish Government in its **Infrastructure Investment Plan for Scotland 2022**. The key actions to deliver our strategy are given in the **Property Asset Management Action Plan 2023 to 2028**, which is a separate document.

Plan for Fife 2021-2024

Community Wealth Building is central to the Plan for Fife. This brings together the need for a greater focus on place and for greater community involvement through three key objectives:

- **Leading economic recovery**
- **Tackling poverty and preventing crisis**
- **Addressing the climate emergency**

These align directly with the three infrastructure themes in the Infrastructure Investment Plan for Scotland 2002:

- **Driving inclusive economic growth**
- **Building resilient and sustainable places**
- **Enabling the transition to net zero emissions and environmental sustainability**



Methil Care Village (artists impression)

No Wrong Door - Our Care Village programme exemplifies our innovative approach to integrated service delivery. Methil Care Village builds on our successful previous programmes, with a partnership between Education & Children's Services, Fife Health and Social Care Partnership and Housing Services. This will provide more services within a single site by adopting an enhanced collaborative inter-generational approach. The development incorporates a central village green to provide an enhanced sense of place, combined with high quality, carbon efficient buildings.



Glenrothes Energy Network

Net-Zero – Glenrothes Energy Network (GEN) was delivered through a partnership between public and private sectors and the Scottish Government. It repurposed the heat output from the RWE Markinch Biomass Plant, to supply heat from renewables to a range of buildings including Fife House, the Rothes Halls, industrial properties, and sheltered housing.

Where are we going?

Our vision is -

A future where we use our land and property assets to deliver outcomes, empower communities and leverage economic stimulus.

This is being delivered through four design principles. These align with our approach and the objectives in the Plan for Fife.

1. A smaller network of modern, fit-for-purpose, integrated community and operational facilities that are sustainable
2. Continuing to invest in assets and facilities that support the delivery of our policy priorities, make it easier for our customers to access the services they need and add value to our communities.
3. Making it easy for our customers to access the services they need and empowering or staff to work more flexibly and efficiently in frontline service delivery and in support services
4. Incorporating new ways of working and empowering our communities



Dunfermline Learning Campus is a £250m investment in the Learning estate in Fife. The campus will create a new Learning Quarter for the City of Dunfermline and will accommodate two new secondary schools, a college campus, a university Centre and accommodation for our business and our broader communities. The campus which will open in 2024/25 is an exemplar of collaborative procurement practice, collaborative working, integrated learning, and net-zero technology

What we will deliver

Our activities fall into a number of broad groups. These are not exclusive and deliver benefits and meet objectives across multiple themes and sectors. They are driven by the Plan for Fife and the Council's Capital Plan.

Net-Zero and Energy Management

A targeted plan to allow us to meet climate change objectives and reduce energy use. Delivered through a mix of standalone and cross-sector projects. Recognising that net zero technology is still evolving, our plan will adopt a pragmatic approach to reduce our CO₂ emissions and will use a range of measures to do that. These include the use of district heating, energy efficiency measures, and tried and trusted solutions such as air source heat pumps. Net-zero is one of the key cross cutting themes that will run through all of our activities.

Building Fife's Future and Early Learning & Childcare

This programme will continue to invest in our learning estate. The centre pieces of investment are the new Dunfermline Learning Campus (see case study) and relocation of Inverkeithing HS to a new community campus to be located in Rosyth. In line with Scottish Government Funding, the programme will also include provision to meet free school meal requirements. The programme will also support housing growth in Fife and in doing so will contribute to place objectives as well as supporting the realisation of improved educational outcomes. Our investment in schools will make them more energy efficient and contribute to our-net-zero targets through the use of renewable energy systems.



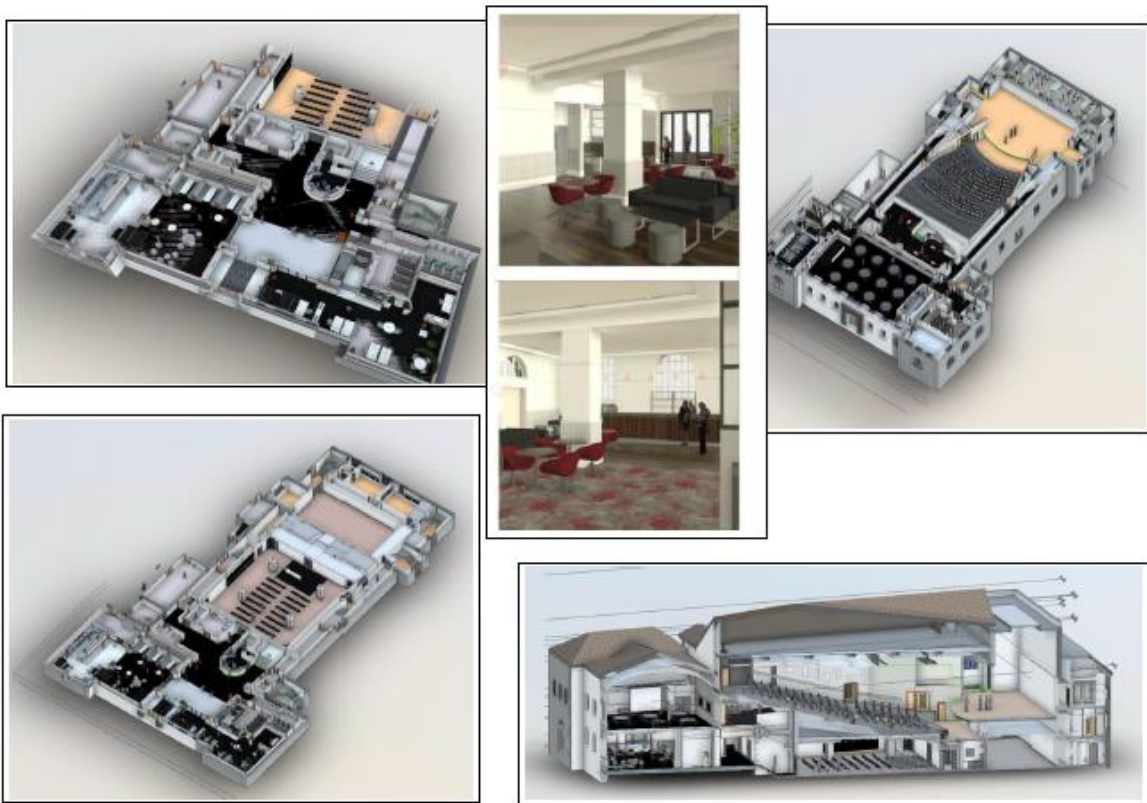
The new Madras College provides state-of-the-art learning and community facilities for 1400 pupils from St Andrews and North-East Fife. It incorporates striking architecture, with a fully integrated landscape strategy that utilises the surroundings as an educational resource. A wide range of community benefits were delivered as part of the project, including over £8m spent in the local supply chain and over £22m spent with territory micro, small and medium enterprises. 22 local people were employed on the project, with other benefits including apprenticeship and graduate employment opportunities as well as work placements.

