

Policy and Co-ordination Committee

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



Thursday, 14th April, 2022 - 10.00 a.m.

AGENDA

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- | | |
|--|---------|
| 1. APOLOGIES FOR ABSENCE | |
| 2. DECLARATIONS OF INTEREST – In terms of Section 5 of the Code of Conduct, members of the Committee are asked to declare any interest in particular items on the agenda and the nature of the interest(s) at this stage. | |
| 3. MINUTES | |
| (i) Policy and Co-ordination Committee of 3rd March, 2022. | 5 – 8 |
| (ii) The following Committee minutes are submitted:- | |
| • Education and Children's Services Sub-Committee of 1st March, 2022 (for noting). | 9 – 17 |
| • Economy, Tourism, Strategic Planning and Transportation Sub-Committee of 17th March, 2022 (for noting). | 18 – 22 |
| • East Fife Education Trust Committee of 28th March, 2022 (for approval). | 23 – 26 |
| • West Fife Education Trust Committee of 28th March, 2022 (for approval). | 27 - 33 |
| 4. SCOTTISH GOVERNMENT PLACE BASED INVESTMENT PROGRAMME FUNDING - PROPOSED FIFE PROJECTS 2022/23 – Report by the Head of Business and Employability Services. | 34 – 44 |
| 5. ADAM SMITH REFURBISHMENT AND ENHANCEMENT PROGRAMME – Report by the Executive Director (Communities). | 45 – 71 |
| 6. COMMUNITY WEALTH BUILDING – FIFE ANCHOR CHARTER – Report by the Head of Business and Employability Services. | 72 – 80 |
| 7. TACKLING POVERTY IN FIFE – HOUSEHOLD AND HARDSHIP SUPPORT – Report by the Executive Director (Communities). | 81 – 85 |
| 8. LOCAL AUTHORITY COVID ECONOMIC RECOVERY FUND (LACER) PROPOSALS – Report by the Executive Director (Communities). | 86 – 91 |
| 9. LICENSING OF SHORT-TERM LETS – Report by the Head of Legal and Democratic Services. | 92 – 97 |
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10. HOUSES IN MULTIPLE OCCUPATION (HMO): REVIEW OF CHARGING STRUCTURE AND FEES – Joint report by the Head of Housing Services and Head of Protective Services.	98 – 104
11. MINUTE OF AGREEMENT WITH VISITSCOTLAND – Report by the Head of Business and Employability Services.	105 – 118
12. COMMON GOOD POLICY AND PROCEDURES – Report by the Head of Communities and Neighbourhoods Service.	119 – 125
13. TREASURY MANAGEMENT AND INVESTMENT STRATEGIES 2022-25 – Report by the Executive Director (Finance and Corporate Services).	126 – 152
14. PUBLIC REPORT - BUILDING FIFE'S FUTURE: DUNFERMLINE LEARNING CAMPUS – UPDATE – Joint report by the Executive Director (Education and Children's Services) and the Executive Director (Finance & Corporate Services).	153 – 172
15. PUBLIC REPORT - TOWN CENTRE HOUSING APPROACH – Joint report by the Head of Business and Employability Services and the Head of Housing Services.	173 – 184

ITEMS LIKELY TO BE CONSIDERED IN PRIVATE

The Committee is asked to resolve, under Section 50(a)(4) of the Local Government (Scotland) Act 1973, as amended, to exclude the public and press from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in paragraphs 8 and 9 of Part 1 of schedule 7A of the Act.

16. PRIVATE REPORT - NORTHERN LINK ROAD - EAST END – Joint report by the Head of Assets, Transportation and Environment and Head of Planning Services.	185 – 208
17. PRIVATE REPORT - BUILDING FIFE'S FUTURE: DUNFERMLINE LEARNING CAMPUS – UPDATE – Joint report by the Executive Director (Education and Children's Services) and the Executive Director (Finance & Corporate Services).	209 – 220
18. PRIVATE REPORT - TOWN CENTRE HOUSING APPROACH – Joint report by the Head of Business and Employability Services and the Head of Housing Services.	221 – 232

<p>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.</p>

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

Fife House
North Street
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7th April, 2022.

If telephoning, please ask for:

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

3rd March, 2022.

10.00 a.m. – 11.30 a.m.

PRESENT: Councillors David Ross (Convener), David Alexander, Lesley Backhouse (substituting for Fay Sinclair), David Barratt, John Beare, Tim Brett, Altany Craik, Dave Dempsey, Linda Erskine, Derek Glen (substituting for Craig Walker), David Graham, Judy Hamilton, Andy Heer, Helen Law, Carol Lindsay, Donald Lothian, Mino Manekshaw, Karen Marjoram, Tony Miklinski and Ross Vettraino.

ATTENDING: Steve Grimmond, Chief Executive; Eileen Rowand, Executive Director (Finance and Corporate Services), Elaine Muir, Head of Finance, Lindsay Thomson, Head of Legal and Democratic Services, Helena Couperwhite, Manager (Committee Services) and Michelle McDermott, Committee Officer, Legal and Democratic Services, Finance and Corporate Services; Gordon Mole, Head of Business and Employability Services and Adam Dunkerley, Opportunities Fife Partnership Manager, Business and Employability Services; Paul Vaughan, Head of Communities and Neighbourhoods Service, Andrew Gallacher, Community Manager (Dunfermline) and Andy Maclellan, Community Projects Team Manager, Communities and Neighbourhoods Service.

APOLOGY FOR ABSENCE: Councillor Linda Holt.

Prior to commencement of formal business, the Convener gave a brief statement on the current events unfolding in Ukraine as a result of the Russian invasion stating that we were witnessing an evolving humanitarian crisis on a scale that hadn't been seen in Europe since the Second World War. The Convener wished to add the Council's voice to all those around the world in condemning the Russian invasion, calling on an immediate withdrawal of Russian troops from Ukraine and calling for a halt to the attacks. The Committee agreed to write in the strongest of terms to the UK Government, the Russian Ambassador and the UN expressing the Council's disgust and condemnation of Russia's actions.

The Chief Executive also gave a brief update on the practical actions that the Council were undertaking as detailed below:-

- the establishment of Core Officer Groups to co-ordinate any resettlement activity that would be required as part of a national agenda to provide refuge and sanctuary to Ukrainian residents who were currently having to flee their homes noting that discussions with the Home Office was being urgently sought in relation to any assistance Fife could provide in this regard;
- noted that Fife Voluntary Action had undertaken to act as a co-ordination signing point for voluntary support noting and recognising the significant outpouring of donations and support from communities across Fife;
- noted that there were a number of national fundraising efforts taking place including assistance from the Red Cross and a Ukraine Appeal had been set up to provide support to those directly affected;
- noted/

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- noted that the Council were providing a point of contact to co-ordinate information on various collections that had begun to take place and to respond to queries;
- advised that the Council had actively reviewed all their investments, contracts and procurement activities to ensure that none of those were with Russian related holdings. It was also noted that the Fife Pension Fund had reviewed their position and confirmed that there were no direct Russian equity investment to the Fife fund;
- noted that the Council, as an employer, were reaching out to employees who were Ukranian or who had Ukranian connections to offer any support at this point in time; and
- advised that, as soon as practicable, the Council intended to fly the Ukranian flag over the main Council building as a mark of support and solidarity with the people of Ukraine.

Councillors David Graham and Judy Hamilton joined the meeting during the above update.

346. DECLARATIONS OF INTEREST

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

347. MINUTES

(i) Policy and Co-ordination Committee of 20th January, 2022.

Decision

The Committee approved the minute.

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

- Assets and Corporate Services of 27th January, 2022.
- Education and Children's Services of 28th January, 2022.
- Community and Housing Services of 3rd February, 2022.
- Environment and Protective Services of 10th February, 2022.

Decision

The minutes were noted.

348. REVENUE MONITORING 2021-22

The Committee considered a report by the Executive Director (Finance and Corporate Services) providing members with a strategic overview of Fife Council's finances and providing an update to the previous report. Funding solutions were also outlined to deal with the continued financial implications of Covid-19 as well as reform and recovery from the pandemic in the current financial year, 2021-22. The report also provided the forecast outturn position for 2021-22.

Decision

The Committee:-

- (1) noted the high level financial position as detailed in the report;
- (2)/

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- (2) noted the financial plan for 2021-22 had been updated in response to the financial pressures as detailed in section 2 of the report;
- (3) instructed all Services to continue to mitigate additional costs, continue to deliver approved savings and to contain expenditure within the approved budget provision wherever possible; and
- (4) noted that detailed monitoring reports would be submitted to the relevant Sub-Committees when it was practical to do so.

349. CAPITAL INVESTMENT PLAN UPDATE - PROJECTED OUTTURN 2021-22

The Committee considered a report by the Executive Director (Finance and Corporate Services) providing a strategic financial overview of the Capital Investment Plan and advised on the projected outturn for the 2021-22 financial year.

Decision

The Committee noted:-

- (1) the projected outturn position, that the level of financial risk appeared to be increasing and also noted that the mitigating actions for the major projects within the Capital Investment Plan;
- (2) the projected outturn position for the 2021-22 Capital Investment Plan;
- (3) that more detailed capital outturn reports for 2021-22 would be submitted to relevant Sub-Committees of the Council, in accordance with agreed financial reporting arrangements; and
- (4) that budget variances would be managed by the appropriate Directorate in conjunction with the Investment Strategy Group.

350. NO ONE LEFT BEHIND 2022-23 COMMISSIONING

The Committee considered a report by the Head of Business and Employability Services providing an update from the Opportunities Fife Partnership and setting out Fife's approach to delivering employability services under the Scottish Government's No One Left Behind (NOLB) framework. The Committee were asked to approve the recommendations made by the NOLB scoring panel and the Opportunities Fife Partnership Executive for the delivery of activity from 2022-25.

Decision

The Committee:-

- (1) approved the recommended allocations to the preferred bidders for the delivery of NOLB activity for adults, young people, families and those requiring specialist support as set out in Appendix 1 to the report, subject to confirmation of funding from Scottish Government;
- (2)/

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- (2) agreed to delegate to the Head of Business and Employability Services, in consultation with the Head of Finance and Head of Legal and Democratic Services, to complete all necessary contracting arrangements for delivery of the No One Left Behind Fife programme from 1st April, 2022;
- (3) agreed to delegate to the Head of Business and Employability Services, in consultation with the Opportunities Fife Partnership Executive, to amend funding levels to projects based on project performance and available resources, including such additional funding as may be made available from Scottish Government in year through No One Left Behind;
- (4) noted the consultation undertaken with service users, delivery organisations and the Opportunities Fife Partnership in the co-design of the refreshed Commissioning Framework for NOLB activity in Fife; and
- (5) noted the No On Left Behind Fife Commissioning Framework for employability services for the period 2022-2025 as set out in Appendix 2 to the report.

351. **ABBEYVIEW COMMUNITY HUB FACILITY PROJECT**

The Committee considered a report by the Head of Communities and Neighbourhoods Service providing members with an update on progress to develop a new Integrated Community Hub facility located within Abbeyview, Dunfermline.

Decision

The Committee:-

- (1) noted the Council's agreed capital plan allocation of £6.5m to this project;
 - (2) agreed the reallocation of £1m from the Communities and Neighbourhoods (C&N) capital plan cycle; and
 - (3) noted the engagement and dialogue with the local community throughout the project as outlined in section 2 and Appendix 2 of the report.
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**THE FIFE COUNCIL - EDUCATION & CHILDREN'S SERVICES SUB-COMMITTEE –
REMOTE MEETING**

1st March, 2022

10.00 a.m. – 1.35 p.m.

PRESENT: Councillors Craig Walker (Convener), James Calder, Dave Dempsey, Linda Erskine, Ian Ferguson, Gary Guichan, Altany Craik (substituting for Councillor Bobby Clelland), Andy Heer, Helen Law, Kathleen Leslie, Rosemary Liewald, Ross Paterson, Fay Sinclair, Alistair Suttie, Mr. George Haggarty and Mr. William Imlay.

ATTENDING: Carrie Lindsay, Executive Director, Education & Children's Services; Kathy Henwood, Head of Children & Families and Criminal Justice; Maria Lloyd, Head of Education & Children's Services - Secondary Schools & Specialist Support; Angela Logue, Head of Education & Children's Services - Primary Schools & Improvement Support; Shelagh McLean, Head of Education & Children's Services - Early Years and Directorate Support; Lynn Gillies, Service Manager - Family Support; Deborah Davidson, Education Manager; Rona Weir, Education Manager; Pamela Colburn, Active Schools Manager; Murray McBain, Policy Co-ordinator; Angela Robertson, Depute Headteacher, Glenrothes High School; Michael Scanlin, Senior Practitioner, Young People's Team, Education & Children's Services; Chris Child, Accountant, Finance & Corporate Services; Gary Moyes, Category Manager, Procurement, Finance & Corporate Services; Christopher Campbell, Team Manager - Contracts, Health & Social Care Partnership; and Diane Barnet, Committee Officer, Legal & Democratic Services.

245. DECLARATIONS OF INTEREST

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

246. MINUTE

The Sub-Committee considered the minute of meeting of the Education and Children's Services Sub-Committee of 28th January, 2022.

Decision

The Sub-Committee agreed to approve the minute.

247. THIRD SECTOR GRANT AWARDS

The Sub-Committee considered a report by the Executive Director, Education and Children's Services, providing a summary of the progress in service development and delivery related to Third Sector commissioned services and recommending approval of grant awards for 2022-23.

Decision/

Decision

The Sub-Committee:-

- (1) noted the progress made on the programme of work associated with commissioning arrangements; and
- (2) approved the recommendations for grant funding for 2022-23.

248. ANNUAL UPLIFT IN PAYMENTS TO FOSTER CARERS FOR FINANCIAL YEAR 2022/23

The Sub-Committee considered a report by the Executive Director, Education and Children's Services providing information and seeking approval for the proposed uplift in payments to Foster Carers and Supported Lodging Carers.

Decision

The Sub-Committee approved:-

- (1) a 2.5% increase in the maintenance payments for children in a foster care and supported lodging setting; and
- (2) an uplift of 2.5% in the fees paid to Foster Carers, including Supported Lodging Carers.

249. FIFE CORPORATE PARENTING BOARD

The Sub-Committee considered a report by the Executive Director, Education and Children's Services providing an update on the work of the Fife Corporate Parenting Board (FCPB) and developments planned to improve the Corporate Parenting agenda across Fife.

Decision

The Sub-Committee:-

- (1) noted the intention of the Corporate Parenting Board to ensure Care Experienced Children and Young People (CECYP) in Fife were supported, with the best offer from their 'corporate parents', to reach their full potential;
- (2) noted the progress made within the last 6 months, informing the strategic plan and developing the narrative of expectation across all 'corporate parents' in Fife;
- (3) approved the revised structure that better captured the voice and experience of those with lived experience and celebrated success; whilst holding to account the strategic areas in which improvement was needed across the next 3 years, in line with local and national drivers; and
- (4) noted that this was the first of an agreed 6 monthly update/analysis report to be considered by the Sub-Committee (or its successor).

250./

250. CHILDREN'S SERVICES INSPECTION UPDATE

The Sub-Committee considered a report by the Executive Director, Education and Children's Services providing an update on the Care Inspectorate Improvement Plan following the 2019 Children's Services Inspection and since the last update provided in January, 2021.

Decision

The Sub-Committee:-

- (1) noted the contents of the report;
- (2) noted the outcome of the update report and the progress made;
- (3) agreed that most of the improvements identified within the 2019 report had either been achieved or had been integrated into the CPC improvement plan, Children's Services plan or the Corporate Parenting Improvement Plan. Any outstanding improvements were subject to critical review and partnership planning; and
- (4) agreed that a further update on improvements made, would be submitted to the Sub-Committee (or its successor) in 6 months' time.

251. CHIEF SOCIAL WORK OFFICER ANNUAL REPORT 2020/21

The Sub-Committee considered a report by the Chief Social Work Officer - 'Chief Social Work Officer Annual Report 2020/21' - providing an overview of social work services within Fife, reflecting the formal statutory responsibilities of the Chief Social Work Officer role.

Decision

The Sub-Committee noted the contents of the report.

The meeting adjourned at 11.25 a.m.

The meeting reconvened at 11.35 a.m.

252. EDUCATION & CHILDREN'S SERVICES DIRECTORATE REVENUE BUDGET 2021-22 – UPDATE

The Sub-Committee considered a joint report by the Executive Director, Finance and Corporate Services and the Executive Director, Education and Children's Services providing an update on the forecast financial position for the 2021-22 financial year, for the areas in scope of the Education and Children's Services Sub-Committee.

Decision/

Decision

The Sub-Committee noted:-

- (1) the current financial performance and activity as detailed in the report;
- (2) that the Education and Children's Services Directorate's implementation of the Children and Families Strategy had reduced the reliance on purchased care placements and increased the number of children who could be looked after safely at home or in kinship care; and
- (3) the estimated costs and associated funding relating to the continuing impact of Covid-19 on the Directorate.

253. EDUCATION & CHILDREN'S SERVICES DIRECTORATE CAPITAL INVESTMENT PLAN 2021-22: PROGRESS REPORT

The Sub-Committee considered a joint report by the Executive Director, Finance and Corporate Services and the Executive Director, Education and Children's Services providing information on the overall progress of the Education and Children's Services Directorate's capital programme, for the current financial year, 2021-22, including progress on major projects.

Decision

The Sub-Committee noted:-

- (1) the financial position as detailed in the report, and
- (2) that the budget had been revised to reflect the outcome of the Capital Plan review undertaken in February, 2021 and the subsequent re-phasing exercise carried out in July, 2021.

254. SECONDARY SCHOOL STAFFWISE SURVEY - PROGRESS

The Sub-Committee considered a report by the Executive Director, Education and Children's Services, providing an update on the progress made by the Directorate, specifically secondary schools, relating to the 'Staffwise' survey undertaken in January/February, 2019. The report followed on from a previous report on the survey presented at the Education and Children's Services Committee on 11th February, 2020.

Decision

The Sub-Committee:-

- (1) noted the progress made by Secondary Schools in progressing their improvement priorities identified through the 2019 Staffwise survey;
- (2) noted the additional priorities that had been progressed in Secondary Settings, in response to the COVID-19 pandemic; and
- (3)/

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- (3) acknowledged the Directorate's learning from 2019 and the next steps to improve approaches to the 'what next' sustainable improvement planning process.

The meeting adjourned at 12.25 p.m.

The meeting reconvened at 12.35 p.m.

255. SWIMMING: OFFERING TO YOUNG PEOPLE

The Sub-Committee considered a report by the Executive Director, Education and Children's Services advising on the partnership approach to providing a range of Swimming opportunities offered to children and young people in Fife and suggested next steps.

Decision

The Sub-Committee:-

- (1) noted the approach to both universal and additional swimming provision offered to children and young people;
- (2) agreed to endorse the proposed next steps to continue to identify young people who identified as non-swimmers and to support a targeted approach to future provision; and
- (3) agreed to an additional recommendation - that a report would be brought back to the Sub-Committee (or its successor):-
 - (a) outlining provision made to ensure that all children leave primary school able to swim with confidence and keep safe in the water - including data on the number of children in Fife primary schools: how many were receiving school swimming lessons across each year group; and the capacity to provide swimming lessons - across both Fife Sports and Leisure Trust and school pools;
 - (b) specifying what was being done to close the gap on entering high school between those who could swim and those who could not; and
 - (c) providing full costings for the current provision of swimming across both primary and high school settings.

Councillor Ferguson left the meeting during consideration of the above item.

256. WALKED ROUTES TO SCHOOL ASSESSMENT POLICY – UPDATE ON PROGRAMME

The Sub-Committee considered a report by the Executive Director, Education and Children's Services providing an update on progress relating to implementation of the Walked Routes to Schools Assessment Policy, following elected member workshops in March, 2021 and January, 2022.

Decision/

Decision

The Sub-Committee agreed:-

- (1) to a postponement of the implementation of changes to existing route assessments until the impact of the Under 22 Travel Scheme had been assessed; and
- (2) an amended recommendation – ‘targeting the implementation of the policy from August, 2023 in light of recommendation (1) above’.

257. EDUCATION & CHILDREN'S SERVICES SUB-COMMITTEE FORWARD WORK PROGRAMME

The Sub-Committee considered the Education and Children's Services Sub-Committee Forward Work Programme.

Decision

The Sub-Committee noted the Education and Children's Services Sub-Committee Forward Work Programme, subject to amendment as necessary, which would be considered by the Sub-Committee (or its successor) as required.

258. NOTICE OF MOTION

In terms of Standing Order No. 8.1(1), the following Notice of Motion had been submitted:-

'Sub-Committee notes the decision of the Education and Children's Services Sub-Committee of 7th September, 2021 whereby Agenda Item 8 - 'Professional Learning and Leadership Strategy' - was agreed as follows:

Recommendation(s)

It is recommended that the Education and Children's Services Sub-Committee:

- (1) Reviews and comments on the progress made with the Professional Learning & Leadership Strategy since the report approved by the Education, Health and Social Care Scrutiny Committee in January, 2016.
- (2) Note the leadership models, as agreed in the Professional Learning and Leadership Strategy (2016) that have been progressed successfully over the last five years, and the intention to continue with the development and implementation of Leadership Models 2 and 3 to best meet the needs of school and local communities.

Sub-Committee also recognises that Leadership Models 2 and 3 are defined (Agenda Item 8 – Para. 1.2) as:

- Model 2 - School grouping model of leadership: a leadership team serving a group of schools brought together by key links e.g., community, cultural, school, partners, demographics.
- Model/

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- Model 3 - Learning journey model of leadership: a leadership team serving the learners' journey e.g., 0 – 5 or 0 – 12 or 0 – 18 years including children with additional support needs.

Sub-Committee is now invited to note the following:

- (1) That examples of Current Shared Leadership Arrangements (August 2021) are 20 permanent and 9 are temporary.
- (2) Also notes that all of these are a joint leadership model.
- (3) That there are no examples of shared leadership models – only joint headship.
- (4) No information was provided in the Sub-Committee papers that included proposals such as those being considered for the Waid Cluster Leadership Model.
- (5) The level of parental concern around such change to the school leadership model, including the impact on attainment and local leadership and the capacity of the changed model to deal with ongoing disruption to education due to the pandemic.
- (6) The Sub-Committee's concern that such significant changes to a longstanding leadership model are sufficiently robust to fulfil Fife Council's responsibilities on safeguarding, particularly during any transition period.

Sub-Committee requests that such proposed changes to the leadership model, in the East Neuk and across Fife, are halted until a full report, with evidence for any assumptions or conclusions, is provided on the short, medium and long term impact of the models and evidence to the Sub-Committee or its successor.'

Proposed by Councillor Kathleen Leslie
Seconded by Councillor Dave Dempsey

Amendment

Councillor Craik, seconded by Councillor Law moved as an amendment to delete the final paragraph of the Motion –

'Sub-Committee requests that such proposed changes to the leadership model, in the East Neuk and across Fife, are halted until a full report, with evidence for any assumptions or conclusions, is provided on the short, medium and long term impact of the models and evidence to the Sub-Committee or its successor.'

Replacing this with:

'Further notes that:

- (1) Further engagement is required in order to understand concerns and meaningfully inform the leadership strategy going forward.
- (2)/

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- (2) Further consultation will be undertaken in the next academic session (2022/2023) on the leadership strategy that will contain more clarity and detail regarding a wider range of options for leadership of the Waid Cluster of schools.
- (3) The current leadership arrangements across the Waid Cluster will remain as they are for August 2022.

The Sub-Committee agrees to endorse this approach and requests a full report on future options and consultation to the Sub-Committee (or its successor) prior to this consultation being carried out.'

Councillor Leslie agreed to withdraw the last paragraph of the original Motion, replacing this with the proposed replacement paragraph, subject to an amendment to (1) above to read: 'Further engagement **with all stakeholders** is required in order to understand concerns and meaningfully inform the leadership strategy going forward.'

Decision

The Sub-Committee agreed unanimously as follows:

The Sub-Committee noted the decision of the Education and Children's Services Sub-Committee of 7th September, 2021 whereby Agenda Item 8 - 'Professional Learning and Leadership Strategy' - was agreed as follows:

It is recommended that the Education and Children's Services Sub-Committee:

- (1) Reviews and comments on the progress made with the Professional Learning and Leadership Strategy since the report approved by the Education, Health and Social Care Scrutiny Committee in January, 2016.
- (2) Note the leadership models, as agreed in the Professional Learning and Leadership Strategy (2016) that have been progressed successfully over the last five years, and the intention to continue with the development and implementation of Leadership Models 2 and 3 to best meet the needs of school and local communities.

Sub-Committee also recognises that Leadership Models 2 and 3 are defined (Agenda Item 8 – Para. 1.2) as:

- Model 2 - School grouping model of leadership: a leadership team serving a group of schools brought together by key links e.g., community, cultural, school, partners, demographics.
- Model 3 - Learning journey model of leadership: a leadership team serving the learners' journey e.g., 0 – 5 or 0 – 12 or 0 – 18 years including children with additional support needs.

Sub-Committee is now invited to note the following:

- (1) That examples of Current Shared Leadership Arrangements (August 2021) are 20 permanent and 9 are temporary.
- (2)/

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- (2) Also notes that all of these are a joint leadership model.
- (3) That there are no examples of shared leadership models – only joint headship.
- (4) No information was provided in the Sub-Committee papers that included proposals such as those being considered for the Waid Cluster Leadership Model.
- (5) The level of parental concern around such change to the school leadership model, including the impact on attainment and local leadership and the capacity of the changed model to deal with ongoing disruption to education due to the pandemic.
- (6) The Sub-Committee's concern that such significant changes to a longstanding leadership model are sufficiently robust to fulfil Fife Council's responsibilities on safeguarding, particularly during any transition period.

The Sub-Committee further notes that:

- (1) Further engagement with all stakeholders is required in order to understand concerns and meaningfully inform the leadership strategy going forward.
- (2) Further consultation will be undertaken in the next academic session (2022/2023) on the leadership strategy that will contain more clarity and detail regarding a wider range of options for leadership of the Waid Cluster of schools.
- (3) The current leadership arrangements across the Waid Cluster will remain as they are for August, 2022.

The Sub-Committee agrees to endorse this approach and requests a full report on future options and consultation to the Sub-Committee (or its successor) prior to this consultation being carried out.

CONVENER'S VALEDICTORY COMMENTS

As this was the last meeting of the Sub-Committee prior to the Local Government Elections in May 2022, the Convener reflected on its achievements, highlighting areas of work considered by the Sub-Committee and expressing his appreciation of: the contributions of all members and officers in supporting the work of the Sub-Committee, wishing them well in their future endeavours; and the inspired and continued resilience of teachers and young people during the pandemic.

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

17 March, 2022

10.00 am – 12.25 pm

PRESENT: Councillors Altany Craik (Convener), John Beare, Ian Cameron, Bill Connor, Jean Hall-Muir, Jane Ann Liston, Mino Manekshaw, Ross Paterson, David J Ross, Alistair Suttie, Ann Verner and Jan Wincott

ATTENDING: Keith Winter, Executive Director, Enterprise and Environment, Ken Gourlay, Head of Assets, Transportation & Environment, John Mitchell, Senior Manager - Roads and Transportation, Martin Kingham, Service Manager - Roads Network Management, Jane Findlay, Lead Consultant – Roads and Transportation, Assets, Transportation and Environment; Gordon Mole, Head of Business & Employability, Pam Ewen, Head of Planning, Alastair Hamilton, Service Manager - Development Management, Bill Lindsay, Service Manager – Policy and Place, Craig Walker, Lead Officer – Policy and Place, Economy Planning and Employability Services; Jackie Johnstone, Accountant and Lesley Robb, Lead Officer - Committee Services, Finance and Corporate Services

APOLOGIES FOR ABSENCE: Councillors Dave Coleman and Colin Davidson

197. DECLARATIONS OF INTEREST

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

198. MINUTE

The Sub-Committee considered the minute of the meeting of Economy, Tourism, Strategic Planning and Transportation Sub-Committee of 25 November 2021.

Decision

The Sub-Committee approved the minute.

Councillors Hall-Muir and Suttie joined the meeting during consideration of the following item.

199. SUPPORT FOR VOLUNTARY ORGANISATIONS

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

Decision/

Decision

The Sub-Committee:

- (1) approved the level of funding to voluntary organisations by the Assets, Transportation & Environment Service as detailed in appendix 1 of the report;
- (2) approved the allocations given through Service Level Agreements from the Business and Employability Service, as detailed in appendix 2 of the report;
- (3) noted the allocation given through the Opportunities Fife Partnership for supporting third sector organisations; and
- (4) noted a correction to Appendix 1 in the published report where the Requested Grant 22/23 for RVS East Fife should be detailed as £45,250 and not £5,250.

200. FIFE COUNCIL PUBLIC ELECTRIC VEHICLE CHARGING NETWORK

The Sub-Committee considered a report by the Head of Assets, Transportation and Environment updating Members on the emerging guidance from the Scottish Government on a future Electric Vehicle Strategy and, considering that, the development opportunities for the Electric Vehicle (EV) network in Fife.

Decision

The Sub-Committee agreed to:

- (1) note the Scottish Government's focus on exploring the provision of future EV infrastructure through commercial enterprise in partnership with public ownership;
- (2) the development of an EV Strategy for Fife considering the draft EV Vision from Scottish Government, in line with the timescales detailed within the draft Vision documentation; and
- (3) Officers exploring opportunities to partner with national, regional and commercial organisations with a view to developing a mixed economy EV charging network in Fife.

201. TRANSPORT (SCOTLAND) ACT 2019 - UPDATE ON PROPOSED PAVEMENT PARKING BAN

The Sub-Committee considered a report by the Head of Assets, Transportation and Environment updating Members on the pavement parking provisions in the Transport Act 2019 and the impacts on lining policy that this may bring, as agreed in response to Motion 1 approved by the Fife Council on 2 December 2021 (2021 FC 297 para 266 refers).

Decision

The Sub-Committee:

- (1) noted the content of the update report and considered the potential implications and impacts of this legislative proposal for Fife;
- (2)/

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- (2) agreed to limit the use of 'H Bar' markings to the circumstances described in para.2.10 to maximise their effectiveness; and
- (3) noted a correction to the published report at Recommendation No. 2 and Para. 2.11 of the report and that those should reference Para 2.10 and not Para 2.12.

202. SCOTLAND'S FOURTH NATIONAL PLANNING FRAMEWORK: CONSULTATIVE DRAFT

The Sub-Committee considered a report by the Head of Planning providing Members with information on *Our Fourth National Planning Framework* (NPF4) draft and its implications for Fife's development plan. The framework recommends responses to the associated consultation before it's approved by the Scottish Parliament.

Decision

The Sub-Committee:

- (1) considered the Scottish Government consultation on the draft regulations on *Our Fourth National Planning Framework* (NPF4) and agreed Fife Council's response to the consultation as contained in Appendix 1;
- (2) agreed additional comments/amendments for inclusion in the consultation response; and
- (3) delegated to the Head of Planning, in consultation with the Convener and Vice-Convener, to submit the finalised Fife Council response to the consultation by the deadline of 31st March 2022.

The meeting adjourned at 11.30 a.m. and reconvened at 11.40 a.m.

Councillor Verner left the meeting during consideration of the following item.

203. LOCAL DEVELOPMENT PLANNING - DRAFT REGULATIONS AND GUIDANCE CONSULTATION

The Sub-Committee considered a report by the Head of Planning enabling Members to consider the Scottish Government's Local Development Planning Draft Regulations and Guidance and Fife Council's response to the related consultation. The report comments on the draft regulations and guidance, and where the Council can agree with the content or would like to promote change.

Decision

The Sub-Committee:

- (1) considered the Scottish Government consultation on the Local Development Planning Draft Regulations and Guidance and agreed Fife Council's response to the consultation outlined in Appendix 1; and
- (2) delegated to the Head of Planning, in consultation with the Convener and Vice-Convener, to submit the finalised Fife Council response to the consultation by the Scottish Government deadline of 31st March 2022.

204./

204. ENFORCEMENT CHARTER

The Sub-Committee considered a report by the Head of Planning seeking approval of the updated Enforcement Charter that confirmed the approach to planning enforcement to be adopted by Fife Council Planning Service for the next 2 years.

Decision

The Sub-Committee:

- (1) approved the Proposed Enforcement Charter 2022; and
- (2) delegated to the Head of Planning to finalise and publish the Charter.

205. PLANNING PERFORMANCE FRAMEWORK 10 (2020-2021): MINISTER'S FEEDBACK

The Sub-Committee considered a report by the Head of Planning informing Members on the performance of the Planning Authority, as set out in Planning Performance Framework (PPF 10) over the period 2020-2021 and the feedback received from the Scottish Government, as detailed in appendix 1 of the report.

Decision

The Sub-Committee scrutinised the performance of the Planning Authority, as set out within the Planning Performance Framework (PPF 10) report and provided feedback.

206. 2021-22 REVENUE MONITORING PROJECTED OUTTURN

The Sub-Committee considered a joint report by the Executive Director - Finance and Corporate Services and the Executive Director - Enterprise and Environment providing Members with an update on the projected outturn financial position for the 2021/22 financial year for the areas in scope of the Economy, Tourism, Strategic Planning & Transportation Sub-Committee.

Decision

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

207. 2021-22 CAPITAL MONITORING PROJECTED OUTTURN - ENTERPRISE AND ENVIRONMENT DIRECTORATE

The Sub-Committee considered a joint report by the Executive Director - Finance and Corporate Services and the Executive Director - Enterprise and Environment providing an update on the Capital Investment Plan and advising on the projected outturn for the 2021/22 financial year for areas in scope of the Economy, Tourism, Strategic Planning and Transportation Sub-Committee.

Decision

The Sub-Committee considered and noted the current performance and activity across the 2021/22 Financial Monitoring as detailed in the report.

208./

**208. ECONOMY TOURISM STRATEGIC PLANNING AND TRANSPORTATION
SUB-COMMITTEE FORWARD WORK PROGRAMME**

The Sub-Committee noted the content of the Forward Work Programme of the Economy, Tourism, Strategic Planning and Transportation Sub-Committee.

CONVENER'S VALEDICTORY COMMENTS

As this was the last meeting of the Committee prior to the local government elections in May 2022, the Convener expressed his appreciation of the contributions and efforts by all Members and Officers in supporting the work of the Committee over the past five years, particularly in what could be a difficult and complicated area.

Special thanks were also expressed to Keith Winter, Executive Director - Enterprise and Environment, who was due to leave Fife Council at the end of April 2022.

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THE FIFE COUNCIL - FIFE EDUCATION TRUST SCHEME - EAST FIFE EDUCATION TRUST COMMITTEE – REMOTE MEETING

28 March, 2022

10.00 a.m. – 10.45 a.m.

PRESENT: Sheriff A. Grant McCulloch (Chair); Councillors John Docherty, David MacDiarmid, Graham Ritchie, Jonny Tepp and Ann Verner; Peter Haggerty, EIS

ATTENDING: Lynne Cademy-Taylor, Team Manager (People & Processes), Karen Hamilton, Team Manager, Jillian Harper, Support Assistant, Education; Faye Power, Accountant, Finance; Neil Macdonald, Legal Team Manager (Litigation & Licensing) and Elizabeth Mair, Committee Officer, Legal and Democratic Services.

APOLOGIES FOR ABSENCE: Dr Christine McGladdery, St Andrews University Court; Councillors Donald Lothian and Bill Porteous.

16. DECLARATIONS OF INTEREST

No declarations of interest were given.

17. MINUTE

The Committee considered the minute of meeting of the East Fife Education Trust Committee of 2 June 2021.

Decision

The Committee approved the minute.

18. REVIEW OF EDUCATIONAL TRUST SCHEME

Neil Macdonald advised that progress on the review of the Educational Trust Scheme had been delayed due to other commitments. However, this would be completed once the proposed composition of the East and West Trust Committees was decided. Following this, a report presenting the amended Scheme for approval and implementation would be submitted to the appropriate Council Committee with responsibility for Education matters.

Lynne Cademy-Taylor advised that Councillor Jonny Tepp had suggested that the disbursement of the Education Trust funding could possibly be made fairer and more equitable by allocating the monies to schools in proportion to either school roll numbers or Pupil Equity Fund allocations. However, the point was made that this would likely significantly impact the smaller schools by reducing the size of bids they could submit.

Decision

The Committee noted:-

- (1) the information given in the report; and
- (2) that when the amended Scheme was considered for approval, members could raise issues regarding the criteria for distribution of the funds and amend the Scheme if necessary.

19. FEEDBACK ON FUNDING GRANTED IN 2021

The Committee considered a report by the Executive Director, Education & Children's Services, providing feedback from schools granted funding at the previous meeting and giving details of the outcomes achieved.

Decision

S The Committee:-

- (1) noted the feedback provided; and
- (2) agreed that Balmerino Primary School be requested to return the unused funding granted at the meeting on 2 June 2021 for the purchase of mountain bikes, with the exception of £500, which could be retained for the hire of mountain bikes and outdoor education.

20. DISBURSEMENT OF FIFE EDUCATIONAL TRUST FUNDS

The Committee considered a report by the Executive Director, Education & Children's Services, which advised of funds disbursed under the Fife Educational Trust Scheme 1958 and requested endorsement and approval for the proposed school allocation options.

The following information was appended to the report:-

Appendix 1A - Summary of award applications and proposed allocations for 2020/21

Appendix 1B - Summary of total of all bid applications

Appendix 2 - Bursaries and scholarships for 2020/21

Appendix 3 - Prizes 2020/21

Appendix 4 - Income and expenditure statement for the Fife Educational Trust for 2019/20.

