

## Cabinet Committee

Committee Room 2, 5th Floor, Fife House, North Street,  
Glenrothes / Blended Meeting



Thursday 29 June 2023 - 10.00am

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### AGENDA

#### Page Nos.

1. **APOLOGIES FOR ABSENCE**
2. **DECLARATIONS OF INTEREST** – In terms of Section 5 of the Code of Conduct, members of the Committee are asked to declare any interest in particular items on the agenda and the nature of the interest(s) at this stage.
3. **MINUTE** – Minute of meeting of Cabinet Committee of 1 June 2023. 4 – 10
4. **REVENUE MONITORING - PROVISIONAL OUTTURN 2022-23** – Report by the Executive Director (Finance and Corporate Services). 11 – 26
5. **CAPITAL INVESTMENT PLAN - PROVISIONAL OUTTURN 2022-23** – Report by the Executive Director (Finance and Corporate Services). 27 – 35
6. **COMMUNITY RECOVERY FUNDING** – Report by the Executive Director (Communities). 36 – 44
7. **RECOVERY TO REFORM – PEOPLE AND COMMUNITIES** – Report by the Executive Director (Communities). 45 – 65
8. **COUNCIL TAX – CONSULTATION RESPONSE** – Report by the Head of Revenue and Commercial Services. 66 – 89
9. **RIVER LEVEN REGENERATION - CAPITAL FUNDING** – Report by the Head of Roads and Transportation Services. 90 – 96
10. **FIFE'S DIGITAL CONNECTIVITY** – Report by the Head of Business and Employability Services. 97 - 105
11. **OPPORTUNITIES FIFE PARTNERSHIP (OFF) EMPLOYABILITY PATHWAY 2022-25 COMMISSIONING** – Report by the Head of Business and Employability Services. 106 – 150
12. **REVIEW OF MOSSMORRAN AND BRAEFOOT BAY COMMUNITY AND SAFETY COMMITTEE** – Report by the Head of Protective Services. 151 – 165
13. **CET RECRUITMENT** – Report by the Head of Human Resources. 166 – 168
14. **ATTENDANCE MANAGEMENT** – Report by the Head of Human Resources. 169 - 180

The/

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

- 15. DISPOSAL UPDATES: SITE SALE - ADMIRALTY ROAD, ROSYTH AND LEASE VARIATION - PITREAVIE PLAYINGFIELDS, DUNFERMLINE (PRIVATE REPORT)** – Report by the Executive Director (Enterprise and Environment). 181 - 183

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

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

22 June 2023

If telephoning, please ask for:

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## **BLENDED MEETING NOTICE**

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

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

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

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

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

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

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

**THE FIFE COUNCIL - CABINET COMMITTEE – GLENROTHES – BLENDED MEETING**

**Committee Room 2, 5th Floor, Fife House, North Street, Glenrothes**

**1 June 2023**

**10.00am – 12.10pm**

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

**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, Finance and Corporate Services; John Mills, Head of Housing Services and Gavin Smith, Service Manager (Housing Management Executive), Housing Services; Gordon Mole, Head of Business and Employability Services and Alison Laughlin, Economy Adviser, Business and Employability Services; Shelagh McLean, Head of Education and Children's Services (Early Years and Directorate Support); and Michael O'Gorman, Service Manager, Estates.

**APOLOGY FOR ABSENCE:** Councillor Rosemary Liewald.

**URGENT BUSINESS BROUGHT FORWARD BY THE CONVENER**

- In terms of Standing Order No. 3.8(2), the Convener advised of a report that he had agreed to accept as urgent business – Prescribing the Minimum Annual Number of Learning Hours – Consultation Response - due to the consultation deadline of 13 June which was before the next Cabinet meeting. The item was considered at para. 115 below.
- In terms of Standing Order No. 8.1(2), the Convener advised of a motion that he had agreed to accept as urgent as a result of the announcement this week that the Scottish Fire and Rescue Service were proposing reductions in service appliances including fire engines and height appliances removed from across Fife. The motion was considered at para. 116 below.

**110. DECLARATIONS OF INTEREST**

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

**111. MINUTES**

- (i) Minute of the Cabinet Committee of 4th May, 2023.

**Decision**

The Committee agreed to approve the minute.

- (ii)/

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

- East Fife Education Trust Committee and West Fife Education Trust Committee of 22nd March, 2023
- Appeals Sub-Committee of 18th May, 2023

### **Decision**

The minutes were noted.

## **112. RESETTLEMENT OF VULNERABLE PEOPLE IN FIFE**

The Committee considered a report by the Head of Housing Services providing a general update in relation to all aspects of the work being co-ordinated through the Resettlement Core Group with a specific focus on the emerging pressures. The report sought approval to develop a former care home to provide medium-term accommodation to arrivals from Ukraine.