Care Villages

We have delivered 4 new care villages over recent years and plan to invest in two further facilities which will continue the provision of class-leading new residential care facilities combined with affordable housing and community facilities.

Supporting Communities

Our new Community Hubs will support our No Wrong Door approach by providing access to a range of services. New and enhanced sport, leisure and recreational facilities contribute to improved health and wellbeing outcomes. We are involved in a wide range of community projects including Sports, Leisure and Arts facilities.



The £7.5m refurbishment of Kirkcaldy's historic Adam Smith Theatre will provide a creative hub that will serve the community across Fife for many years. The project includes full refurbishment of the main auditorium and stage facilities, new mechanical and electrical systems, and improved insulation. A Creative Digital Hub will provide community access to creative technology that is not currently available in Fife, including software and hardware for graphic design, photography, web design, advertising, marketing, film and publishing. As well as supporting the arts, health and wellbeing, the theatre will contribute to the local economy and support local enterprises.

Housing

Our Housing work involves upgrades to our existing housing stock as well as the Affordable Housing Programme (AHP). This work contributes across a wide range of our objectives including net-zero, resilience, and community wealth building. Since 2018, upgrade work to meet the Scottish Housing Quality Standard has totalled nearly £115m. We are scheduled to deliver a further £150m+ on stock upgrades over the next 5 years. Our AHP is one of the

largest in Scotland. Since 2012, the AHP has delivered 7,400 new affordable homes. Our phase 4 programme will run from 2024 to 2029 and has the potential to deliver a further 3,350 properties.

Inclusive Growth and Jobs

Fife's flagship industrial innovation investment (i3) programme is delivering new buildings and serviced sites across Fife to support our business community. The i3 programme is part of the Edinburgh and South-East Scotland City Region Deal. Our new industrial units incorporate low-carbon technology, helping address the climate emergency whilst boosting employment and helping to tackle poverty. The i3 programme will aid economic recovery and support in community wealth building, and in building resilience. Our new business units at Flemington Road in Glenrothes exemplify this approach, providing high quality, flexible business space with net-zero heating provided from Glenrothes Energy Network.



Proposed Business Units at Fife Interchange North (Artists Impression)

Reform and Recovery

Our approach to strategic asset management contributes to the Reform & Recovery agenda. Our Workstyles Programme was carried out through a collaborative, multi-service approach incorporating HR, BTS, FM and Finance and has supported the development of more efficient, blended (hybrid) working for our staff. That has allowed us (and will continue to allow us) to further reduce the amount of office accommodation that we need to support the services we provide for Fifers. As a consequence, we are more efficient which allows us to prioritise frontline service delivery. Our reconfigured offices support collaborative working and will form a platform for sharing with partner agencies.

Property Asset Management Action Plan 2023 to 2028

The key actions involved in the delivery of the property Asset Strategy are set out in the Property Asset Management Action Plan. These have been categorised under the major themes of Organisational Management, Climate Change, Management of Property, estates and Assets and Capital Investment. As the Action Plan is subject to continual review and update, it sits as a separate document. It can be accessed using the link below.

[Action Plan Link](#)

Sustaining Success

We will use our land and property assets to deliver better outcomes, empower communities and leverage economic stimulus.

We will continue to achieve this by improving:

- ⇒ **Efficiency** – doing more with less;
- ⇒ **Effectiveness** – achieving better outcomes; and,
- ⇒ **Leverage** – driving inclusive growth

Reshaping our estate can support this

- ⇒ **Improving Stewardship** – having the right assets in place to support future needs and priorities;
- ⇒ **Alignment with the Plan for Fife** – all our resources collaborate to meet the needs of our customers; and,
- ⇒ **One Fife Approach (No Wrong Door)** – where public assets are viewed as part of a joined-up service offering.

Collaboration and sharing will be fundamental to our approach as we seek to harness our resources

We will continue to ...

Develop a smaller network of modern, fit for purpose, integrated community and operational facilities that are sustainable, energy efficient and maintained to a high standard.

Further invest in assets and facilities that support the delivery of our policy priorities, make it easy for our customers to access the services they need, and add value to our communities.



Make it easy for our customers to access the services they need and empower our staff to work more flexibly and efficiently to improve frontline service delivery.

Continue to look at new ways of working and empowering our communities

24 August 2023

Agenda Item No. 6

2022/23 Revenue Monitoring Provisional Outturn – Planning Service, Business and Employability Service

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

Wards Affected: All

Purpose

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

Recommendations

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

Resource Implications

None.

Legal & Risk Implications

There are no direct legal implications arising from this report.

Impact Assessment

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

Consultation

None.