Decision

S The Committee:-

- (1) considered the applications for educational excursions, travel, equipment and projects under Sections 28 to 36 of the Trust Scheme for 2022/2023, as detailed in Appendix 1A and 1B of the report and approved funding as listed in the Appendix to this Minute (with details of expenditure summarised for sections 20-36 in terms of the 7th Schedule to the Scheme also appended to this Minute);
- (2) approved the bursary/scholarship payment awards for 2021/2022, as detailed in Appendix 2 of the report;
- (3) agreed the award of prizes for 2021/2022 as detailed in Appendix 3 of the report; and
- (4) noted the income and expenditure statement for the Fife Educational Trust for 2020/2021, as detailed in Appendix 4 of the report.

The Chair concluded the meeting by thanking members and officers for their contributions.

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APPENDIX

REQUESTS FOR FINANCIAL ASSISTANCE FOR 2022/23

Section Numbers	Description of Monies	Amounts Payable (£)
<u>Sections 28/29</u>	<u>Educational Excursions/Travel</u>	
	Waid Academy	2013.00
	Ceres Primary School	840.00
	Dairsie Primary School	590.00
	Freuchie Primary School	440.00
	Ladybank Primary School	414.00
	Largoward Primary School	900.00
	Pitlessie Primary School	414.00
	St Columba's Primary School	1210.00
TOTAL		<u>£6,821.00</u>
<u>Section 30</u>	<u>Equipment for Schools</u>	
	Waid Academy	450.00
	Balmerino Primary School	500.00
	Crail Primary School	1542.00
	Lawhead Primary School	2750.00
	Newport Primary School	2000.00
	St Columba's RC Primary School	3000.00
	Supporting Learners Service	2154.00
<u>Sub-Total</u>		<u>£12,396.00</u>
<u>Section 36</u>	<u>Educational Experiments and Research</u>	
	Lawhead Primary School	750.00
TOTAL		<u>£13,146.00</u>

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EDUCATIONAL TRUST COMMITTEE FOR EAST FIFE

SEVENTH SCHEDULE

PLAN FOR YEAR ENDING 31ST MARCH, 2022

PART I

EXPENDITURE OF FREE INCOME

Rubric of Section	Maximum Sum to be Expended in the Financial Year (£)
Grants (to be allocated at the Chair's discretion)	0
Educational Excursions/Travel	6,821.00
Equipment for Schools, Further Education Centres and their Libraries	12,396.00
Educational Experiments and Research	750.00
TOTAL	<u>£19,967.00</u>

PART II

Capital Grant – Nil

THE FIFE COUNCIL - FIFE EDUCATION TRUST SCHEME - WEST FIFE EDUCATION TRUST COMMITTEE – REMOTE MEETING

28 March, 2022

2.00 p.m. – 3.45 p.m.

PRESENT: Sheriff A. Grant McCulloch (Chair); Councillors Ian Cameron and Rosemary Liewald; Pauline Stewart, EIS.

ATTENDING: Lynne Cademy-Taylor, Team Manager (People & Processes), Karen Hamilton, Team Manager, Jillian Harper, Support Assistant, Education; Faye Power, Accountant, Finance; Neil Macdonald, Legal Team Manager (Litigation & Licensing) and Elizabeth Mair, Committee Officer, Legal and Democratic Services.

APOLOGIES FOR ABSENCE: Councillors Gary Guichan and Fay Sinclair.

As the meeting was inquorate, members agreed to proceed with the business while noting that any recommendations made would require to be endorsed by the Policy & Co-ordination Committee of Fife Council.

35. DECLARATIONS OF INTEREST

No declarations of interest were given.

36. MINUTE

The Committee considered the minute of meeting of the West Fife Education Trust Committee of 2 June 2021.

Decision

The Committee noted the minute.

37. REVIEW OF EDUCATIONAL TRUST SCHEME

Neil Macdonald advised that progress on the review of the Educational Trust Scheme had been delayed due to other commitments. However, this would be completed once the proposed composition of the East and West Trust Committees was decided. Following this, a report presenting the amended Scheme for approval and implementation would be submitted to the appropriate Council Committee with responsibility for Education matters.

Lynne Cademy-Taylor advised that Councillor Jonny Tepp had suggested that the disbursement of the Education Trust funding could possibly be made fairer and more equitable by allocating the monies to schools in proportion to either school roll numbers or Pupil Equity Fund allocations. However, the point was made that this would likely significantly impact the smaller schools by reducing their specific amount for distribution and therefore the size of bids they could submit.

Councillor Tepp had also requested details of the funding schools had actually received over the past few years compared to the amount which they would have been allocated on his suggested basis.

Decision/

Decision

The Committee noted:-

- (1) the update provided;
- (2) that the information requested by Councillor Tepp regarding comparison figures would be provided to members; and
- (3) that when the amended Scheme was considered for approval, members could raise any issues regarding the criteria for distribution of the funds and agree appropriate amendments if necessary.

38. FEEDBACK ON FUNDING GRANTED IN 2021

The Committee considered a report by the Executive Director, Education & Children's Services, providing feedback from schools granted funding at the previous meeting and giving details of the outcomes achieved.

Decision

The Committee noted:-

- (1) the feedback provided; and
- (2) that a site visit had now been carried out at Kirkcaldy West Primary School and the playground agility items would be provided in the near future.

39. DISBURSEMENT OF FIFE EDUCATIONAL TRUST FUNDS

The Committee considered a report by the Executive Director, Education & Children's Services, which advised of funds disbursed under the Fife Educational Trust Scheme 1958 and requested endorsement and approval for the proposed school allocation options.

The following information was appended to the report:-

Appendix 1A - Summary of award applications and proposed allocations for 2022/23

Appendix 1B - Summary of total of all bid applications

Appendix 2 - Fernie Trust

Appendix 3 - Maxton Bequest

Appendix 4 - Bursaries and scholarships for 2021/22

Appendix 5 - Prizes 2021/22

Appendix 6 - Income and expenditure statement for the Fife Educational Trust for 2020/21.

Decision

S The Committee:-

- (1) considered the applications for educational excursions, travel, equipment and projects under Sections 28 to 36 of the Trust Scheme for 2022/2023, as detailed in Appendix 1A and 1B of the report and approved funding as listed in the Appendix to this Minute (with details of expenditure summarised for sections 20-36 in terms of the 7th Schedule to the Scheme also appended to this Minute);
- (2)/

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- (2) agreed that, as the total funding approved at item (1) above was greater than that available in the revenue fund, the remainder would be taken from capital funding;
- (3) approved the applications for the Fernie Trust for 2022/2023, as detailed in Appendix 2 of the report;
- (4) approved the applications for the Maxton Bequest for 2022/2023, as detailed in Appendix 3 of the report;
- (5) approved the bursary/scholarship payment awards for 2021/2022, as detailed in Appendix 4 of the report;
- (6) agreed the award of prizes for 2021/2022 as detailed in Appendix 5 of the report; and
- (7) noted the income and expenditure statement for the Fife Educational Trust for 2020/2021, as detailed in Appendix 6 of the report.

The Chair concluded the meeting by thanking members and officers for their contributions.

APPENDIX/

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APPENDIX

REQUESTS FOR FINANCIAL ASSISTANCE FOR 2022/23

<u>Section Numbers</u>	<u>Description of Monies</u>	<u>Amounts Payable (£)</u>
Sections 28/29	Educational Excursions/Travel	
High Schools	Auchmuty	1200.00
	Auchmuty	540.00
	Auchmuty	150.00
	St Andrews RC	201.00
<u>Sub total</u>		<u>2,091.00</u>
Primary Schools	Aberdour	2300.00
	Blairhall	350.00
	Carnock	420.00
	Crossgates	600.00
	Foulford	975.00
	Hyndhead	700.00
	Pitcoudie	600.00
	Pitteuchar East	1000.00
	South Parks	1061.00
	St Marie's RC	400.00
	Thornton	230.00
	Torbain	380.00
	Tulliallan	500.00
<u>Sub-total</u>		<u>9,516.00</u>
Nurseries	Methihaven Care Home	50.00
	Paxton	81.00
Sub-total		<u>131.00</u>
<u>Sub-total</u> <u>(Excursions/Travel)</u>		<u>11,738.00</u>

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<u>Section Numbers</u>	<u>Description of Monies</u>	<u>Amounts Payable (£)</u>
Section 30	Equipment for Schools, F.E. centres and their libraries	
	Calaiswood School	966.00
High Schools	Auchmuty	1000.00
	Auchmuty	506.00
	Levenmouth Academy	900.00
	St Columba's RC High School	553.00
	St Columba's RC High School	333.00
	St Columba's High School	600.00
	Woodmill High School	213.00
<u>Sub Total</u>		<u>5,071.00</u>
Primary Schools	Commercial	654.00
	Denbeath	1000.00
	Lochgelly South	617.00
	Lumphinnans	843.00
	Mountfleurie	360.00
	Pathhead	589.00
	Pittencrieff	712.00
	Pitteuchar West	920.00
	St Bride's RC	999.00
	St Leonard's	700.00
	St Margaret's	433.00
<u>Sub-total</u>		<u>7,827.00</u>
Nurseries	Beanstalk Nursery	600.00
	Lochgelly Nursery (Sunflower)	1330.00
	Methilhaven Care Home	200.00

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<u>Section Numbers</u>	<u>Description of Monies</u>	<u>Amounts Payable (£)</u>
	Paxton Nursery	1200.00
	Woodlands	328.00
<u>Sub-total</u>		<u>3,658.00</u>
<u>Section 30 Sub-total</u>		<u>16,556.00</u>
Section 31	Sports Facilities	
High Schools	Balwearie	1000.00
	Lochgelly	600.00
Primary Schools	Inverkeithing	300.00
<u>Sub-total</u>		<u>1,900.00</u>
Section 33	Promoting Education in Music	
Primary Schools	Clentry	906.00
	Lynburn	510.00
<u>Sub-total</u>		<u>1,416.00</u>
Section 36	Educational Experiments & Research	
High Schools	St Andrews RC High School	447.00
	Woodmill High School	810.00
Nursery Schools	Paxton	120.00
<u>Sub Total</u>		<u>1,377.00</u>
<u>SUB TOTAL (Equipment)</u>		<u>21,249.00</u>

SEVENTH SCHEDULE
PLAN FOR YEAR ENDING 31ST MARCH, 2022

PART I
EXPENDITURE OF FREE INCOME

Number of Section	Rubric of Section	Maximum Sum to be Expended in the Financial Year (£)
20-36	Grants (to be allocated at the Chair's discretion)	0
28-29	Educational Excursions/Travel	11,738.00
30	Equipment for Schools, etc. Further Education Centres and their Libraries	16,556.00
31	Sports Facilities	1,900.00
33	Promoting Education in Music	1,416.00
36	Educational Experiments & Research	1,377.00
TOTAL		<u>32,987.00</u>

PART II
Capital Grant – £0

Scottish Government Place Based Investment Programme Funding – Fife’s Proposed Projects 2022/23

Report by: Gordon Mole, Head of Business and Employability Services

Wards Affected: All

Purpose

This report seeks agreement for an approach to disbursing Fife’s allocation of the Scottish Government’s Placed Based Investment Programme Funding, for financial year 2022/23.

Details of the award to local authorities has recently been released by the Scottish Government with Fife Council receiving £2.748m.

As with previous rounds of funding, the Scottish Government have again set rigid timescales and conditions to which Fife Council will require to adhere, including that monies are to be legally committed and/or spent or projects commenced within financial year 2022/23, with an expectation that projects will be completed by the end of September 2023.

A brief update on the projects funded via the Scottish Government’s Town Centre Capital Fund is also provided.

Recommendation(s)

It is recommended that Committee:-

- (i) note the background to the fund, including likely conditions and timescales involved in delivering projects;
- (ii) agree the list of projects in Table 1 as those to receive investment from the fund, during the financial year 2022/23, with the reserve list of projects in Table 2 also agreed as a contingency. The reserve projects may be rolled forward to be delivered from the 2023/24, or later, funding allocation;
- (iii) agree that the Executive Director (Enterprise and Environment) be granted delegated authority to disburse funds to the agreed projects; and
- (iv) agree that there is some flexibility to allow movement of funds from one project to another as necessary with the agreement of the Executive Director (Enterprise and Environment) for changes above £100,000 and that below this sum movement is at the discretion of the Head of Business and Employability Service.

Resource Implications

Financial - the grant is for capital expenditure which is additional to that which is already or would otherwise be allocated to the 2022/23 budget and must not be used as substitute for existing allocated spend or be transferred to Fife Council’s Capital Fund.

It is anticipated that through the proposed investment programme there will be elements of spend to save, improving both urban fabric and infrastructure, therefore reducing ongoing maintenance costs. In addition, an allowance has been made to mitigate against further cost inflation due to any further Covid measures and any material supply and cost difficulties that may result.

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

Legal & Risk Implications

It is expected that project work will be completed and/or contracts signed, legally committed to and/or commenced within financial year 2022/23. Any unused portion of the grant, if not re-profiled by the local authority to other eligible projects, which meet the conditions and ambitions of the fund, will be repayable to the Scottish Government unless prior written agreement is given by Scottish Ministers.

The grant is capital, and it is expected to be used to finance local authority capital investment for projects in places, that meet the needs and aspirations of communities.

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

Impact Assessment

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

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

Consultation

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

1.0 Background

- 1.1 The Scottish Government has previously made allocations of £4.335m (financial year 2019/20), £1.56m (financial year 2020/21) and £3.163m (financial year 2021/22) to Fife Council for place-based investments. This funding was intended to enable local authorities to stimulate and support place-based economic investments, which encourage town centres, and places, to diversify and flourish, creating footfall through local improvements and partnerships.
- 1.2 In April 2022, Fife Council will receive a further allocation of £2.748m from the Scottish Government's Place Based Investment Programme. This funding is part of a £140 million, 5-year, stimulus package, aimed at supporting place-based projects that are shaped by the needs and aspirations of local communities, and accelerate the Scottish Government's ambitions for place, 20-minute neighbourhoods, town centre action, community led regeneration and community wealth building. The grant has, to date, been flexible and may be allocated, at the discretion of local authorities, within the context of

national and local commitments to place and including: The Town Centre First Principle; A New Future for Town Centres; and the Place Principle. However, the key condition is likely to be that **all grant expenditure must be completed by 31 March 2023**. The Scottish Government define expenditure as follows: “It is expected that work will be completed; or at least work or contracts signed or commenced within the financial year.” The expectation will be that all projects are completed by the end of September 2023.

- 1.3 The 5-year £140 million stimulus package from the Scottish Government will provide funding for Placed Based Investments, with a share of the funds distributed between the 32 Local Authorities in Scotland in each financial year as follows:

2021/22	£38m
2022/23	£33m
2023/24	£23m
2024/25	£23m
2025/26	£23m

- 1.4 The Scottish Government have indicated, pending ministerial approval, that Fife council will receive £1.915m in each of the final three years of the programme. This provides some degree of comfort in developing a programme of projects to be delivered, however, it does not provide a guarantee that Fife Council will receive these sums.
- 1.5 The Place Based Investment Programme is a capital source of funding with the aim of supporting the Scottish Government’s aspirations for places. However, as with the Town Centre Capital Fund, grants may be made to third parties for capital works. This may include small businesses, third sector organisations, private individuals, and other public bodies, but is subject to the same Scottish Government terms and conditions.

2.0 Issues and Options

- 2.1 The Scottish Government has awarded Fife Council a further capital grant of £2.748m based on the distribution formula previously used and agreed by Scottish Government and COSLA. However, as with the previous allocations, the Scottish Government expects that all expenditure on the fund will be completed within tight timescales.
- 2.2 With the impending Local Elections scheduled for May 2022 and to achieve the aims and timescales of the fund, officers believe that the proposed projects in Table 1 be those to be prioritised for funding during financial year 2022/23, with a total commitment of £2.748m. As a contingency and to aid future planning a list of reserve projects is listed in Table 2.
- 2.3 The projects listed below in Table 1 and Table 2 are, to some degree, “in flight” with business plans, approvals in place and/or projects where it is felt that the Council can provide additionality by investing.
- 2.4 The investment of this grant by Fife Council has been considered in the context of previous rounds of Scottish Government funding for place-based initiatives, as well as the focus for new investments in mid Fife and the effects of Covid 19 on places throughout Fife. There is limited time to plan, develop and procure new project streams to achieve spend within the timescales available. Officers are mindful of cost inflation, availability of contractors and therefore a degree of flexibility has been built into project budgets.

2.5 Table 1, below, provides the proposed projects, based on a prioritisation assessment of cost, stage of readiness and impact, and estimated contribution to be funded from the Place Based Investment Programme funds for financial year 2022/23. Table 2 contains a list of reserve projects, which may also be advanced during 2022/23 should circumstances change. It is anticipated that these projects would be included in the programme for delivery during 2023/24.

Table 1 Proposed Projects to be funded from PBIP funding 2022/23

Purpose	Estimated Contribution	Notes
Kirkcaldy Town Centre Site Enabling (Priority 1)	£360,000	This key investment will accelerate enabling work for development site activity within Kirkcaldy town centre.
Kincardine Streetscape works (Priority 1)	£600,000	Programme of works led by CRT and Sustrans delivering on one of the long-term actions identified during the Go Forth Kincardine Community Charrette.
Kings Theatre Phase 2 at 9 Esplanade (Priority 1)	£150,000	Contribution towards Phase 2 focussing on works around the former ballroom and replacement of windows.
St Margaret's House Dunfermline (Priority 1)	£438,000	Recommitment of funds from 2021/22 to a phase1 of works. The project was not able to achieve legal commitment by end of March 2022 and with escalating material costs, additional funds were required elsewhere in the programme.
Fife Wide Building Improvement Grant (Priority 1)	£200,000	<u>Shopfronts, Building Repair and Upper Floor conversions</u> - A maximum grant of £10K or 90% of total project costs available to town centre businesses across Fife.
Leven Station Place Making (Priority 1)	£500,000	Improvements to the area between the new railway station and bus station, including stronger links to Leven town centre.
Rosyth Community Facilities DAFC (Priority 2)	£200,000	To support the development of multigenerational community facilities, alongside the new DAFC training facility at Rosyth. This will support employment, training, and education streams.
Energy Efficient Enterprise Estate - Lochgelly Business Park (Priority 2)	£300,000	Works to upgrade 12,000 sq. ft of enterprise estate within Lochgelly Business Park, across 9 units.

Purpose	Estimated Contribution	Notes
Total	£2,748,000	

Table 2 Reserve Projects

Kirkcaldy Art Lighting Project (Priority 2)	£150,000	Start of town wide lighting project lighting up key buildings and visitor attractions. Match funding will be sought from KAC to support a wider programme.
Glenrothes Signage (Priority 3)	£75,000	Directional and information signage to tie in with urban realm improvements, connecting and highlighting key assets.
Cowdenbeath Signage (Priority 3)	£75,000	Directional and information signage to tie in with urban realm improvements, connecting and highlighting key assets.
Total	£300,000	

2.6 The context for selecting the proposed projects as outlined in the table above is as follows:

- a) To meet the shortfall in funding for projects.
- b) Projects can meet both the ambitions and conditions of the Fund as set out by the Scottish Government in the timescales available.
- c) Links to the Leading Economic Recovery Action Plan
- d) Links to the Mid Fife Action Plan and Investment Prospectus
- e) Projects are aligned to local and strategic priorities set out by emerging Place Leadership teams and will create transformational change at a local level.
- f) Projects meet the themes identified in A New Future for Scotland's Town Centres
- g) Delivery risk, taking into consideration multiple factors which may delay delivery and completion of projects.

Update on the Scottish Government Town Centre Capital Funded Programme

2.7 The purpose of the 2019/20 Town Centre Fund was to enable local authorities to stimulate and support place based economic investments which would encourage town centres to diversify and flourish and create footfall through local improvements and partnerships.

2.8 The purpose of the 2020/21 Town Centre Fund was to support capital projects to stimulate local construction activity and support local employment. Investment decisions were made in the context of national and local commitments to town centres including the Town Centre First Principle and the Town Centre Action Plan; and the Place Principle. Fife Council was awarded £4.335m in 2019/20 which supported 15 projects and a further £1.56m in 2020/21, which supported two new projects and extended support to four existing projects.

2.9 Appendix One to this report provides an update for the seventeen projects progressed. Fourteen of these projects were completed on time with three delayed due to factors out with the direct control of project managers, including Covid-19 restrictions, material shortages, delays in the supply chain and labour shortages. An extension of time was

sought and received from the Scottish Government to allow these projects to reach completion.

3.0 Conclusions

- 3.1 The Scottish Government has allocated a further £33m of capital funding to Local Authorities across Scotland, from the Place Based Investment Programme to be spent or legally committed in the financial year 2022/23.
- 3.2 Officers have identified eleven projects that could be delivered within the timeframes given by the Scottish Government. However, with Fife's allocation now known, the projects have been prioritised with three placed on a reserve list.
- 3.3 The potential impact on revenue budgets continues to be tightly managed. To reduce the Council's exposure to funding ongoing revenue streams, enhancing existing projects and working with third party end users/beneficiaries is the most effective use of these funds.
- 3.4 There should be some flexibility to allow movement of funds from one project to another as necessary, with the agreement of the Executive Director (Enterprise and Environment). This will be by way of a briefing note to include rationale and purpose of any changes above £100,000. Any awards or changes to the programme below £100,000 will be at the discretion of the Head of Business and Employability, in consultation with relevant services.
- 3.5 The Scottish Government funding criteria stipulates that, projects should be aimed at supporting local solutions, shaped by the needs and aspirations of communities and accelerate the Scottish Government's ambitions for:
 - Place
 - 20-minute neighbourhoods
 - Town centre action
 - Community led regeneration
 - Community wealth building
- 3.6 The proposed disbursement of funds outlined in Table 1 reflects the Scottish Government's priorities, including its set timescales. The projects identified have the necessary approvals and/or plans in place to allow expenditure to be completed on time.

List of Appendices

1. Scottish Government Town Centre Fund 2019/20 and 2020/21 – Update

Background Papers

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

- Scottish Government Town Centre Action Plan (2013)
- Scottish Government Town Centre Toolkit (2015)
- Scottish Government "A New Future for Scotland's Town Centres (2021)

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Appendix One - Scottish Government Town Centre Fund 2019/20 and 2020/21 – Update

Project and Investment	Brief Description	Current Status
Former DSS Building Cowdenbeath £240k	Purchase and demolition of the former DSS building in Cowdenbeath town centre. The site clearance has paved the way for the neighbouring council-owned land to be redeveloped into a mixed-use affordable housing and commercial development, in partnership with Kingdom and Ore Valley Housing Associations. Site clearance is expected this year and the build to commence in 2023.	Complete
Cowdenbeath Town House £500k	Renovation of the prominent Town House building on Cowdenbeath High Street, which had lain vacant for years. The funding is being used to bring the building up to a standard ready for the next phase of works and an identified end use. Works on the building are due to complete by end of February 2022.	Active
Cupar Inner Court/ Bonnygate £850k	An ambitious project involving the repurposing of brownfield land and derelict buildings situated in the heart of Cupar's historic conservation area. The project is a partnership involving Kingdom Housing Association (KHA) and Fife Council. The proposal for the 23 affordable residential units and a commercial unit received Full Planning Consent in June 2021 with a further application for non-material variations to planning conditions approved in September 2021, and Conservation Area Consent for the demolition of the derelict buildings agreed in October 2020. KHA will be the landlord of 13 mid-market rent properties and Fife Council landlord of 10 social rent properties and the commercial unit.	Active
Maygate Exchange Dunfermline £300k	This project has transformed a vacant Fife Council building in the heart of Dunfermline town centre into a modern Enterprise Hub where entrepreneurs can hire space, grow, and collaborate. The creation of collaborative space was identified as much needed through the Design Dunfermline Charette in 2018. The Hub was designed with enhanced Covid safety measures, including remote management and an online booking and billing system.	Complete
Glenrothes Signage, Routeways and Cycleways £70k	This project has capitalised on existing assets, and new developments, within Glenrothes town centre, which will help to connect people and places. Upgrades to the routeways and signage within the town centre include a new path connecting Kingdom Avenue with Riverside Park, and improvements to the pedestrian and cycling footways.	Complete

Project and Investment	Brief Description	Current Status
<p>Development of Glenrothes Town Centre Sites £498k</p>	<p>The development of key sites within Glenrothes town centre has created a more distinctive and integrated town centre, which will enhance the future role, function, attractiveness, and success of Glenrothes Town Centre. In conjunction with the projects included in, Glenrothes Routeways and Signage, the individual site improvement projects have created a better perception of the town centre and have improved connectivity within the town centre. Improved access to and from key town centre assets. Site improvements included:</p> <ul style="list-style-type: none"> • Improvements to facilities in Riverside Park • The creation of a viewing platform will enable all sectors of the community to access the park and the views of the Lomond Hills. • Increased seating, shelter and improvements to lighting have made the town centre a more attractive and welcoming social hub where people can gather and spend time. • New areas of green space, such as the former Kingdom House site. 	<p>Complete</p>
<p>Inverkeithing South Gateway £200k</p>	<p>As part of the wider heritage regeneration of Inverkeithing town centre, this project has created attractive and useable civic space in the heart of the town centre and has extended the benefits and impact of the public realm scheduled for the adjacent Conservation Area. Inverkeithing Community Council plan to use the enhanced space to hold a Christmas Market and Community Networking Event in December. A local café business is also interested in using the space as outdoor seating for its customers.</p>	<p>Complete</p>
<p>Kirkcaldy Car Parking, Public Realm and Gateway £180k</p>	<p>Improvements across Kirkcaldy Town Centre, including public realm to two wynds which connects people from the High Street to the Waterfront, the west end of the High Street (Olympia Arcade), and Gateway improvement work within the Adam Smith Merchants Quarter including artistic mural work, and the installation of a sundial as a tribute to Sir Sandford Fleming. Car parking improvements have been slower, however work has been done to close off the pedestrianised area of the High Street to vehicles, out with permitted times, with the use of temporary planters, so that people can enjoy car free space more often and for longer.</p>	<p>Complete</p>
<p>The Postings Steps, Kirkcaldy £300k</p>	<p>Access to The Postings (latterly the Kirkcaldy Centre) shopping centre was in dire condition, with the steps and access ramps unusable in some places and hazardous to those with mobility issues. The reconstruction of The Postings steps and ramp (completed in September 2020) has transformed a key route which links Kirkcaldy Bus Station with Kirkcaldy town centre. The steps are now DDA compliant, and by using a similar granite to the High Street, the look and feel of this key gateway to Kirkcaldy town centre has been enhanced. The associated lighting and artwork have improved the look and feel of the area, and enhanced safety and security.</p>	<p>Complete</p>

Project and Investment	Brief Description	Current Status
Kirkcaldy Waterfront £350k	The Kirkcaldy Waterfront project is a major infrastructure project to re-imagine Kirkcaldy's waterfront, with the works to be undertaken in three phases. The Scottish Government funding provided an enhancement to the existing works and was used specifically for the upgrading of the public realm, including new viewing platforms and art lighting.	Complete (Phase 1)
Adam Smith Theatre Cultural Hub (Kirkcaldy) £400k	An allocation of £400k SG funding was allocated to this project to progress the enhancement of the Adam Smith Theatre auditorium.	Active
Acquisition of Buildings in Kirkcaldy's Merchants Quarter £400k	Funding from the SG has enabled the acquisition of two neighbouring vacant sites in Kirkcaldy High Street. This has allowed the progression of a £6.1m affordable housing development to progress. The development includes 39 residences with commercial units at ground level providing new modern business space. The commercial space will be used to create a Home Adaptations One Stop Shop.	Complete
Acquisition of Buildings in Levenmouth £362k	Fife Council has been working with Benarty Regeneration Action Group (BRAG), to help achieve their vision of creating a community hub and visitor destination, enhancing the work of Levenmouth Together. The SG funding was used as a grant to BRAG to facilitate the purchase and redevelopment of the former WH Smith building, a prominent vacant and derelict building in the centre of the High Street, which has lain empty for years. The redeveloped unit will include a community café, a shopfront/display area for community use and links to other regeneration activity, such as the Levenmouth Reconnected Rail Link and the former Flax Mill at Silverburn Park.	Complete
2 nd Phase Town Centre Regeneration (Leven) £450k	The funding was used to make the town centre more attractive and accessible for all, to improve the external perception of the area, and instil an internal pride of place within the community. Upgrades were made to cycle routes and pedestrian dominated areas to improve access and encourage more people to make journeys into the town centre by foot or by cycling.	Complete
Lochgelly Town House Square £440k	SG funding was used to enable the creation of a town house square on a section of land that was sandwiched between two anchor buildings which were vacant and derelict and targeted for re-use following the Scottish Sustainable Communities Charette held in March 2010. The former Town House (Category B listed) was repurposed to create town centre living, and the former St Andrews Church, was converted into a regional indoor climbing and bouldering facility, which will help to diversify the town centre offer.	Complete
Abbot House Dunfermline £205k	The A-Listed Abbot House, which operated as a heritage centre, has been vacant and closed to the public since 2015. Since the formation of Abbot house SCIO in 2017, works have been undertaken in a phased manner to refurbish and	Complete

Project and Investment	Brief Description	Current Status
	reconfigure the building's interior to provide a modern café, restaurant, meeting rooms and suites which will serve the local community and can be used for a variety of purposes. The SG town centre funding of £205,000 has enabled the final phase of internal and external works to be undertaken so that the building can fully re-open to the public in Spring 2022.	
Building Improvement Grant £150k	A Town Centre Building Improvement Grant was launched in 2020 with Scottish Government funding of £150,000 and a Fife Council contribution of £82,000, for the purpose of shop front improvements, internal refit works, or upper floor conversions. The funding was open to businesses located in Fife's seven key town centres. In 2020/21 33 businesses received funding in the range of £6,000 to £10,000, or 90% of capital costs, whichever was the lowest. The funding has benefitted businesses across a range of sectors including food and drink, personal services, and retail.	Complete

14th April 2022

Agenda Item No. 5

Adam Smith Refurbishment & Enhancement Programme

Report by Paul Vaughan, Head of Communities & Neighbourhoods

Wards Affected: 10,11,12 &13

Purpose of Report

To provide an overview of the programme of works being undertaken to refurbish and enhance the Adam Smith Theatre and the increased costs as a consequence of the impact that Covid-19 Pandemic & EU-exit and seek agreement to additional funds to meet the budget shortfall.

Recommendation

The Committee is asked to

1. Note the total costs of the programme since starting on site, the funding available to deliver this and the mitigation measures and options to manage the increased costs.
2. Agree the allocation of £1.700m to be funded from the commitment in general fund balances set aside for costs and pressures following the COVID-19 pandemic.
3. Note the time constraints to complete the onsite works by April 2023.

Resource Implications

The cost of the programme is estimated £7.35m including the value engineering option in this report. Communities and Housing sub-committee approved a council capital plan allocation of £2m in November 2020. The capital allocation was increased £2.665m approved in the 2019-29 and 2021-31 Capital Plans. Other allocations for specific packages of works have been brought together into a programme of works with funding allocations from capital funds, planned maintenance contributions, energy management fund and town centre regeneration funding and £0.500m budget for rigging works. The combined capital budget for the programme including the rigging works is £5.656m.

This budget is not sufficient to cover the costs of the programme because of increased costs as a result of the COVID-19 Pandemic and EU-exit. There is a £1.700m shortfall.

Legal & Risk Implications

The estimated cost of the Adam Smith refurbishment programme now exceeds the increased available budget by £1.700m. There is a significant financial risk as there is not sufficient budget to complete the works. The ongoing uncertainty in the market and the availability of materials means that there are risks that costs could still increase due to price uncertainty and that works are not complete by April 2023 with consequences for the operation of the facility by Fife Cultural Trust and the programming from May/June 2023.

Impact Assessment

An EqlA checklist is not required as the report is not proposing any changes or revisions to existing policies and practices.

Consultation

There has been extensive consultation and community engagement, including key stakeholders and amateur groups using Adam Smith Theatre and other users who have been invited to briefing sessions with Fife Cultural Trust. A “community conversations report” was produced. A communication strategy has been developed including a virtual community meeting.

1.0 Background

- 1.1 Fife Cultural Trust has operated Adam Smith Theatre since it was established in 2012, which has developed into a very popular venue with an average of 50,000 theatre visits per annum. The refurbishment and enhancement of the Theatre will bring a new “cultural and creative hub” to Fife and support Fife’s creative industry and the regeneration of Kirkcaldy town centre.
- 1.2 Part of the town centre focus of Plan 4 Kirkcaldy is to give prominence to distinctive heritage by refurbishing and repurposing historic buildings to contribute to the social and economic wellbeing of the town. The project delivers against this aspiration by reconfiguring and refurbishing the theatre to develop a ‘hub’ to support and inspire creative individuals and businesses to start and grow in Fife.
- 1.3 A refurbished theatre is delivered by the programme along with other reconfigured spaces, so they can be used for a range of different purposes e.g., a social space where people can meet and collaborate; a café space that can also be a small conference or performance space; and formal working spaces that can support small creative enterprises.
- 1.4 The original FCT operational business case for the project was endorsed and supported by Community & Housing Sub-Committee

2.0 Project Update and Progress

- 2.1 Adam Smith Theatre is an iconic facility in Kirkcaldy and by enhancing the existing facility has presented issues but also created opportunities to integrate other planned works into the programme once the extent of the building maintenance issues was identified. By integrating other work streams into this programme, it will enhance the overall project and maximise the use of the contractor resources on site. The main areas of work include the refurbishment and modernisation of many areas of the facility and addressing unforeseen issues that have come to light during the enabling works. However, this has been compounded by the increased costs for the packages of works due to COVID factors outlined in section 3.
- 2.2 The Adam Smith Centre Refurbishment and Enhancement Programme is currently on site; the works are now split into 3 phases:
- Phase 1 Auditorium – A £0.450m project to refurbish the auditorium, the building works are complete, and the seats are due for installation over the next few months.
 - Phase 2 Enabling works - A £1.000m project to strip out the building and carry out works to make the building wind and watertight. The works started on site in September 2021 and are progressing well, although a number of unforeseen works have been uncovered. These works will be completed in April 2022.
 - Phase 3 main works – The tender for these works was returned on 7th March 2022. These works are due to commence in April 2022 with a key completion date of April 2023. This completion date is to tie in with the 300th birthday celebrations for Adam Smith and this completion date has and still remains an important driver for this programme.
- 2.3 The project team have used the opportunity of the capital investment and the ability to close the theatre during the pandemic to bring forward a range of works for the Theatre including emerging works required following the original phases of the project. This includes the incorporation of work such as:
- Significant investment in fabric and loft insulation to reduce energy costs.
 - Advancement of planned roofing works to resolve historical leaking issues and roof features that were rotten.
 - Replacement of the mechanical and electrical services within the building that were no longer up to standard.
 - Carrying out stonework repairs to the external facade of the building
 - Carrying out unforeseen rot works.
 - Replacement of the gas boilers with electric boilers to help achieve carbon reduction targets across the council.
 - Additional refurbishment due to changing configurations within the buildings
 - Providing a dedicated fixture and fittings budget as the design of the facility has developed.
 - Replacing and improving rigging, lighting, and audio equipment to ensure the facility meets the demands of building users.
 - The total costs of the range of works before market testing was £5.7m.
- 2.4 The original capital funding for the project was £2.665m approved in the capital plan (£2m in 2019-29 capital plan and £0.665m in 2021-2031 capital plan). The budget for the project currently sits at £5.156m including the incorporation of additional works deliverable whilst the facility is closed and there is a budget of £0.500m for

rigging works. The £5.156m budget breakdown is provided at Table 1 of the business case (appendix 1). The current cost of the project following the market testing is now £7.5m resulting from construction inflation and before further cost mitigation options discussed in section 4.

3.0 Current Position

- 3.1 Construction costs are facing extraordinary pressures at present because of the Covid-19 pandemic, the developing impact on trade following the withdrawal from the European Union at the end of 2020, the volatile nature of global trade at present, increasing inflation and energy costs.
- 3.2 The Royal Institute of Chartered Surveyors (RICS) reported in November 2021 that construction materials faced a 40 year high in 2021 based on the annual growth in prices. The RICS go on to report Increased global demand in the construction sector, combined with the multiple and complex impacts of the pandemic and logistic issues, have resulted in unprecedented shortages, delays and ultimately, increased prices of materials and labour across the economy.
- 3.3 Projects of this size and complexity would even in normal times face significant cost challenges, particularly with the nature of a refurbishment project. However, any cost challenges would have been dealt with through robust commercial processes that would involve a range of value engineering measures to ensure that we remained within the budget envelope. That approach whilst still being followed will not address the cost pressures currently faced on this contract.
- 3.4 The market intelligence received on the phase 3 works tender packages on the Adam Smith programme are in line with other construction projects property services currently have on site. In fact, due to the refurbishment nature of this project and the low desire for any risk from tendering contractors the projected cost increases are even higher.
- 3.5 Two of the main packages on this project clearly highlight the issues to date:
 - The mechanical package has come in 40% higher than the cost plan, we have had a very good response from the market and the tenders we received are very close, that gives clear proof that the increases are due to material/labour price increases out with anyone's control.
 - The joinery package has come back from tender in excess of £1.200m, the feedback from our tenderers is that this package could have been delivered pre lockdown for approx. £0.850m and in line with our cost plan, again this points to significant increases due to market conditions.
- 3.6 In addition to the works at Adam Smith Theatre, there is also a programme of rigging/sound/lighting survey work ongoing across all theatres in Fife. Adam Smith Theatre was surveyed in early March, and a report is expected shortly. If this is in line with other theatres it is anticipated to cost £0.500m. This work was not included in the project brief and is now included within a Fife wide approach.