1.0 Background

- 1.1 The report summarises the provisional outturn position for 2022/23, taking into account the actual expenditure incurred, and provides an explanation of the main budget variances at section 3.
- 1.2 Section 4 of the report summarises the delivery of approved budget savings and provides an explanation of any variances to the delivery of savings target.
- 1.3 Variances occur for a number of reasons and variances in budget are not always correlated to delivery of savings targets.

2.0 Issues

2.1 Provisional Outturn

- 2.1.1 The provisional underspend for the areas falling under the scope of this committee is (£1.561m). A summary of the 2022/23 provisional out-turn for the areas under the scope of this committee is detailed in Appendix 1. This shows provisional expenditure against budget across the service headings within the Directorate. It should be noted that the balances are extracted from the ledger system and are shown as rounded thousands. This may mean that there are some rounding differences contained within the appendices, but these are immaterial values that do not impact on the overall financial position. The following paragraphs provide a brief explanation of the main areas where there are significant variances (+/-£0.250m) to budgets.

3.0 Major Variances

- 3.1 Planning underspend of (£0.319m), movement of (£0.047m)

The underspend is mainly due to part year vacancies (£0.243m) and recruitment is progressing to relieve pressure on the workforce of increased volume of Planning applications and related work. Other underspend mainly relates to over recovery of statutory fee income of (£0.085m).

- 3.2 Business & Employability underspend of (£1.080m), movement of (£0.310m)

The variance is mainly due to an underspend on Employability of as a result of focussed delivery on short term externally funded projects linked to the economic recovery from Covid-19 (£0.408m) and underspend of (£0.168m) is a contribution to accrued administrative costs from participation in various externally funded Employability programmes.

There was over recovery of income of (£0.248m) from Business Development and City Region Deal funded projects. Further underspend emerged on revenue costs of Town Centre Properties (£0.130m) and feasibility studies associated with externally funded projects of (£0.098m) which were not required.

The movement of (£0.277m) relates to aforementioned over recovery of external income and underspend on feasibility studies.

4.0 Progress on Budget Savings

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

5.0 Conclusions

- 5.1 The provisional outturn position for the areas under the scope of the Finance, Economy and Corporate Services Scrutiny Committee is a net underspend of (£1.561m) (12.65%).

List of Appendices

- 1 Provisional Outturn 2022/23 Summary

Background Papers

None

Report Contact

Ashleigh Allan
Finance Business Partner
Finance Service
Email: Ashleigh.allan@fife.gov.uk

BUDGET MONITORING REPORT SUMMARY					Appendix 1	
2022-23						
FINANCE, ECONOMY & CORPORATE SERVICES						
	CURRENT	OUTTURN 2022-			PREVIOUS	MOVEMENT FROM
ENTERPRISE & ENVIRONMENT	BUDGET	2022-	VARIANCE	VARIANCE	REPORTED	PREVIOUS
	2022-23	23	£m	%	VARIANCE	REPORTED
	£m	£m	£m		£m	£m
TOTAL COST OF SERVICES	38.940	11.321	(27.619)	-70.93%	(1.069)	(26.550)
LESS: CORPORATELY MANAGED ITEMS	26.600	0.541	(26.059)	-97.96%	0.000	(26.059)
SERVICE MANAGED NET BUDGET	12.340	10.779	(1.560)	-12.64%	(1.069)	(0.491)
<u>ANALYSIS OF SERVICE MANAGED BUDGET</u>						
EE EXECUTIVE DIRECTOR	0.569	0.407	(0.162)	-28.49%	(0.027)	(0.135)
PLANNING	1.397	1.078	(0.319)	-22.81%	(0.272)	(0.047)
BUSINESS & EMPLOYABILITY SERVICE	10.374	9.294	(1.080)	-10.41%	(0.770)	(0.310)
	12.340	10.779	(1.561)	-12.65%	(1.069)	(0.491)

24 August
Agenda Item No. 7

2022/23 Capital Monitoring Provisional Outturn – Business and Employability Service

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

Wards Affected: All

Purpose

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

Recommendation(s)

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

Resource Implications

None.

Legal & Risk Implications

None.

Impact Assessment

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

Consultation

None.

1.0 Background

- 1.1 This report summarises the provisional capital outturn for the areas falling under the scope of this Committee for 2022/23. Provisional expenditure is £8.724m, representing 86% of the approved capital programme for 2022/23.
- 1.2 Appendix 1 shows an analysis of specific projects in the current capital investment plan which have a budget greater than £1.000m and analyses total project cost rather than only in year spend.
- 1.3 Appendix 2 details the provisional expenditure against budget for each project, along with any associated income.

2.0 Issues, Achievements & Financial Performance

2.1 Key Issues / Risks

- 2.1.1 Appendix 1 details the total cost forecast position for all capital projects within the areas under the scope of the Committee with an overall value of £1.000m and over. The key risks associated with the major projects are noted below.
- 2.1.2 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.

2.3 Financial Performance – 2022/23 Provisional Outturn

- 2.3.1 Appendix 2 provides a summary of the provisional outturn for each project for the financial year 2022/23. The appendix shows a provisional outturn of £8.724m against a Capital Investment plan of £10.116m, a spending level of 86%. The variance of (£1.392m) is mainly 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 provisional outturn for each project for the financial year 2022/23 for capital income. The appendix shows a provisional outturn of £7.783m against a capital income budget of £7.954m.
- 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 Regeneration Town Centres – slippage of (£0.982m)

Town Centre Regeneration project for monument at Volunteers Green, Kirkcaldy has slipped by £0.180m to 2023-24 as priority is placed on delivering Phase 3 of Kirkcaldy waterfront improvements. There has also been delay in Inverkeithing Heritage Regeneration projects of £0.464m due to complex tenders at these sites and the resulting external funder approvals process. Slippage at Dunfermline's city centre Gap Site development of £0.196m where the project was held pending external funding decision. Externally funded improvements at Cowdenbeath Town House are currently on hold pending decision on future use of the building, resulting in slippage of £0.097m.