3.7 The full tender cost breakdown as at 7th March 2022 is £7.500m which includes £1.8m due to increased construction costs and £0.500m for the rigging works. This points towards an expected overspend in the budget of circa £1.800m. A detailed description is provided below:

- £1.800m is due to increased construction costs as a result of COVID-19 Pandemic and the EU exit. The impact of this has affected a range of construction, services and fit out work packages accruing major increases in costs. This has impacted the Adam Smith project with cost uplifts to joinery works, mechanical and electrical installations and other packages for the fit out of units and floor coverings. All of this has been compounded by the additional preliminary costs for on-site works to combat covid restrictions.
- £0.500m has been ring fenced for rigging, sound, lighting works in the auditorium and will be funded from C&N Service capital plan agreed in the 2021-31 capital plan.

4.0 Cost Mitigation Options

4.1 The project is on site and the building is fully stripped out, that limits the options available to the council:

Option 1 – Increase the budget for this project based on an acknowledgement of the pressures facing on site construction projects across the entire country.

Option 2 – Carry out a full value engineering exercise of the phase 3 works and prioritise the available budget on the public access areas.

4.2 A value engineering options and impact assessment (Appendix 2) has been completed which shows the areas of the project that could be value engineered. The two viable options for value engineering based on this risk assessment are shown as green and total £0.150m. The focus of this exercise has been to ensure that we protect works that ensure the sustainability of the building for the foreseeable future and value engineering areas which have minimal impact on the customer experience, revenue, and the operations of the facility.

4.3 Value engineering can reduce the budget gap by £0.150m. A summary of the budget gap is provided at Table 1 below:

Table 1 - Summary of Budget Gap

Total Projected Cost	£7.500m
Total Current Budget	£5.150m
	£2.350m
Mitigation actions	
C&N capital budget for Rigging	(£0.500m)
Value engineering options	(£0.150m)
Total current Budget Gap	£1.700m

4.4 Funding to address this shortfall could come from 2 sources. The Communities and Neighbourhoods Service could reallocate funding from the available budget of £4.8m for sports, leisure, and community asset fund from the 10-year capital plan.

The future consequences of this funding option may result in increased maintenance closures in other cultural, sport & leisure and community assets to deal with reactive maintenance issues or deferring planned maintenance/enhancement projects.

- 4.5 A second funding option is to invest in the programme by additional capital funding of £1.700m from the commitment in general fund balances set aside for costs and pressures following the COVID-19 pandemic.
- 4.6 Based on the options it is recommended that the council proceed with the option to adopt two of the value engineering options valued at £150k and agree the reprofiling of the capital plan to fund the additional £1.700m from the commitment in general fund balances set aside for costs and pressures following the COVID-19 pandemic.

5.0 Conclusion

- 5.1 The paper has outlined a programme of work to refurbish and enhance Adam Smith Theatre to create a cultural hub supporting Kirkcaldy Town Centre and the wider cultural economy.
- 5.2 The programme of works is impacted by the construction inflation caused by the COVID pandemic and other shocks and uncertainties resulting in increased costs for the programme of works.
- 5.3 Value engineering and funding options have been explored and to enable the Adam Smith Centre Refurbishment Programme to progress, it is recommended that committee agrees additional capital funding of £1.700m from the commitment in general fund balances set aside for costs and pressures following the COVID-19 pandemic.

List of Appendices

1. PF01 Project Business case
2. Value engineering options and impact assessment

Background Papers

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

- Council Capital Investment Plan 2019-29 agreed in February 2019
- Council Capital Investment Plan 2021-31 agreed in February 2021
- Community & Housing Committee 24/11/2020 “-Adam Smith Theatre Redevelopment Project.

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Project ref & title	Adam Smith Refurbishment & Enhancement Programme
Programme or eVision (if applicable)	Communities Programme
Project Delivery Lead	Andy MacLellan (Community Projects Manager) & Kirsty Keay (Director of Corporate and Commercial Development, FCT)
Project Manager & Sponsor	Gavin Turner (Architect) Paul Vaughan & Julie Dickson (Sponsor)
Approval board(s)	Initial funding approved at C&N Sub Committee
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17/03/22	V1.1	Kirsty Keay/Andy MacLellan	Second draft
21/03/22	V1.2	Lesley Kenworthy/Eleanor Hodgson/Andy MacLellan/Raymond Johnston	Final Business case & financials
25/03/22	V1.3	Lesley Kenworthy/Eleanor Hodgson/Andy MacLellan/Raymond Johnston	Updated to include additional risk options

Section 1: Proposal

1.1 What is the project going to do?

The project is to provide a comprehensive refurbishment & integrate enhancement into the facility to make it more inclusive and welcoming whilst attracting a range of activity, events, and performance. The scope includes a vibrant cultural hub for Fife that supports creative industries to start and grow whilst connecting communities to new cultural experiences and providing an avenue for ongoing engagement that shapes cultural services for the people of Fife.

The hub will be a place for people to meet and network informally, in a relaxed café space that can double as a small conference or performance space; a programme of events will attract visitors seeking business, ideas and inspiration that will sit alongside dynamic working spaces that support small enterprise to grow out from the kitchen table into full time premises.

Alongside the creative hub, the theatre will be refurbished and will also continue to be a key provider of services to the community, providing space for amateur dramatics, upcoming performers and delivering shows, theatre, and cinema to the people of Kirkcaldy and Fife.

1.2 Why should we do it and what will happen if we do not?

1.2.1 Project background

At this time there is no central location in Fife for people and small business in the creative industries to connect, engage and be supported to grow and inspire others. The

Plan for Fife has four themes of fairness; Opportunities for all, thriving places, Inclusive growth & jobs and Community led services. This project will focus on achieving a number of outcomes under two key outcomes: Thriving places and Inclusive Growth and Jobs. Providing opportunities for those interested in working in creative industry, we will provide a thriving location that will be a central hub in Fife (currently people leave the region), and it will be inclusive, engaging with the community to drive cultural service provision in Fife.

The Adam Smith Theatre was once a busy focal point in Kirkcaldy, with a busy programming schedule that attracted well known performers to the town offering social and cultural activities and opportunities for the community. However, the building has not attracted any significant activity since it was refurbished in the 1970's and subsequently the facilities and offering on site has become less attractive to performers and people looking to hire spaces for cultural and creative activities. This has had an impact on the number of visitors to the building, and in turn Kirkcaldy town centre.

1.2.2 Project justification

This project will build on, and compliment, recent investment by Fife Council and partner organisations to regenerate Kirkcaldy Town Centre. A refurbished and upgraded "state of the art" Theatre in the heart of Kirkcaldy will enhance the night-time economy within a more welcoming, inclusive, and easily accessible facility.

The new building will be a local focal point for the community, retain identity within the community and will have a significant impact in terms of improved community cohesion and community pride.

This project meets many the outcomes described in the Plan 4 Fife 2017-2027:

Thriving Places

This project will seek to establish a creative hub at the heart of Kirkcaldy; developing a known community asset into a busy cultural space that support people who live in Kirkcaldy to be connected in a vibrant space, enables small creative industries to grow and network, whilst ensuring that a vital community facility remains accessible to all and develops further as an essential amenity for people of Kirkcaldy.

We will work with partners to create a 'critical mass' of activity in Kirkcaldy Town Centre; with two large venues within the FCT portfolio (Adam Smith and Kirkcaldy Galleries) alongside the development of the Kings Theatre and our ongoing and growing partnership with the Adam Smith Global Foundation we will be well placed to drive cultural and creative activity that creates positive social, economic and community impact. A spectrum of complimentary provision will provide a competitive edge and USP over other areas; with interlinking networks and services that can provide full life cycle support for those interested in, and already engaged with providing creative services.

We will attract people from Fife and further afield as day visitors and tourists to the area through a diverse programme of events and building our reputation within the creative industry on a national level.

Through the development of the building and increase in revenue we will ensure that the Adam Smith theatre becomes a more sustainable facility for the community and in doing so be in a better position to continue to deliver much needed cultural services to the people in the area and beyond.

VisitBritain estimate that Britain’s cultural and heritage attractions generate £4.5 billion worth of spending by inbound visitors. VisitScotland’s visitor survey highlights that a third of tourists are inspired to visit Scotland by our culture and heritage; something that the Adam Smith Theatre embodies, and a creative hub will thrive upon.

Through reopening the Adam Smith Theatre and Creative hub in 2023 we will be bringing a key asset to the Adam Smith Tricentenary celebrations, an international event that will see visitors from around the globe visiting Kirkcaldy. The Creative Hub will be a central focus of this event raising the profile of both Kirkcaldy and the new building, showcasing the birthplace of Adam Smith, and creating a critical mass of activity that will have a legacy benefit for the town and Fife. Bringing together cultural and creative offerings in one location will offer an exciting and innovative experience for all visitors that will be a draw for the community and local / international tourism going forward.

Inclusive Growth and Jobs

Fife Cultural Trust has a strong history for partnership working that brings new and exciting opportunities to Kirkcaldy; with the annual Festival of Ideas attracting visitors from across the World and giving the town an international platform across a variety of news outlets. The further development of the Adam Smith Theatre will continue to build on this reputation; creating a creative hub that strives to engage people across all communities and connect them with new experiences, alongside providing sole traders, and business with inspiration and opportunities that enable them to take forward their own aspirations for growth and development.

The development of the Adam Smith theatre would be an investment that would lead to an increase in locally rooted business remaining in the mid Fife area; at this time many currently relocate outside of Fife to access the vibrant creative networks that exist in larger cities such as Edinburgh.

Additionally, the project would make more of a cultural and historical visitor attraction; the creative hub would have a year-round events programme designed to attract people of all backgrounds, ages, and purpose. This might be purely entertainment, or could be learning, development, networking, growth, or service delivery.

The creative industries in Scotland contribute £4.5 billion towards the economy, a steady increase since 2010. The industry is now larger than life sciences and sustainable tourism in terms of GVA and employs more people than the energy sector. It remains a key sector for growth in the Scottish Government Economic Strategy for Scotland.

The industry is dominated by small enterprises with 59% of registered enterprises being sole traders and 88 % having less than five employees; this is the key target market for the Adam Smith creative hub.

Fife has the 4th largest economic contribution from the creative industries in Scotland, with over 600 creative businesses in Fife, who we already have a role in supporting. The development of Adam Smith and the creative hub would build on that existing role; working in partnership with Fife Council, the Adam Smith Global Foundation and continuing from our already successful Create in Fife Strategy this project will build on an already successful platform.

In addition to the industry directly contributing to economic growth it will enhance our tourist offering; tourism was worth £565m in 2016 to Fife, this is an 80% increase since 2012. The investment in Adam Smith and the ripple effect on existing and growing

partnerships has the potential to drive further growth in this area; example of this include Fife festivals, which currently attract over 200k visitors (with 59% of those attending coming from out with Fife), through establishing Kirkcaldy as a key location for creative industries, widening and strengthening the partnerships we would seek to expand and build on this existing success story. This would help establish an international reputation for Kirkcaldy that is built on its rich heritage and evidenced through a vibrant town centre that thrives on creative industries and the services and goods that they have to offer.

It will also reduce the Council's backlog maintenance liability and will provide a building that meets all modern energy efficiency targets. The new design is also striving to be highly energy efficient with a 'fabric first' approach to energy conservation. The Authority's intention is to set new standards in sustainability and energy efficiency whilst ensuring a flexible and adaptable approach to design and energy supply. Reference should be made to Climate Fife (Feb 2020), Fife Climate Ready, Climate Friendly, and Climate Just: [Climate Change, Carbon, Energy-Fife's Sustainable Energy and Climate Action Plan](#)

1.2.3 Urgency and consequences

The current facility is run down, requires regular maintenance and health and safety upgrades. The main auditorium requires new seating, lighting, audio, and PA systems to meet the performance standards required to accommodate major performances and events

This project is key for supporting creative industries to start and remain in Fife; ensuring that the benefits of the business growth, income and employment opportunities stay within the region.

At this time, many people seek opportunities outside of Fife as there is no established place that they can identify and connect with. At this time Perth and Kinross are establishing their creative pipeline and hub within the city centre and will become another area that lures talent away from Fife if we are not proactive in responding to the needs of the creative industry.

The project and its outcomes are aligned with the outcomes described in the Plan 4 Fife and the aspirations for Kirkcaldy and the focus on key town centres and the 'town centre firs' principle. Given the length of time to achieve the initial build and the community engagement, growth, and outreach thereafter it would be detrimental to the people who live, work, and visit Fife, and its economic aspirations to delay this project.

There is an urgency for the project due to the June 2023 Tricentenary celebrations and events that are planned for Kirkcaldy which has been progressing in partnership with key stakeholders. The festival of ideas will provide a week-long series of events that will radiate from the Adam Smith Theatre and Creative Hub, it will be a location of interest due to its historical importance but also its capacity to host a wide range of events that form the festival. There are a wide range of international delegates attending the festival, along with high profile performers (previous performers include Kofi Annan, David Tennant, Eddie Izzard, and Ed Balls) who are often drawn to the event through the festival's connection to Gordon Brown.

An internal audience will provide a critical platform for the Adam Smith Theatre and Creative Hub, providing a strong basis for a post covid return to performances and events that will bring in returning audiences and new visitors. With the world watching it is essential that the Hub is open and offering an exciting and diverse range of experiences in a remarkable new setting.

1.2.4 Lessons learned

Utilisation

FCT/FC have undertaken site visits to key spaces in Edinburgh that can be considered 'creative hubs' that are demonstrating high success and achieving key outcomes that are aligned with our aspirations for Adam Smith. Our connections with the leaders of these projects will be key in taking this project forward.

Perth and Kinross Council and Culture Perth & Kinross have developed creative hub spaces and since then; we have met with the stakeholders in this capital project and the service development / delivery model to learn lessons and ensure these inform our progress and design.

Additionally, Fife Cultural Trust have managed key capital development projects in relation to Kirkcaldy Galleries, Lochgelly Centre and Dunfermline Carnegie Library and Galleries which have provided key learning to inform the Adam Smith creative hub project and performance spaces within the theatre.

Repairs & Maintenance

Effective maintenance of the building estate is seen as key to supporting the continuity of council operations and the provision of a safe and effective environment. By upgrading the theatre will reduce the reliance on further investment on planned maintenance.

Running Costs

Opportunities to upgrade technical & manual processes with mechanical operations will reduce reliance on workforce to do this work and reducing the H&S workload. The facility will be more sustainable in the long term with less reliance on short to medium building maintenance works

1.3 What are the key deliverables/outputs of the project?

To create a creative hub that provides Kirkcaldy and Fife with a central base and lead for supporting the engagement, development and growth of creative industries and networks in Fife and beyond.

The key deliverables of the project are:

- Establish Project outline and procurement plan
- Procure appropriate services
- Timeline building works
- Creation of café and small conference / performance space
- Development of state-of-the-art performance space for local amateur drama groups and artists and studio space for visiting shows and performers. This space will be fully disability accessible (currently it cannot be accessed without taking customers outside of the building).
- Creation of modern working space that provides dynamic options for business seeking premises; either as a first step or as a safe growth option when they first employ staff
- Creative hub that enables Fife Cultural Trust to be accessible to the community and industry through co-location and open working spaces.

1.4 What are the desired outcomes and benefits?

Outcome	Benefit
Economic Growth	<p>Key investment and development in Kirkcaldy town centre that creates a critical mass staff and visitors. Contributing to the night-time economy and encouraging visitors to the town.</p> <p>Business development opportunities for Fife Cultural Trust with the ability to fully utilise all spaces in the Adam Smith Theatre, providing new performance and meetings spaces for the creative community. Following COVID returning to trading with a new offering for the local, business and performing community. Previously Adam Smith Theatre building was only used less than 20% of the time, the integration of a creative hub alongside significant refurbishment will present a draw and focal point for Kirkcaldy and Fife. The café / bar, theatre programme, creative hub and meeting spaces will all create a high-quality asset for OnFife to market and draw visitors with a view to generating income.</p> <p>New employment opportunities through the development of onsite catering services and conferencing / performance venue.</p>
Greater Community Engagement	<p>Increasing the use of the building and available space for community members, groups, and societies to use for meetings, events, and creative and cultural development.</p> <p>Building further connections with the community through a hub model that encourages engagement and open doors for visiting and building use.</p> <p>Placing FCT at the heart of Kirkcaldy ensuring our team and volunteers are easily reached by the community, and able to provide support for cultural development more readily.</p>
Enhanced Service provision	<p>A more dynamic staffing model at Adam Smith enables it to be open and delivering services to the community in a more accessible way and with greater frequency. This provides an enhanced community resource that will promote community connections, cultural and creative activity for people in Kirkcaldy and Fife.</p> <p>The creative hub will enhance the profile of the Adam Smith Theatre and Kirkcaldy, attracting more shows and performers who wish to use the venue for their performances. This in turn will ensure that people in</p>

	<p>Kirkcaldy and Fife have greater access to a wider range of cultural activities.</p> <p>The development of a café and conferencing / performance space provides a local social / networking area that can also be hired at affordable rates by those in the creative industry or the community.</p>
<p>Development of heritage / tourist sites</p>	<p>Adam Smith Theatre is an important heritage site in Kirkcaldy; it is already the venue for the festival of ideas. A creative hub will elevate the venue and provide visitors to Kirkcaldy with the opportunity to experience a key cultural site outside of its current scheduled opening hours for shows / performances.</p> <p>The Adam Smith Tricentenary in 2023 will provide a platform for raising international awareness of Kirkcaldy as the birthplace of Adam Smith and alongside this place the Adam Smith Theatre and Creative Hub at the heart of the local tourism industry as a place of historic interest and a vibrant location to access cultural and creative activities</p> <p>The development of Adam Smith, alongside the Kirkcaldy Galleries creates a critical mass of heritage and tourist attraction at the heart of Kirkcaldy; building on existing assets to draw in new visitors and increase awareness of Kirkcaldy as a place to visit and stay.</p>
<p>Increased visitors</p>	<p>A creative hub that is networked to the rest of Scotland by excellent public transport that is within short walking distance will ensure visitors (tourist, or business) can access the site with ease. Kirkcaldy is within easy travelling distance of Aberdeen, Dundee and Edinburgh making it an attractive site for meetings (both formal and informal).</p> <p>The development of Adam Smith will ensure that the programming schedule can diversify and attract new visitors and encourage increased return visits.</p>
<p>Developing new job opportunities for young people / long term unemployed</p>	<p>The café and small conference / performance area will seek to link with Fife College and employment support agencies in Fife to provide employment opportunities in catering, hospitality, and customer service.</p> <p>We will provide opportunities for upcoming artists to access audiences and venues alongside providing support for development and growth as a performer.</p> <p>The creative hub will seek to engage people and fuel their aspirations for taking forward small business ideas and self-employment that is geared towards the</p>

	creative industries. We will seek to increase the existing creative Fife network and support people to become established in their business, interweaving industry specific support with business development advice from partners in Kirkcaldy to ensure best success.
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1.5 What are the known costs and timescale? How will this be funded?

1.5.1 Costs

Total expected one-off cost	Total expected recurring cost
The estimated capital costs are £7.5m. Value engineering works of £0.150m have been identified. The total projected capital costs are therefore £7.35m.	Refurbished facility will be cost neutral for council & FCT related costs

1.5.2 Resource requirement

- Communities Project Team
- Property Services (PS) & Building Services (BS)
- Project Managers & sponsor
- FCT executive management team
- Design & Technical Services
- Stakeholder Representatives:
 - Finance
 - Customer Online Services
 - Communities & Neighbourhoods Service
 - PS & BS
- Community representative & amateur dramatics meetings

1.5.3 Project timeline

Project currently on site. Estimated completion period is April 2023 followed by pre- opening transition to opening in June 2023

1.5.4 Funding availability

Table 1- Budget Breakdown

Budget area	£
Original C&N Services allocation	2000,000
C&N Additional allocation 2021 – 31 Capital Plan	665,000
C&N Allocation from Libraries, museums, and art galleries 2021-31 Capital Plan	500,000
C&N Transfer of underspend from DMAG	205,626
Property PM contribution.	200,000

Allocation from C&N Services.	85,338
C&N Allocation from Tourism & Community Asset Fund (part of £2.1 m allocation agreed in the 2021-31 capital plan)	500,000
Energy management fund (awaiting details*)	200,000
Town Centre Regeneration Funding	400,000
Sub Total	4,755,964
Additional Property PM contribution	400,000
Revised Budget Total	5,155,964

Adam Smith Theatre is an iconic facility in Kirkcaldy. However enhancing an existing facility presents issues but also creates opportunities to integrate other works into one programme of works once the extent of the building maintenance issues were identified. By integrating other work streams as part of a programme of works into this project has enhanced the overall project. These have been funded by a number of areas as highlighted in table 1 above

- £0.400m external funding (Town Centre Regeneration Funding) was allocated to the refurbishment of the auditorium.
- £0.600m has been allocated from PS planned maintenance budget for enforced works for the poor condition of the roof and for works that were planned anyway (200k boiler replacement)
- Approx. £0.800m has been allocated from C&N services capital plan from pulling together on budgets allocations for S&L maintenance fund, Libraries, museums, and art galleries 2021-31 Capital Plan, underspends at DMAG for maintenance and enhancement works to the front of house, bar areas and creative hub
- £0.500m allocated from the Tourism & community asset fund for enhancements to the facility

NB £5.156m capital secured based on the assumption that energy management design brief is finalised

In addition £0.500m has been allocated from Sports & Leisure maintenance funds as part of the wider package of works for replacement of rigging, lighting, PA, and audio systems.

The total funding available is £5.656m.

1.5.5 Resource availability

All resources required to deliver this project have been made available from existing resources within the Council.

1.6 What are the known pre-start-up risks?

Project already on site. At the time there were no pre-start risks on the financial side. However there are risks in relation to refurbishing buildings. On site risk's include the following

Risk description	Probability score (1-5)	Impact score (1-5)	Overall score (probability x impact)
Operational -operational risks if the project is not completed due to funding shortfall or delays to onsite works due to external factors	5	3	15
Revenue - Impact on income for FCT due to reduction in programming at Adam Smith whilst building works are ongoing	5	3	15
Resources -Increased demand for design and technical services cannot be met.	2	4	8
Reputation - There is a risk of reputational damage as a potential consequence of project over run and increased costs prohibiting progress	2	4	8
Scope - The scope of the project reduced to enforced value engineering requirements	3	4	12

Note: Once the project enters the Plan stage, the project's pre-start-up risks should be copied into the project's Risk Log. The Risk Log will supersede the items detailed in the above table.

1.7 Proposal sign-off

Approved by	Role	Date approved
Investment Strategy Group	Capital Plan monitoring	31/03/22
Paul Vaughan	Project Sponsor	25/03/22
Lesley Kenworthy/Eleanor Hodgson/Andy MacLellan	Accountants/client	28/03/22

Section 2: Business Case

2.1 What is the scope of the project?

2.1.1 Output

Project outputs are defined in [Section 1.3](#) of this document. Any updates to project outputs will be made in Section 1.3.

2.1.2 Resources

Project resources are defined in [Section 1.5.2](#) of this document. Any updates to project resources will be made in Section 1.5.2.

2.1.3 Customers

Primarily, but not limited to the users of AST and users of other facilities from out with Kirkcaldy and one-off destination visitors

2.1.4 Staff

Existing staff with responsibilities for delivering services from the building will be integrated within the new facility or redeployed in other FCT facilities to maximise the resource within the area.

2.1.5 Service delivery

It is anticipated that the service delivery will improve as a result of this project.¹

2.1.6 Business process

Not significant	Yes/No
Modify existing Service business processes	Yes/No
Create new Service business processes	Yes/No
Modify existing corporate business processes	Yes/No
Create new corporate business processes	Yes/No

2.2 How will ‘business as usual’ be maintained whilst change is implemented?

Existing service delivery has been limited throughout the lifespan of the project particularly with less venues for accommodating Panto’s. Other services & resources have been redeployed to other FCT operated facilities The operational business case will articulate the integration of services into the new facility

2.3 Who are the key stakeholders?

- Community groups, amateur groups, and users & visitors of the existing building
- Locality Teams & Communities & Neighbourhoods Service
- Elected members
- FCT Board of Directors
- Customer Service Delivery
- Finance & Corporate Services
- Property & Building Services

2.4 What are the options to deliver the project (minimum of 3)?

Option 1:	Adam Smith Refurbishment & Enhancement Project
Cost	£7.35m (costs are based on revised costs linked to construction COVID cost uplifts and rigging works required to the auditorium as part of a wider improvement programme).
Time	On site- Completion April 2023
Quality	This option is addressing building condition issues, enhancing the energy efficiency and sustainability of the facility and ensure the facility can be operated to its maximum potential
Resource	As identified in 1.5.2
Scope	Assets identified in section 1.2.1
Risk	<ul style="list-style-type: none"> • More demand on the activity spaces provided in the enhanced facility. There would be limited opportunity to provide the range of activities that the community and partner organisations currently provide from alternative buildings • Operational management of the new facility will support this solution
Benefits	<ul style="list-style-type: none"> • Sustainable facility and improves lifespan of the facility • Auditorium H&S issues resolved • Improved acoustics • Averts revenue cost increases • Long term capital investment savings

Option 2:	Adam Smith Refurbishment & Enhancement Project (Major value engineering option)
Cost	£6.35m
Time	On site- Completion April 2023
Quality	Reduce the scope of the programme of works by removing all value engineering options identified in the ISG report and cease works in the Beveridge Suite with a focus on finishing the “front of house” works to a high standard.
Resource	As identified in 1.5.2
Scope	Only refurbishment achieved with specific enhancements only
Risk	Restricted improvements/enhancements to improve the customer experience. Will have a negative impact on the local cultural offer with potential impact on visitor numbers and night-time economy of Kirkcaldy. Reputational damage to FC
Benefits	Sustainable facility with less reliance on future building maintenance requirements. Improvements to the front of house/reception space will enhance the first impressions of the facility

Option 3:	Adam Smith Refurbishment & Enhancement Project (Refurbishment only)
Cost	£5.35m.
Time	On site- Completion April 2023
Quality	This option will still address building condition issues however, enhancements such as energy efficiency and facility improvements to maximise the operational potential for the long term will not be achievable.
Resource	As identified in 1.5.2.
Scope	Refurbishment only with no facility enhancements

Risk	No enhancements to the facility with negative impact to improve the customer experience. Reputational damage to FC. Minimal opportunity to grow the local cultural offer and economy of Kirkcaldy. Reputational damage to FC
Benefits	Sustainable facility with less reliance on future building maintenance requirements.

2.5 What is the recommended option from Section 2.4 to deliver the project?

As the programme includes a range of different work packages to maximise the opportunities to do these at the same time (as the facility is closed) it is recommended to keep progressing on site with a fully resourced on-site contractor team. However, the progress of the project to conclusion is predicated on securing additional funding to finish the project to a high standard and deliver the outputs.

2.6 What is the outline plan and cost break-down?

2.6.1 Outline Plan

Stage	Outputs/deliverables	Timescale
	Enabling works completed	April 2022
	Enhancement works	April 2022- April 2023
	Pre-opening works	April- May 2023

Note: Once the project enters into the Plan stage, and moves to developing the Project Plan, the Project Plan will supersede the Outline Plan detailed above.

2.6.2 Budgets

Total capital budget	Total revenue budget
£7.35m (£5.2m secured + £0.5m from C&N capital budget from Maintenance for Sports, Leisure & Community Assets to fund the rigging and lighting works in the auditorium)	Revenue budget available from the existing FCT operational budget for the facility.

2.6.3 Cost break-down –

Item description	One-off cost	Recurring cost	Funding source	Funding available
Construction including risk contingency	£7.35 m	-NA	Capital plan	£5.656m
Risk	Included above	-		
Site Surveys & other costs (demolition)	Included above	-		
Professional Fees	Included above	-		

Operating Budget ²		FCT will meet the revenue costs liabilities from existing management fee arrangements	Revenue budget	yes
Totals	£7.35 m	-		£5.656m

2.6.4 How realistic is the approach?

The approach is consistent with previous facility enhancement projects to maximise use of space, minimise operational cost uplifts and increase revenue opportunity for the operator

2.7 What are the benefits of the project and what measures will be used to show their realisation?

Benefit name	FCT improved customer experience
Measure	<ul style="list-style-type: none"> Utilisation of ongoing performance indicators
Baseline(s) per measure	<ul style="list-style-type: none"> Comparison indicators with other local authorities (Local Benchmarking Framework)
Target per measure	<ul style="list-style-type: none"> Set by FCT Board of Directors
Benefit Owner	Project Sponsor/FCT CEO & Board of Directors
Timescale	After 1 st full year of operation (Summer 2024))
Programme end benefit(s)	

Benefit name	Building Quality
Measure	<ul style="list-style-type: none"> No of Community Assets in "A" Condition
Baseline(s) per measure	<ul style="list-style-type: none"> Building in "A" condition.
Target per measure	<ul style="list-style-type: none"> "A" Condition Asset
Benefit Owner	Project Sponsor
Timescale	<ul style="list-style-type: none"> Measured Annually
Programme end benefit(s)	FCT Annual report to Council scrutiny committee

Benefit name	Efficient use of space
Measure	<ol style="list-style-type: none"> Utilisation Percentage of space accessible to the public.

Baseline(s) per measure	1. 60% 2. 70%
Target per measure	1. >75% 2. >75%
Benefit Owner	FCT & Project Sponsor
Timescale	1 year after project completion
Programme end benefit(s)	FCT Annual report to Council scrutiny committee

Benefit name	Affordable Estate
Measure	1. Reduction in building maintenance running costs 2. Reduction in backlog maintenance liability. 3. Increase in letting income
Baseline(s) per measure	1. As per existing FCT operating budget. 2. As per existing liability 3. As per existing FCT income targets
Target per measure	1. <25% 2. Initial increase of 20% then in line with inflation
Benefit Owner	FCT CEO & Board of Directors
Timescale	12 months after project completion.
Programme end benefit(s)	FCT Annual report to Council scrutiny committee

Benefit name	Improved delivery of frontline services
Measure	1. Increased Customer Satisfaction. 2. Increased access to FCT services.
Baseline(s) per measure	Current recorded level.
Target per measure	>80%
Benefit Owner	FCT
Timescale	12 months after project completion.
Programme end benefit(s)	FCT Annual report to Council scrutiny committee

2.8 What are the key assumptions and dependencies?

2.8.1 Assumptions

The strategic assumption is based on FCT Business case

1.8.2 Dependencies

As a result of the flexible and varied use of the space, working relations between services are crucial to project success.

2.9 What are the known pre-start-up risks?

No pre-start risks as project is on site

2.10 What are the permitted tolerances set for this project?

Tolerance table

	Amber status	Red status <i>(Triggers exception report to Project Sponsor/Project Board)</i>
Cost	Up to 10% over either capital or revenue budgets, compared to the original expected project costs and budgetary requirements.	Any percentage over either budget that exceeds the amber cost threshold.
Time	Up to 4 weeks late against the original project schedule.	Any schedule delay that exceeds the amber time threshold.
Quality	Elements of acceptance criteria likely to be missed which have no particular impact on the Business Case (should define these quality elements specifically for this project).	Elements of acceptance criteria that have slipped beyond what is defined within the amber quality threshold (this should be quality elements that have an impact on the Business Case).
Resource	Resources available, but minor delay in obtaining them, or up to 10% more resource required than originally anticipated.	Resources cannot be secured within a reasonable timescale, threatening other tolerances, or any additional resource required above the amber resource threshold.
Scope	Define what elements of the project scope that can slip to move the project's scope status to amber.	Any element of project scope slippage out with, or over and above, what is defined under amber for scope.
Risk	All risks can be managed within the project with an overall score of up to 15.	Any risk exceeding the amber threshold sees the entire Risk element of the project slip to red.
Benefits	Define deviations permitted for each benefit measure target, which consequently moves the project's benefits status to amber. This should be slippage with minor impacts to the Business Case that does not affect overall project viability.	Red status will occur when any permitted deviations are exceeded as defined under amber. This should be slippage that has significant impacts to the Business Case and could threaten overall project viability.

Section 3: Project Structure

3.1 What is the governance arrangement?

Project has Project Group, Design Team, Sponsor.	Yes
Project has no formal Project Board and reports directly to the Project Sponsor. (C&N Service & ISG)	Yes

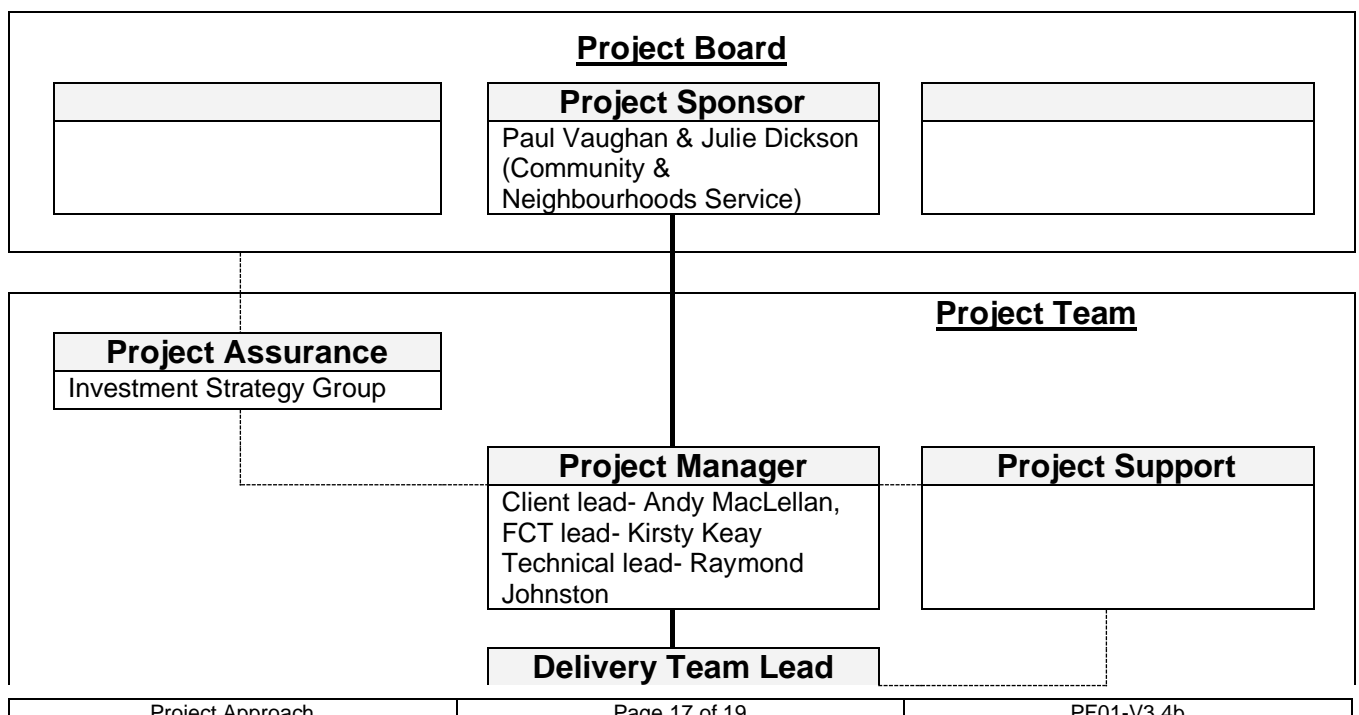
3.2 What skills, knowledge and experience are required for successful project delivery?

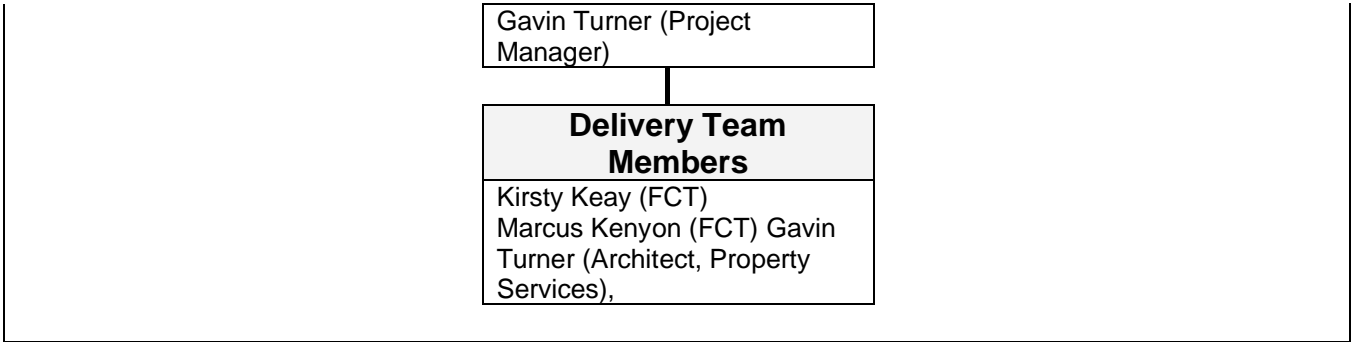
Skills, knowledge & experience description	Essential	Desirable
Project Management & Programme Support	Yes/No	Yes/No
Client Representation	Yes/No	Yes/No
Property Design & Technical Services	Yes/No	Yes/No
Facilities Management	Yes/No	Yes/No
Financial Management	Yes/No	Yes/No
Data Analysis	Yes/No	Yes/No
Human Resources	Yes/No	Yes/No
Negotiation	Yes/No	Yes/No
Business Technology Solutions (IT)	Yes/No	Yes/No

3.2.1 Is the required mix of 'essential' skills, knowledge, and experience available to the Project Manager?

- Yes – within Fife Council
- Yes- within FCT

3.3 Project structure chart and project roles





3.4 Business Case sign-off

Approved by	Role	Date approved
Investment Strategy Group	Endorsement of project business case and funding	31/3/2022
Andy MacLellan Kirsty Keay	Client Project Manager FCT Project Manager	21/03.22
Paul Vaughan	Project Sponsor	25/03/22
Lesley Kenworthy & Eleanor Hodgson	Finance Representative/ Service Accountant	28/03/22

Section 4: Project Delivery Resources

4.1 Who are the key resources the project may need to engage with at an early stage?

FCT Executive Management Team

Capital Projects Delivery Programme

Property Services & Building Services

Procurement

Energy Management- Passiv Haus

Accountants Finance

Appendix 2

Value engineering options and impact

Work Element	Type of work	Impact on saving	Potential saving £	Risk
Refurbishment of windows	Refurbishing windows and installing secondary glazing	Windows will need repaired in future. Issues with sound transfer to neighbours if secondary glazing not carried out	200,000	Red
Insulation of auditorium	Blown insulation into roof space	Significant additional energy costs as heat are lost through this area.	100,000	Red
Mechanical and Electrical Installation	Reduce specification of kit	Reduction in performance across the project	50,000	Green
Creative hub, Function room, Beveridge suite	Remove works to the non-essential areas	Building not fully complete, further disruption to theatre when funds become available	600,000	Red
Other packages of work	Reduce specification of specified materials	Reduction in specification across the project	100,000	Green
Client fit out	Reduce specification of client fit out items	Reduction in specification across the project	100,000	Red
Total			1,150,000	

14th April, 2022.