2.4.2 Place Based Investment Programme – advancement of £0.573m

Advancement was made in several projects funded by Place Based Investment. Mobilisation of works of £0.101m was advanced at St Margaret's House enabled by additional external funding, Esplanade Phase 3 was prioritised at Kirkcaldy in preparation for works at Volunteers Green advancing expenditure on this project by £0.188m. There was also significant advancement of £0.283m at Glenrothes Bus Station and Kino due to favourable weather conditions allowing good progress.

2.4.3 Industrial Investment Programme – slippage of (£0.819m)

This variance is mainly due to delays in retendering the design of the Glenrothes Flemington Road project resulting in slippage of £0.622m. The Council is now taking control of procuring delivery of the project rather than the third party landowner. We have appointed Hub East Scotland in this respect who have appointed the design team and nominated contractor. A site acquisition at Dalgety Bay will now take place in 2023-24 resulting in slippage of £0.232m and there has been underspend at Lochgelly of £0.270m where full contingency was not required. Further slippage has emerged at John Smith Business Park of £0.105m as further design work is required. This has been offset by advancement of the construction of Levenmouth Business Units of £0.397m, to maximise grant funding available in this financial year.

3.0 Conclusions

- 3.1 The total 2022/23 approved programme for the areas in scope of the Finance, Economy and Corporate Services Scrutiny Committee is £10.116m. The Provisional level of expenditure is £8.724m, which represents 86% of the total programme, resulting in slippage of (£1.392m).
- 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

Ashleigh Allan
Finance Business Partner
Finance Service
Email: ashleigh.allan@fife.gov.uk

FIFE COUNCIL
 FINANCE, ECONOMY AND CORPORATE SERVICES SCRUTINY COMMITTEE
 ENTERPRISE AND ENVIRONMENT - BUSINESS AND EMPLOYABILITY SERVICE
 CAPITAL INVESTMENT PLAN 2021-31
 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	11.068	11.068	-	0.00%	Current Project	2024-25
John Smith Business Park Business Units	Inclusive Growth and Jobs	3.644	5.517	5.517	-	0.00%	Current Project	2026-27
Total Major Projects over £5.000m		11.774	16.585	16.585	-	0.00%		
Levenmouth Business Units - Phase 1	Inclusive Growth and Jobs	1.602	1.736	1.736	-	0.00%	Current Project	2023-24
Inverkeithing Built Heritage	Inclusive Growth and Jobs	1.176	1.485	1.485	-	0.00%	Current Project	2023-24
Queensway Development Site	Inclusive Growth and Jobs	2.113	3.376	3.376	-	0.00%	Current Project	2023-24
Dunnikier Business Units	Inclusive Growth and Jobs	2.140	2.268	2.268	-	0.00%	Complete	2022-23
Queensway Refurbishment	Inclusive Growth and Jobs	1.380	2.000	2.000	-	0.00%	Current Project	2024.25
Fife Interchange North Site Servicing	Inclusive Growth and Jobs	3.046	1.453	1.453	-	0.00%	Current Project	2023-24
Levenmouth Business Units - Phase 2	Inclusive Growth and Jobs	2.898	4.135	4.135	-	0.00%	Current Project	2025-26
Dalgety Bay Business Units - Phase 2	Inclusive Growth and Jobs	2.853	4.410	4.410	-	0.00%	Current Project	2023-24
Kirkcaldy Esplanade Phase 3	Inclusive Growth and Jobs	1.500	1.843	1.843	-	0.00%	Current Project	2023-24
Total Major Projects over £1.000m		18.708	22.707	22.707	-	0.00%		
Total Major Projects		30.482	39.292	39.292	-	0.00%		

FIFE COUNCIL
 FINANCE, ECONOMY AND CORPORATE SERVICES SCRUTINY COMMITTEE
 ENTERPRISE AND ENVIRONMENT - BUSINESS AND EMPLOYABILITY SERVICE
 CAPITAL INVESTMENT PLAN 2021-31
 MONITORING REPORT 2022-23

Appendix 2

Expenditure	Current Budget £m	Actual to Date £m	Provisional Outturn £m	Provisional Variance £m	Provisional Outturn as % of Plan
Regeneration - Town Centres	1.338	0.356	0.356	(0.982)	27%
Business Premises Refurbishment Programme	0.407	0.255	0.255	(0.152)	63%
Growing the Economy	0.719	0.709	0.709	(0.010)	99%
Place Based Investment Programme	1.621	2.194	2.194	0.573	135%
Vacant/Derelict Land	0.072	0.070	0.070	(0.002)	97%
Industrial Investment Programme	5.959	5.140	5.140	(0.819)	86%
TOTAL BUSINESS & EMPLOYABILITY SERVICE	10.116	8.724	8.724	(1.392)	86%
TOTAL EXPENDITURE	10.116	8.724	8.724	(1.392)	86%

Income	Current Budget £m	Actual to Date £m	Provisional Outturn £m	Provisional Variance £m	Provisional Outturn as % of Plan
Regeneration - Town Centres	(1.357)	(1.329)	(1.329)	0.028	98%
Growing the Economy	(0.257)	(0.441)	(0.441)	(0.184)	0%
Place Based Investment Programme	(2.011)	(2.011)	(2.011)	-	0%
Vacant/Derelict Land	(0.022)	(0.022)	(0.022)	-	100%
Industrial Investment Programme	(4.306)	(3.980)	(3.980)	0.326	92%
TOTAL BUSINESS & EMPLOYABILITY SERVICE	(7.954)	(7.783)	(7.783)	0.170	98%
TOTAL INCOME	(7.954)	(7.783)	(7.783)	0.170	98%

24 August 2023

Agenda Item No. 8

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

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

Wards Affected: All

Purpose

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

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

Resource Implications

None.

Legal & Risk Implications

There are no direct legal implications arising from this report.