Agenda Item No. 6

Community Wealth Building – Fife Anchor Charter

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

Wards Affected: All

Purpose of Report

To present the Community Wealth Building – Fife Anchor Charter and to set out the delivery approach which will be undertaken to embed community wealth building in Fife.

Recommendations

It is recommended that the Committee:

- (a) considers and approves the adoption of the Fife Anchor Charter for Fife Council as set out in section 2.0 and in Appendix 1;
- (b) notes the intention and timeframe for anchor organisations in Fife to adopt the Anchor Charter via their various governance routes;
- (c) remits the Head of Business & Employability to finalise the Charter subject to any final amendments requested by this committee and by the Community Wealth Building Support Group;
- (d) remits officers to undertake the necessary action across the Council to embed this anchor charter throughout the organisation as part of the community wealth building delivery approach;
- (e) notes that progress will be reported via the appropriate Council Committee and to Fife Partnership Recovery & Renewal Leadership Board; and
- (f) reviews the Charter after a period of two years

Resource Implications

There are no immediate resource implications associated with this report.

Legal & Risk Implications

There are no immediate legal implications arising from this report. Review work in recent years, along with the findings of the Fife Strategic Assessment and experience from the Covid-19 response, indicate that there is scope to strengthen the Council's economic, social and green recovery approach. There is increased risk that Plan for Fife ambitions will not be realised unless a different approach to economic recovery, community aspiration and climate emergency / green recovery response is delivered. The adoption of the Community Wealth Building Fife Anchor Charter will support such efforts.

Impact Assessment

An Equalities Impact Assessment has not been completed and is not necessary at this stage, as the proposals within the report do not currently represent a change to policy.

The Fairer Scotland Duty requires the Council to consider how it can reduce inequalities of outcome caused by socioeconomic disadvantage when making strategic decisions. The strategic approach to Community Wealth Building is strongly focused on delivering fair outcomes and reducing inequality.

Consultation

The Community Wealth Building Support Group which has Fife Council Head of Service / Senior Management and Community Planning Partner representation has been involved in the development of the CWB Fife Anchor Charter. The Community Wealth Building Support Group reports to the Recovery & Reform Leadership Board as part of Fife Partnership governance arrangements.

The Head of Finance and Head of Legal and Democratic Services have been consulted in the development of this report.

1.0 Background

- 1.1 Fife Council secured the support of the Scottish Government and the Centre for Local Economic Strategies (CLES) in 2021 to produce a Community Wealth Building (CWB) diagnostic report and recommendations for Fife. A link to the CLES action plan can be found here: [Agenda-and-Papers-for-Meeting-of-Policy-and-Co-ordination-Committee-of-4-March-2021.pdf \(fife.gov.uk\)](#)
- 1.2 This Committee endorsed the Fife CLES Report at its meeting on 4th March 2021 (Paragraph 276 of the Minute of the meeting of 4th March 2021) and approved that necessary activity be undertaken to embed CWB throughout the organisation and that any future policy shifts, and decisions required come back to this Committee.
- 1.3 Since that time, Fife's commitment to embedding a community wealth building approach across the organisation has resulted in community wealth building becoming front and centre to Fife Partnership's Recovery and Renewal Plan for Fife 2021-2024. CLES offers the following simple definition of CWB:

Community wealth building is about creating a fairer, more socially just economy. It is practical action, framed by progressive concepts. CLES 2019.
- 1.4 The Scottish Government has placed a significant emphasis on the implementation and embedding of CWB approaches to delivery of public services, including reference in the recently published National Planning Framework 4 and the National Strategy for Economic Transformation.
- 1.5 In the Recovery and Renewal Plan 2021-2024, the Fife Partnership has committed to:
 - Developing a CWB model of economic recovery and development;
 - Developing a CWB approach to the climate emergency;
 - Embedding local people and place-based approaches across the Fife Partnership;

- Redesigning systems and processes to deliver wider social benefit through procurement, recruitment, fair employment and the use of land and assets;
 - Expanding support for community ownership, social enterprise and community owned businesses through a new business support hub; and
 - Further develop the role of credit unions and the CDFI to support financial resilience and wellbeing.
- 1.6 At the heart of the Community Wealth Building approach are five strategies for harnessing existing resources to enable local economies to grow and develop from within. These are called the 5 pillars of CWB:
- Plural Ownership of the Economy,
 - Making Financial Power Work for Local People,
 - Fair Employment and Just Labour Markets,
 - Progressive Procurement of Goods & Services
 - Socially Just Use of Land and Property.
- 1.7 A delivery plan covering all pillars of CWB is currently under development by the Community Wealth Building Support Group as part of the leadership and governance arrangements for the Plan for Fife 2021-24. The delivery plan will be presented to the Recovery and Renewal Leadership Board later in April 2022.

2.0 Fife Anchor Charter

- 2.1 In addition to the development of the delivery plan, focus to date has been on furthering the council and community planning partner understanding of the practical examples of taking community wealth building action across the span of our organisations. Using a CWB lens, partners are known as ‘anchor organisations’.
- 2.2 The way in which anchor organisations such as local councils, hospitals, universities and colleges spend their money, employ people and use their land, property and financial assets can make a huge difference to a local area. Used in the right way, these approaches can help generate wealth, jobs and opportunity for local people and give as many people as possible a stake in the local economy.
- 2.3 In November 2018, the Economy, Tourism, Strategic Planning & Transportation Subcommittee approved the adoption of the Fife Business Charter, developed with the Fife Economy Partnership. This charter set out the key principles of fair work and increased local procurement. These early commitments were recognised as a strength of the CWB approach in Fife in the CLES report, alongside Fife’s accreditation as the UK’s first Living Wage Town for Glenrothes.
- 2.4 A CWB Anchor Charter builds on the engagement approach committed to by the Fife Business Charter and has been developed to outline the Council’s long term commitments to reframing our approach across anchor organisation to promoting local economic development which is more inclusive and aims to achieve wider social benefits and promotes social justice for people and communities in Fife. The CWB Fife Anchor Charter is set out in Appendix One to this report.

- 2.5 The key anchor organisations in Fife with scope and flex to shape this approach are: Fife Council, NHS Fife, Fife College, Fife Voluntary Action and University of St Andrews. All partners have committed to the charter and are presenting it to the various Boards and governance mechanisms for approval and adoption over the period April – July 2022. Fife Voluntary Action has already endorsed the charter at its Board meeting in February 2022.
- 2.6 As the Community Wealth Building approach is further developed in Fife, and further anchor institutions from the public, private and third sectors are engaged in CWB activity, it is intended that these organisations will also become signatories to the charter.

3.0 CWB – Fife Delivery Approach

- 3.1 The CWB Fife Anchor Charter and the emerging delivery plan provide the framework for significant scale and collaboration opportunities across partners to maximise community wealth and well-being. Fife has taken a partnership approach to embedding community wealth building with a delivery plan which covers all anchor organisations.
- 3.2 Fife Council is leading this reform work and already has an established and positive track record across a number of pillars of CWB including a progressive approach to procurement whereby 39% of our spend in 2020/21 was with the Fife suppliers - the national average is 26% - and also in driving out social and community benefits from large contracts, e.g., via construction projects of Madras College and Dunfermline Learning Campus. In terms of fair employment, Fife Council is already a Real Living Wage employer with Glenrothes the first real living wage town in the UK, there has also been a number of successful Community Asset Transfers of public buildings to community organisations in support of socially just use of land and property.
- 3.3 Across Fife's two City Regions, Community Wealth Building approaches are being embedded within delivery. In Edinburgh & South East Scotland City Region Deal, a community benefits portal, [ESES Communities](#), has been established to link community benefit opportunities to suppliers and businesses. The Regional Prosperity Framework for Edinburgh and South East Scotland recognises the development of an anchor institution approach as one of the 9 'Big Moves' for the region and a group has been established, led by Scottish Borders Council, to develop a delivery approach for the region. Within the Tay Cities region, Community Wealth Building is a key theme within the Regional Economic Strategy action plan.
- 3.4 The CWB – Fife Anchor Charter and emerging delivery plan will deepen the commitment to CWB across Fife Council and the key anchor organisations. Progress against the charter and delivery plan will be reported back to this committee and to Fife Partnership.
- 3.5 The Anchor Institution Charter will underwrite this commitment. Examples of early actions being undertaken by anchor organisations include a joint approach between Fife Council and Fife College to securing community benefits arising from the development of the new Dunfermline Learning Campus, with a focus on skills training, apprenticeships and local supply chain opportunities. In Kirkcaldy, early test of change projects have included a spend local campaign in partnership with Love Our Lang Toun and Greener Kirkcaldy. Fife College is also implementing work under the Making Financial Power Work for Local People through promotion of membership of credit unions.

- 3.6 Through the implementation of CWB initiatives, it is important that the asks of those within anchor institutions, and the wider Fife community are clear, accessible and in plain English. The adoption through test of change projects as detailed above has focused on clear calls to action such as 'spend local'. A communications approach will accompany the roll-out of the delivery plan to enable wide-scale buy in of the CWB approach.
- 3.7 Fife Council officers regularly meet with Scottish Government officials to raise the challenges and opportunities arising from the implementation of a CWB approach in Fife and Scottish Government has welcomed the creation of an Anchor Institutions Charter. Similar charters are being introduced in other local authority areas in Scotland.

4.0 Conclusion

- 4.1 The adoption of a Fife Anchor Charter will enable a visible commitment to the key recommendations set out in the CLES action plan adopted by the Fife Partnership and to the implementation of a CWB delivery plan, which will be the subject of a further report to the Recovery and Renewal Leadership group later in April 2022.
- 4.2 The implementation of a Charter is a priority recommendation arising from the CLES Action Plan for Fife and will allow anchor institutions to confirm board level intent to engage in the development of a CWB approach for the betterment of Fife's communities. The Charter will be accompanied by communications translating activity into accessible and plain language for stakeholders.
- 4.3 The Charter will be subject to review as to its effectiveness in these commitments.

List of Appendices:

1. CWB - Fife Anchor Charter

Background Papers:

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

- Policy & Co-ordination Committee Report 4th March 2021 (Community Wealth Building)

Report Contacts:

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Community Wealth Building – Fife Anchor Charter

Our economy should work for everyone.

We are committed to a thriving Fife for all communities.

Community wealth building provides some solutions.

Community wealth building is a people-centred approach to local economic development. It redirects wealth back into the local economy and puts control and benefits in the hands of local people.

Community wealth building uses the economic levers available to Anchor Institutions to develop resilient, inclusive local economies with more local spend and fair employment, as well as a larger and more diverse business base - ensuring that more of our wealth is owned locally and benefits local people.

Anchor Institutions are organisations that are rooted in places by their purpose, histories, land and assets, and established local relationships. We, as Fife's Anchor Institutions, have a powerful role to play to embed community wealth building practice in Fife. By increasing community wealth, all communities improve, wellbeing improves, and people thrive.

Anchor Charter Mission Statement

To commit to long term collaboration between Fife Anchor Institutions to reframe the development of our local economies and environments through a Community Wealth Building approach. We have a shared goal to deliver a more inclusive and sustainable approach to economic development, which achieves wider social benefits and promotes social justice, environmental sustainability, and prosperity for all as part of a wellbeing economy. This includes a commitment to take the necessary decisions and action in each anchor institution and to report on progress to Fife Partnership.

5 Pillars of Community Wealth Building – Our Anchor Pledges

Pillar Purpose	Pillar Objective	Anchor Pledge
<p>Procurement</p> <p>We commit to using our spend to support a diverse local business base</p>	<p>Maximise economic, social and environmental benefit for the community by developing dense local supply chains comprising local small and medium sized enterprises (SMEs), employee-owned businesses, social enterprises, cooperatives and other community owned enterprises.</p>	<ul style="list-style-type: none"> • Commit to undertaking supply chain and spend analysis and working towards increasing local spend wherever possible • Proactively engage with other anchor institutions to identify and progress joint procurement opportunities, while supporting local businesses to bid and respond to opportunities
<p>Fair Employment</p> <p>We commit to being a fair employer</p>	<p>Create fair and meaningful employment opportunities by recruiting from priority groups, paying the living wage and building progression routes for workers.</p>	<ul style="list-style-type: none"> • Work towards becoming a Living Wage Employer • Seek to recruit locally and from priority groups where appropriate, for example, young people, people with long-term health problems, people experiencing poverty • Commit to providing secure, safe employment, addressing gender pay imbalances and developing strategies for in-work progression and wellbeing support • Ensure workers are respected and have access to trade union membership.

Pillar Purpose	Pillar Objective	Anchor Pledge
<p>Land & Assets</p> <p>We commit to the productive use of our land and assets to support communities and enterprises</p>	<p>Anchors are often major land holders and can support equitable land development and ownership models, including the imaginative use of assets for community and wider social and economic use, and which help to address climate change</p>	<ul style="list-style-type: none"> • Commit to undertaking an asset review to identify opportunities for Community Wealth Building • Proactively support communities who wish to use or develop underutilised assets
<p>Financial Power</p> <p>We commit to harnessing and growing local wealth</p>	<p>Increase flows of investment within local economies by harnessing wealth that exists locally.</p>	<ul style="list-style-type: none"> • Seek to invest in environmentally sustainable local economic development opportunities • Support and promote progressive finance initiatives, including local credit unions • Encourage staff and service providers to shop locally and ethically, supporting 'Keep it Local' campaigns.
<p>Plural Ownership</p> <p>We commit to supporting plural ownership of the economy</p>	<p>Advance inclusive economic ownership models such as local SMEs, employee-owned businesses, social enterprises, cooperatives, community enterprises and mutually owned companies and thus enable more wealth that is generated locally to stay within the community</p>	<ul style="list-style-type: none"> • Proactively engage with communities to co-produce local services and initiatives • Commit to involving local SMEs, employee-owned businesses, social enterprises, cooperatives and community owned enterprises in local supply chains

We commit to this Anchor Charter to deliver Community Wealth Building in Fife.

Fife Council - LOGO / Chief Executive / Co-Leaders of the Council

NHS Fife – LOGO / Chief Executive / Board Chair

Fife College - LOGO / Principal / Board Chair

Fife Voluntary Action - LOGO / Chief Executive / Board Chair

University of St Andrews - LOGO / Principal / Chair of the University Court

14th April, 2022.

Agenda Item No. 7

Tackling Poverty in Fife – Household and Hardship Support

Report by: Michael Enston, Executive Director (Communities)

Wards Affected: All Wards

Purpose

Previous reports to Committee have focussed on funding and Council support around food insecurity, welfare funding and community assistance. This report looks at how the Council can best support provision of other basic household needs working in partnership with the voluntary sector and businesses in Fife. The report also proposes to extend provision of very localised hardship funding, building on the experience of using local grant awards during the pandemic.

Recommendation(s)

It is recommended that Committee: -

- (1) agree the 12-month extension of the Hardship Grant Scheme (previously Fife Food Crisis Fund);
- (2) agree Council support to the development and distribution of basic household goods through the Cottage Centre “Big Hoose” Initiative; and
- (3) support the continuing development of related initiatives designed to improve local coordination and provision of timely support around food, welfare, housing and necessities.

Resource Implications

There is funding from LACER (Local Government Economic Recovery) funding which can be awarded to cover the £480,000 needed for a further 12-month operation of the Hardship Fund. It is also proposed to make available £150 000 to assist development of the Big Hoose Initiative. This will be provided through the Cottage Centre to enable the project to move from reliance on Amazon logistics support and staff.

Legal and Risk Implications

There is some evidence that the use of hardship funds is helping people avoid crisis. Further work is needed to monitor this as the fund will not achieve its stated purpose if it simply postpones further crisis need. There will be a need for recurring investment in the Big Hoose initiative. The business case for the initiative mitigates the need for continuation core funding however through external funding and commercial funding streams. An evaluation of the project will be undertaken within 12 months and prior to a future report to Committee on continuing support.

An impact assessment is not required.

Consultation

The Tackling Poverty and Crisis Prevention Board has considered these proposals and supports their development as part of the range of measures being taken to mitigate the impact of poverty and prevent crisis.

1.0 Background

- 1.1 The Joseph Rowntree Foundation estimates that there are 33,370 families in Fife who are living in poverty. These families are struggling to heat their homes pay their bills and provide adequate food for their families.
- 1.2 The COVID pandemic, the substantial increase in the cost of living coupled with the fact that benefits and wages are not keeping up with inflation means people need additional support to manage and avoid crisis.
- 1.3 A range of additional initiatives have been introduced to help people in Fife:
 - **Community Assistance Hubs** were set up during the COVID pandemic to deliver emergency food to vulnerable households and the Covid Community helpline assisted anyone who needed support during the lock downs and when requiring to isolate.
 - **Café Inc** targets holiday hunger faced by children and their families in Fife. The Council allocates £400,000 of funding for holiday hunger provision annually and in 2021/22 there is an additional £150,000 allocated in recognition of the cost of living and increasing need.
 - **Rent Support Fund** Council tenants have been supported annually from a £1m Universal Credit rent support fund and a Covid-19 rent support fund. At the end of 2021-22, around £5m of rent support has been provided across both schemes.
 - **Fuel Poverty mitigation** in 2022-23 a fuel poverty support fund of £0.5m has been established to help Council tenants experiencing or at risk of fuel poverty. The funding will be distributed by frontline staff to tenants on benefits, low-income families and any other vulnerable households. The types of assistance will include emergency top-ups of pre-payment meters, payments to support energy debt and financial support to get customers reconnected, also linking to wider referral options.
 - **Winter Crisis Hardship Funding** from the Scottish Government of 1.68 million in 2021/22 has funded a £350 000 uplift to the Scottish Welfare Fund, an additional child bridging payment in January to all Fife families eligible for free school meals of £50 per eligible child, additional payments to those impacted by COVID and in Council Tax debt and an extended scheme supporting low-income families to be given Chrome Books and data to help them to get online.
- 1.4 An additional hardship fund was also set up to supplement welfare grant funding through the existing Scottish Welfare Fund crisis and community care grant funding. Demand has increasing steadily since 2018/19 and there were 10,000 more applications in 2020/21 compared to 2018/19. This has required additional funding to sustain the fund.
- 1.5 The **Fife Crisis Food Fund** was set up during the pandemic and has Scottish Government funding until 31st March 2022. Spend has peaked at £40,000 a month in hardship payments. The fund is an important part of the Council's response to helping those who are struggling and the evaluation of the Fund so far is that it is impacting positively on those at whom it is targeted.

- 1.6 This fund was set up to give individuals or households with no immediate access to finance, often without a support network around them, a level of financial support as a crisis intervention. The first questions in the application check the person's eligibility for help from the Scottish Welfare Fund and this funding is for those who do not qualify for that support. The multi-disciplinary teams operating across the 7 Areas are identifying and referring vulnerable individuals for whom a, 'cash first' approach best meets their needs. Other partner organisations in the area can also make referrals via the area teams.
- 1.7 The 'cash first' approach enables timely and direct support to be provided to people assessed as in need. Payment is made directly into an individual's bank account. The payments are based on a per week per person in the household up to a maximum of 6 weeks – to cover for example the Universal Credit waiting period before receipt of benefit:
- Aged 0 – 15 years - £50.00
Aged 16 years and over - £75.00
- 1.8 Current average payments are sitting around £500.00 and the low re-application rate of 7% currently is indicating that these payments are increasing the financial resilience of these individuals and families over a 12-month period. The current awards are showing that a fifth are related to fuel poverty.
- 1.9 The Tackling Poverty and Crisis Prevention Board has recommended an evaluation of the fund and its impact during this extension. It was noted that the ages and whether those receiving support are in work or on benefits and a closer working relationship should be established with the Scottish Welfare Fund staff. This is to ensure that trends are picked up early and reporting of gaps in addressing need are identified.

2.0 Support for Household Necessities

- 2.1 There is a real challenge in supporting people where they are unable to meet basic needs be it furnishing their homes as they start again after a relationship break down, move tenancy or simply need to replace worn and old goods. Support with food and funding is clearly important but community and voluntary groups are seeing rising need and demand for other types of support.
- 2.2 The "Big Hoose" initiative has been established by the Cottage Centre working in partnership with business to address the need for the supply of basic household necessities. Each year millions of retail goods become surplus to business requirements. Companies can change logos and packing for example and no longer wish to use the previously branded items. The Cottage Family Centre has developed this project with the support of Amazon UK to repurpose these goods for the benefit of families in need (see appendix 1)
- 2.3 Between December 2021 and the end of February 2022, The Big Hoose distributed 26,949 products to over 6,000 families. In year one alone it is estimated that Amazon will donate 200,000 goods (worth an average of £20 each and totalling £4m). Of these, 80% will be donated to 15,000 families and the remaining 20% of goods will be sold on. This is being coordinated through a network of partner agencies. It is estimated that over 100 trailers of goods over 12 months will provide families in need with items ranging from bins to beds, mugs to mattresses, curtains to crockery. The potential social impact of this project is considerable.

- 2.4 Sustainability for the Big Hoose is planned through the re selling of non-essential goods that Amazon and others are donating to the initiative. By splitting essential from non-essential goods, they aim to create a pool of non-essential items that can be sold-on in an arms-length retail operation. This will provide a revenue stream for the work with the ambition that in year four (2026), a sizeable proportion of the project's costs will be covered by these retail profits supplemented by grant funding from other charities and Foundations.
- 2.5 Funding of £150000 is needed to develop the initiative and employ staff during the transition from the reliance on Amazon logistics and warehouse staff to the recruitment and training of their own team. Amazon has committed to supporting this process.
- 2.6 The Joseph Rowntree Foundation has been commissioned to undertake an evaluation of the project. This is likely to be after at least 12 months of operation. In addition to the proposed funding, the Council will work alongside the project to help develop access, referral and other support. This will build on the approach taken to supporting food access, support and distribution.
- 2.7 The project is at an early stage but has achieved a significant amount in a short space of time in establishing supply, warehousing, and distribution. It has the potential to develop and bring other businesses on board and to support people with other needs including skills development and access to training. A report will be brought to a future committee on the outcome of that evaluation and to review any recurring support requirement.

3.0 Conclusions

- 3.1 The Fife Food Crisis Fund has been valuable in supporting those struggling to meet basic needs and the additional funding requested from the Local Authority COVID Economic Recovery (LACER) fund will allow that to continue during 2022/23. Evaluation and data on the impact of these temporary funds will be critical to determining future interventions.
- 3.2 The Big Hoose Initiative with support from the Council, business and wider third sector partnership, has the capacity to develop into an important initiative which addressing the need for household support to struggling individuals and families across Fife. The ethos of the project, and the stress placed on helping people to help themselves to manage, is consistent with the Plan for Fife emphasis on prevention and going beyond the supply of basic food and non-food necessities to better support people to get out of poverty and avoid crisis.

List of Appendices

1. Big Hoose Project – Operating Arrangement

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:

Sheena Watson

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Big Hoose Model of Operation

Proposition

The Big Hoose Project is a collaboration between The Cottage Family Centre and a number of retailers to provide free household items to struggling families. The intention of the Project is to repurpose the retailers' surplus goods for the alleviation of poverty.

The intended impact this project is to see thousands of families lifted out of material deprivation by diverting hundreds of tonnes of surplus products – some of them likely to go to waste - back into the community.

Key Partners

Partnership is key to the operation and The Cottage enters into partnership agreements with organisations in order to distribute the goods to families. These organisations agree to become a referring agency for the Project.

Voluntary sector organisations and Council services such as Education/Social work/Housing and Health staff sign up to be working with The Project and to identify families in need.

Key Activities

The project has now donated warm clothing, mattresses, nappies, toiletries, crockery, curtains, children's toys, household furniture, and much more to over 6000 families. Averaging at £20 per item, there have been £500,000 worth of items received and it is on track to provide £4m worth of items for distribution in the first year of operation.

By the end of February:

- 38,512 goods had been donated to charity partners since the start of the project.
- 8,511 goods in the Lochgelly warehouse were available for charity request
- 3,052 goods had been earmarked as non-essential - ready to be passed to our retail arm

Key Resources

The project has been staffed by a combination of personnel from The Cottage and Amazon UK to date. The project now needs its own team of employed staff to own and run it. In year one it is anticipated anticipate needing the following roles:

- Team Manager
- Logistics Coordinator
- Warehouse Operatives x4
- Domestic Cleaner

Revenue Streams – Social Enterprise to re sell non essential

The Project has also identified that there is an opportunity to operate a parallel retail enterprise alongside this project. The retail function will sell on the non-essential items received from corporate partners (essential items will always be donated to families). Up to 20% of the goods we receive are non-essential and can therefore be sold on. By way of example, goods currently earmarked for selling-on are sets of golf clubs, barista style coffee machines and KitchenAid mixers.

Customer/Relationships

Partners

The distributing partners fighting family poverty across Fife include: • 45 Charities • 71 Fife Council outlets • 164 schools and nurseries in Fife • 30 medical practices in Fife • 155 Health Visitors

Families

On the lead up to Christmas, the project met the needs of 1,586 children and their families across the Fife region. Some of these families are facing extreme hardship.

14th April, 2022.

Agenda Item No. 8

Local Authority COVID Economic Recovery Fund (LACER) Proposals

Report by: Michael Enston Executive Director (Communities)

Wards Affected: All

Purpose

To present proposals on the use of LACER funding.

Recommendation(s)

That the Committee:

1. endorses the proposals set out in Appendix One to this report on the use of the Local Authority Coronavirus Economic Recovery Fund; and
2. remits to the Executive Director (Finance and Corporate Services) to finalise the sums allocated to each of the proposed projects

Resource Implications

The Scottish Government have allocated £5.368m funding for COVID economic recovery to Fife. The proposals put forward in this report will be funded from this resource.

Legal & Risk Implications

None.

Impact Assessment

An EqIA has not been completed and is not necessary because this is a report on that does not propose a change or revision to existing policies and practice.

Consultation

Internal Service consultation has occurred, however, due to the very limited timescales, no formal external consultation has been carried out.

1.0 Introduction

- 1.1 COSLA Leaders and Ministers have agreed an £80m Local Authority Covid Economic Recovery Fund (LACER) to be provided to Councils in 2021/22. This funding is flexible and ultimately is designed to empower local authorities to utilise funding where they consider this necessary or justified based on local circumstances based on high level principals set out later in this report. Fife's allocation from the fund is £5.368m with the expectation that the funding is distributed in 2022/23.
- 1.2 Throughout the pandemic, an internal group made up of officers from a range of services has helped guide our approach to the various funds and grants that have been made available to help individuals and businesses. This group developed the proposal outlined in this paper.

2.0 Background

- 2.1 The guiding policy intent of this funding is to support local economic recovery and ease cost of living impacts on low-income households acknowledging that Local Authorities are best placed to understand the needs of businesses and communities locally.
- 2.2 There are high-level principles that should guide the usage of this fund.
 - Interventions made under this fund should be based on a clear economic recovery and/or low-income household support rationale.
 - A collaborative approach towards sharing of best practice and learnings from different interventions should be adopted to maximise benefits and positive effects while minimising risk and unintended consequences.
 - Interventions that support local economic recovery and contribute to businesses being able to move from surviving the period of trading restrictions towards recovery, growth, adaptation and building resilience should be considered.
 - Projects that can rebuild consumer confidence and stimulate demand and economic activity in their specific contexts.
 - Support to low-income households, that are disproportionately impacted by the pandemic and the current cost of living crisis, become more economically active.
- 2.3 The principles of spend outlined are to be used as a guide, with Local Authorities ultimately able to utilise this funding flexibly, as required. Local Authorities are able to decide on multiple interventions at different points as locally appropriate.
- 2.4 In addition to the alignment with these principles, projects proposed support with needs identified through the Reform and Recovery process, including links to Leading Economic Development, Tackling Poverty and Preventing Crisis and Addressing Climate Emergency priority areas.

3.0 Proposals

- 3.1 What follows are the details of the proposals being put forward. Appendix 1 also notes the proposed spend.

- 3.2 Business Grants to support product/process improvement. These would be £3,000 grants for 400 businesses for product/process improvements that lead to net zero transition interventions. This will lead to outcomes including increased turnover for businesses and/or reduced energy costs for businesses to enable businesses to grow and increase economic activity within the Fife Region.
- Service Lead is Pamela Stevenson (Business & Employability). The total cost for this proposal is £1.2m.
- 3.3 Rates Hardship Relief – an investment for rate hardship relief. An investment of £240,000 will provide £800,000 in rates hardship relief. The outcome will give financial headroom for struggling businesses affected by the pandemic/cost of energy costs. The proposal includes the appointment of a temporary Rating Officer to administer the relief applications.
- Service lead is Les Robertson (Commercial & Revenue Services). The total cost of this proposal is £0.240m
- 3.4 Scottish Welfare Fund funding – demands on the Welfare Fund have increased dramatically in recent years particularly around Crisis Grants. In 2018/19, there were 19,549 applications with £1.5m spend. In 2021/22 there will have been 29,000 applications with a spend of £2.5m. Fife normally receives £2.4m from Scottish Government. During the pandemic, the Council has relied on Covid Funding to cover the gap. If this isn't replaced, then there will be a significant shortfall in available funding.
- Service lead is Diarmuid Cotter (Customer & Online Services). The total cost of this proposal is £1m
- 3.5 Fuel Poverty support - this will provide funding to Cosy Kingdom to support people who are suffering from fuel poverty with the aim being to alleviate fuel poverty.
- Service lead is Vania Kennedy (Housing). The total value of this proposal is £0.5m.
- 3.6 Hardship Fund – the proposal is to continue the Fife Food Crisis fund for 12 months (which will be renamed Hardship Fund) after the end of the current funding (March '22). The current spend is close to £40,000 per month to support people in fuel poverty and struggling to be able to pay their bills and heat their homes. The outcome will be to provide hardship support for those who are not eligible for the Scottish Welfare Fund and need basic needs covered such as fuel top ups, weekly shopping, and other emergencies.
- Service lead is Sheena Watson (Communities & Neighbourhood). The total cost of this proposal is £0.48m.
- 3.7 Provision of household support project staffing – this would provide staffing support for projects which supply much needed charitable goods (including excess goods) and services to vulnerable households in Fife. The funding include £150k to support the Big Hoose project (cottage centre) as detailed fully in a separate report to this committee. The funding would be utilised to employ staff to oversee the logistics and distribution of donated goods.
- Service lead is Paul Vaughan (Communities & Neighbourhood). The value of this proposal is £0.200m.
- 3.8 Development fund for town centre businesses who are classed within the SME sector to promote staff training and upskilling, digital infrastructure, diversification and provide

energy audits/retro fit measures to make premises more energy efficient. The funding will provide small grants of up to £5,000 for projects designed to transform or diversify business operations and/or include environmental sustainability/energy measures. The outcome will be increased Small and Medium Enterprise (SME) business diversity with a reduction in carbon and an increase in sustainability measures. There will also be upskilled staff and the increased use of digital business solutions, including ecommerce packages and digital technology.

Service Lead is David Grove (Business & Employability). The value of this proposal is £0.3m.

- 3.9 Facilitate pre-employment training. This would utilise the triage system set up for Babcock recruitment and establish a skills hub in West Fife and Mid Fife. The sum requested will fund additional staffing to deliver Fife Youth Initiative. This approach would help to address long term unemployment and enable grass roots work to promote positive destinations to young people in the hope of reducing their likelihood of becoming a long-term unemployed statistic.

Service Lead is Kirsty Martin (Business & Employability Service). The value of this proposal is £ 0.7m.

- 3.10 Breakfast/After School Clubs/Child Care. This would provide support specifically targeted at getting people back into the workplace. It will utilise school kitchens before and after school times to provide facilities for trainees to provide food for vulnerable children and families and will also assist with payment of childcare costs to allow adults a route back to the employment market by removing the barrier of unaffordable childcare costs.

Service lead is Kathy Henwood (Education and Children's Services). The value of this proposal is £0.75m

4.0 Conclusion

- 4.1 The ability to assist businesses and vulnerable households is welcome and these proposals align with the high-level principals set out by Scottish Government and agreed by COSLA leaders.
- 4.2 The proposals have been developed by a cross service working group of officers and require members to agree to commence delivery in 2022-23 financial year.
- 4.3 The funding is for the financial year 2022-23 and is one off in nature. Officers plan to put in place evaluation of each initiative so that we can learn what is the most effective interventions and allow us to make decisions moving forward.
- 4.4 Once the proposals are accepted, the general oversight and governance will have each project reporting progress and outcomes via a selected pre-existing boards such as Tackling Poverty & Crisis Board, Town Centre Capital Board, Opportunities Fife and Local Procurement Board as appropriate.

List of Appendices

1. Breakdown of Proposals for Funding

Background Papers

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

- Scottish Government/COSLA – High Level Principals for LACER funding

Report Contact

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Summary of Proposals

Title	£m	Lead Officer
Business grants to support product/process improvement	1.200	Pamela Stevenson
Rates Hardship relief	0.240	Les Robertson
Scottish Welfare Fund	1.000	Diarmuid Cotter
Fuel Poverty	0.500	Vania Kennedy
Hardship fund	0.480	Sheena Watson
Staffing to support logistics and distribution	0.200	Paul Vaughan
Development fund for town centre businesses -	0.300	David Grove
Facilitate pre-employment training	0.700	Kirsty Martin
Breakfast/After School Clubs & Childcare assistance	0.750	Kathy Henwood
Total	5.370	

14th April, 2022.
Agenda Item No. 9

Licensing of Short-term Lets

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

Wards Affected: Fife

Purpose

The report invites members to consider and agree broad proposals for implementing the licensing scheme for short-term lets under The Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022, which came into force on 1st March, 2022.

Recommendations

The Policy and Co-ordination Committee is recommended to:

- (i) agree the broad principles in this report for the implementation of the Short-term Lets Licensing Scheme by 1st October, 2022 through Housing Services, supported by Protective Services and Legal Services; and
- (ii) note that a further report on the Short-term Lets Licensing Scheme will be brought back to Committee before commencement of the scheme seeking authority for the governance arrangements, details of the administration of the scheme, conditions to be applied to licences, fee rates and publicity for the scheme.

Resource Implications

The introduction of the Short-term Let Licensing Scheme will require to be resourced with appropriate staffing levels and operational systems within Housing Services, Protective Services and Legal Services. A resourcing plan will be developed for consideration by Committee. The Order requires the scheme to be self-funding with fee income expected to cover all service costs.

Legal & Risk Implications

The Council is required to set up a licensing scheme in compliance with The Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022, and guidance by the Scottish Government issued/expected to be issued to local authorities in March 2022 to support implementation of the scheme.

Impact Assessment

An EqIA and Fife Environmental Impact Assessment will be considered as part of the detailed proposals which will be brought to Committee around the short-term let licensing scheme.

Consultation

Consultation has been carried out with relevant services in the Council, including Housing Services, Protective Services and Planning Services. Proposals for publicity around the scheme will be brought to Committee before the scheme launch.

1.0 Background

- 1.1 The Scottish Government developed proposals for the regulation of short-term lets following an expert-panel investigation, independent research and national consultation into the impacts of short-term lets on Scotland's economy, tourism sector and communities. The consultation revealed considerable support for regulation, with the negative impacts of short-term lets, such as anti-social behaviour, property safety and reduced housing supply being highlighted as key concerns.
- 1.2 In 2020, the Government announced that it intended to:
 - Establish a licensing scheme for short-term lets, using powers under the Civic Government (Scotland) Act 1982, with mandatory safety components applying to all short-term lets across Scotland.
 - Give local authorities the power to introduce short-term let control areas under amended powers in the Planning (Scotland) Act 2019.
- 1.3 Planning control area regulations were introduced on the 25th June, 2021 and the Licensing Order came into force on the 1st March, 2022. Local authorities will have until the 1st October, 2022 to establish a licensing scheme and existing hosts will have until the 1st April, 2023 to apply for a licence. The final deadline for all hosts and operators to have a licence is 1st July, 2024.
- 1.4 A key benefit of the short-term let licensing scheme will be an improved understanding of the scale and distribution of short-term lets across Fife to allow analysis of the impact on communities. Research by the Scottish Government found that there were 2,356 self-catering properties in Fife in 2016. Fife had the second highest percentage share of self-catering properties in Scotland, second to the Highlands and a higher level than Edinburgh and the Lothians.

2.0 Licensing Requirements

- 2.1 The Order contains a detailed definition of a short term let and a short term let licence. Certain types of accommodation and tenancies are excluded from the requirement to be licensed. A short-term let is where the following criteria are met:
 - The guest does not use the accommodation as their only or principal home.
 - The short-term let is entered into for commercial consideration.
 - The guest is not:
 - An immediate family member of the host
 - Sharing the accommodation with the host for educational reasons
 - An owner or part-owner of the accommodation
 - The accommodation is not provided to facilitate work or services by the guest to the host
 - The accommodation does not fall into an excluded category e.g., hotel, hostel, residential school, student accommodation, etc
- 2.2 Excluded accommodation includes an aparthotel, premises licensed under the Licensing (Scotland) Act 2005 with the provision of accommodation on the licence, a hotel, a hostel, residential accommodation where personal care is provided to residents, a hospital or nursing home, residential school, college or training centre, secure residential

accommodation, a refuge, student accommodation, accommodation which otherwise requires a licence for overnight stays, accommodation provided by the guest, accommodation capable of transporting guests to another location, a bothy or accommodation provided by an employer to an employee for the better performance of their duties.

- 2.3 The applicant will be required to specify the type of short term let licence being applied for which can be secondary letting, home letting, home sharing, or both home letting and home sharing. Licences will generally be granted for three years, however, temporary licences can be provided for shorter terms to support events such as an open golf championship, festival, etc. The fee structure is likely to be set to reflect these different types of lettings and their associated risks.
- 2.4 The licensing order contains some mandatory conditions including those for:-
- Fire safety
 - Gas safety
 - Electrical safety
 - Water safety / private water supplies & legionella
 - Safety & repairing standard
 - Maximum occupancy
 - Display and listing of information
 - Planning permission
 - Insurance
- 2.5 Local authorities can develop additional licensing conditions, subject to the needs of their area. These could be considered to address specific issues around anti-social behaviour, privacy, security, noise, littering and waste disposal and damage to property.
- 2.6 Detailed guidance around the short-term let licensing scheme was issued by the Scottish Government on 18 March 2022. A letter from the Cabinet Secretary introducing the licensing scheme and guidance is annexed to this report. The guidance will assist the Council in preparing a policy statement on the use of temporary exemptions and temporary licences and also in setting fees. Work will commence after committee to establish a project plan and resourcing plan to support implementation of the scheme. The Council has significant experience in the regulation of both private landlords and Houses in Multiple Occupation, providing a template for the new short-term let licensing service.
- 2.7 It is therefore proposed that Housing Services will lead the development of Fife's short-term let licensing scheme, supported by Protective Services and Legal Services. Proposals for Fife's scheme will be developed for Committee consideration in advance of the scheme launch date of 1st October, 2022.
- 2.8 The List of Committee Powers and List of Officer Powers will require to be amended to incorporate the delegation of decision making on licence applications. It is proposed that a report be submitted to the full Council to delegate the determination of applications to the Executive Director (Communities) with the determination of certain applications being reserved to Committee.

3.0 Planning Control

- 3.1 Local authorities can consider the introduction of control areas to ensure that planning permission is required for the change of use of a property to a short-term let. Home sharing and home letting will not be affected by control areas. The purpose of control areas is to:-
- Help manage high concentrations of secondary letting where it affects the availability of residential housing or the character of a neighbourhood.
 - Restrict or prevent short-term lets in places or types of building where it is not appropriate.
 - Help local authorities ensure that homes are used to best effect in their areas.
- 3.2 Consideration of control areas for short-term lets will be progressed as part of the evidence gathering stage in Fife's local development plan review. This work is being progressed in 2022 with an Evidence Report expected to be submitted for committee approval in November 2022.

4.0 Conclusions

- 4.1 The report invites members to consider and agree broad proposals for implementing the licensing of short-term lets, with more detailed proposals around the licensing conditions, fee rates and scheme publicity to be brought back to Committee.

Background Papers

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

- Letter from Cabinet Secretary to housing conveners dated 1 April 2022 (attached)

Report Contacts:

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Service Manager (Income, Poverty & Private Housing)
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email: vania.kennedy@fife.gov.uk

June Barrie
Legal Services Manager
Legal and Democratic Services
Email: June.barrie@fife.gov.uk



F/T: 0300 244 4000
E: scottish.ministers@gov.scot

To: Local Authority Housing Conveners

Cc: Local Authority Chief Executives;
Councillor Parry, COSLA Spokesperson for Community
Wellbeing

By e-mail

01 April 2022

Dear Councillors,

SHORT-TERM LETS LICENSING GUIDANCE AND DATA COLLECTION

I am writing to advise you that we recently published updated guidance for the licensing of short-term lets, which can be found here: [Short-term lets: regulation information - gov.scot \(www.gov.scot\)](https://www.gov.scot/short-term-lets-regulation-information). These updates reflect the final provisions set out in the Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022, which was approved by the Scottish Parliament on 19 January 2022 and came into force on 1 March 2022. From 1 October 2022, this Order requires authorities to have established schemes in their areas to accept licensing applications from short-term let hosts and operators.

Licensing Guidance for Short-term lets

Amendments to the guidance reflect discussions with, and contributions from, local government officials as well as our stakeholder working group, which includes representation from COSLA, Local Authority Environmental Health Officers, Association of Local Authority Chief Housing Officers (ALACHO), Heads of Planning Scotland and Scottish Local Authority Lawyers and Administrators (SOLAR).

Through these discussions we've been able to ensure the guidance provides greater clarity about policy objectives and our expectations of how licensing authorities will operate their schemes and set their fee structures, including taking a risk based approach to determining licence applications and the inspection of premises. This will assist authorities to adopt a cost recovery approach that is proportionate and fair, and not onerous to administer.

Data Collection

The Licensing Order specifies the data licensing authorities must include in their public registers. The updated licensing guidance ([Part 2: for licensing authorities and platforms](#))

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also sets out additional data fields we expect authorities to include in their quarterly data return to the Scottish Government. We intend to work with you in the coming months to agree the operational process and to finalise the content of this quarterly return.

I would like to thank you in anticipation of your cooperation and support with this request. Collection of this full range of data consistently across Scotland will enable us to undertake robust analysis to monitor and evaluate the policy, as well as to monitor the rollout of the short-term let licensing scheme.

Implementation

I am aware my policy officials are continuing to engage with COSLA and other national forums such as the Scottish Housing Network, SOLAR and ALACHO about general implementation matters. We would like to gather a comprehensive picture about local areas' readiness to deliver short-term let licensing across Scotland. I would therefore be grateful if you could complete a short survey (8 questions) by 2 May 2022 about your authority's preparation to establish its licensing scheme for 1 October 2022. The link to the survey can be found here: <https://forms.office.com/r/wKXvt1C2qx>. If you have any questions about short-term lets licensing please send these to shorttermlets@gov.scot

Yours sincerely,

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14th April, 2022.
Agenda Item No. 10

Houses in Multiple Occupation (HMO): Review of Charging Structure and Fees

Report by: John Mills, Head of Housing Services and Nigel Kerr, Head of Protective Services

Wards Affected: Fife

Purpose

The report invites members to consider and agree proposals for amending the charging structure and fees for Houses in Multiple Occupation (HMO) licensing, aligned to provisions within Scottish legislation and guidance, ensuring full cost recovery of the service going forward.

Recommendations

The Policy and Co-ordination Committee is recommended to:-

- (i) agree to amend the charging structure and revised HMO licensing fees from 1st June, 2022, following a period of notice to HMO owners and agents; and
- (ii) agree to apply an annual uplift to HMO charges of CPI+1% on the 1st June each year, with a further report to Committee if an alternative approach is required in any given year.

Resource Implications

The recommendations will maintain income and expenditure for HMO licensing within a ring-fenced account and will ensure appropriate charging to owners for HMO services. HMO licensing fees should fully cover existing expenditure on this function through Housing Services, Protective Services and Legal Services.

Legal & Risk Implications

The proposals comply with statutory requirements under Part 5 of the Housing (Scotland) Act 2006 entitling local authorities to apply reasonable and proportionate charges for HMO licensing.

Impact Assessment

An EqIA and summary form have been completed – the summary form is attached to the report. A Fife Environmental Impact Assessment has been considered with no impacts across most areas and a positive impact in terms of health & well-being in ensuring safe, well-managed and regulated housing.

All HMO landlords and their agents will require to be advised of any changes to the HMO charging structure and fees and proposals for this are contained within the report. Regular discussions have been held with the University of St Andrews over the last 2-3 years as outlined in the report.

1.0 Background

- 1.1 In June 2000, a mandatory licensing scheme for Houses in Multiple Occupation (HMOs) was introduced under the Civic Government (Scotland) Act 1982. The licensing scheme sets safety standards for specific rented accommodation and ensures that landlords and their agents are 'fit and proper' persons to hold a licence. HMOs are now licensed under Part 5 of the Housing (Scotland) Act 2006, a licence being required for accommodation that is:
- occupied by three or more persons from three or more families;
 - occupied as a sole or main residence; and
 - providing shared basic amenities.
- 1.2 The Council can grant HMO licence providing:
- the applicant and their agent are fit and proper persons to operate an HMO in terms of Section 85 of the Anti-Social Behaviour etc. (Scotland) Act 2004, as amended;
 - neither the applicant nor the agent is disqualified from holding a licence or acting as an agent for a licence holder by court order under Section 157 of the Housing (Scotland) Act 2006; and
 - the property is suitable for use as an HMO or could be made so by including conditions in the licence.
- 1.3 The number of HMOs in Fife varies throughout the year as new applications are submitted and licences are progressed through a three-yearly cycle. There are 1,145 licensed HMOs (9th March 2022) with capacity to accommodate around 7,500 people. On average, HMOs accommodate 6.7 persons per property, however, most HMOs (98%) contain 3-10 persons with the remaining 2% containing between 11-500+ persons. Around 60% of licensed HMOs are let as flats or houses; 35% as student halls; and the remaining 5% includes employee housing, hostels, group homes, sheltered housing and other lodgings.
- 1.4 On the 28th March 2019, the Policy and Coordination Committee agreed a revised HMO fee structure, moving away from a flat fee structure to introduce a sliding scale based on property size. This followed externally commissioned research which had considered options for the Fife HMO fee structure, benchmarking with other local authorities with significant levels of HMO housing. This was the first time the HMO fees had been renewed since at least 2005. The 2019 HMO fee structure is:

Fife Council HMO Fee Structure Introduced June 2019

HMO Licensed Occupants	HMO Fee
3-5	£1,480
6-10	£1,730
11-20	£2,080
21-50	£2,330
51-100	£2,580
101-200	£3,220
201-300	£4,440
301-400	£5,680
401-500	£6,320
501+	£7,540
Additional Costs	
Pre-application inspection	£190
Missed appointment	£100
Reissuing an HMO licence	£24

- 1.5 Following implementation of the new HMO fee structure, the University of St Andrews expressed concern about the impact of the new charges on the purpose-built HMOs with 3-10 occupants, such as Fife Park and David Russell Apartments. This arises from the statutory definition of an HMO which determines that single flats within larger blocks are individual HMOs, each requiring an HMO licence. This compares to older-style halls that may contain 500+ occupants but due to the layout and amenities will require only one HMO licence.
- 1.6 An independent financial review of the costs of operating the HMO licensing service was commissioned and reported to Policy & Coordination Committee on the 18th February 2021, demonstrating an under-recovery position of £0.244m per annum based on an analysis of time versus costs in the HMO licensing process. Committee agreed to hold fee levels due to Covid-19 impacts on inspections during 2020-21, and to allow further work to identify any potential improvements and efficiencies in the HMO licensing processes.

2.0 HMO Fee Proposal

- 2.1 The Housing (Scotland) Act 2006 and supporting guidance confirms that the setting of HMO licence fees is a matter for local authority discretion, the costs of operating the HMO licensing scheme should not be subsidised from other budgets. HMO fees must be reasonable and proportionate to the procedures required to carry out the HMO function and can include charges for administration, inspection, committees and compliance costs.
- 2.2 Regular discussions have been progressed with the University of St Andrews since the issues around HMO charging were first highlighted. Meetings and workshops have been held to work through the findings of the external financial research, examine current HMO processes, investigate options for improvements and develop efficiencies on both sides with the aim of reducing costs.

- 2.3 The HMO fee proposal exercises discretion permitted through HMO guidance to treat institutional HMO providers with some flexibility in the HMO application process. The proposal affects purpose-built HMOs owned by institutional landlords containing 3-10 occupants, including those held by the University of St Andrews, NHS Fife and a Trust. It is based on criteria of identical flat design within a block and where single block certification can be introduced for electrical safety, legionella, heating maintenance, fire safety, emergency lighting, insurance and other such matters. This proposal would significantly reduce the Council's administration of applications through a single charge for the first HMO in a block, and a reduced 'footprint' fee for each of the remaining flats covering inspection costs only.
- 2.4 The footprint fee would not apply where properties are of a design that requires individual certification for each HMO within the block. The existing 10% discount would be removed for blocks with footprint fees but would remain for other institutional HMOs containing 3-10 occupants and not meeting the footprint criteria. Over time, there is potential for institutional landlords to reduce costs further through regular maintenance planning allowing a sampling regime to be introduced. These discussions could form part of future HMO fee reviews but are not being proposed at this point.
- 2.5 The proposed HMO framework will address the issue around purpose-built HMOs. However, the proposed adjustment to the HMO fee structure must also ensure full recovery of service costs to the Council. Work with Finance Services has shown that the projected budget requirement for HMO licensing £0.624m in 2022-23, covering costs for Housing, Protective and Legal Services. The introduction of HMO footprint fees would reduce income by around £0.048m, although that element would be covered through efficiency in administration processes, enabling HMO staff to be realigned to the licensing of short-term lets when introduced in October 2022 (under separate report to P&CC).
- 2.6 Even after considering efficiency savings, projected HMO fee income will fall short of HMO service costs by around £0.050m in 2022-23 and beyond. It is therefore proposed to increase all baseline HMO charges by 10% to cover the difference between projected income and costs. The proposed HMO fee levels from 1 June 2022 are shown as follows:

Current and Proposed HMO Fees 1 June 2022

Licensed Occupants	Current HMO Fee From 1 June 2019	Proposed HMO Fee 1 June 2022
3-5	£1,480	£1,628 / footprint inspection £570
6-10	£1,730	£1,903 / footprint inspection £666
11-20	£2,080	£2,288
21-50	£2,330	£2,563
51-100	£2,580	£2,838
101-200	£3,220	£3,542
201-300	£4,440	£4,884
301-400	£5,680	£6,248
401-500	£6,320	£6,952
501+	£7,540	£8,294
Additional Costs		
Pre-application inspection	£190	£209
Missed appointment	£100	£110
Reissuing an HMO licence	£24	£26

- 2.7 The new HMO fee proposals can be viewed in the context of rent income for different sizes of HMO properties to test the impact on HMO providers.

HMP Proposed Fees v. Scenarios for Rent Income

No. Occupants	Monthly Rent Income	Monthly Rent Over 3-Years	HMO 3-Year Licensing Charge	HMO 3-Year Licensing Charge as % Rent Income
3	£400	£43,200	£1,628	3.8%
5	£450	£81,000	£1,628	2.0%
10	£500	£180,000	£1,903	1.1%
20	£400	£288,000	£2,080	0.7%
50	£450	£810,000	£2,330	0.3%
100	£500	£1,800,000	£2,838	0.2%

- 2.8 The above scenarios are based on very modest rents to provide a fair representation of the impacts of the HMO fee proposal. In these scenarios, the revised HMO fees represent a maximum outlay of 3.8% to HMO owners against the projected rent income over three years. The percentage will reduce if rents are charged either at a higher rate or if there is an increase in the number of occupants in an HMO.
- 2.9 Taking the above into consideration, the proposal to increase HMO licensing fees can be viewed as reasonable and proportionate to the procedures required to carry out the Council's HMO function. It accounts for efficiency delivered within the HMO process, with further potential efficiencies over time. The revised charging framework would continue to adhere to Scottish legislation and guidance and allow the Council to maintain a comprehensive HMO licensing service, including 100% inspections of HMO properties in Fife.
- 2.10 It is proposed to implement the revised HMO charges from 1st June 2022, allowing a one-month notice period to be given to HMO landlords and their agents. Thereafter, income and expenditure will be monitored annually within the context of a ring-fenced account. It is also proposed that HMO fees increase by the prevailing CPI rate in March of each year plus 1% (CPI+1%) to be applied annually on the 1st June. Should the gap between income and costs change to any significant extent over time, recommendations for an alternative adjustment in charges will be brought back to Committee.

3.0 Conclusions

- 3.1 Proposals have been developed to amend the structure and charges for HMOs, aligned to the requirements of Scottish legislation and guidance. The revised fee structure reflects the actual cost of maintaining a comprehensive HMO licensing service, to be implemented from the 1st June 2022.

List of Appendices

1. Equality Impact Assessment Summary Report

Background Papers

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

- Housing (Scotland) Act 2006
- Licensing of Houses in Multiple Occupation: Statutory Guidance for Scottish Local Authorities (updated January 2012)

Report Contact

Vania Kennedy
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Housing Services,
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Appendix 1: Equality Impact Assessment Summary Report

Which Committee report does this IA relate to (specify meeting date)?

Policy and Coordination Committee 14th April 2022

What are the main impacts on equality?

Impacts will be on owners of HMO licensed properties and there will be no direct equality impacts. In general, HMO licensing is intended to improve the conditions and safety of certain types of rented property which should benefit tenants.

What are the main recommendations to enhance or mitigate the impacts identified?

No recommendations other than to monitor any potential impacts through future reviews.

If there are no equality impacts on any of the protected characteristics, please explain.

As above, any change in the charging structure and fees charged for HMO licensing will impact on HMO owners and there will be no direct impacts on equality groups.

Further information is available from: Name / position / contact details:

John Mills, Head of Housing Services

14th April, 2022.

Agenda Item No. 11

Minute of Agreement with VisitScotland

Report by: Gordon Mole, Head of Business and Employability Services

Wards Affected: All Wards

Purpose

The purpose of this report is to seek approval for a three-year agreement with VisitScotland to delivery pre-arrival visitor information between April 2022 and March 2025.

Recommendation(s)

It is recommended that the Committee:-

- (1) note the results of 2020/21 and 2021/22 activity under the previous Minute of Agreement;
- (2) approve the proposed three year arrangement with VisitScotland of £80,000 in 2022/23, and remaining flexible for 2023/24 and 2024/25 subject to available budget; and
- (3) remit to the Head of Business and Employability Services to conclude the necessary contractual arrangements with VisitScotland on terms and conditions to the satisfaction of the Head of Legal Services.

Resource Implications

The funding allocation for 2022/23 will be £80,000. The allocation for the following 2 years will remain flexible to allow the service to respond to other emerging financial pressures in those years. All allocations will be met from existing Business and Employability revenue budgets.

Legal & Risk Implications

Tourism growth in Fife is at risk without reliable visitor information. This Minute of Agreement with VisitScotland minimises risk by ensuring visitor information is delivered for Fife in the most targeted and cost effective way. VisitScotland holds the consumer database for Scotland and, because of this, Fife Council's contribution to tourism through VisitScotland campaign activity is targeted effectively to those who have either visited Fife before or those who have expressed an interest in Fife.

Working in partnership with VisitScotland under the Minute of Agreement opens up channels that would otherwise be out of reach to Fife Council in terms of national / international marketing, due to economies of scale.

The activities planned within the draft Minute of Agreement will assist the tourism sector to become more competitive. This, in turn, will help to achieve the Fife Tourism & Events Strategy ambitions and to contribute to the Plan 4 Fife by improving the economic performance of Fife through tourism activities.

Impact Assessment

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

The Fairer Scotland Duty, which came into force on 1 April 2018, requires the Council to consider how it can reduce inequalities of outcome caused by socio-economic disadvantage when making strategic decisions. The proposed Minute of Agreement supports the aims set out in the Plan4Fife to support inclusive growth and jobs through the development of Fife's tourism sector.

Consultation

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

Detailed consultation with VisitScotland has taken place and VisitScotland supports the terms of the draft Minute of Agreement

1.0 Background

- 1.1 Tourism in Fife contributed £162million to the Fife economy in 2019 and £60million in 2020 where the industry was heavily effected due to covid lockdown and subsequent restrictions. (*Source: STEAM 2021*)
- 1.2 Visitor numbers are now recovering with a rise of 12% in visitor numbers from January – June 2021 compared to the same period in the previous year, an increase of 21% in visitor days and an increase of 34% in economic impact.
- 1.3 The effects of the pandemic have been immeasurable for the tourism industry, with businesses closing either temporarily or permanently and staff being furloughed. The visitor profile changed considerably, with the tourism industry relying on local day trippers and staycations. Welcome to Fife and VisitScotland marketing communications pivoted to reflect this change in visitor profiling.
- 1.4 The Fife Tourism & Events Strategy 2019-2029 was launched by the Fife Tourism Partnership in April 2019 and identified strategic activities that Fife will develop over the next five to ten years. These activities focus on collaborative business activity to increase the economic value that tourism brings to Fife as well as providing clear campaigns to help underpin Fife's strengths as a visitor destination. Despite the pandemic, the Strategy remains fit for purpose and now tourism is in a recovery phase, the Council can return to achieving the aims and objectives of the Strategy.
- 1.5 In addition to the Fife Tourism & Events Strategy, the Fife Covid Tourism & Events Strategy Action Plan 2020-22 contains the actions required to support businesses through this phase of recovery. This recovery plan takes elements of the Fife Tourism & Events Strategy and aligns with Fife Council's Reform and Recovery Priorities and Projects. It is also informed by the Scottish Tourism Emergency Response Group (STERG) Action Plan. The action plan is formed of 8 sections:-

- Fife’s Response
 - Rebuilding Our Diverse Businesses
 - Protecting & Supporting Our Passionate People
 - Restoring Our Thriving Places
 - Reimagining Our Memorable Experiences
 - Industry Intelligence
 - Research & Global Travel Market Intelligence
 - Marketing Recovery
- 1.6 Fife’s destination website, www.welcometofife.com has just been refreshed and forms the focal point of any marketing call to action. Activity through social media including Instagram, Facebook and Twitter remains a critical part of Welcome to Fife marketing plans.
- 1.7 Regional collaboration is flourishing, with the Tay Cities Region Tourism Strategy and Forth Bridges Tourism Strategy launched in 2019. A group has been formed to advance activity from the Regional Prosperity Framework for Edinburgh and South East Scotland Deal, focusing on sustainable tourism.
- 1.8 Local Tourist Associations (LTAs) play an important role in developing new tourism products and raising awareness of the tourism assets in their area. The LTAs have struggled with business engagement through the pandemic. Fife Council has appointed a Tourism Officer on a fixed term basis to support the LTAs to develop their membership and find their own strategic direction. Other partnerships such as Forth Cruise, Food From Fife and the Fife Golf Partnership continue to provide a valuable link to specific sectors of the tourism landscape.
- 1.9 VisitScotland plays an important role in supporting Fife Council’s tourism activity and promotion. All digital campaigns push visitors to the ‘Welcome to Fife’ website and social media channels, giving a much greater presence than could otherwise be achieved. Access to visitor insights is also a very important resource, especially as the Council and its partners adapt through this phase of recovery, where the profile and demographic of Fife’s visitors may change, depending on changing consumer behaviours.

2.0 Issues and Options

VisitScotland Minute of Agreement

- 2.1 The following summary outlines the activity within the Minute of Agreement (MoA) from 2020.
- 2.2 Fife Activity Summary 2020/21
Campaign activity took place from August 2020 through to June 2021 as part of regional recovery. This created the following results:

Activity	Results
A weeklong Bauer Radio campaign to inspire listeners across Scotland to take a trip to Fife.	Reached 942,000 adults across Scotland.
A social campaign (click to web and video adverts) to inspire target visitors to plan a break in Fife and increase awareness of the area by linking to welcometofife.com .	11,075 landings and 81,079 ThruPlays (the number of times a video is played to completion or played for at least 15 seconds if the video is longer).

Activity	Results
This was targeted at potential visitors within a 4 hour driving distance from Fife	
Publishing Partnerships / Activity – digital articles in History Extra and Countryfile magazines.	Resulted in 3,662 page views for History Extra, and 12,415 for Countryfile.
Two digital articles with Woman & Home accompanied by banner ads and video on demand.	Resulted in 17,665 page views.

2.3 The full activity summary for 2020/21 can be viewed [here](#), and also in Appendix 1.

2.4 The costs for 2020/21 were less than usual, with £46,000 being spent on core marketing. This is due to Covid restrictions. The Council was unable to undertake campaign activity when people’s movements were restricted and businesses were closed. Fife Council and the Fife Tourism Partnership addressed this through the LoveFifeLater campaign during the pandemic.

2.5 Fife Activity Summary 2021/22

Activity	Results
Facebook click to web adverts directing visitors to welcometofife.com, to inspire visitors to plan an autumn break in Fife, focusing on ‘hidden gems’. This was targeted Scotland wide and South of England (to tie in with a new Bournemouth to Edinburgh flight).	Resulted in 38,730 landings.

2.6 A spring campaign is now underway with the following components:

- Video promotion of *Welcome To Our Home* videos – roll out of these Fife Council produced videos on You Tube. Target of 158,000 views.
- Publishing activity – digital advertorial in History Extra, Countryfile and BBC Good Food magazines. Target of 31,000 views.
- Spring social media campaign – continuing with the ‘hidden gems’ messaging for a Scottish audience.
- Food and drink content asset – the development of a food and drink interactive map for inclusion on the welcometofife.com website.

2.7 The full activity summary for 2021/22 can be viewed [here](#), and also in Appendix 2.

2.8 The cost for 2021/22 is projected at £80,000, reflecting the need to attract visitors back to the area. This is the typical level of expenditure Fife Council would make in a year.

2.9 The impact of these campaigns can be seen from the Welcome to Fife website’s Google analytics, with spikes in activity matching VisitScotland campaigns.

2.10 As visitors to Scotland will always seek out the country’s destination websites and social media channels first, they have a far stronger reach than any area destination will. VisitScotland’s social media reach is as follows:

VS Facebook – 1,760,100
VS Twitter – 435,500
VS Instagram – 1,500,000

2.11 Through the relationship Fife Council has developed with VisitScotland as a result of the ongoing MoA, Fife benefits from excellent exposure that would be impossible to replicate through Fife Council resources alone, outwith the activity contained within the MoA. This includes web activity, social media and advertising at an international level that features Fife tourism assets.

2.12 VisitScotland’s remit is to promote Scotland as a destination. This is more important than ever as the Council, tourism businesses and strategic partners rebuild the tourism industry and encourage international visitors to return. The promotion of Fife is an important part of this work. Whilst this report seeks a three year agreement, the table below outlines the proposed activity in year one of the agreement (dependent on any further travel restrictions) which focusses on welcoming visitors back to Fife and linked to the 2022 theme ‘Year of Stories’.

2022/23 Activity	Cost
<p>Destination Marketing</p> <p>VisitScotland will create and deliver digital marketing activity to raise awareness of Fife and drive landings to welcometofife.com by targeting the UK market (and international markets if considered appropriate). Digital channels such as social media, influencers, bloggers, vloggers and paid partnerships will all be considered.</p> <p>Key themes:</p> <ul style="list-style-type: none"> • Digital campaign tied to ‘Year of Stories’, with key themes to include: • Fife’s history and heritage • Food and drink and the story behind the producers • Lesser-known tourism assets • Outdoor activities, wellness and areas of natural beauty • Local stories 	£70,000
<p>Golf</p> <p>Work with Fife Golf Partnership to promote golf tourism, linking to The 150th Open in July 2022.</p>	£10,000
Total	£80,000

2.13 Within the terms of the draft Minute of Agreement, VisitScotland will be required to submit an annual report to Fife Council to reflect VisitScotland’s performance in delivering its services and any changes in marketing conditions and local requirements.

2.14 The budget of £80,000 for 2022/23 will be allocated from within existing Business & Employability revenue budgets. The allocation of funding for 2023/24 and 2024/25 will be based upon available budget.

3.0 Conclusions

- 3.1 Tourism is a priority sector for Fife, and the ongoing relationship with VisitScotland provides value for money in terms of providing targeted and effective pre-visit marketing campaigns to increase the volume and value of visitors to Fife, and thus realising the ambitions of the Fife Tourism and Events Strategy. The partnership also gives Fife Council access to valuable insights as to the profile and demographic of visitors, to enable the Council to produce effective, targeted campaigns.
- 3.2 It is recommended that the Committee agrees to a three year MoA with VisitScotland, with a budget of £80,000 in 2022/23, and remaining flexible for the remaining 2 years dependent on available budget, to deliver the activity outlined in paragraph 2.12 above.

List of Appendices

1. Activity Summary 2020/21
2. Activity Summary 2021/22

Background Papers

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

- Fife Tourism & Events Strategy 2019-2029
- Fife Covid Tourism & Events Strategy Action Plan 2020-22

Report Contact

Hilary Roberts
Tourism Partnerships Manager
Economy, Tourism & Town Centres
Telephone: 03451 55 55 55 + VOIP Number 430326
Email: hilary.roberts@fife.gov.uk

Appendix 1 – Summary of Activity 2020/21

The following report details results and analysis based on paid activity which took place from August 2020 through to June 2021 as part of regional recovery.

Bauer Radio

Objective – to inspire Bauer radio listeners to take a trip to Fife.

Budget - £2,601.60

Media Activity – 30 second trail adverts played on air for one week across the Bauer Radio Network.

Targeting – Scotland

Timings – 10 August 2020 for 7 days

Call to Action – www.welcometofife.com

Results – Reached 942,000 adults across Scotland

Campaign Analysis – As part of national recovery activity with Bauer Radio, Fife took a week slot in the overall VisitScotland activity plan across 10 weeks in total. This campaign reached 942,000 adults across Scotland through the 7 stations the trails were played on. Each station had 12 spots for the trails which were 30 seconds each. Stations included:

- Hits Radio (Aberdeen)
- Hits Radio (Dundee)
- Hits Radio (Edinburgh)
- Hits Radio (Glasgow)
- MFR
- Radio Borders
- West Sound (inc. West FM)

Script – ‘STATION NAME’ loves adventures, outdoors and tasting delicious local produce in Fife. Enjoy miles of award-winning beaches and beautiful parks....or get your walking shoes on and venture along the longest coastal path in Scotland. With history and heritage around every corner, where will Fife take you? For a short break or a family weekend away, plan your next trip at welcometofife.com.

Paid Social Campaign

Objective – to inspire target visitors to plan a break in Fife and increase awareness of the area by linking to welcometofife.com.

Budget - £5,000

Media Activity – Facebook click to web and video adverts

Targeting – Segments: Adventure Seekers, Engaged Sightseers, Families.

Location: Fife + 4 hour drive time – excluding England

Interests – Outdoor (activities and coast), food and drink, history.

Timings – 1 October – 15 October 2020 (paused due to government restrictions)

24 May – 24 June 2021 (restarted once restrictions eased)

Call to Action – All social adverts linked to web pages on welcometofife.com

Results – Landings 11,075, ThruPlays* 81,079

*ThruPlays – the number of times a video is played to completion (if it is 15 seconds or less) or played for at least 15 seconds if the video is longer.

Campaign Analysis – As the activity was paused mid-way results are reported as Phase 1 and Phase 2 of activity. When the activity restarted (Phase 2), new planning schedules were issued to take into consideration changes to the social landscape as well as iOS updates. It should be noted that overall, iOS updates had a significant impact on campaign performance. The new update (which was implemented after

Phase 1) meant that all users now have to opt in to every app to allow them to be tracked beyond the Facebook platform. This meant that VisitScotland was unable to track users who did not opt in to tracking. This was not just on this campaign, but across the board for all paid social activity.

Phase 1

4001 landings and 79,399 ThruPlays

This activity commenced on 1 October 2020, targeting Adventure Seekers, Engaged Sightseers, and Families within a 4 hour drive time of Fife (excluding England). Activity was split into two objectives – traffic (lands) and video views. In Phase 1, forecasts for landings reached 99% of forecast, despite only spending 51% of the budget before it was paused. Landings were 4,001 with an overall forecast of 4,032. In addition, the forecast for the video adverts achieved an impressive 79,399 ThruPlays based on a target of 8,959.

Phase 2

This activity commenced 24 May and completed 24 June 2021 targeting the same audience and again focussing on the objectives of landings and video views. Achieved 7,074 landings and 1,680 ThruPlays.

Examples of Campaign Creatives

The image displays two side-by-side Facebook advertisement creatives for VisitScotland. Both ads are sponsored and feature the VisitScotland profile picture and name. The left ad is titled 'Beaches made for walking' and shows a scenic view of Ravenscraig Castle and a beach. The right ad is titled 'Now THAT is a view!' and shows a view of St Monans castle ruins at sunset. Both ads include a 'LEARN MORE' button and a 'WELCOMETOFIFE.COM' link. The bottom of the image shows the Facebook interaction bar with 'Like', 'Comment', and 'Share' options.

Immediate Media Publishing Partnership

Objective – To inspire target visitors to plan a break in Fife and increase awareness of the area.

Budget - £13,398

Media Activity – Digital article with History Extra
Digital article with Countryfile

Targeting – UK wide

Timings – 14 April – 14 May 2021

Call to Action – welcometofife.com

Results

History Extra – 3,662 page views (over delivered by 16%)

5.07 minutes dwell time (benchmark of one minute)

Countryfile – 12,415 page views (over delivered by 15%)

2.45 minutes dwell time (benchmark of one minute)

Campaign Analysis - Overall, both articles performed very well exceeding forecasts for page views and dwell times for each title, showing that the content was relevant and engaging for the audience targeted. Both articles were native in content, meaning they were written by the titles' editorial teams to ensure authenticity for the reader and ensuring the content was fully relevant. This also meant that regional influence over the content was minimal and at the discretion of the editor. This type of content is also evergreen so unlike advertorial, it will remain on the title website.

History Extra

The History Extra article focused primarily on the history of the Picts in the region and specifically on Wemyss Caves. To complement this content focus and encourage readers to visit more areas, the article also included a further 5 places to explore; MacDuff's Castle, Fife Pilgrim Way, Falkland Palace, Dunfermline Abbey and St Andrews Cathedral. BBC History users spent an average of 5 minutes 7 seconds consuming the content which is substantially up on the benchmark of 1 minute and a fantastic result that indicates users found the content both interesting and engaging. On-site click-through rate (CTR) was also comfortably above benchmark at 1.48% and this article performed particularly well within the 'Social History' section of the site which had a CTR of 2.88%. The best performing headline was "A lost people, mysterious carvings and Robert the Bruce's final resting place: uncovering Fife's secrets" which finished with a CTR of 1.75%.

Countryfile

The Countryfile article was broader in content and focused on things to see and do in the area as well as places to stay. Examples of places included were; Fife Coastal Path, Kirkcaldy Galleries, The Old Station B&B, Burntisland Library & Museum, The Fix Fife Cafe, The Sunrise Bakehouse, Blown Away, Lomond Hills Regional Park, Aberdour Castle, Culross Palace, Bessie's Cafe, the Biscuit Cafe, Craigduckie Shepherd's Huts, Andrew Carnegie Birthplace Museum, Ceres Inn, Scottish Fisheries Museum and Wigwam Holiday Cabins at Montrave.

The Countryfile content finished with over 12.4k page views, 32% up on the KPI and a CTR of 1.21%. Users spent an average of 2 minutes 48 seconds consuming the content, which is comfortably above benchmark and a strong result. This content proved most popular within the 'Days Out' section of the site with a CTR of 1.72% and users engaged most with the Glen Vale Circular, Lomond Hills creative which finished with a CTR of 2.11%.

Social Media Promotion

In addition to the articles social advertising was used to drive readers to the articles from the titles own Facebook accounts using both a prospecting and retargeting approach. Immediate Media ran the campaign on Facebook, Instagram and Twitter, testing multiple ad variants to different audiences and optimising towards the best performing. The content did not perform as well on Countryfile so it was set up on Google display and optimised towards this for the remaining duration of the Countryfile campaign.

For History Extra, the prospecting audience was the best performing, delivering 68% of the total number of clicks. Although the retargeting audience was a smaller, more targeted audience, the ads all generated a CTR well above the benchmark, with the best performing ad delivering a CTR of 11.11%. The History Extra campaign was tested on Twitter but this did not perform as well, generating an overall CTR of 1.17%, which is below the benchmark so they continued to optimise towards Facebook and Instagram. Overall, the History Extra campaign delivered 110% of its booked KPI objective.

The Countryfile campaign also ran on Facebook and Instagram and was delivered to two audiences. The prospecting audience again performed the best, delivering 85% of the total number of clicks. Similarly, to the History Extra campaign, the ads to retargeting audience did deliver a higher CTR, again this is likely because the retargeting audiences are smaller and more specific. The content however did not perform as well on Facebook and Instagram with an overall CTR of 2.42%, below the benchmark. The Countryfile Campaign also ran on Twitter but again this did not perform as well, delivering an overall CTR of 1.10%. As a result, the campaign was run on Google.

The image shows two side-by-side screenshots of website articles. The left screenshot is from Countryfile Magazine, featuring an article titled "Explore the Kingdom of Fife: best places to visit and stay". The right screenshot is from History Extra, featuring an article titled "Discover Fife: 6 fascinating historical places to explore". Both articles include a "Fife" logo, a "Welcome to Fife" partnership banner, a sub-headline, a short introductory paragraph, social media sharing icons, a main image, a publication date, and a short paragraph of text at the bottom.

COUNTRYFILE
MAGAZINE EXPLORE THE BRITISH COUNTRYSIDE

Go outdoors ▾ British wildlife ▾ People ▾ How to ▾ Magazine ▾

Home > Go Outdoors > Days Out > Explore the Kingdom of Fife: best places to visit and stay

Period ▾ People ▾ Topics ▾ Podcast ▾ History quizzes

Home > Period > General ancient history > Discover Fife: 6 fascinating historical places to explore

Fife
welcome to fife

In partnership with Welcome to Fife

Explore the Kingdom of Fife: best places to visit and stay

Stress-free, crowd-free vacations beckon in Scotland's hidden but accessible corner. Here is our slow-travel guide to Fife, with the best attractions to visit, wonderful places to eat and drink plus eco-friendly places to stay.