Impact Assessment

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

Consultation

None.

1.0 Background

- 1.1 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 June 2023. This is the first 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

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

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

4.0 Conclusions

- 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
Email: Ashleigh.allan@fife.gov.uk

BUDGET MONITORING REPORT SUMMARY

June 2023

FINANCE, ECONOMY & CORPORATE SERVICES

ENTERPRISE & ENVIRONMENT	CURRENT BUDGET 2023-24 £m	FORECAST 2023-24 £m	VARIANCE £m	VARIANCE %
TOTAL COST OF SERVICES	31.830	31.830	0.000	0.00%
LESS: CORPORATELY MANAGED ITEMS	23.808	23.808	0.000	0.00%
SERVICE MANAGED NET BUDGET	8.022	8.022	(0.000)	-0.00%
<u>ANALYSIS OF SERVICE MANAGED BUDGET</u>				
EE EXECUTIVE DIRECTOR	0.752	0.752	0.000	0.00%
PLANNING	1.209	1.209	0.000	0.00%
BUSINESS & EMPLOYABILITY SERVICE	6.062	6.062	0.000	0.00%
	8.022	8.022	0.000	0.00%

24 August 2023

Agenda Item No. 9

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

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

Ken Gourlay, Chief Executive

Wards Affected: All

Purpose

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

Recommendation(s)

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

Resource Implications

None.

Legal & Risk Implications

None.

Impact Assessment

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

Consultation

None.

1.0 Background

- 1.1 This report summarises the projected capital outturn for the areas falling under the scope of this Committee for 2023/24. Projected expenditure is £12.752m, representing 95% 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

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 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.

2.3 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 £12.752m against a Capital Investment plan of £13.414m, a spending level of 95%. The variance of (£0.662m) is mainly 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 £10.078m against a capital income budget of £10.519m.
- 2.3.3 There are currently no significant variances (+/-£0.500m) to report.

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

3.0 Conclusions

- 3.1 The total 2023/24 approved programme for the areas in scope of the Finance, Economy and Corporate Services Scrutiny Committee is £13.414m. The projected level of expenditure is £12.752m, which represents 95% of the total programme, resulting in slippage of (£0.662m).
- 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

Ashleigh Allan
Finance Business Partner
Finance Service
Email: ashleigh.allan@fife.gov.uk

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
Total Major Projects over £5.000m		11.774	17.035	17.035	-	0.00%		
Queensway Refurbishment	Inclusive Growth and Jobs	1.380	2.451	2.451	-	0.00%	Current Project	2024.25
Levenmouth Business Units - Phase 1	Inclusive Growth and Jobs	1.602	2.959	2.959	-	0.00%	Current Project	2023-24
Queensway Development Site	Inclusive Growth and Jobs	2.113	3.399	3.399	-	0.00%	Current Project	2023-24
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
Dalgety Bay Business Units - Phase 2	Inclusive Growth and Jobs	2.853	3.980	3.980	-	0.00%	Current Project	2023-24
Kirkcaldy Flexible Business Premises	Inclusive Growth and Jobs	1.686	1.686	1.686	-	0.00%	Future Project	2028-29
SE Joint Venutire - Calais Muir	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
Kirkcaldy Esplanade Phase 3	Thriving Places	1.500	1.502	1.502	-	0.00%	Current Project	2023-24
Total Major Projects over £1.000m		19.392	22.929	22.929	-	0.00%		
Total Major Projects		31.166	39.964	39.964	-	0.00%		

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

Expenditure	Current Budget £m	Actual to Date £m	Total Outturn £m	Variance £m	Outturn as % of Plan
Regeneration - Town Centres	1.783	0.346	1.609	(0.173)	90%
Regeneration - Other	0.123	-	0.123	-	100%
Business Premises Refurbishment Programme	0.479	0.007	0.550	0.072	115%
Growing the Economy	0.204	0.150	0.273	0.069	134%
Place Based Investment Programme	1.863	0.300	1.606	(0.256)	86%
Business Property Portfolio	0.128	-	0.128	-	100%
Site Servicing Rolling Programme	0.280	-	0.180	(0.100)	64%
Vacant/Derelict Land	0.010	0.011	0.010	-	100%
Industrial Investment Programme	8.545	1.604	8.273	(0.272)	97%
TOTAL BUSINESS & EMPLOYABILITY SERVICE	13.414	2.418	12.752	(0.662)	95%
TOTAL EXPENDITURE	13.414	2.418	12.752	(0.662)	95%

Income	Current Budget £m	Actual to Date £m	Total Outturn £m	Variance £m	Outturn as % of Plan
Regeneration - Town Centres	(0.787)	(0.001)	(0.759)	0.029	96%
Growing the Economy	0.204	0.354	0.204	-	0%
Place Based Investment Programme	(2.282)	(1.915)	(2.053)	0.229	0%
Industrial Investment Programme	(7.654)	0.002	(7.471)	0.183	98%
TOTAL BUSINESS & EMPLOYABILITY SERVICE	(10.519)	(1.560)	(10.078)	0.441	96%
TOTAL INCOME	(10.519)	(1.560)	(10.078)	0.441	96%

24th August 2023

Agenda Item No. 10

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

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

Wards Affected: All

Purpose

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

Recommendations

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

Resource Implications

None.

Legal & Risk Implications

There are no direct legal implications arising from this report.

Impact Assessment

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

Consultation

None.

1.0 Background

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

2.0 Issues

2.1 Provisional Outturn

2.1.1 Based on current information for the Finance and Corporate Services Directorate, of a service managed net expenditure budget of £51.583m the position across all Services is actual expenditure of £50.951m resulting in a provisional underspend of (£0.632m) (1.23%). This provisional outturn includes COVID-19 financial pressures of £0.473m.