Published: April 14th, 2021 at 9:43 am

Tucked away on the east coast of [Scotland](#), the Kingdom of Fife is the happy possessor of a winning combination: fantastic scenery, a rich culture and history, a coastline bristling with cosy little fishing villages and long sandy beaches, a wide range of interesting attractions, plus great places to eat, drink

HistoryExtra

The official website for BBC History Magazine and BBC History Revealed

Period ▾ People ▾ Topics ▾ Podcast ▾ History quizzes

Home > Period > General ancient history > Discover Fife: 6 fascinating historical places to explore

Fife
welcome to fife

In partnership with Welcome to Fife

Discover Fife: 6 fascinating historical places to explore

From Wemyss Caves to the resting place of Robert the Bruce, discover six fascinating historical places in the kingdom of Fife, Scotland...

Published: April 14, 2021 at 9:30 am

A lost people who have left little trace in the annals of history; a series of mysterious drawings and carvings that went undiscovered for hundreds of years: and a race against time to

Immediate Media Social Adverts

Objective – to inspire target visitors to plan a break in Fife and increase awareness of the area.

Budget- £25,000

Media Activity – 2 digital articles with Woman & Home, Video on Demand and digital banners.

Targeting – UK wide

Timings – June-July 2021

Call to Action – welcometofife.com

Results – 17,665 page views, 2.33 minutes and 5.53 minutes dwell time.

Campaign Analysis

In order to promote the Welcome to our Home videos specifically created for the region a partnership was agreed with TI Media in early 2020. As a result of the pandemic this activity was put on hold until it was deemed appropriate.

In June 2021 the activity went live with 2 digital Woman & Home articles created as well as digital banners linking to welcometofife.com as well as Video on Demand (VOD) activity to promote the Welcome to Our Home videos.

Article 1 - Why Fife is the UK's most charming destination

Page views booked were 7,692 but achieved 8,344 of which 7,894 were unique. The page views overdelivered by 8%. The dwell time of this article was 02.33 showing the content was of interest to the audience.

This article focussed on three main aspects; local connections, history and walking. Locations highlighted included Ceres, Dunfermline Abbey, St Andrews Cathedral, Fife Coastal Path, Aberdour, Kirkcaldy and Craigtoun Country Park.

Article 2 - 9 Reasons you'll fall for Fife, Scotland

Page views booked were 7,692 but achieved 9,321 of which 8,935 were unique. The page views overdelivered by 21%. The dwell time of this article was impressive at 05.53 showing the content was of interest to the audience and particularly engaging.

This article focussed on 9 reasons to fall for Fife. Locations included St Andrews Cathedral, Anstruther Fish Bar, Scotland's Secret Bunker, Fife Pilgrim Way, Kingsbarns Beach, Lomond Hills, Lindores Abbey, Dunnikier Park and Falkland Palace.

VOD activity

VOD (video on demand) Pre-roll can across the Future premium consumer website list.

These websites included but were not limited to realhomes.com, bikeperfect.com, practicalcaravan.com, countryfile.com and idealhome.com.

Auto-switch your gas and electricity for free, forever [Sign up now](#)

We are supported by our audience. When you purchase through links on our site, we may earn an affiliate commission. [Learn more](#)

Don't pay more than you should on home insurance [Start saving](#) [GoCompare](#)

We are supported by our audience. When you purchase through links on our site, we may earn an affiliate commission. [Learn more](#)

Why Fife is the UK's most charming destination
 With a welcoming atmosphere and something for everyone, here's why the Kingdom of Fife is a place to treasure



9 reasons you'll fall for Fife, Scotland
 Keep reading to learn why it's worth booking a trip to Fife, Scotland. ASAP.



A bird's-eye view of St Andrew's Castle, 1540s-1840s; St Andrew's Castle, 1540s-1840s; St Andrew's Castle, 1540s-1840s; St Andrew's Castle, 1540s-1840s

Fife [welcometofife.com](#) [Discover More](#)

ESCAPE THE EVERYDAY IN FIFE

Appendix 2 – Summary of Activity 2021/22

The following report details results and analysis based on paid activity which took place in Autumn 2021 as part of regional recovery.

Further activity will be delivered through to the end of the financial year which includes paid social, publishing activity, paid YouTube activity as well as potentially creating a content asset to sit on welcometofife.com.

Social Media Campaign

Objective – To inspire target visitors to plan an **autumn break** in Fife and increase **awareness** of the area by linking to welcometofife.com.

Budget - £30,000

Media Activity – Facebook click to web adverts directing visitors to welcometofife.com.

Targeting – In contrast to previous campaigns this activity targeted a South England audience as well as a Scots audience.

Segments: Adventure Seekers, Engaged Sightseers, Curious Travellers, Natural Advocates, which were overlaid with UK Covid segments of Less to Lose and Life Goes On.

Location: Scotland wide and South of England (tying in with new Bournemouth to Edinburgh flight)

Timings – 13 October – 28 November 2021.

Call to action – All social adverts linked to web pages on welcometofife.com

Results – 38,730 landings

Campaign Analysis

This activity commenced 13 Oct 2021, targeting Adventure Seekers, Engaged Sightseers, Curious Travellers, Natural Advocates which were overlaid with UK Covid segments of Less To Lose and Life Goes On. These segments were targeted across Scotland as well as South of England.

Previous campaigns have focussed on drive time of 4 hours from the region but as this was to encourage longer stays rather than a day trip the targeting was widened to all of Scotland with a particular focus on cities. South of England was targeted for the first time in order to take advantage of last minute trips for the October break as well as the new Bournemouth to Edinburgh flight.

The sole focus of this campaign was to drive landings. The Scots audience were driven to hidden gems content and the South of England audience were driven to the welcometofife.com homepage.

The activity was longer than initially planned (by two weeks) as the campaign was not pacing as expected - this means spend on the adverts was slower. As a result, the activity was extended in order to use the allocated budget. In addition, as the campaign progressed Scots activity performed particularly well with South of England slower. As the forecast for the Scots activity was exceeded budget was moved into South of England activity to try and reach landings forecast.

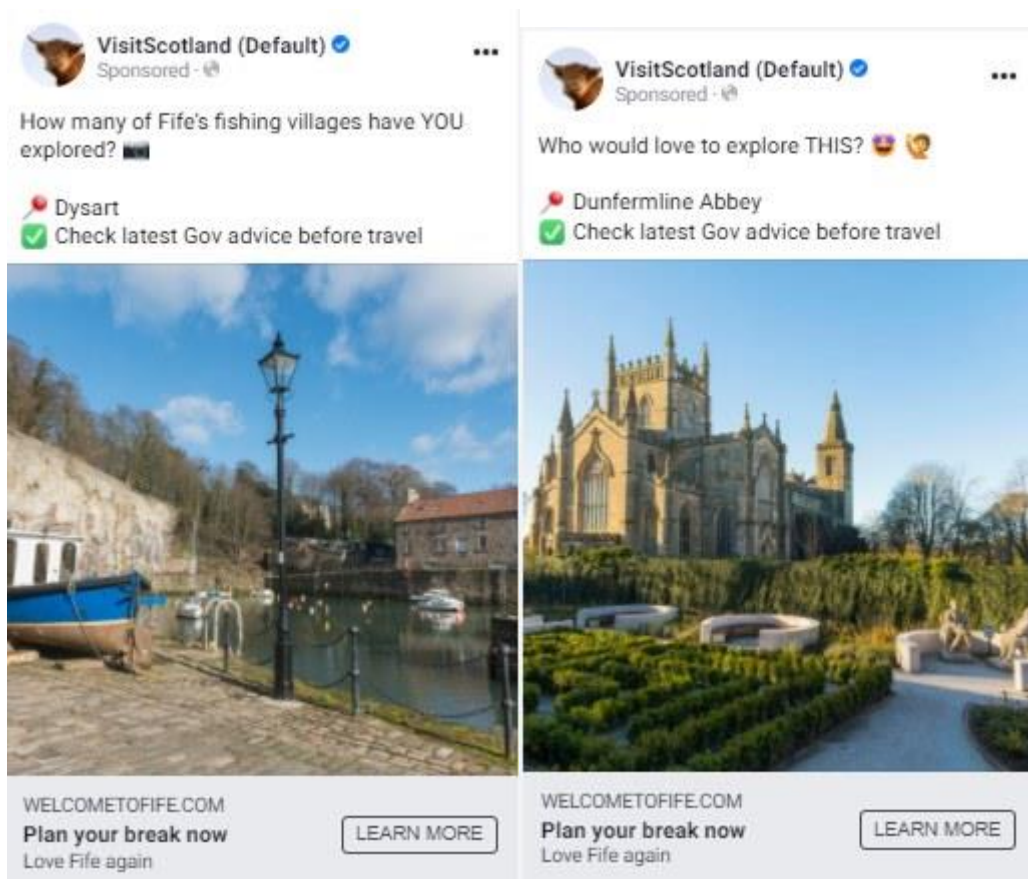
There could be a number of reasons for South of England being slower. They are less familiar with the area and therefore less likely to click compared to the Scots audience. In addition, there was a greater reach of people in the South of England due to audience size which was to be expected. This resulted in a lower frequency being served, which increases cost per impression and in turn increases cost per land. This is not something which could have been predicted as this was the first time this audience had been tested but it will inform future decision making when forecasting for the South of England.

Scots Activity

In total **21,831** lands were delivered to the hidden gems content. The ad which drove the most lands was the advert featuring Ceres (**7,017** lands) closely followed by Ravenscraig (**6,604**). The adverts which drove the fewest lands were St Monans (**408**) and Dunfermline Abbey (**375**).

South of England Activity

In total **16,899** lands were delivered to the welcometofife.com homepage. The ad which drove the most lands was the advert featuring Culross (**6,394** lands). The adverts which drove the fewest lands were St Monans (**1,792**) and St Andrews (**1,543**).



14th April, 2022

Agenda Item No. 12

Common Good Policy and Procedures

Report by: Paul Vaughan, Head of Communities and Neighbourhoods

Wards Affected: Fife Wide

Purpose

The purpose of this report is to request approval to consult on changes to the Fife Council Common Good Policy.

Recommendation(s)

The Committee is asked to:

- (1) comment on the changes being proposed to the Common Good Policy; and
- (2) approve consultation on changes prior to a final decision at a future Committee.

Resource Implications

The report highlights the resource impact to the use of Common Good funds and how these will be used in the future subject to the outcome of the consultation.

Legal & Risk Implications

The Community Empowerment (Scotland) Act 2015 (the “Act”) and subsequent guidance highlights the need to consult on changes in the way Common Good Assets, including funds, are used. The report also addresses issues raised in audit reports and the risk to the ongoing management of the common good.

Impact Assessment

An equality impact assessment has been undertaken that shows no detriment to any protected characteristic.

Consultation

The common good working group has been involved in drafting this report, including representatives from Legal, Finance and Property Services.

1.0 Background

- 1.1 Common good funds are made up of the heritable property (land and buildings) and moveable assets (paintings, furniture, etc.) that belonged to the former Burghs of Scotland. Almost all former burghs had a Common Good Fund. On local government reorganisation in 1975, the burghs were abolished and common good assets and funds passed to the district and regional councils. The Community Empowerment Act 2015 includes a legal obligation to maintain, and publish, a register of common good property (both heritable and moveable).
- 1.2 Fife Council's Common Good Policy was reviewed in 2014 and further changes were made after the Act. A series of actions from the 2014 report require to be reviewed. An External Audit Report of August 2019 and follow up in March 2020 highlighted issues with the interpretation of the 2014 report and whilst the pandemic has delayed the completion of the review of the Common Good Policy, this paper now outlines actions to progress with addressing the issues outstanding from 2014, the changes required by the Act and the findings of External Audit.
- 1.3 The Act provided further requirements on the management of the Common Good with a review of the Common Good register being undertaken in 2019. This review included extensive consultation and a published Common Good Register is now available on the council's website.
- 1.4 Improvements have also been made to the management of grants, scrutiny of common good by area committees and the management of Common Good Funds by a council sub-committee.

2.0 Issues and Options

- 2.1 The issues needing addressed within this report are:
 - a) The use of common good funds for the maintenance of common good assets
 - b) The management of common good property assets
 - c) Investment of common good funds
 - d) Management of grants and recent audit recommendations
- 2.2 Appendix 1 contains a draft Common Good Policy Statement addressing the use of Common Good Funds for the maintenance of common good assets. This will add to the existing Common Good Policy from 2014 that is contained in Appendix 2. The draft statement addresses audit concerns regarding the interpretation of using common good funds for the maintenance, replacement or renewal of common good assets. The working group has also researched the approaches taken by some other councils to the management of common good in developing this statement.
- 2.3 The second set of proposals relate to the management of common good property assets, focusing on buildings, structures and land. There are 105 Common Good properties with buildings (not including land with structures such as monuments or memorials) and 662 hectares of Common Good titles on the Council's Common Good Register. There is limited ability to meet the cost of maintaining all common good assets from within the planned maintenance budget, a position that will be exacerbated by the significant pressure of increasing construction costs. There is therefore a need to explore how to better manage these assets across the council to keep them in good repair and generate income where possible.

- 2.4 It is proposed that in the first instance up to date condition surveys are undertaken to ascertain the state of repair and investment required in the common good buildings and land. In discussion with Property Services, it has been estimated that to undertake this work 2 surveyors will be required for a period of 2 to 3 years. There may also be a need for additional specialist conservation input due to the historic nature of the assets. It is estimated that the cost of this surveyors and specialist input could be up to £450k over the 3 years. To fund this work, it is proposed to take a levy from across all common good funds, proportionate to the size of funds, and directly employ surveyors, within Property Services, to undertake this work. The initial surveys may identify the need for further, more detailed investigation for which a funding solution will need to be identified. Likewise, the surveys may identify the need for urgent or early remedial works for which a funding solution will also need to be identified. A funding strategy will be developed to address issues arising from the condition surveys including consideration of the potential to release common good funds for ongoing capital investment in the assets. This work will also explore the need for a dedicated Common Good Officer to manage the buildings, land and other assets with consideration being given to using a levy from across all the common good funds proportionate on size to fund this position.
- 2.5 The Council is also seeking to update the position so that no Common Good asset is left “unallocated” e.g., unadopted road, unoccupied building. As recommended by the 2014 Policy paper, all common good properties should be allocated to and actively managed by a Council service.
- 2.6 The Common Good has investments totalling £3.826m at present, which are invested and generate income then used to support the common good and local community initiatives. With the tightening of budgets and the existing and anticipated future requirements for considerable capital investment in common good land and buildings, there is also the opportunity to use the revenue generated from the Common Good investments as a source for further borrowing to be used to support capital investment in common good land and buildings. It is permitted by legislation for the local authority to borrow funds to advance the Common Good and the Common Good to repay this to the loans fund. The repayment would include principal and interest. The Common Good can only do this through the Council. The Common Good cannot borrow directly from an external lender. This can only be done for common good assets that are not on the Council balance sheet and the borrowing can only be for Capital expenditure.
- 2.7 While this as an option for future funding of capital investment in the Common Good land and buildings, not all Common Goods funds have sufficient income to enable borrowing, so it may be limited as an option. If it agreed by the Council that this option can be pursued, then there will need to be an additional report to P&C around the governance for this.
- 2.8 In recognition that the decisions on the allocation of common good grants should be made closest to the communities they are intended to benefit, the management of the grants has been devolved to the area teams with decisions made by Area Committees. An audit of the common good grants was carried out in 2021 which resulted in several recommendations to how the common good grant schemes were managed and reported. Most recommendations relate to updating procedures and reviewing the application process. It was already intended that the application process be moved to an on-line process early in 2022/23 and the exercise to review procedures in line with audit recommendations will now be taken forward in conjunction with the on-line project.

3.0 Next Steps/Proposals

- 3.1 The range of proposals presented in this paper constitute a change to the way the council manages the Common Good. Under the Act such changes will require public consultation. Following agreement by committee a public consultation will be undertaken that will conform to the needs of the Act and guidance around the use of the Common Good.
- 3.2 A further report will be brought to a future committee outlining the outcomes of the consultation and agreeing next steps for implementation of the policy changes and the framework for managing common good in Fife.

4.0 Conclusions

- 4.1 The Common Good represents a strong link to the past and to local communities all over Fife. Like any assets, it requires regular maintenance and investment to sustain its benefit to communities. With a growing interest in the role that communities can play in the management of assets and delivery of services the agreement to consult on the changes in this report to how the Council manages Common Good will lay a stronger foundation for the future investment and maintenance of Common Good.

List of Appendices

1. Common Good Policy Statement (draft)
2. 2014 Common Good Policy

Background Papers

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

Common Good Policy – Executive Committee March 2014

Report Contact:

Sharon Douglas

Community Investment Manager

Workplace: Fife House

Telephone: 03451 55 55 55 + VOIP Number XXXXXX

Email: sharon.douglas@fife.gov.uk

Common Good Funds are generally made up of property (including land, buildings, investments and movable items) that belonged to the previous burghs of Scotland.

A number of towns in Fife have a Common Good Fund which can be used for the benefit of the inhabitants of that town. The following Common Good Funds are administered by Fife Council:

- Levenmouth Area – Buckhaven & Methil, Leven
- Glenrothes Area – Leslie and Markinch
- Kirkcaldy Area – Kirkcaldy including Dysart, Burntisland and Kinghorn
- North East Fife Area – Anstruther, Crail, Cupar, Elie & Earlsferry, Falkland, Newburgh, Pittenweem, St Andrews and St Monans
- South and West Area – Consolidated Fund covering Dunfermline, Culross, Inverkeithing, Rosyth

The level of funds available varies significantly between the different Common Good Funds.

These Common Good Funds, although held by the Council, are legally distinct from the Council's other funds and any money held within these Funds, including the income from any assets which make up these Funds, are to be used solely for the overall benefit of the people who reside in the area covered by the applicable Fund.

The Council, however, does retain discretion in terms of how these funds and their income is used and, for example, may decide to acquire land for public use (e.g. formation of a public park) or maintain a publicly owned building (e.g. maintaining the local town hall) using the funds where the action taken is deemed to be for the overall benefit of the local community. The courts have determined that Common Good monies may be used for the prudent management, upkeep and improvement of Common Good fund property, whether such property is held for the general public or investment purposes. The first call on Fife's Common Good monies will be the prudent management, upkeep and improvement of Common Good fund property.

Land forming part of the Common Good of a former Burgh is owned by Fife Council. Fife Council is obliged to administer it in accordance with the normal principles of best value and due economy associated with local authority land holdings; it is also obliged to administer assets having regard to the best interests of the inhabitants of the former Burgh.

It is important to recognise at the outset that Common Good land is owned by Fife Council and Fife Council have been entrusted with the statutory responsibility of looking after it. In administering it, the Council will have regard to the best interests of the inhabitants of the Burgh and one of the means by which these best interests can be established is consultation with the community, including the Community Council. Ultimately, however, the responsibility for fulfilling the statutory obligation rests with Fife Council.

Common Good property should be treated consistently across Fife.

This principle is largely self-explanatory. Due to historical differences between the District Councils who administered Common Good property after 1975, and indeed previous practices of the Burghs, Common Good property is not always administered consistently throughout the County. Fife Council should strive to achieve consistency wherever possible, having regard to local differences where these are material.

Common Good property should be managed and disposed of as efficiently and effectively as the Council's remaining landholdings.

Many Common Good properties - whether land or buildings - have a clear community purpose. However, just because a property is held on the Common Good does not mean it is incapable of disposal. The case law states that, where there is greater benefit to the community in disposing of the asset rather than holding onto it, then the authority is entitled to do so. In managing all of its assets, the Council is seeking to ensure that they are used to best effect, whether that is by holding the asset itself or disposing of it where it is surplus to the requirements of the Council and the community as a whole.

The Council should only consider disposing of common good property permanently for a community purpose to another organisation where there is clear benefit in doing so over retention and sufficient guarantee that the other body can secure the long term nature of the community benefit.

There may well be situations where a community-led initiative can draw down extra funding or otherwise give added value to the community use of an existing Common Good asset. However, the Council's statutory duty to protect the Common Good is a long-term obligation and it may be, for example, that a lease with an appropriate set of obligations is preferable to outright sale in such circumstances. For the avoidance of any doubt, disposal to any other body - whether for a continuing community use or not - would constitute a "disposal" for the purposes of section 75 of the 1973 Act, and may require court authority depending on the nature of the asset.

Common Good properties should be maintained to the same or similar standard as non Common Good properties also owned by the Council.

The Council has limited resources but it is clear that it is under an obligation to maintain properties whether they are held on the Common Good or not for the best interests of the public. The Council cannot be expected to maintain the properties to a higher standard. However, the Council will be mindful in all decisions relating to common good property of its significance in historical, archaeological, architectural or landscape terms.

Subject to the obligation to use the asset to its best and most economical purpose,

the property may be used by Fife Council Services in the normal way. Occupation of the property should be on a notional FRI basis to ensure the property is maintained at no net loss to the Common Good Fund.

Most modern non-housing leases are on a full repairing and insuring basis (FRI). This means that the tenant has to pay the full cost of repairs and insurance of the property. By imposing a notional FRI obligation on the Council Service using the property, this ensures that the property is maintained but that the Common Good Fund is not affected by the cost of maintenance.

Any "rentals" charged from a Council Service Budget to the Common Good Fund should truly reflect the value of the property and the cost of its maintenance. It should also reflect any income derived from the property by the Council.

This arrangement between a Council Service occupying a Common Good property and the common good fund is designed to protect the interests of the inhabitants of the former Burgh and the Common Good Fund itself. However, the true cost of maintenance is a factor which applies to the valuation of all commercial leases. Where an outside body has occupation of a Common Good asset, then similar provisions apply.

Where Common Good property is leased to an outside body or otherwise disposed of, the terms of the lease, wherever possible, should be FRI to minimise loss to the Common Good Fund.

The key driver here is to ensure that the Common Good Fund benefits from a rental which is not lost on maintenance costs.

Where a Common Good property is unoccupied, the Council will seek to find a use for it, either within or outwith the Council. Disposal should be considered as an option to minimise costs to the common good. Maintenance of unoccupied Common Good properties will fall on the Common Good Fund, as will the cost of demolition. In all such instances the views of the Community Council will be sought if the property is to be sold.

If the property is unoccupied, there is no reason why the costs of its maintenance, etc, should not come from the Common Good Fund. However, the Council is under an obligation to ensure as rapidly as possible, that properties held on the Common Good are put to beneficial use of some sort. If there is no possible beneficial use, then the demolition might have to be considered.

Disposal of the cleared site should be considered as an option. This may recoup any losses from the Common Good Fund.

Where a property is disposed of and Court approval is required, the expenses of proceeding to Court and, if successful, selling the property, should be taken from the sale proceeds. It is intended the net sale proceeds would be put back into the Common Good Fund.

There is support in the case law for such an approach. In all such instances the views of the relevant community council(s) will be sought.

14th April 2022.
Agenda Item No. 13

Treasury Management and Investment Strategies 2022-25

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

Wards Affected: All

Purpose

To outline the revised Treasury Management Strategy and Investment Strategy of the Council.

Recommendations

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

- i) the Treasury and Investment Strategies; and
- ii) the Statutory Repayment of Loans Fund Advances Policy.

Resource Implications

This strategy will help ensure the effective management of the Council's cashflows, lending and borrowing activities and facilitates the funding of the Council's Capital Plan.

Legal & Risk Implications

Treasury activity complies with the following legislation Local Government in Scotland Act 2003, the Local Government Investments (Scotland) Regulations 2010 and Local Government Regulations 2016

The Council is required to comply with the CIPFA Prudential Code and Treasury Management Code of Practice. Implementation of this strategy will ensure that this requirement is met and that risks are controlled and mitigated.

Impact Assessment

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

Consultation

The Council engages, Link Group as its Treasury Advisers. Recommended good practice guides and advice prepared by Link has been reviewed in preparation of this report.

1.0 Background

- 1.1 The treasury management function ensures the Council's cash is organised in accordance with the relevant professional codes so that sufficient cash is available to meet service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities.
- 1.2 The Treasury Management Strategy (Appendix A) outlines the Council's prudential and treasury indicators as well as current and projected debt levels. The annual investment strategy is also included.
- 1.3 The strategy has been prepared with the support of the Council's treasury adviser, Link Group, and reflects the current Capital Investment Plan 2022-31 and the Revenue Budget for 2022-23 and the Housing Revenue Account Capital Investment Plan as approved at the Fife Council meeting on 24 February 2022
- 1.4 Treasury Management is a crucial part of the overall financial management of the Council's finances. The capital prudential indicators consider the affordability and impact of capital expenditure decisions and sets out the Council's overall capital requirement. The treasury indicators consider the effective funding of these decisions.

2.0 Treasury Management Strategy Statement 2022-25

- 2.1 The Council is currently required to receive and approve the a number of items each year, which incorporate a variety of policies, along with financial estimates, actual expenditure and forecasts. The strategy is the first and most important and covers
 - The capital plans (including prudential indicators)
 - The treasury management strategy (how the investments and borrowing are to be organised) including treasury indicators
 - An investment strategy (the parameters on how investments are managed)
- 2.2 A mid year treasury management report and annual treasury report will be submitted to a future meeting of the Policy and Co-ordination Committee.

3.0 Statutory Repayment of Loans Fund Advances

- 3.1 The Council is required to set out its policy for the statutory repayment of loans fund advances prior to the start of the financial year. The repayment of loans fund advances ensures that the Council makes a prudent provision each year to pay off an element of the accumulated loans fund advances made in previous financial years.
- 3.2 Fife Council has separate policies for both General Fund advances and Housing Revenue Accounts advances. For General Fund advances, it is considered prudent to use the Asset Life method, where loans fund advances will be repaid in line with the expected life of the asset to which the capital expenditure relates. Where appropriate the Funding/Income Profile method may also be considered whereby loans fund advances will be repaid by reference to an associated income stream. For Housing Revenue Account, all future advances will be repaid using the Asset Life method.

4.0 Conclusions

- 4.1 The treasury activity is crucial to the financial management of the Council. As such, the Council operates within the CIPFA Treasury Code of Practice and the attached Treasury Management Strategy sets out the treasury activity for 2022-25.
- 4.2 The Loans Fund Policy adheres to the Scottish Government Regulations issued in 2016.

List of Appendices

1. Treasury Management Strategy Statement and Annual Investment Strategy

Background Papers

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

- Link Group, Treasury solutions, Interest Rate Forecast – February 2022
- Treasury Management Strategy Statement 2022-25

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Treasury Management Strategy Statement

and Annual Investment Strategy
2022-25

Introduction

Revised Treasury Management Code and Prudential Code 2021

The Chartered Institute of Public Finance and Accounting (CIPFA) published the revised Treasury Management and Prudential Codes on 20th December 2021 and has stated that formal adoption is not required until the 2023-24 financial year. Fife Council must have regard to these codes of practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and also related reports during the financial year, which are taken to the Policy and Co-ordination Committee for approval before being recommended to the Council.

The revised codes will contain some new aspects:

- a requirement for the Council to adopt a new debt liability benchmark treasury indicator to support the financing risk management of the capital financing requirement;
- clarify what CIPFA expects a local authority to borrow for and what they do not view as appropriate. This will include the requirement to set a proportionate approach to commercial and service capital investment;
- address Environmental, Social and Governance (ESG) issues within the Capital Strategy; ;
- require implementation of a policy to review commercial property, with a view to divest where appropriate;
- create new Investment Practices to manage risks associated with non-treasury investment (similar to the current Treasury Management Practices (TMP's));
- ensure that any long term treasury investment is supported by a business model;
- a requirement to effectively manage liquidity and longer term cash flow requirements;
- amendment to TMP1 to address ESG policy within the treasury management risk framework;
- amendment to the knowledge and skills register for individuals involved in the treasury management function - to be proportionate to the size and complexity of the treasury management conducted by each council;
- a new requirement to clarify reporting requirements for service and commercial investment, (especially where supported by borrowing/leverage).

In addition, all investments and investment income must be attributed to one of the following three purposes: -

Treasury management

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

Service delivery

Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

Commercial return

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to a council's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

As this Treasury Management Strategy Statement and Annual Investment Strategy deals solely with treasury management investments, the categories of service delivery and commercial investments will be dealt with in the Capital Strategy report.

Members will be updated on how all these changes will impact on our current approach and any changes required will be formally adopted within the 2023-24 Treasury Management Strategy Statement report.

Background

The Council is required to maintain a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. One of the main treasury management functions is to ensure this cash flow is adequately planned, with cash being available when it is needed. Cash is borrowed temporarily for periods of less than 1 year and surplus funds are invested in low risk counterparties commensurate with the Council's low risk appetite, providing security and liquidity initially, before considering investment return.

The second main function is the funding of the Council's capital plan. The capital plan provides a guide to the borrowing needs of the Council, essentially the longer-term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer-term cash involves arranging long or short-term loans or using longer term cash flow surpluses. On occasion, existing debt may be restructured to meet Council risk or cost objectives, or where it is financially advantageous to do so.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity and the ability to meet spending commitments as they fall due, either on day-to-day out-goings or for larger capital projects. The treasury function will manage the balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget.

Cash balances generally result from reserves and balances and it is paramount to ensure adequate security of the sums invested, as a loss of principal would result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

“The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”

Whilst any commercial activities or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities (arising usually from capital expenditure) and are separate from the day-to-day treasury management activities.

Reporting Requirements

Capital Strategy

The CIPFA revised 2017 Prudential and Treasury Management Codes require all local authorities prepare a Capital Strategy report which provides the following: -

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial stability.

The aim of this Capital Strategy is to ensure that all elected members of the Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

Fife Council's capital strategy was approved by the Policy and Co-ordination Committee in September 2018 and at Fife Council in February 2019. It is intended that the Capital Strategy is refreshed during 2022 following the refresh of the Plan for Fife and the Local Government Elections in May 2022.

Treasury Management Reporting

The Council is currently required to receive and approve, as a minimum three main reports each year, which incorporate a variety of policies, estimates and actuals.

Prudential and treasury indicators and treasury strategy (this report)

The first, and most important report covers:

- The capital plans (including prudential indicators)
- A policy for the statutory repayment of debt (how residual capital expenditure is charged to revenue over time)
- The treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- A permitted investment strategy (the parameters on how investments are to be managed)

A mid-year treasury management report – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, the Head of Finance receives quarterly update reports. Quarterly reporting will also be incorporated into the Committee monitoring reports in line with the updated Treasury Code.

Reporting Requirements

An annual treasury report

This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to estimates within the strategy.

Scrutiny – The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Policy and Co-ordination Committee.

Treasury Management Strategy for 2022-23

The strategy for 2022-23 covers two main areas:

Capital

- the capital investment plans and the associated prudential indicators
- the loans fund repayment policy
- Treasury management
- the current treasury position of the Council
- treasury indicators which limit the treasury risk and activities of the Council
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy

These elements cover the requirements of the Local Government in Scotland Act 2003, the CIPFA Prudential Code, the CIPFA Treasury Management Code and Scottish Government loans fund repayment regulations and investment regulations.

Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management have access to training relevant to their needs and responsibilities. This especially applies to members responsible for scrutiny. A training session was carried out for members of the Policy and Co-ordination Committee in December 2020 by the Council's treasury adviser, Link Group. Training will be provided as part of the induction process for new members then on an annual basis thereafter.

Officers attend several events per year in the form of webinars and online events offered by both CIPFA and the Council's treasury adviser, as appropriate, on an ongoing basis.

Reporting Requirements

Treasury Management Consultants

The Council uses Link Group, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remain with the Council at all times and will ensure that undue reliance is not placed upon the services of its external service providers. All decisions will be undertaken with regards to all available information and advice, including, but not solely, our treasury advisors.

The Council also recognises there is value in employing external providers of treasury management services in order to access specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

Capital Prudential Indicators

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans are financially sustainable.

Capital Expenditure

This prudential indicator is a summary of the Council's agreed capital expenditure plans.

Actual 2020-21 £m	Approved 2021-22 £m		Approved 2022-23 £m	Approved 2023-24 £m	Approved 2024-25 £m
81.272	89.225	General Fund	122.646	148.171	123.895
57.202	80.667	Housing Revenue Account	82.251	80.867	47.099
138.474	169.922		204.897	229.038	170.994

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall in funding results in a borrowing requirement and is known as the Loans Fund Advance.

Actual 2020-21 £m	Approved 2021-22 £m		Approved 2022-23 £m	Approved 2023-24 £m	Approved 2024-25 £m
138.474	169.922	Capital Expenditure	204.897	229.038	170.994
		Less Capital Income			
(24.784)	(25.013)	General Capital Grant	(25.000)	(25.000)	(25.000)
(33.791)	(19.526)	Other Grants	(17.562)	(17.077)	(7.266)
(38.605)	(37.359)	CFCR	(37.098)	(32.126)	(32.200)
(2.434)	(4.506)	Developers Contributions	(2.927)	(5.495)	(10.345)
(1.513)	(1.473)	Capital Receipts	(2.618)	(2.451)	(0.242)
37.347	82.045	Loans Fund Advance	119.692	146.889	95.941

Capital Prudential Indicators

Capital Financing Requirement

(Council's borrowing need)

This second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as prudent annual repayments from revenue need to be made which reflect the useful life of capital assets financed by borrowing.

The CFR includes any other long-term liabilities (e.g. PPP/HUB schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PPP/HUB lease provider and so the Council is not required to separately borrow for these schemes.

The CFR projections are shown below

Actual 2020-21 £m	Approved 2021-22 £m		Approved 2022-23 £m	Approved 2023-24 £m	Approved 2024-25 £m
752.738	780.759	General Fund	809.930	889.694	941.247
365.516	378.769	Housing Revenue Account	403.259	442.912	417.374
1,118.254	1,159.528		1,213.189	1,312.606	1,358.622

Statutory Repayment of Loans Fund Advances

The Council is required to set out its policy for the statutory repayment of loans fund advances prior to the start of the financial year. The repayment of loans fund advances ensures that the Council makes a prudent provision each year to pay off an element of the accumulated loans fund advances made in previous financial years.

A variety of options are provided to Councils so long as a prudent provision is made each year. The definition of prudence contained within the regulations is that any repayment of loans fund advances should be reasonably commensurate with the period and pattern of the benefits provided to the community from the capital expenditure. The proper officer is given the scope to determine what is prudent for their organisations.

Capital Prudential Indicators

Fife Council Policy

Fife Council will maintain separate policies for General Fund loans fund advances and Housing Revenue Account loans fund advances

General Fund Loans Fund Advances

For General Fund advances Fife Council use the Asset Life Method, by which loans fund advances are repaid in line with the expected life of the asset to which the capital expenditure relates. In certain circumstances Fife Council will use the Funding/Income Profile Method, by which loans fund advances will be repaid in line with an associated income stream.

Housing Revenue Loans Fund Advances

For Housing Revenue Account loans fund advances will be repaid using the Asset Life Method.

The annuity method will continue to be applied to all loans fund advances. Under regulation, the Council can review and re-assess the annuity rate to ensure it is a prudent application. The annuity rate applied to the loans fund repayments has been reviewed and has been set at 4.00%.

The Capital Investment Plan is funded from a variety of sources (e.g. Capital Grants, Capital receipts etc), with the remainder funded from borrowing. The Council does not borrow for specific projects for either the General Fund or the Housing Revenue Account, with decisions on which projects are funded from the loans fund on an annual basis being at the discretion of the Head of Finance, with overall financial sustainability being considered.

Capital Prudential Indicators

Loans Fund Balances

The loans fund balances based on the current Capital Investment Plan are estimated to be:

General Fund	Opening Balance £m	Advances £m	Repayments £m	Closing Balance £m
2022-23	657.632	79.437	(21.846)	715.222
Years 2 – 5	715.222	305.405	(89.365)	931.262
Years 6 - 11	931.262	72.810	(138.369)	865.703
Years 12 - 16	865.703	0.000	(133.689)	732.014
Years 17 - 21	732.014	0.000	(148.554)	583.459
Years 22 - 26	583.459	0.000	(158.052)	425.407
Years 27 - 31	425.407	0.000	(152.822)	272.585
Years 32 - 36	272.585	0.000	(116.142)	156.443
Years 37 - 41	156.443	0.000	(106.576)	49.867
Years 42 - 46	49.867	0.000	(47.132)	2.735
Years 47 - 51	2.735	0.000	(2.350)	0.385
Years 52 - 56	0.385	0.000	(0.385)	(0.000)

HRA	Opening Balance £m	Advances £m	Repayments £m	Closing Balance £m
2022-23	391.192	40.257	(16.157)	415.292
Years 2 – 6	415.292	85.607	(82.720)	418.179
Years 6 - 11	418.179	95.579	(138.074)	375.684
Years 12 -16	375.684	0.000	(105.695)	269.989
Years 17 -21	269.989	0.000	(88.329)	181.660
Years 22 - 26	181.660	0.000	(87.543)	94.117
Years 27 -31	94.117	0.000	(62.560)	31.557
Years 32 – 36	31.557	0.000	(31.145)	0.413
Years 37 - 41	0.413	0.000	(0.412)	0.000

Capital Prudential Indicators

The regulations require that a prior year comparator is included therefore the estimated loans fund balances last financial year were anticipated to be:

General Fund	Opening Balance £m	Advances £m	Repayments £m	Closing Balance £m
2021-22	658.105	43.738	(22.619)	679.224
Years 2 – 6	679.224	334.232	(88.611)	924.844
Years 6 - 11	924.844	112.126	(138.142)	898.829
Years 12 -16	898.829	0.000	(130.447)	768.381
Years 17 -21	768.381	0.000	(147.724)	620.657
Years 22 - 26	620.657	0.000	(158.864)	461.793
Years 27 -31	461.793	0.000	(157.388)	304.405
Years 32 – 36	304.405	0.000	(125.504)	178.902
Years 37 - 41	178.902	0.000	(109.125)	69.777
Years 42 – 46	69.777	0.000	(64.678)	5.099
Years 47 – 51	5.099	0.000	(4.601)	0.498
Years 52 -56	0.498	0.000	(0.498)	0.000

HRA	Opening Balance £m	Advances £m	Repayments £m	Closing Balance £m
2021-22	366.066	38.308	(14.159)	390.215
Years 2 – 6	390.215	111.688	(76.847)	425.957
Years 6 - 11	425.057	115.455	(138.322)	402.189
Years 12 -16	402.189	0.000	(108.587)	293.603
Years 17 -21	293.603	0,000	(90.688)	202.918
Years 22 - 26	202.918	0.000	(92.997)	109.918
Years 27 -31	109.918	0.000	(67.920)	41.998
Years 32 – 36	41.998	0.000	(40.552)	1.446
Years 37 - 41	1,446	0.000	(1,446)	0.000

It should be noted that these tables are for illustrative purposes only and demonstrate the current loan charge profile and timescales for debt repayment. As future capital investment plans are agreed the associated advances will be reflected in those treasury strategy documents.