2.1.2 Also, within the Finance and Corporate Services Directorate, there is a net expenditure budget of £4.605m for Benefits & Council Tax and Miscellaneous Services which is showing a provisional underspend of £1.106m (24.01%). 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 £4.605m there is an expenditure budget of £84.111m, mainly for Housing Benefit (HB) payments, and income targets of (£82.124m) which includes the corresponding HB subsidy claim and the eligible HB Administration Fee. Therefore, the provisional underspend (£1.106m) is 1.31 % of the gross expenditure budget.

2.1.3 Appendix 1 shows actual 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 actual expenditure and income across service managed budgets.

2.1.4 The Policy and Co-ordination Committee has previously instructed Services to contain expenditure within the approved budget provision and noted that Executive Directors were actively considering the corrective action that required to be taken to eliminate overspends in their area of responsibility.

3.0 Major Variances

3.1 Directorate position – Variance (£1.738m) underspend, movement (£0.678m)

3.1.1 Directorate Service Managed position (£0.632m) overspend, movement (£0.734m)

Revenue and Commercial Services have a provisional underspend of (£0.794m), which mainly relates to staffing vacancies and an increase of income from HRA. Business Support are currently facing some significant challenges in the employment marketplace which has resulted in difficulties recruiting staff. Business Technology Solutions (BTS) have a provisional overspend of £0.247m which is mainly due to the

delayed delivery of previously agreed savings. There has been an increased demand on BTS and therefore a decision was made not to advance the planned reduction in staff. This was linked to the agreement of the new ICT Investment Strategy to allow new technology to be implemented across the Council. There is also a provisional underspend of (£0.204m) in the Audit and Risk Management Service. This is due to non-filling of vacancies pending a restructure of the Service.

Included in the provisional outturn, there are COVID-19 pressures in relation to home and remote working £0.165m, additional staffing resources £0.185m and delayed delivery of previously agreed savings £0.123m. COVID-19 pressures are being funded corporately on a temporary basis from balances. Actions are being taken within Services to address the future financial impact of the delayed savings.

The movement is mainly due to an increase in staff turnover across the Directorate and an increase in income from HRA.

3.1.2 Housing Benefits (£1.077m) underspend, movement £0.084m

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

4.0 Progress on Budget Savings

4.1 Appendix 2 provides details of revenue budget savings for the areas falling under the scope of the Finance and Corporate Services Directorate, detailing achievements against the current year approved budget savings. The appendix details:

- the 3 year budget period for which the savings were approved
- the title of each saving
- the savings target relevant to the current financial year
- the value of saving forecast as deliverable for the financial year
- a Red/Amber/Green Status for each saving
- details of any substitute savings

4.2 All savings have been categorised using a Red/Amber/Green status and these are described as follows:

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

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

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

4.3 Where a saving is no longer deliverable in the current year it is expected that substitute savings are identified to ensure that costs remain within budget overall. Where this is the case, the original saving will be categorised red or amber and a substitute saving will be identified. The substitute saving will be categorised as green and identified in the tracker as a substitute.

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

5.0 Conclusions

- 5.1 The provisional outturn position for the service managed budget within the Finance and Corporate Services Directorate is a net underspend of (£0.632m) (1.23%), which includes COVID-19 financial pressures of £0.473m. The provisional outturn position for Benefits & Council Tax and Miscellaneous Services is a net underspend of £1.106m (24.01%).

List of Appendices

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

Background Papers

None

Report Contact

Tracy Hirst
Finance Business Partner
Finance Service
Fife House
North Street
Glenrothes

Email: Tracy.Hirst@fife.gov.uk

BUDGET MONITORING REPORT SUMMARY 2022-23 FINANCE, ECONOMY & CORPORATE SERVICES					Appendix 1	
FINANCE AND COPORATE SERVICES	CURRENT BUDGET 2022-23 £m	OUTTURN 2022- 23 £m	VARIANCE £m	VARIANCE %	PREVIOUS REPORTED VARIANCE £m	MOVEMENT FROM PREVIOUS REPORTED VARIANCE £m
TOTAL COST OF SERVICES	78.200	68.382	(9.818)	-12.55%	(1.059)	(8.758)
LESS: CORPORATELY MANAGED ITEMS	22.011	13.931	(8.080)	-36.71%	0.000	(8.080)
SERVICE MANAGED NET BUDGET	56.189	54.451	(1.738)	-3.09%	(1.059)	(0.678)
<u>ANALYSIS OF SERVICE MANAGED BUDGET</u>						
FINANCE & CORPORATE SERVICES MANAGEMENT	1.560	1.652	0.092	5.87%	0.102	(0.011)
ASSESSORS SERVICE	1.875	1.809	(0.066)	-3.54%	(0.041)	(0.025)
FINANCE	2.879	2.859	(0.019)	-0.68%	(0.028)	0.009
AUDIT & RISK MANAGEMENT SERVICE	0.832	0.628	(0.204)	-24.57%	(0.106)	(0.098)
REVENUE & COMMERCIAL SERVICES	15.940	15.146	(0.794)	-4.98%	(0.545)	(0.249)
HUMAN RESOURCES	5.840	5.900	0.060	1.03%	0.159	(0.099)
BUSINESS TECHNOLOGY SOLUTIONS	17.963	18.210	0.247	1.37%	0.397	(0.150)
LEGAL & DEMOCRATIC SERVICES	4.694	4.748	0.053	1.14%	0.166	(0.113)
	51.583	50.951	(0.632)	-1.23%	0.102	(0.734)
BENEFITS & COUNCIL TAX	1.986	0.909	(1.077)	-54.24%	(1.162)	0.084
MISCELLANEOUS SERVICES	2.619	2.590	(0.029)	-1.09%	0.000	(0.029)
	4.605	3.499	(1.106)	-24.01%	(1.162)	0.056
FINANCE AND CORPORATE SERVICES	56.189	54.450	(1.738)	-3.09%	(1.059)	(0.679)

FIFE COUNCIL
TRACKING APPROVED 2022-23 SAVINGS
FINANCE & CORPORATE SERVICES
MARCH 2023

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

Rag Status Key:-

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

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

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

Summary			
Rag Status	Savings Target £m	Forecast £m	(Under)/ Over £m
Green	0.040	0.040	0.000
Amber	0.000	0.000	0.000
Red	0.000	0.000	0.000
Total	0.040	0.040	0.000

24th August 2023

Agenda Item No. 11

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

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

Wards Affected: All

Purpose

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

Recommendation(s)

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

Resource Implications

None.

Legal & Risk Implications

None.

Impact Assessment

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

Consultation

None.

1.0 Background

- 1.1 Based on current information, this report summarises the provisional capital outturn for the Finance and Corporate Services Directorate for 2022/23. At this stage, the actual expenditure is £6.859m against a budget of £5.611m, representing 122% of the approved capital programme for 2022/23.
- 1.2 Appendix 1 shows an analysis of specific projects in the current capital investment plan which have a budget greater than £1m and analyses total project cost rather than only in year spend.
- 1.3 Appendix 2 details the actual expenditure against budget for each project. A brief explanation of any significant variances is provided at section 2 within this report.

2.0 Issues, Achievements & Financial Performance

2.1 Key Issues / Risks

- 2.1.1 Appendix 1 details the total cost forecast position for all capital projects within the Finance and Corporate Services Directorate with an overall value of £1m and over. The key risks associated with the major projects are noted below.
- 2.1.2 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 £7.308m over the life of the project. The projected spend for this project is on budget.

2.3 Financial Performance – 2022/23 Provisional Outturn

- 2.3.1 Appendix 2 provides a summary of the provisional outturn for each project for the financial year 2022/23.
- 2.3.2 Slippage is the term used to describe projects that are expected to spend less than the budget allocation in a particular year due to a delay in timing on the delivery of the project. This is not uncommon in the capital programme and the reasons for this can be wide and varied. Advancement is the term used to describe projects that are expected to spend more than the budget allocation in a particular year due to an acceleration of the budget from future years.

- 2.3.3 There has been an advancement of spend within the Education ICT Programme of £1.314m, which mainly relates to the refresh of technology across the Primary School estate.
- 2.3.4 Within the Corporate ICT Programme there has been an advancement of spend of £0.255m for the Local Area Network (LAN) project. The profile of spend was based on the longer lead times, but the reduction in these lead times has now resulted in the advancement of expenditure on the LAN project. This advancement is offset by slippage of (£0.322m) which mainly relates to the Device Refresh Programme. Priority has been given to the procurement of the relevant IT devices for the Workstyles Project, therefore the normal refresh programme has been delayed.

3.0 Conclusions

- 3.1 The total 2022/23 approved programme for the Finance and Corporate Services Directorate is £5.611m, with an actual level of expenditure of £6.859m. The provisional outturn is greater than the capital budget due to the advancement of some projects within the capital programme.
- 3.2 The management of capital resources require us to look across financial years, as well as within individual years. The current year performance is only a snapshot of the existing plan, and the Directorate will adjust expenditure levels within future years of the plan to accommodate the advancement or slippage of projects.

List of Appendices

1. Total Cost Monitor
2. Capital Monitoring Report

Report Contact

Tracy Hirst
Finance Business Partner
Finance Service
Fife House
North Street
Glenrothes

Email: Tracy.Hirst@fife.gov.uk

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

Project	Service	Original Approved Budget £m	Current Project Budget £m	Total Outturn £m	Variance £m	Variance %	Current Project Status	Expected Project Completion Date
Local Area Network	Maintaining Our Assets		7.308	7.308	-	0.00%	Current Project	2022-23
Total Major Projects over £5.000m		-	7.308	7.308	-	0.00%		

**FIFE COUNCIL
FINANCE, ECONOMY AND CORPORATE SERVICES SCRUTINY COMMITTEE
FINANCE & CORPORATE SERVICES
CAPITAL INVESTMENT PLAN 2021-31
MONITORING REPORT 2022-23**

Appendix 2

Expenditure	Current Budget £m	Actual to Date £m	Total Outturn £m	Variance £m	Outturn as % of Plan
ICT Programme	1.979	3.293	3.293	1.314	166%
BTS Capital	2.000	2.255	2.255	0.255	113%
BTS Rolling Programme	1.632	1.311	1.311	(0.322)	80%
TOTAL FINANCE & CORPORATE SERVICES	5.611	6.859	6.859	1.247	122%
TOTAL EXPENDITURE	5.611	6.859	6.859	1.247	122%

24th August 2023

Agenda Item No. 12

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

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

Wards Affected: All

Purpose

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

Recommendations

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

Resource Implications

None.

Legal & Risk Implications

There are no direct legal implications arising from this report.

Impact Assessment

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

Consultation

None.

1.0 Background

- 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 first 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

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 £52.540m the position across all Services is a projected expenditure of £53.050m resulting in a projected net overspend of £0.510m (0.97%). This projected overspend includes COVID-19 financial pressures of £0.335m.

- 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 a breakeven position. 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 £88.352m, mainly for Housing Benefit (HB) payments and Empty Property Relief, and income targets of (£81.724m) 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

3.1 Directorate position – Variance £0.510m overspend

3.1.1 Directorate Service Managed position £0.510m overspend

Within the projected overspend there are COVID-19 pressures of £0.335m, which is in relation to home and remote working and additional staffing resources. The remaining projected overspend of £0.175m relates to additional support for IT projects.

4.0 Conclusions

- 4.1 The projected outturn position for the service managed budget within the Finance and Corporate Services Directorate is a net overspend of £0.510m (0.97%), which includes COVID-19 financial pressures of £0.335m. Benefits & Council Tax and Miscellaneous Services are projecting a breakeven position.