Treasury Indicators

Treasury Indicators: limits to borrowing activity

The key Treasury Indicators which are part of the Prudential Code are: -

The operational boundary.

This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on levels of actual debt and the ability to fund under-borrowing from other cash resources.

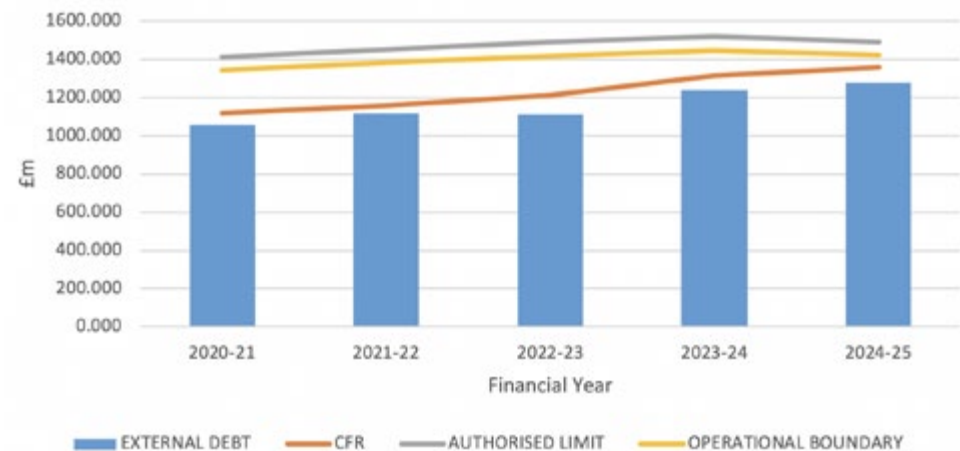
The authorised limit for external debt.

This is a key prudential indicator that represents a control on the maximum level of borrowing. This is a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by Fife Council. It reflects the level of external debt beyond which, while not desired, could be afforded in the short-term, but is not sustainable in the longer term.

The authorised limits for external debt for the current and two subsequent years are the legislative limits determined under Regulation 6(1) of the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016.

Actual 2020-21 £m	Approved 2021-22 £m		Approved 2022-23 £m	Approved 2023-24 £m	Approved 2024-25 £m
1,059.936	1,117.580	External Debt	1,111.582	1,240.644	1,280.508
1,344.084	1,382.634	Operational Boundary	1,418.129	1,447.189	1,420.606
1,411.288	1,451.766	Authorised Limit	1,489.036	1,519.548	1,491.636

The table above shows that the expected External Debt is within both the Operational Boundary and the Authorised Limit. This can also be seen in the graph below:



Treasury Indicators

Treasury Indicators: investment

The key Investment Treasury Indicators which are part of the Treasury Management Code are: -

- Upper limits on fixed and variable interest exposures
- Upper and lower limits to the maturity structure of borrowing
- Upper limits to the total of principal sums invested longer than 364 days

Upper limits on fixed and variable interest exposures

The Council's loan portfolio consists of fixed and variable rate debt, plus it has both fixed or variable rate investments. The Code requires limits to be set that manage risk and reduce the impact of adverse movement in interest rates, primarily on variable rate loans. At 31 January 2022, the Council had 31.61% of its total debt in what is termed a "variable structure". The variable nature of the structure of the Council's loans has been managed in the lenders' contracts. These types of contracts are termed LOBO contracts, i.e. Lender Option Borrower Option contracts. The contracts allow the lender to apply to the Council for change in interest rate, after an initial fixed period of several years, to be considered on specific dates. If the Council does not wish to accept the change in interest rates, it can repay the loan in full without penalty. The timing of the opportunity for the lender to change the rate is controlled to limit the risk to the Council and is written into the loan contract. Only on certain anniversaries of the loan issuance can the rate be changed.

Most LOBO loans in the current portfolio are on a 6-month rollover on a variety of dates. Whilst there is an option to vary the interest rate, in practice this rarely happens, and current loans are likely to remain at current interest rates for the foreseeable future, so the risk of interest rate changes is low.

The treasury indicator is detailed in the table below, and previously agreed, as part of the Prudential Indicators

Limits on Interest Rate Exposure (as a % of net debt)	Approved 2022-23	Approved 2023-24	Approved 2024-25
Fixed interest payable / receivable	100%	100%	100%
Variable interest payable / receivable	75%	75%	75%

It is anticipated that the Council's loan portfolio for the next 3 financial years will be exposed to interest rate changes on current debt (as at 31 January 2022) as follows: -

External Interest Due	2022-23		2023-24		2024-25	
	£m	%	£m	%	£m	%
Fixed rate loan debt	20.276	61.4	18.689	59.57	17.994	58.76
Variable rate loan debt	12.749	38.6	12.686	40.43	12.631	41.24
Total	33.025		31.375		30.625	

Treasury Indicators

Upper and lower limits to the maturity structure of borrowing

These gross upper and lower limits are set to limit the Council's exposure to large fixed rate sums falling due for refinancing at the same time.

According to the Code, "the maturity of borrowing should be determined by reference to the earliest date on which the lender can require payment. If the lender has the right to increase the interest rate payable such as in a LOBO loan, this should be considered a right to require repayment".

The amount of debt maturing each year is managed by a variety of rollover dates. Members at the Council meeting on 11 March 2021 agreed the Upper and Lower Limits below and, in practice, we have an agreed additional Upper Limit, using the maturity date for LOBO loans of 15%. This is adopted on the basis of continuation of prudent treasury management practice.

	Lower Limit	Upper Limit
Under 12 months	0%	50%
12 months to 2-year period	0%	50%
2 years to 5-year period	0%	50%
5 years to 10-year period	0%	50%
10 years and above	0%	100%

Upper limit to the total of principal sums invested longer than 364 days

It is expected the Council is unlikely to have extended periods when it will have surplus funds due to cash flow. On this basis, the limit on sums to be invested longer than 364 days will remain zero.

Borrowing

The capital expenditure plans provide details of the service activity of the Council. The treasury management function ensures the Council's cash is organised in accordance with the relevant professional codes, so enough cash is available to meet service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current projected debt positions and the annual investment strategy, the current and projected debt positions and the annual investment strategy.

Current Portfolio Position

The Council's treasury portfolio position at 31 March 2021, with forward projections, are summarised below.

Actual 2020-21 £m	Approved 2021-22 £m	Long Term External Debt	Approved 2022-23 £m	Approved 2023-24 £m	Approved 2024-25 £m
971,664	1,035.719	External Borrowing	1,035.352	1,171.352	1,218.352
88.272	81.861	Other Long-Term Liabilities	76.230	69.292	62.156
1,059.936	1,117.580	External Debt	1,111.582	1,240.644	1,280.508
(146.411)	(60.000)	Investments	(60.000)	(60.000)	(60.000)
913.525	1,057.580	Net External Debt	1,051.582	1,180.644	1,220.508

The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement – CFR), highlighting any over or under borrowing. The downward trend requires careful monitoring to ensure that new borrowing is only for capital purposes.

Actual 2020-21 £m	Approved 2021-22 £m	Long Term External Debt	Approved 2022-23 £m	Approved 2023-24 £m	Approved 2024-25 £m
1,059.936	1,117.580	External Debt	1,111.582	1,240.644	1,280.508
1,118.254	1,159.528	CFR	1,213.189	1,312.606	1358.622
(58.318)	(41.948)	(Under)/over borrowing	(101.607)	(71.962)	(78.114)

Within the range of prudential indicators, there are several key indicators to ensure the Council operates its activities within well-defined limits. One of these indicators puts limits on the Council's borrowing activity. The Council must ensure that its external debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimate of any additional CFR for the next three years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

Borrowing

Prospects for Interest Rates

Views on interest rates are crucial to the portfolio strategy for the coming year. Appendix A to this strategy report includes an economic commentary from the Council's treasury adviser, Link Group, and includes the latest central forecast of short and long term borrowing rates as produced by Link Group in February 2022.

Borrowing Strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with external debt, as cash supporting the Council's reserves, balances and cash flow i.e working capital, has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue to be considered.

Against this background and the risks within the economic forecast, caution will be adopted within the 2022-23 treasury function. The Executive Director of Finance and Corporate Services will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

At 31 January 2022, the Council's debt portfolio is split in favour of the Public Works Loan Board (PWLB) rather than market lenders and both sources will be considered for future long and short-term loans to meet both capital and revenue requirements. In the current financial year, up to 31 January 2022, two long-term loans have been arranged for £30.000m each over a 30-year period with an interest rate of 2.0%. The strategy previously reported to members of continuing to meet any cashflow shortfalls with temporary borrowings or loans for periods where rates are low, taking account of our current maturity profile, is still considered prudent.

Based on the interest rate forecast in Appendix A, it is likely that short-term borrowings during 2022-23 will be at interest rates between 0.75% and 1.70%. After consideration of the interest rate estimates and the current debt maturity profile, it is expected that long-term loans will be taken at interest rates of approximately 2.0% to 4.0%.

Borrowing

Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the scrutiny of such funds. However, the following self-imposed constraint will remain on borrowing in advance: -

- It is limited to no more than the current financial year's requirement, plus 50% of the estimated requirement for the subsequent two years.

The Net Borrowing Requirement, for 2022-23 is £97.690m taking account of planned capital expenditure, maturing debt and estimated redemption from services, and is detailed below:

Estimated Borrowing Requirement 2022-23	£m
General Fund Capital to be funded from borrowing	79.437
HRA Capital to be funded from borrowing	40.257
Loans Fund Advance	119.694
Estimated Redemption of Loans fund debt in year	(38.003)
Estimated debt redemption for other long-term liabilities (PPP)	(5.631)
Capital Financing Requirement (CFR)	76.060
Borrowing required to replace Maturing Long Term Debt	21.630
Net Borrowing Requirement	97.690

This borrowing may be taken at any time during the financial year, after due consideration is given to the prevailing costs of borrowing and available forecasts of interest rates. The requirement for the borrowing will also be reviewed at that time.

Debt Rescheduling

Rescheduling of current borrowing in our debt portfolio is unlikely to occur this year. However, if opportunities do arise, any savings will be considered in light of the current treasury position and the size and cost of debt repayment (premiums incurred)

The reasons for any rescheduling to take place will include

- the generation of cash savings and / or discounted cash flow savings
- helping to fulfil the treasury strategy
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility)

All rescheduling will be reported to the Policy and Co-ordination Committee at the earliest meeting following its action.

Annual Investment Strategy

Investment Policy

The Council's investment policy implements the requirements of the Local Government Investments (Scotland) Regulations 2010, (and accompanying Finance Circular 5/2010), and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 (the CIPFA TM Code) and CIPFA Treasury Management Guidance Notes 2018.

The above regulations and guidance place a high priority on the management of risk. The Council's investment priorities will be firstly security i.e. safeguarding the re-payment of the principal and interest on time, secondly liquidity and the third objective, and third in order of importance, investment return. The Council has one over-riding risk consideration - that of counterparty security risk.

The Royal Bank of Scotland (RBS) are our current banking providers. It is the view of the Executive Director of Finance and Corporate Services that RBS is as secure as any other institution on our lending list. This means that on an overnight basis we may continue to utilise RBS for depositing balances of up to £10.000m.

The Council is generally in a borrowing position, although it does have daily cash flow surpluses from time to time. It is the intention to continue to deposit surpluses in AAA rated money market funds or lend any temporary balances to parties meeting counterparty criteria within approved limits for limited periods in the form of term deposits. However, all activity will be within the constraints of Investment Regulations and the Council's Treasury Management Policy.

Other Investments

In general, no loans to third parties are given, however, from time to time, situations arise which require individual consideration, and these will be reported to Committee as appropriate.

The Council is party to two Employment Land joint ventures with Scottish Enterprise valued at £2.456m. Any further investments in the form of shares would be subject to Committee approval.

Within the category of permitted investment, is Lending for Investment in Housing. As part of this investment category, National Housing Trust (NHT) projects were agreed in Crail and Rosyth. The total loans outstanding for these projects is £10.331m.

Interest Rate Forecast - 7 February 2022

The Council has appointed Link Group as its treasury adviser and part of its service is to assist the Council to formulate a view on interest rates. The following table gives Link Group central view:

Link Asset Services Interest Rate View													
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Bank Rate View	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
3 Month LIBID	0.80	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
6 Month LIBID	1.00	1.10	1.20	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
12 Month LIBID	1.40	1.50	1.60	1.70	1.70	1.60	1.60	1.50	1.40	1.40	1.40	1.40	1.40
5yr PWLB Rate	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
10yr PWLB Rate	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
25yr PWLB Rate	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
50yr PWLB Rate	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40

Additional Notes: -

LIBOR and LIBID rates will cease from the end of 2021. Work is currently progressing to replace LIBOR with a rate based on SONIA (Sterling Overnight Index Average). In the meantime, our forecasts are based on expected average earnings by local authorities for 3 to 12 months.

Our forecasts for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short term cash at any one point in time.

Link Group– Commentary – February 2022

Link Group Forecasts

We now expect the MPC to sharply increase Bank Rate during 2022 to combat the sharp increase in inflationary pressures. We do not think that the MPC will embark on a series of increases in Bank Rate of more than 1.00% during the current and next three financial years as we do not expect inflation to return to being sustainably above 2% during this forecast period.

With unpredictable virus factors now being part of the forecasting environment, there is a risk that forecasts could be subject to significant revision during the next three years.

Gilt yields and PWLB rates

The general situation is for volatility in bond yields to endure as investor fears and confidence ebb and flow between favouring relatively more “risky” assets i.e., equities, or the safe haven of government bonds. The overall longer-run trend is for gilt yields and PWLB rates to rise moderately.

There is likely to be exceptional volatility and unpredictability in respect of gilt yields and PWLB rates due to the following factors: -

- How strongly will changes in gilt yields be correlated to changes in US treasury yields?
- Will the Fed take action to counter increasing treasury yields if they rise beyond a yet unspecified level?

- Would the MPC act to counter increasing gilt yields if they rise beyond a yet unspecified level?
- How strong and enduring will inflationary pressures turn out to be in both the US and the UK, and so impact treasury and gilt yields?
- Will the major western central banks implement their previously stated new average or sustainable level inflation monetary policies when inflation has now burst through all previous forecasts and far exceeded their target levels? Or are they going to effectively revert to their previous approach of prioritising focusing on pushing inflation back down and accepting that economic growth will be very much a secondary priority - until inflation is back down to target levels or below?
- How well will central banks manage the running down of their stock of QE purchases of their national bonds i.e., without causing a panic reaction in financial markets as happened in the “taper tantrums” in the US in 2013?
- Will exceptional volatility be focused on the short or long-end of the yield curve, or both?

Our forecasts are also predicated on an assumption that there is no break-up of the Eurozone or EU within our forecasting period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and Russia / China / North Korea and Iran, which have a major impact on international trade and world GDP growth.

Our target borrowing rates and the current PWLB (certainty) borrowing rates are set out below: -

PWLB debt Current borrowing rate as at 7.2.22 p.m.

Average earnings in each year	Now	Previously
2022/23	1.00%	0.50%
2023/24	1.25%	0.75%
2024/25	1.25%	1.00%
2025/26	1.25%	1.25%
Years 6 to 10	1.50%	-
Years 10+	2.00%	2.00%

Borrowing advice

Our long-term (beyond 10 years) forecast for Bank Rate is 2.00%. As nearly all PWLB certainty rates are now above this level, borrowing strategy will need to be reviewed, especially as the maturity curve has flattened out considerably. Better value can be obtained at the very short and at the longer end of the curve and longer-term rates are still at historically low levels. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive as part of a balanced debt portfolio.

In addition, there are also some cheap alternative sources of long-term borrowing if a client is seeking to avoid a “cost of carry” but also wishes to mitigate future re-financing risk. Please speak to your CRM to discuss options.

Our suggested budgeted earnings rates for investments up to about three months’ duration in each financial year are as follows: -

Average earnings in each year	Now	Previously
2022/23	1.00%	0.50%
2023/24	1.25%	0.75%
2024/25	1.25%	1.00%
2025/26	1.25%	1.25%
Years 6 to 10	1.50%	-
Years 10+	2.00%	2.00%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts. The general expectation for a trend of moderately rising gilt yields is unchanged. Negative, (or positive) developments could significantly impact safe haven flows of investor money into UK, US and German bonds and produce shorter-term movements away from our central forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps, (apart from the current rate of 10 bps), whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps.

Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

Fife Council Treasury Management Strategy Statement and Annual Investment Strategy 2022-25



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Public Report - Building Fife's Future: Dunfermline Learning Campus - Update

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

Wards Affected: 1, 2, 3, 4, 5, 6, 7, 8

Purpose

To outline the current position regarding the replacement of Woodmill and St Columba's RC High School buildings as part of the Dunfermline Learning Campus project.

Recommendation(s)

It is recommended that the Committee:

- (1) reviews and approves this report;
- (2) note that a separate report to consider the financial implications will be considered in a private, follow up report

Resource Implications

An indicative budget of £111m for this project has been included in the Capital Investment Plan 2021-2031, as part of the overall Secondary Schools West Fife plan. The overall capital cost of the project is now estimated to be up to £122m.

Legal & Risk Implications

Key risks are summarised in the follow up report.

Impact Assessment

An EqIA has been undertaken and is included within Appendix 1 of this report.

Consultation

Extensive public engagement has already been undertaken in relation to this proposed project. A statutory consultation is now approved in line with the Schools Consultation (Scotland) Act 2010.

Consultation has also taken place with a number of Council services including Finance, Planning, Legal and Property.

The Headteachers of both schools continue to be an integral part of the project team. Extensive engagement with pupils and staff has taken place in the development of the designs and this will continue throughout the project.

Engagement with the Archdiocese of St Andrews & Edinburgh has taken place as part of the statutory consultation process and to help inform the design of the St Columba's RC HS element of the project. This engagement will continue throughout the course of the project.

In line with corporate governance, this report has been reviewed by the Council Investment Strategy Group (ISG) and has since been updated based on that consultation.

1.0 Introduction

- 1.1 The purpose of this report is to provide an update on progress with the Dunfermline Learning Campus.
- 1.2 Following the approval of the Outline Business Case at Policy and Coordination Committee on 5th August 2021, the project team has progressed the work in line with the committee decisions, including the commencement of the enabling works, continuation of the detailed design, placing of critical work packages and concluding the necessary land transactions. This report will provide an update on these works and present the business case update for consideration.
- 1.3 A major enabling work package started on site in September 2021 to create the external infrastructure for the campus. More information about this work is included in section 3.

2.0 Background

- 2.1 The project provides a new facility to replace both Woodmill and St Columba's RC High Schools. The schools will relocate from their existing sites to a new single site south of Dunfermline (former Shepherd Offshore site), which will also encompass a new Fife College campus.
- 2.2 The schools will retain their own identity, operating as St Columba's RC High School and Woodmill High School, but will share some accommodation. Each school will have its designated classrooms, however, collaborative work between the 2 schools, particularly in the senior phase, will be supported by shared curricular areas.
- 2.3 This project will be the first of this kind in Scotland, acting as a pathfinder for change in the delivery of education across secondary, further and higher education. It is envisaged that the learning campus will also provide a digital gateway for learning opportunities across Fife, enabling enhanced learning opportunities, in particular, within the senior phase.
- 2.4 The decision by Fife Council to progress a proposal to replace both Woodmill and St Columba's RC High Schools was confirmed in the Fife Council budget of February 2019, when provision was made towards replacement infrastructure for secondary schools in the Dunfermline, South and West Fife areas. It was recognised, at that time, that this investment would need to be supplemented by additional funding and Fife Council developed a project for consideration by the Scottish Government as part of the Learning Estate Investment Programme. This

was reaffirmed through the approval of the Capital Investment Plan 2021-31, in March 2021.

- 2.5 As previously detailed in the Outline Business Case, significant housing development is planned to be constructed in the Dunfermline and South & West Fife areas, within the period 2020-post 2040. As part of the Local Plan requirements, new primary schools (including nursery provision) and contributions to secondary infrastructure will be required to accommodate new pupils from these developments.
- 2.6 The approach has been agreed that 1100 additional secondary school places will be provided over several schools as and when the pupil projections identify the need for additional capacity. This would increase the size of the existing 4 non-denominational secondary schools across Dunfermline, without constructing and operating a fifth school in the area, whilst allowing the poor condition of the existing Woodmill and St Columba's RC High Schools to be addressed.
- 2.7 The Dunfermline Learning Campus will therefore be constructed to accommodate the existing pupil populations and provide flexibility to create additional capacity, in line with the agreed Dunfermline distributive secondary education model.

3.0 Work to date

3.1 Following the approval of the Outline Business Case, a number of key areas of work have been progressed.

3.2 Land transactions

All of the necessary land transactions to enable the completion of the project have now been concluded in line with previous committee reports and the agreed joint masterplan. These include:

- Acquisition of land from Shepherd Off Shore
- Acquisition of land from Fife College
- Sale of land from Fife Council to Fife College

Drawings showing the final land ownership is shown in Appendix 2.

3.3 Statutory consultation

3.3.1 In accordance with the Schools (Consultation) (Scotland) Act 2010, the Education Service consulted with a range of stakeholders on the proposed relocation of St Columba's RC and Woodmill High Schools during the period between the 13 April 2021 and 2 June 2021. The stakeholders included, parents, parent council, pupils, community councils, staff, trade unions, Archdiocese of St Andrews & Edinburgh as well as community groups. The consultation provided a number of live online consultation meetings, informal drop-in meetings and an online consultation response pro-forma for any stakeholder to participate and provide feedback. HMI Education Scotland held their review from June to July 2021 and the final Consultation Report was published in August 2021. This report was considered by the Education & Children's Service Sub-Committee on 7th September 2021 following the 3 week publication period.

- 3.3.2 Due to Scottish Government Covid-19 restrictions the consultation involved three online public consultation meetings. Advance notice of these dates and times were given within the consultation proposal document and also publicised through social media, the website and through school group call mail. Nine informal drop-in sessions were offered with Microsoft Teams appointments being issued to interested parties. Information provided within the meetings and drop-in sessions included PowerPoint, written and oral presentations.
- 3.3.3 Pupils were consulted during the statutory consultation period in accordance with HMI, Education Scotland best practice. Face to face sessions were facilitated by officers from the Education Services, taking place within socially distanced consultation sessions and an online Microsoft form questionnaire. The majority of the children and young people were excited by the prospect of the new proposed building and the facilities that will be on offer. Pupils were mostly positive about transferring to the new learning campus.
- 3.3.4 As part of the consultation process HMI, Education Scotland were involved and joined all three online consultation meetings and also consulted separately with staff, pupils and parents/carers and representatives from the Catholic Church. HMI, Education Scotland produced and published their report on 16 August 2021 confirming Fife Council had set out a strong case for the proposal, it is of clear educational benefit and the majority of the stakeholders who had responded to the consultation were supportive of the proposal.

3.4 Planning

- 3.4.1 A number of planning applications have been considered and approved in relation to the campus.
- Enabling Works (ARC1) - Planning approval was granted by the Central & West Planning Committee on 02 September 2021 for the enabling works (ref – 21/01809/ARC)
 - College (ARC2) - Planning approval was granted by Central & West Planning Committee on 25 November 2021 for the erection of a new College (ref – 21/02328/ARC)
 - High Schools (ARC3) - Planning approval was granted by Central & West Planning Committee on 25 November 2021 for the erection of two high schools and associated pitches etc (ref – 21/02646/ARC)
 - Additional Tree Removal (ARC4) - Planning approval was granted by Central & West Planning Committee on 19 January 2022 (ref – 21/03628/ARC)
 - ARC5 – Current planning application for offsite roadworks associated with Condition 21 of Planning Permission in Principle (ref – 20/03250/PPP)
- 3.4.2 Following completion of the new campus, the existing schools will be surplus to requirements. It is envisaged that a planning Design and Development Brief will be prepared in conjunction the Planning Services to ensure that prospective purchasers are given a clear guide on acceptable development proposals. This approach was successfully adopted recently in respect of the Madras College, Kilrymont campus in St Andrews. That exercise will also serve to address the extent of legacy community facilities to be retained on the former school sites. Community and Member consultation will be undertaken as part of that process.

3.5 Enabling works

The enabling works package is a joint piece of work to prepare the site for the construction of the new buildings and will serve both Fife Council and Fife College. These early works comprise earthworks, platforming, formation of the North/South spine Road and installation of drainage. This major package of work commenced on 24th September 2021 and are scheduled to be complete by 6th August 2022.

3.6 Design

3.6.1 The design work for the new schools has been progressing well. The project team have continued to engage with the key stakeholders, including headteachers, school staff and pupils, Archdiocese of St Andrews & Edinburgh, and community groups to further develop the designs in line with the brief and to meet the schools' requirements. The designs have also been developed in line with the Scottish Government Learning Estate Strategy guiding principles:

1. Learning environments should support and facilitate excellent joined up learning and teaching to meet the needs of all learners;
2. Learning environments should support the wellbeing of all learners, meet varying needs to support inclusion and support transitions for all learners;
3. The learning estate should be well-managed and maintained, making the best of existing resources, maximising occupancy and representing and delivering best value;
4. The condition and suitability of learning environments should support and enhance their function;
5. Learning environments should serve the wider community and where appropriate be integrated with the delivery of other public services in line with the place principle;
6. Learning environments should be greener, more sustainable, allow safe and accessible routes for walking, cycling and wheeling and be digitally enabled;
7. Outdoor learning and the use of outdoor learning environments should be maximised;
8. Good consultation about learning environments, direct engagement with learners and communities about their needs and experiences, and an involvement in decision making processes should lead to better outcomes for all;
9. Collaboration across the learning estate, and collaboration with partners in localities, should support maximising its full potential; and finally,
10. Investment in Scotland's learning estate should contribute towards improving learning outcomes and support sustainable and inclusive economic growth.

- 3.6.2 The design of the new facilities has given careful consideration to the identity and ethos of the individual schools. Each school has dedicated accommodation, including pupil entrances, classrooms and flexible learning spaces which will be used in conjunction with areas of shared space, including assembly hall, dining and learning resource centre. The sharing of some spaces has created some level of efficiencies in the building design and has generated the opportunity to develop more innovative and specialist spaces, including a shared skills academy/ learning lab and learning plazas for collaborative learning. The designs, which meet the SFT space metrics, are now at an advanced stage and a fixed layout has now been finalised and agreed.
- 3.6.3 Example images of the buildings are shown in Appendix 3.

4.0 Sustainability

- 4.1 As the project has developed, work has continued to focus on the delivery of ambitious energy targets, reducing carbon emissions and supporting the work to tackle the climate change emergency.
- 4.2 The project delivery team are continuing to work towards achieving Passivhaus certification and a workshop was held for Elected Members on this design standard on 20 September 2021.
- 4.3 Passivhaus is a quality assured standard and methodology for low energy building, which can help create buildings which use around 75% less energy than standard practice for UK newbuild. Key Passivhaus features are:
- Super insulation
 - Stringent levels of airtightness
 - Minimal thermal bridging
 - Optimisation of passive solar gain
 - Mechanical ventilation with heat recovery
 - Simple compact shape
- 4.4 Passivhaus accreditation is not a requirement of the funding conditions of the Scottish Government LEIP Programme. However, this accreditation does ensure that the ambitious energy targets set out in the LEIP programme can be met for the duration of the 25 year project lifecycle.
- 4.5 Both the Council and College elements of the campus are being developed to the new Net Zero Public Buildings standard, acting as a Pathfinder for the new standard.
- 4.6 The Climate Fife Action Plan is to reduce Fife Council's carbon footprint in line with the Scottish Government target of net zero carbon by 2045. The incorporation of Passivhaus certification and Net Zero as part of the construction of this project will remove the risk of expensive future retrofit to meet this standard. The funding implications of designing to Passivhaus and Net Zero standards are considered within the separate follow up report.
- 4.7 The replacement St Columba's RC and Woodmill High Schools offers an opportunity for users to see sustainability in action in the operation of the building, leading to more sustainable choices. In addition, sustainable schools and

surrounding grounds will enhance health and wellbeing and contribute to a positive and supportive learning environment.

4.8 Learning for Sustainability

- 4.8.1 Learning for Sustainability is a cross-curricular approach to creating coherent, rewarding and transformative learning experiences. It's all about learners, educators, schools and their wider communities building a socially-just, sustainable and equitable society. It supports an effective whole-school and community approach by weaving together global citizenship, sustainable development education, and outdoor learning.
- 4.8.2 Learning for Sustainability is an important component of Curriculum for Excellence, an entitlement for learners, and a core part of teachers' professional standards. It supports the development of knowledge, skills and values at the heart of the curriculum's four capacities and provides a mechanism for promoting and working towards the UN's Sustainable Development Goals - all in a wide range of education settings.
- 4.8.3 St Columba's and Woodmill High Schools, as part of the Dunfermline Learning Campus, will utilise the benefits provided by the new facilities and technology, to support the curriculum delivery of Learning for Sustainability and ensure it is an integral part of the Ethos and Life of the School.

5.0 Community wealth building

- 5.1 Community wealth building (CWB) is a people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people. There are five core principles to Community Wealth Building which include progressive procurement, fair employment and just labour markets, shared ownership of the local economy, socially just use of land and property and making financial power work for local places.
- 5.2 Community Wealth Building is an important aspect of the social value approach of the Dunfermline Learning Campus project and will feed into and support the Council's wider CWB strategy. Community benefit clauses were written into the project contract to maximise the potential benefits providing a social value target of £29.5m to deliver a range of economic, social, or environmental benefits.
- 5.3 A community benefit group has been created for this project which includes representatives from the project's delivery team and key representatives from across the Council who are leading on the community wealth building strategy. Progress on delivery of targets is closely monitored and reported into a Social Value Portal.

6.0 Delivery Programme

- 6.1 The procurement strategy for this project was signed off by Fife Council Procurement Strategy Board in February 2021. The agreed procurement route is through the East Central Hub. The Hub initiative was introduced by the Scottish Government and developed by the Scottish Futures Trust as a means of infrastructure procurement/ delivery via a joint venture company involving both public and private sector organisations, to deliver a value for money platform which maximises return on investment, efficiency in process and effectiveness in delivery

for the public sector. Its core objective is to deliver community-based building solutions more efficiently and affordably.

6.2 The key stages on a hub project are:

1. New Project Request (NPR) identifies requirements and sets Affordability Cap
2. Stage 1 Pricing Report with Costed Risk Register and “Predicted Maximum Cost” within the overall Affordability Cap
3. Stage 2 Pricing Report with 80% of Works Packages market tested (tendered).
4. Financial Close with Capped Costs (excludes any subsequent client scope change) and enter into development agreement (contract).

The project is currently in Stage 2 with a number of the work packages now having undergone market testing to provide more detailed cost information. This exercise is still underway and therefore, some costs are still indicative and subject to change at this point.

6.3 The construction programme has been developed to meet the timescales associated with Phase 1 of the Scottish Government Learning Estate Investment. The programme is still on track to complete and allow occupation by August 2024. To meet these timescales, completion of the Financial Close stage ie, the stage where the Council enters into the development contract is scheduled for June 2022.

Stage 1 (Outline design) completion	July 2021
Start on site	September 2021
Stage 2 (Detailed design) completion	April 2022
Financial close	June 2022
Occupation	August 2024

7.0 Next steps

7.1 Following the completion of the detailed design phase, the project will move into Financial close. To achieve the agreed timescales, Financial close should be complete by June 2022 to allow the placing of the construction contract.

List of Appendices

- Appendix 1- EQIA
- Appendix 2- Land ownership
- Appendix 3- Building images

Background Papers

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

- Schools (Consultation) (Scotland) Act 2010
- Building Fife's Future: Dunfermline Learning Campus - Outline Business Case https://www.fife.gov.uk/_data/assets/pdf_file/0024/256353/Agenda-and-Papers-for-Policy-and-Co-ordination-Committee-of-5th-August,-2021.pdf
- SG Learning Estate Strategy <https://www.gov.scot/publications/scotlands-learning-estate-strategy-connecting-people-places-learning/>

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Equality Impact Assessment

Part 1: Background and information

<p>Title of proposal</p>	<p>Relocate St Columba's RC High School from the existing school site of Woodmill Road, Dunfermline, and to relocate Woodmill High School from the existing school site of Shields Road, Dunfermline to a new single site, south of Calaiswood Crescent, adjacent to Roe Deer Place, Dunfermline (former Shepherd Offshore site), a site which will also encompass a new Fife College campus.</p>
<p>Brief description of proposal (including intended outcomes & purpose)</p>	<p>This is a new proposal to relocate the secondary schools on a single campus, with sharing of a number of facilities such as assembly halls and sporting facilities. Whilst there are shared facilities, there is also separate accommodation for each individual school allowing them both to retain their own sense of identity and curriculum on offer.</p> <p>The proposed site is located adjacent to Roe Deer Place, Dunfermline which is known as the former Shepherd Offshore site.</p> <p>The state of the art campus would offer significant and educational advantages to the community. This is an innovate project which would see both schools linking with the Fife College Dunfermline campus and will be the first campus of this nature in Scotland. This project will provide the development of a campus that will support the needs of learners and community users from both school catchment areas and the wider Dunfermline and West Fife area.</p> <p>The proposal has been consulted in accordance with the Schools (Consultation) (Scotland) Act 2010.</p> <p>If this proposal is approved by Committee on 7 September 2021 this will result in pupils and staff being relocated to the single campus in August 2024 after the school has been completed. Within this proposal there will be no requirement to decant staff and pupils from their current schools.</p> <p>It is expected that if approval is given, subject to planning consent, the new campus will be ready for August 2024.</p> <p>It is important to note that there will be no changes to the operation of each of the secondary schools as they will maintain their own identity and operate under the one campus but led by their existing Headteachers and Leadership Teams.</p>

	There is likely to be some reduction in planned maintenance costs with the new campus as the back-log maintenance requirements for the existing schools will no longer be progressed following the completion of the new campus.
Lead Directorate / Service / Partnership	Shelagh McLean, Head of Service (Early Years and Directorate Support)
EqIA lead person	Avril Graham, Sustainable Estate Officer Education & Children's Services
EqIA contributors	All relevant consultees, as defined by the Schools (Consultation) (Scotland) Act 2010, were invited to participate in the formal consultation process. The Equality Impact Assessment was contributed to by a range of staff within Fife Council.
Date of EqIA	14 July 2021

How does the proposal meet one or more of the general duties under the Equality Act 2010? (Consider proportionality and relevance on p.12 and see p.13 for more information on what the general duties mean). If the decision is of a strategic nature, how does the proposal address socio-economic disadvantage or inequalities of outcome?)

General duties	Please Explain
Eliminating discrimination, harassment and victimisation	Spacious accommodation will allow young people to socialise in a variety of areas both inside and out and this will include accessible areas to include any young people with additional support needs. The building has been designed to have open feeling so that pupils will be seen and should remove possible areas where bullying, isolation or intimidation might take place eg. toilet areas.
Advancing equality of opportunity	Existing pupils who will still attend St Columba's RC High School and Woodmill High School on commencement of the new campus will have an enhanced learning environment within a modern purpose built campus which will be designed to ensure that it enhances the existing levels of support to all building users, as well as those within the Department of Additional Support/Support for Learning, which will now offer specialist provision to pupils from both schools. The offer of qualifications is currently enhanced through partnership working across both schools for senior pupils. Through the sharing of accommodation, it is expected that these opportunities can be further enhanced in an easily accessible way for all pupils.

	<p>The pupils from both school will be moving from a building which is rated “C” for condition, ie. poor to a campus designed with modern facilities and will be rated as “A” for condition when completed. This will provide a greater number of pupils being education in a “A” condition school.</p> <p>There may be some negative impact for pupils who travel by bus to school. For pupils coming from the Kincardine area to attend St Columba’s RC High School they will have a slightly longer distance to travel by bus, approximately 1.3 miles extra. For pupils travelling from Ballingry area, they will have a shorter travel distance, approximately 1.3 miles less. However, transport will continue to be provided for pupils from their local area directly to the new campus who are over 2 miles in distance. Therefore, a number of pupils may have to travel further whereas a small number of pupils may have to travel less by bus transport.</p> <p>A number of pupils living in the Abbeyview area of Dunfermline will have a greater distance to walk and a number of pupils will fall into the category of being between 1.5 miles and 2 miles from their secondary school. However, a discount is offer to those aged 14 and under who wish to travel by bus. The Education Service will assess available walking, as per existing policy from all directions to the new pedestrian access points of the new campus prior to the pupils starting on site.</p> <p>All of the addresses located within the Woodmill High School catchment area are within 2 miles of the school, however there is a greater number of pupils that are living between 1.5 and 2 miles from the school and their journey time by foot will be greater.</p> <p>Parents will be notified of any changes to existing transport entitlement prior to pupils transferring to the new school in August 2024.</p>
Fostering good relations	There will be opportunities to build on the existing highly developed and successful partnerships with Fife College.
Socio-economic disadvantage	Whilst we recognise the journey to school will further extended for some pupils living within close proximity of their existing high school, across all socio-economic groups, we would continue to promote a healthy lifestyle which includes exercise

	and activity both within and outwith school, promoting active travel would contribute to this healthy lifestyle choice.
Inequalities of outcome	The Education Service are confident that the facilities and resources on offer within the proposed new campus will provide a wider range of curriculum opportunities, extra-curricular activities and inclusive approaches supporting a focus on improved outcomes for all of the young people. This includes an enhanced learning provision for young people with a range of additional support needs.

Having considered the general duties above, if there is likely to be no impact on any of the equality groups, parts 2 and 3 of the impact assessment may not need to be completed. Please provide an explanation (based on evidence) if this is the case.

Part 2: Evidence and Impact Assessment

Explain what the positive and / or negative impact of the policy change is on any of the protected characteristics

Protected characteristic	Positive impact	Negative impact	No impact
Disabled people	Children, staff and parents with restricted mobility will benefit from the relocation to a single campus which will be completely accessible throughout the campus for all building users and visitors.	Children with Additional Support Needs may experience a negative impact associated with a change in routine, change of building or loss of contact with familiar places, adults or resources. An enhanced transition to the new campus will minimise any risks associated with this change.	
Sexual orientation			No impact
Women			No impact
Men			No impact
Transgendered people			No impact
Race (includes gypsy travellers)			No impact

Protected characteristic	Positive impact	Negative impact	No impact
Age (including older people aged 60+)	Community groups will have access to community use facilities on offer, which will be located within the campus.		
Children and young people	Enhanced facilities provide greater flexibility and enhanced opportunities for pupils. Pupils within the DAS will have access to mainstream education within one campus	Children with Additional Support Needs may experience a negative impact associated with change in routine, change of building or loss of contact with familiar places, adults or resources. An enhanced transition to the new campus will minimise any risks associated with this change.	
Religion or belief		There may be the perception that the ethos of St Columba's RC HS will be lost. However, the school will still continue to deliver their faith education and their beliefs seen in and around the campus. The vision and values of both schools will be retained and promoted throughout the campus relating to both school communities.	
Pregnancy & maternity			No impact
Marriage & civil partnership			No impact

Please also consider the impact of the policy change in relation to:

	Positive impact	Negative impact	No impact
Looked after children and care leavers	Enhanced facilities provide greater flexibility and enhanced opportunities for pupils. Pupils within the DAS will have access to mainstream education under one campus. The structure of staffing will ensure ongoing support for our most vulnerable young people.		
Privacy (e.g. information security & data protection)			No impact
Economy		The local economy of Abbeyview may be impacted upon by the loss income from pupils from the two school communities.	

- Please record the evidence used to support the impact assessment. This could include officer knowledge and experience, research, customer surveys, service user engagement.
- Any evidence gaps can also be highlighted below.

Evidence used	Source of evidence
1. Knowledge of existing school provision/practice	Officer discussion/consultation
2. Proposed facilities and accommodation	School layout plans
3. Feedback from parents, pupils and the wider public	Consultation sessions.
Evidence gaps	Planned action to address evidence gaps
1.	
2.	
3.	

Part 3: Recommendations and Sign Off

(Recommendations should be based on evidence available at the time and aim to mitigate negative impacts or enhance positive impacts on any or all of the protected characteristics).

Recommendation	Lead person	Timescale
1. Ensure young people with additional support needs have an enhanced transition prior to relocating to the new campus	Headteachers	August 2023 onwards
2. Plan a communication strategy for all stakeholders prior to August 2024	Education Manager/Sustainable Estate Officer/Communications Team	Ongoing
3. Manage staff group transition and welfare	Headteachers	August 2023 onwards
4. Ensure walked route assessments are completed enabling pupils to understand their most accessible walking route	Education/Transportation/Community Safety	August 2023 onwards

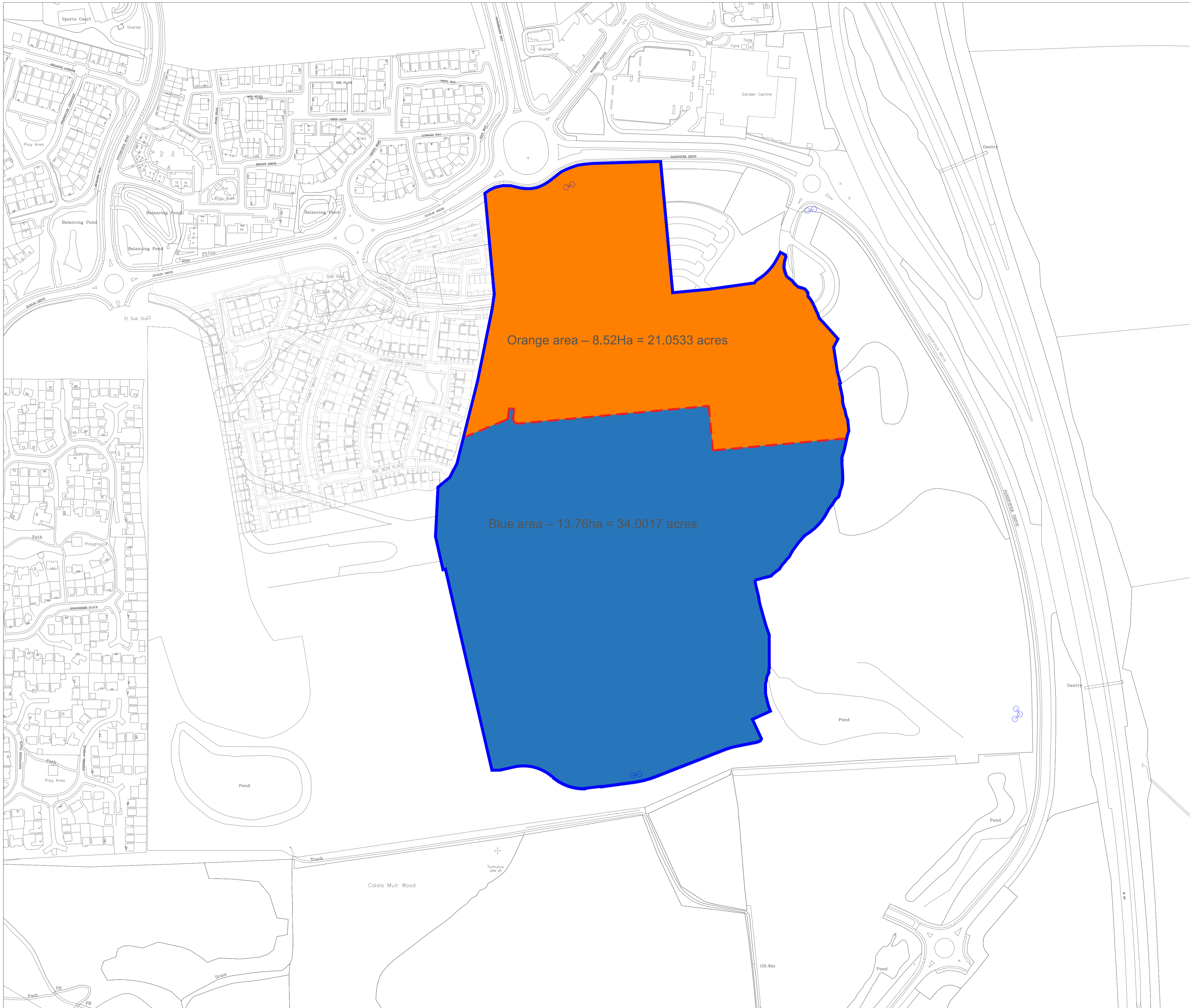
Sign off

(By signing off the EqIA, you are agreeing that the EqIA represents a thorough and proportionate analysis of the policy based on evidence listed above and there is no indication of unlawful practice and the recommendations are proportionate.

Date completed: 05/08/2021	Date sent to Community Investment Team: Enquiry.equalities@fife.gov.uk
Senior Officer: Avril Graham	Designation: Sustainable Estate Officer

FOR COMMUNITY INVESTMENT TEAM ONLY

EqIA Ref No.	770/21/E&CS
Date checked and initials	9 th August 2021 ZR



Legend

- Boundary line - Extent of site as defined by Shepherd Offshore
- Boundary separating ownership
- Area of land acquired by Fife College
- Area of land acquired by Fife Council

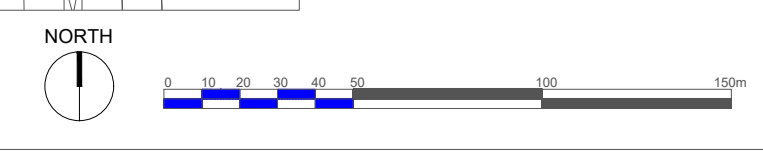
Rev	Description	Date	Dr by	App by
P01	First Issue	15.09.21	MW	MR
original by		date created		Approved by
MW		15.01.21		MR

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client	BAM		
project	Fife Council, Dunfermline Learning Campus		
drawing	Post Land Transaction Ownership - Final Ownership Boundaries		
project number	2020_00816_000	scale	1:2000 @A1
drawing number	L(90)014	rev	P01
		issue status	S4

Site Plan
 1:2000 @ A1



This drawing is to be read in conjunction with all related drawings. All dimensions must be checked and verified on site before commencing any work or producing shop drawings. The originator should be notified immediately of any discrepancy. This drawing is copyright and remains the property of AHR.

Appendix 3- Building Images



Appendix 3- Building Images



Appendix 3- Building Images



14 April 2022

Agenda Item No. 15

Public Report - Town Centre Housing Approach

Report by: Gordon Mole, Head of Business and Employability and John Mills, Head of Housing Services

Wards Affected: All

Purpose

To recommend an approach to increase the provision of housing in Fife's Town Centres to stimulate town centre regeneration, economic recovery and to create affordable, mixed tenure town centre living opportunities for households.

Recommendations

It is recommended that the Committee:

- (1) Approve the Town Centre housing approach set out in this paper and the associated risks and benefits;
- (2) Approve the recommended option set out in Paragraphs 3.4 to 3.7;
- (3) Remit the Head of Housing and the Head of Business & Employability to explore funding options to implement the recommended approach.

Resource Implications

The staff requirements for the recommended option can be resourced from existing staff within the Town Centre Development Unit, Business and Employability Services and the Affordable Housing Team. Inputs from other Services and Partner organisations will be required on an ad hoc basis as required depending on the site and its development stage.

Revenue budget is required for the costs associated with the early stages of developing each site up to and including the pre-application stage. This is estimated at £60,000 per site, for five sites in total, over the course of 2022/23 and 2023/22. The initial approach will be to jointly fund these costs between Business & Employability and Housing Services. Revenue funding will be provided by Business & Employability and HRA capital funding for viable sites by Housing Services once viability is proven via a business case. Funding this project will enable delivery of the Council's Transitional Affordable Housing Programme (2022-24). The costs will include concept designs and indicative costs, legal agreement with the landowner and preliminary ground investigations to develop the Business Case for each site. The Business Case will aim to leverage external funding from the private sector and secure any Council Capital budget required to develop the site.

Legal and Risk Implications

The risks and issues are set out in Section 2 of this report. Town Centre housing is a complex, high-risk activity that would benefit from a systematic approach to site identification and management of the pipeline of sites.

Not all the sites will be owned by the Council, so the use of statutory powers may be required to assemble land at market value. These powers will only be used as a last resort and only where the requirements of Scottish Government legislation are met, and a robust redevelopment plan is in place for the site.

The Council will be liable for the insurance of empty properties until they are developed. These will be town centre properties in high profile locations.

Impact Assessment

Equalities and FEAT/Carbon Assessments will be required for each site as part of its business case. This report and its proposed approach to town centre housing is intended to support the Council's socio-economic impact duties.

Consultation

Kingdom Housing Association, as lead agency for the Fife Housing Association Alliance (FHAA) has been directly involved in the development of the approach. Other Associations have been involved in previous projects that have informed the approach.

The approach has been developed in consultation with a range of Council Services including Planning, Housing, Estates and the Business & Employability Service.

Finance and Corporate Services have also been consulted in the preparation of this report.

1.0 Background

- 1.1 In June 2021, Policy and Coordination Committee approved the development of a Town Centre Housing approach as part of an in-principle proposal for the development and delivery of a transitional two-year development programme from May 2022. The Council's Planning, Business & Employability, Estates, Communities & Neighbourhoods, and Housing Services and the FHAA have collaborated on town centre housing projects during the Phase 2 and Phase 3 Affordable Housing Programmes. These projects are important to stimulate town centre regeneration, economic recovery and to create affordable town centre living opportunities. If the Council is to make a greater and sustained impact, a more comprehensive approach for the Housing contribution to our town centres is required. For the purposes of this paper 'Town Centre' is defined as wider than the Town Centre boundaries set out in the Local Development Plan, where town centres services are accessible within an accessible distance of services. These projects require extensive collaboration, across Council Services and with external partners and stakeholders to develop and deliver.
- 1.2 Projects in Lochgelly, Cowdenbeath, Kirkcaldy and Cupar, have demonstrated that mixed use developments could enable the Council to lever in other sources of funding. The partners have worked to assemble town centre sites of sufficient scale for 20 - 30 units. These have been assembled from repurposing Council assets, former industrial buildings, sites in the ownership of Fife Housing Association Alliance partners and using statutory powers. Different approaches are being tested to work within education

capacities such as smaller units, targeting older occupiers and mid-market rental units to cater for the widest range of occupiers and funding opportunities.

- 1.3 The Council collaborated with the Fife Housing Association Alliance (FHAA) to develop a Development and Noise Planning Policy. Pre-Application Planning Advice is available as well as information on occupancy restrictions, areas of search and designations/zonings. Discussions are underway with the Policy & Place Team within Planning on the review of the Local Development Plan.
- 1.4 This paper seeks to build on the Council’s ongoing work in town centre regeneration and repopulation. These social housing projects are either in delivery or under development. Current projects underway are detailed in the table below. Between them, these projects will deliver circa 131 homes.

Location	Site	Houses/Flats
Cupar	Inner Court	10
Cupar	Old Police Station	17
Kirkcaldy	Old Co-op Site	39
Dunfermline	Elgin Street Depot	85

The aim of this paper is to identify sites not yet in the development pipeline and provide a multi-service, multi-agency approach which will de-risk them to allow further investment and development.

- 1.5 The Covid-19 pandemic has had an unprecedented economic effect, particularly on town centres which have traditionally relied on retailing. The impacts have been unevenly felt, with some high-profile retail closures, whilst local trading has seen some rejuvenation as people have been geographically constrained by lockdowns. Town Centre vacancy rates have increased across Fife with 1 in 5 ground floor units vacant on average and all town centres except Cupar and St Andrews experiencing vacancy rates above the Scottish town centre average of 15% (at October 2021). The 2021 Retail Capacity Study shows that from 2018 there have been particularly large increases in vacancy rates in Kirkcaldy and St Andrews (+7.3% and +7.2% respectively) but Dunfermline and Glenrothes have also suffered increases above 3%¹. Footfall, which was already in decline, in town centres has not recovered to pre-pandemic levels, partly through ongoing working from home, and partly through the increased use of the internet for shopping and entertainment. These are only some of the multitudes of factors affecting footfall. Increased numbers of people living in town centres, spending locally is considered a way to counteract this trend.
- 1.6 Two of the key actions noted in the Leading Economic Recovery Action Plan approved at Policy & Co-ordination Committee in March 2021 were the stimulation of economic demand, and the support and delivery of investment-led economic growth, both of which can be met through a programme of house building in Fife’s town centres.
- 1.7 At a wider level, the importance of Town Centres in future economic recovery was identified in the New Future for Scotland’s Town Centres report published in February 2021. This noted the need for collaborative place-based approaches to support town centre recovery and reimagination as the Council adjusts to new ways of living post-pandemic. It also highlighted the role town centres will play in solving issues of national

¹ Fife Retail Capacity Study 2021

and international importance, as identified in Scotland's National Outcomes and the UN's Sustainable Development Goals. Chiefly these are wellbeing, inclusive development, response to the climate emergency, and health and inequalities.

- 1.8 As stated in the New Future for Scotland's Town Centres report, town centres offer a social, cultural, and economic heart to a community and people are increasingly looking to live well locally. By developing and delivering a programme of town centre housing, the Council can help pivot struggling highstreets away from an over-reliance on retailing and align with Scottish Government's Town Centre First Approach and focus on 20-minute neighbourhoods. Overall, towns remain relatively underpopulated in terms of town centre living and there is an opportunity to develop homes in town centres which play a role in achieving stronger communities. Rejuvenated town centres that have more people living there is central to this ambition.
- 1.9 The Scottish Government published 'Housing to 2040' in March 2021 and this reiterated many of these key messages, noting the importance of homes to strong local communities and the update to the National Planning Framework which will re-imagine the future of town centres. The Report commits to investment in 'demonstrator locations' which will illustrate the potential of town centre living, especially mixed and intergenerational schemes, which will be attractive to a range of users. They also note that the Place Investment Framework will be used to support the delivery of homes in town centres. Its Action 3 is to support the delivery of homes in town centres and at the heart of communities by developing vacant and derelict land, repurposing existing properties and locating homes closer to services and facilities within 20-minute neighbourhoods.
- 1.10 The continued risk posed by climate change, and the Council's Net Zero ambitions, can also be tackled through this project. Locating housing in town centres will provide occupiers with greater opportunity to choose active travel or public transport methods over car use as their mobility options. The development sites could refurbish (re-use) or replace existing buildings with more energy efficient developments which harness technological improvements to reduce their carbon footprint, in both construction and use.

2.0 Risks and Issues

- 2.1 Officers from the Services outlined in Paragraph 1.1 have reviewed sites allocated for Housing within FIFEplan, the current Local Development Plan, sites within the Vacant and Derelict Land Register, Dilapidated Buildings within town centres and the Council's surplus assets to develop an approach to town centre housing. They were assessed to ascertain their likelihood of helping to meet the ambitions approved in June 2021 i.e., at least 6 sites suitable for 120 mixed tenure housing units based on the lessons learned from the existing projects. These projects are intended to leverage external funding but also the current level of Scottish Government housing subsidy. There will be no distortion of the Mid Market commitment within the Strategic Housing Needs and Demand Assessment or the current proposed level of Mid-Market Rent (MMR) properties within the Strategic Housing Investment Plan, which is 13%.
- 2.2 The sites were reviewed for their housing potential, Local Plan designation, known constraints, potential scale of development possible on the site, and ownership. The Town Centres included Cupar, Levenmouth, Kirkcaldy, Glenrothes, Cowdenbeath and Dunfermline. From this review there are seven potential sites, but all require further investigation to determine the costs, capacity, and risks. Development is underway on many of the sites identified for Housing in FIFEplan.

2.3 An overview of the risks identified from these sites are included in the following table:

Risk	Mitigation Actions
1. Education capacity in Dunfermline and Kirkcaldy is limited in the short term.	Seek sites in other key towns or plan developments unlikely to increase school rolls e.g., smaller property types suitable for single/older occupiers.
2. A lack of information on site constraints, potential solutions, and their estimated costs	Undertake preliminary investigations to better understand constraints and costs to remove.
3. Continued cost pressures from materials and labour shortages.	Include an appropriate inflation allowance in all budgets.
4. Availability of sites large enough to be impactful on desired programmes of up to 200 units.	Consider land assembly options.
5. Potential need to acquire sites from uncooperative landowners, meeting the cost of insurance and compensation due to landowners.	Prepare to use Council's Compulsory Purchase Order Powers if legislative requirements can be met.
6. Lack of demand for proposed housing types.	Ensure development plans align with most recent SHIP/HNDA data and is complimentary to the housing proposed as part of Strategic Development Areas.
7. More demand for family homes.	Acquire sites in areas which allow a variety of housing types, not just single occupier units. The initial sites identified are outside the areas noted above which are constrained by education capacity, to allow developments to provide a mix of house types.
8. Lack of opportunity to create mixed tenure developments.	Aim to adopt lessons from other locations where design guidelines don't differentiate between tenure types. Undertake market demand assessments for possible uses for commercial space.
9. Lack of financing to fund full development costs.	Working in partnership with existing investment partners in the social housing sector, developing projects which will appeal to e.g., Build-to-Rent investors.
10. Potential impact on third party housing providers in the social housing sector.	Partnership working to develop sites alongside RSLs, ensuring development is of a type and tenure that will not distort the SHIP.

3.0 Options

- 3.1 The approach outlined in this paper has several key principles which were used to determine which of the following options would be best suited to delivering the stated aims. These principles are:
- Deliver mixed tenure communities, attractive to a range of users from all socio-economic groups;
 - Deliver sites of a minimum scale of 15 units to allow for a range of housing types and tenures and achieve the aim of 120 units within around 6 sites;
 - Sites to be prioritised within town centres or located close to transport hubs to facilitate town centre regeneration and meet the Council's net zero ambitions.
- 3.2 The do-nothing option is to allow the market to deliver town centre housing. Without a cross-Council approach working with FHAA, external funding may not be invested into all of Fife's town centres, instead focused on the more affluent centres where a greater return on investment is possible. It may be difficult to ensure that housing is affordable and developed in the less-prosperous areas that this approach hopes to develop. The market is less likely to deliver mixed tenure communities unless obligated to do so through the Planning process. Where sites are constrained, it is unlikely that private sector investors would be able to remediate these and achieve viable sites.
- 3.3 The second option is to focus site search and acquisition activities on the key town centres in Dunfermline, Kirkcaldy and Glenrothes. This would enable resources to be focused on fewer target sites. However, it is unlikely that the ambitions for 120 additional units would be achieved in these town centres alone. This option would not help provide additional affordable housing in North East Fife, to help tackle demand.
- 3.4 The recommended option is to have a broader scope which covers most of the towns with a town centre designation, as defined by the approved Local Development Plan i.e., also including Cupar, Cowdenbeath and Leven.
- 3.5 The Town Centre Development Unit supported by Property Services and the Affordable Housing Team will coordinate the development of the pipeline of sites, reporting to the Town Centres Capital Delivery Group.
- 3.6 It is proposed that council services and the FHAA continue to work together to deliver a Town Centre Housing approach to be incorporated into the new Local Housing Strategy (2022-27) (Priority 7 Place Making). In Town Centres, the Council's Town Centre Development Unit will focus on securing the following key elements to stimulate delivery of the proposed Town Centre Housing approach:
- Pre-application inquiry for noise, education and drainage issues;
 - Site assembly;
 - Business Case development and approval;
 - Statutory Consents; and
 - Sites ready to tender i.e., shovel-ready to be deployed in reasonably rapid timescales.

Revenue budget would be required for these early stages of the pipeline, estimated at £60,000 per site, which will be capitalised once the projects become viable. If a project is deemed to be unviable and a decision not to proceed is made, the budget spent to date will be foregone. Investigations into each site will be carried out in stages to allow reassessment of viability at regular intervals. This will ensure that not all the budget, per site, will need to be spent if it is not expected to proceed to development. The sites prioritised in Paragraph 4.4 below will be investigated and included in the pipeline during 2022/23 and 2023/24.

- 3.7 The proposed approach would be piloted during 2022/23 and 2023/24 to determine its effectiveness and role within the emerging 2022-27 Local Housing Strategy.

4.0 Assessment Results

- 4.1 In order to identify sites that have the potential to deliver the aims of the Town Centre housing approach, a cross-council group of officers undertook the following steps.
- 4.2 Through examination of the town centre housing sites in the FIFEPlan, the current Local Development Plan (LDP), the Vacant and Derelict Land Register, and surplus Council assets, 60 potential sites located in or near town centres were identified. The planning history, land ownership and LDP status of these sites were assessed. The results of this assessment are included in a further report to this Committee.
- 4.3 Each site was categorised from least to most viable on a scale of one to three, based on factors such as ground conditions and flooding risk, land ownership, education capacity of the town, and presence of valid planning permission.
- 4.4 This process identified 5 (or 8% of the total sites) potentially viable housing sites (coloured yellow in Appendix One). Based on their constraints, these are the sites which have the best chance of starting to deliver housing within the next two to five years. These have been anonymised in the table below.

Site Name	Town	Capacity	Ownership
Cupar A	Cupar	20	Private Sector
Cupar B	Cupar	10	Fife Council
Cupar C	Cupar	20	Fife Council
Kirkcaldy A	Kirkcaldy	20	Private Sector
Cowdenbeath A	Cowdenbeath	35	Private Sector
Total		103	

- 4.5 It is proposed to carry out the next steps outlined in Paragraphs 4.6 to 4.8 to deliver an estimated 103 units. At this stage it will not be possible to achieve the target of 120 housing units, based on the 60 sites assessed. There are sites with severe constraints (Shown as amber in Appendix One) such as flooding that might be suitable in the longer-term with investment to remove these constraints.
- 4.6 The immediate focus of the programme should be on the Cupar sites. These encompass most of the viable options and could potentially make up almost 50% of the target (50 total units). By focusing efforts in one area there may be potential to take advantage of economies of scale with regards to tendering contracts.
- 4.7 The current Housing Need and Demand Assessment indicates a cross-tenure requirement for 594 new homes in Fife each year from 2018-30. The requirement for the Cupar & North East Fife housing market area is 109 new homes per annum, 58% of the need being for affordable housing and 42% for private housing. Specialist housing types such as wheelchair and accessible are required across Fife to future proof the housing stock against changing demographics. The Fife Housing Register shows 444 applicants for housing in Cupar town, with 352 households (79%) requiring 1-2 bedroom properties and 92 households (21%) 3 bedrooms or more. Additionally, with the development of the Cupar Strategic Development Area (SDA) to the north in the near future, the focus of

development in the town centre can be on smaller one- or two-bedroom units which may be more suitable for these sites, as larger family homes will be delivered within the SDA.

- 4.8 Some sites which were identified have not been included as they currently have live planning permission for development, although site works have not yet started. It is recommended that a watching brief be established for these sites which will allow swift progress should planning permission lapse, stalling development. At that stage, they can be re-evaluated to assess whether tools such as Compulsory Purchase Order can be used to secure them and bring forward development.
- 4.9 Various sites of a very small scale (less than 5 units, upper floor conversions) were discounted due to the high-risk low-reward nature of the work. If appropriate, future work could look at the possibility of 'bundling' these small sites within the same town to create a development package of a more suitable scale. Although legal fees would be higher for multiple acquisitions, it should then be possible to tender for site works under one contract and thus achieve cost savings versus carrying out redevelopments as individual projects. Another option to be investigated for these types of opportunity could be greater grant assistance to the property owners to encourage conversion to housing.
- 4.10 Due to the remit of this approach being to focus on 'Town Centre' housing, several sites have been dismissed or not considered due to their distance from the town centre boundary. Widening the area of search would bring more sites into consideration. By looking at areas which could operate as '20-minute neighbourhoods', or those with strong public transport links, it may be possible to increase the number of units which could be delivered by the approach detailed in this paper.

5.0 Conclusions

- 5.1 This report outlines the risks, issues, and options for an approach to increase town centre housing across Fife's town centres. The approach helps deliver Fife's economic recovery, the Local Housing Strategy, and town centre regeneration. The proposed cross-Council approach will be coordinated by the Town Centre Development Unit, Business & Employability Services.
- 5.2 If this approach is adopted by the Council, a pipeline of potential sites will be developed and managed through key milestones until delivered. This pipeline will be used to leverage external funding, both private and public, into Fife's town centres.

List of Appendices

1. Assessment of Potential Town Centre Housing Sites

Background Papers

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

- Leading Economic Recovery Action Plan, Policy & Coordination Committee March 2021
- Affordable Housing Transitional Programme (2022-24), Policy & Coordination Committee 24th June 2021.
- A new future for Scotland's Town Centres Report February 2021, Town Centre Action Plan Review Group.
- Housing to 2040, Scottish Government, 2021

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APPENDIX ONE - IDENTIFIED SITES

Town	Current Use	TC Housing Potential	Potential Scale	Current LDP Designation	Flooding	Topography	Constraints Present		
							Ground Conditions	Scope (too small)	Access
Cupar A	Cupar	Work started on redevelopment to retail park	N/A	N/A	Safeguarded employment area				
	Cupar	No recent planning proposals, adjacent to former bar/restaurant undergoing redevelopment to housing	Potential for housing subject to demolition	20	Development opportunity site				
	Cupar	Redevelopment for housing/commercial underway	N/A being redeveloped	N/A	None				
Cupar B	Cupar	PPiP granted for 12 properties (flats and houses) with potential for further 6 properties. PPiP extended until 31/03/2022 in April 2021. Access issues, potential common good land?	Potential for housingsubject to CPO if extant PPiP not implemented	18	Housing opportunity site				
	Cupar	Planning permission to temporarily site catering cabin for 2 years granted July 2021	Potential for housing subject to achieving balance between built development and open space	10	Development opportunity site	X	X		
	Cupar	N/A	Too small					X	
	Cupar	N/A	Too small					X	
Cupar C	Cupar	Council offices	Potential for mixed use residential and commercial use. Would require Councilor approval for change of use.	20	None		X		X
	Cupar	Previous application for care home refused on grounds of over development and detrimental impact on neighbouring residential properties, upheld at appeal. Further application subsequently withdrawn.	Development underway	20	None				
CUPAR TOTAL POTENTIAL UNITS			88						
Leven/Methil	Leven/Methil	Planning approved for conversion to hot food take away and residential on upper floors	N/A	N/A	Development opportunity site				
	Leven/Methil	McDonald's	N/A	N/A					
Leven/Methil	Leven/Methil	Community-led conversion underway to enterprise and employment space	N/A	N/A	Green network asset				
Leven/Methil	Leven/Methil	Planning approved for 9 affordable properties, NMV application submitted in March 2021 but advised full permission required (decision: 18/05/21). No further application yet submitted.	Potential for housing subject to CPO if extant permission not implemented	15	None				
Leven/Methil	Leven/Methil	Conversion to 21 residential units underway	N/A	N/A	None				
Leven/Methil	Leven/Methil	Conversion to 24 residential units underway	N/A	N/A	None				
Leven/Methil	Leven/Methil	None, although Rosemount Grove application indicates link road for potential future development of this site. Site is allocated as employment land.	Employment development underway	100	Employment		X		
Leven/Methil	Leven/Methil	Current preferred uses are leisure, tourism and business supporting the development of energy including renewables. Subject of the Bawbee Bridge design led consultation charette in 2013.	Potential for residential-led mixed-use development. Will need to demonstrate no adverse impact on integrity of Firth of Forth SPA.	400	Development opportunity site	X	X		
LEVEN/METHIL TOTAL POTENTIAL UNITS			515						
Kirkcaldy	Kirkcaldy	Previously Nairn's linoleum complex. Application for 152 affordable properties refused in 2019, decision upheld at appeal, due to noise impact of existing commercial operations and road/railway. No further application submitted.	Potential for housing at a reduced scope/if noise can be mitigated. Current LDP indicates residential development would only be suitable in the east portion of the site (LDP ref KDY017). Preferred uses for the remainder of the site (LDP ref KDY044) include class 4 business, leisure, trade counter and commercial uses.	68	Development opportunity site		X		

KDY A

Kirkcaldy	Car park	LDP identifies the site as a Town Centre development opportunity site with potential for residential led mixed-use development. Lost parking spaces will need to be replaced within Kirkcaldy town centre and development will contribute towards delivering quality pedestrian routes between the core retail areas and the waterfront.	60	Development opportunity site	X			
Kirkcaldy	Car park	LDP identifies the site as a Town Centre development opportunity site with potential for residential led mixed-use development. Development must provide improvements to parking within Kirkcaldy town centre and will contribute towards delivering quality pedestrian routes between the core retail area and the waterfront.	60	Development opportunity site	X	X		
Kirkcaldy	Planning approved for 105 properties, work underway	N/A	N/A	Development opportunity site				
Kirkcaldy	Planning approved for conversion to waste transfer site	N/A	N/A	Safeguarded employment area				
Kirkcaldy	Eastern portion of the site has planning permission for 16 flats. Currently being marketed by DM Hall at £240,000. Former factory building has been cleared. Planning permission expires 06/12/2021.	Potential for higher density residential development given density of surrounding developments and proximity to services. Education capacity constraints in Kirkcaldy may dictate suitable house types.	20	Housing opportunity site		X		
Kirkcaldy	Recycling, no recent planning proposals.	Potential for higher density residential development given density of surrounding developments. A buffer zone will need to be established between any housing and the adjacent employment area.	19	Housing opportunity site	X	X		
Kirkcaldy	Planning application and listed building consent submitted for conversion to 39 flats submitted June 2021, awaiting decision.	N/A	N/A	School/FE campus.				
Kirkcaldy	Various commercial operations, consent for Class 1 retail on part of site, extended due to covid but expired on 30/09/21. B-listed building has been approved for demolition	Potential for higher density residential development. Will need to contribute towards re-establishing active travel route along disused railway to the north of the site.	75	Development opportunity site		X		
Kirkcaldy	N/A	Unsuitable						
Kirkcaldy	Planning approved for conversion to 55 properties 18/02343/FULL	N/A	N/A	Housing				
Kirkcaldy	Planning approved for conversion to 39 properties and commercial uses	N/A	N/A	Housing opportunity site				
Kirkcaldy	Planning approved for conversion to cinema/leisure uses	N/A	N/A	Development opportunity site				
Kirkcaldy	Commercial operations	N/A	N/A					
Kirkcaldy	Commercial operations	N/A	N/A					
Kirkcaldy	N/A	Potential for medium density residential development. Education capacity constraints in Kirkcaldy may dictate suitable house types.	90	Housing opportunity site	X			
Kirkcaldy	Planning approved for conversion to supermarket	N/A	N/A	Development opportunity site				
Kirkcaldy	N/A	Unsuitable	N/A					
Kirkcaldy	N/A	Unsuitable	N/A					
Kirkcaldy	N/A	Unsuitable	N/A					
Kirkcaldy	Vacant shopping centre	Potential conversion dependent on current owner's investment plans.						
KIRKCALDY TOTAL POTENTIAL UNITS			392					
Dunfermline	N/A	Unsuitable - too small						
Dunfermline	N/A	Unsuitable - too small						
Dunfermline	No recent planning proposals	Potential for housing dependent on access. Quite far from town centre boundary (c. 2km) but in close proximity to station. Education capacity constraints in Dunfermline may dictate suitable house types.	200	N/A				

Dunfermline	No recent planning proposals.	Potential for small-scale housing development but suitable house types will be constrained by education capacity.	0.03ha	N/A				
Dunfermline	Conversion to residential underway	N/A	N/A	Development opportunity site				
Dunfermline	No recent planning proposals, but signs indicate Miller Homes have purchased site	N/A		Development opportunity site				
Dunfermline	N/A	Potential for small scale housing development but suitable house types will be constrained by education capacity in Dunfermline.	0.2ha	N/A				
Dunfermline	No current planning proposals, marketed for residential development by Colliers.	Potential for housing, majority of site at risk of flooding and current LDP preferred use for site is employment (Classes 4, 5 or 6). Suitable house types will be constrained by education capacity in Dunfermline.	1.62ha	Employment	X			
Dunfermline	Commercial operations	N/A		N/A				
Dunfermline	Application for 27 properties refused in October 2020 due to potential impact on residential amenity, impact on a listed building and lack of affordable housing provision. Decision not appealed.	Potential for high density housing alongside car parking and leisure uses, compatible with approved development brief.	1.1ha	Development opportunity site				
Dunfermline	Previously a licenced premises spanning four floors, currently being marketed by Colliers (£495,000)	Potential for redevelopment of upper floors as housing with ground floor commercial use.	13,397ft ²	N/A				X
Dunfermline	Eastern corner of Pittencrief Park surrounded by existing commercial uses and City Chambers. Most units currently occupied.	Potential for mixed use development, needs to account for historic character of site and setting. Water course runs through the site which would require a 6m buffer.	0.6ha	Development opportunity site	X			
Dunfermline	Planning approved for for lower floor conversion to hairdresser.	Potential for residential development of upper floors but scope may be too small.	0.02ha	N/A				
Dunfermline	No recent planning proposals, offered for sale on open market by DM Hall and currently under offer.	Potential for residential or mixed use development.	1.58ha	Employment				
Dunfermline	Previously used as a community garden but has fallen into disrepair since being taken into private ownership. Planning permission for 6 flats lapsed 30/09/2021.	Potential small scale development	6	N/A				X
Dunfermline	Plans to redevelop as open/community use space	N/A	N/A	Development opportunity site				
DUNFERMLINE TOTAL POTENTIAL UNITS			200					
Glenrothes	Car parking - short term	Potential for residential development as part of mixed use scheme						
Glenrothes	Unused office buildings							
Glenrothes	Currently allocated as employment land but majority of units vacant. Adjacent units at Hanover Court recently converted to residential. Various recent planning applications approved for fast food units, commercial units and retail.	Potential for high density residential development as part of mixed-use scheme. LDP preferred uses Classes 1, 2, 3, 8, 11.		Development opportunity site				
Glenrothes	Planning approved for partial demolition and formation of car parking in 2017.	Key entrance to Kingdom Shopping Centre, development should provide attractive and accessible civic space. Potential for mixed use development..	35	Development opportunity site Retail/Leisure				
Glenrothes	Planning consents for residential led mixed-use development	Development underway	85	Safeguarded employment area				
GLENROTHES TOTAL POTENTIAL UNITS								
Cowdenbeath	Planning application for restaurant, retail and residential use approved in 2018. Work commenced in July 2021.	Development underway	2					
Cowdenbeath	No recent planning applications, identified for housing in LDP	Potential for residential development subject to securing drainage solution.	35	Housing opportunity site	X			
Cowdenbeath	Common good property							
COWDENBEATH TOTAL POTENTIAL UNITS			35					

CowBA