List of Appendices

- 1 Projected Outturn 2023/24 Summary

Background Papers

None

Report Contact

Tracy Hirst
Finance Business Partner
Finance Service
Fife House
North Street
Glenrothes

Email: Tracy.Hirst@fife.gov.uk

BUDGET MONITORING REPORT SUMMARY
FINANCE, ECONOMY & CORPORATE SERVICES

Appendix 1

	CURRENT BUDGET FORECAST 2023-		VARIANCE	VARIANCE
FINANCE AND COPORATE SERVICES	2023-24	24		
	£m	£m	£m	%
TOTAL COST OF SERVICES	70.463	70.973	0.510	0.72%
LESS: CORPORATELY MANAGED ITEMS	11.109	11.109	0.000	0.00%
SERVICE MANAGED NET BUDGET	59.354	59.864	0.510	0.86%
<u>ANALYSIS OF SERVICE MANAGED BUDGET</u>				
FINANCE & CORPORATE SERVICES MANAGEMENT	1.584	1.584	0.000	0.00%
ASSESSORS SERVICE	1.980	2.032	0.052	2.63%
FINANCE	3.671	3.671	0.000	0.00%
REVENUE & COMMERCIAL SERVICES	15.858	15.858	0.000	0.00%
HUMAN RESOURCES	6.771	7.021	0.250	3.69%
BUSINESS TECHNOLOGY SOLUTIONS	18.546	18.754	0.208	1.12%
LEGAL & DEMOCRATIC SERVICES	4.131	4.131	0.000	0.00%
	52.540	53.050	0.510	0.97%
BENEFITS & COUNCIL TAX	6.628	6.628	0.000	0.00%
MISCELLANEOUS SERVICES	0.186	0.186	0.000	0.00%
	6.814	6.814	0.000	0.00%
FINANCE AND CORPORATE SERVICES	59.354	59.864	0.510	0.86%

24 August 2023

Agenda Item No. 13

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

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

Wards Affected: All

Purpose

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

Recommendation(s)

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

Resource Implications

None.

Legal & Risk Implications

None.

Impact Assessment

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

Consultation

None.

1.0 Background

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

2.0 Issues, Achievements & Financial Performance

2.1 Key Issues / Risks

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

3.0 Conclusions

3.1 The total 2023/24 approved programme for the Finance and Corporate Services Directorate is £3.069m, and it is forecast that this will be fully spent.

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

Tracy Hirst
Finance Business Partner
Finance Service
Fife House
North Street
Glenrothes

Email: Tracy.Hirst@fife.gov.uk

FIFE COUNCIL
 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 £m	Current Project Budget £m	Total Outturn £m	Variance £m	Variance %	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
Total Major Projects over £5.000m		7.200	7.314	7.314	-	0.00%		

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

Appendix 2

Expenditure	Current Budget £m	Actual to Date £m	Total Outturn £m	Variance £m	Outturn as % of Plan
ICT Programme	1.592	0.829	1.592	-	100%
BTS Capital	1.000	0.132	1.000	-	100%
BTS Rolling Programme	0.478	(0.009)	0.478	-	100%
TOTAL FINANCE & CORPORATE SERVICES	3.069	0.953	3.069	-	100%
TOTAL EXPENDITURE	3.069	0.953	3.069	-	100%

24 August, 2023

Agenda Item No. 14

Finance, Economy and Corporate Services Scrutiny Committee Workplan

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

Wards Affected: All

Purpose

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

Recommendation(s)

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

Resource Implications

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

Legal & Risk Implications

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

Impact Assessment

None required for this paper.

Consultation

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

1.0 Background

- 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

- 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

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

Helena Couperwhite
Committee Services Manager
Telephone: 03451 555555 Ext. No. 441096
Email- helena.couperwhite@fife.gov.uk

Finance, Economy and Corporate Services Scrutiny Committee of 26 October 2023			
Title	Service(s)	Contact(s)	Comments
Annual Report - Bad Debts	Finance and Corporate Services, Housing Services	Les Robertson, John Mills	
Annual Report - Enterprise and Environment Directorate: Planning Services Performance Report	Enterprise and Environment	Pam Ewen	
Annual Report - Health and Safety Performance Report	Human Resources	Barbara Cooper	
Steps to promote Dunfermline as an Economic Destination using City Status	Business and Employability	Gordon Mole	
Council's Preparedness to deal with issues around ransomware	Business Technology Solutions	Charlie Anderson	
2023/24 Revenue Monitoring Projected Outturn – Planning Service, Business and Employability Service	Finance and Corporate Services	Ashleigh Allan	
2023/24 Capital Monitoring Projected Outturn – 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	

Agenda Item No. 14

Finance, Economy and Corporate Services Scrutiny Committee of 25 January 2024			
Title	Service(s)	Contact(s)	Comments
Annual Report - Finance and Corporate Services Directorate Performance Report	Finance and Corporate Services	Eileen Rowand	
Annual Report - Business Gateway Fife Annual Performance Report	Business and Employability	Pamela Stevenson	
Annual Report - Procurement Performance Report	Finance and Corporate Services	Caroline Macdonald	
Annual Report - Business and Employability: Service Performance Report	Business and Employability	Peter Corbett	
Forth Green Freeport	Business and Employability	Gordon Mole	
Ethics & Fair Tax in Fife Council Procurement	Finance and Corporate Services	Caroline Macdonald	
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	

Finance, Economy and Corporate Services Scrutiny Committee of 18 April 2024			
Title	Service(s)	Contact(s)	Comments
Annual Report - Edinburgh and South East Scotland City Region Deal	Business and Employability	Morag Millar	Annual Report
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	
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	

Finance, Economy and Corporate Services Scrutiny Committee of 13 June 2024			
Title	Service(s)	Contact(s)	Comments
Minute			
Finance, Economy & Corporate Services Forward Work Programme			

Unallocated			
Title	Service(s)	Contact(s)	Comments
Security of Vacant Property	Assets, Transportation and Environment	Michael Ogorman	