### **Decision**

The Committee:-

- (1) agreed the partnership would support a regional approach to decommissioning accommodation by working closely with Migration Partnerships and colleagues in Edinburgh;
- (2) approved, in principle, the re-provisioning of a former Care Home for a 2-3 year period following consultation with Levenmouth Area Committee, subject to viability checks and confirmation of Scottish Government funding; and
- (3) noted that arrangements to replace Bridging accommodation with a more community-based response within MoD leased accommodation, as approved by the Cabinet Committee previously, were ongoing.

## **113. SCOTTISH GOVERNMENT CONSULTATION ON DRAFT ENERGY STRATEGY AND JUST TRANSITION PLAN**

The Committee considered a report by the Head of Business and Employability Services seeking retrospective agreement on Fife Council's position on the Scottish Government Consultation on the draft Energy Strategy and Just Transition Plan.

*The meeting adjourned at 10.35am and reconvened at 10.50am.*

### **Motion**

Councillor David Ross, seconded by Councillor Jan Wincott, moved that the recommendations contained within the report be approved.

### **Amendment**

Councillor David Alexander, seconded by Councillor Derek Glen, moved amendments as detailed in the Appendix to this minute.

The mover of the motion agreed to accept the amendment.

### **Decision/**

**Decision**

The Committee:-

- (1) noted and agreed Fife Council's response to the consultation including the amended responses to items 20 to 26 and 36, 38 and 39, as detailed in the Appendix to this minute;
- (2) agreed that any outcomes affecting Fife Council and its strategies would be considered by Cabinet Committee ahead of implementation; and
- (3) agreed that the Fife consultation response informed change approaches and policy development for Leading Economic Recovery, Addressing the Climate Emergency and Tackling Poverty, together with the implementation of Community Wealth Building approaches

**114. FIFE ECONOMIC STRATEGY 2023-30**

The Committee considered a report by the Head of Business and Employability Services seeking approval of the Fife Economic Strategy 2023-2030.

**Decision**

The Committee:-

- (1) commented upon and approved the new Fife Economic Strategy 2023-30 and delegated to the Head of Business and Employability Services to make any minor amendments to the document ahead of publication;
- (2) noted that a delivery plan would be prepared by the Head of Business and Employability Services in liaison with the Plan4Fife Leading Economic Recovery Board and other key stakeholders;
- (3) noted that progress against the key priorities identified within the strategy would be monitored via regular reports to the Finance, Economy and Corporate Services Scrutiny Committee; and
- (4) noted that approval for specific projects brought forward as part of the strategy and delivery plan would be sought from the relevant Committees as appropriate.

**115. URGENT ITEM - PRESCRIBING THE MINIMUM ANNUAL NUMBER OF LEARNING HOURS - CONSULTATION RESPONSE**

The Committee considered a report by the Executive Director (Education and Children's Services) outlining the proposed feedback from Fife Council on the Scottish Government's document "Prescribing the minimum annual number of learning hours: consultation".

**Decision**

The Committee:-

- (1) commented on and approved the consultation feedback on the minimum annual number of learning hours consultation; and
- (2) authorised officers to make such amendments to the consultation response as may be necessary.

**116. URGENT MOTION – SCOTTISH FIRE AND RESCUE SERVICE CUTS**

Motion

Councillor David Ross, seconded by Councillor David Graham, moved as follows:-

**"Scottish Fire and Rescue Service Cuts**

The Committee notes proposals announced by the Scottish Fire and Rescue Service to withdraw appliances from Methil, Glenrothes, Dunfermline and Kirkcaldy, including the high reach appliance from Kirkcaldy, as part of a budget cuts exercise.

The Committee expresses its serious concerns about these proposals to withdraw appliances from Fife and mandates the Leader and Chief Executive to engage with the Scottish Fire and Rescue Service to express these concerns and to seek the withdrawal of these proposals".

Amendment

Councillor Ross Vettraino, seconded by Councillor John Beare, moved as follows:-

**"Scottish Fire and Rescue Service withdrawal of appliances**

The Committee notes proposals by the Scottish Fire and Rescue Service (SRFS) to withdraw appliances temporarily or otherwise from Methil, Glenrothes, Dunfermline and Kirkcaldy, including the high reach appliance from Kirkcaldy.

The Committee expresses its deep concern about the proposal to withdraw appliances from Fife and mandates the Council Leader (Cllr D Ross), the Spokesperson for People & Communities (Cllr J Hamilton), the Convener of the People & Communities Scrutiny Committee (Cllr E Clarke) and the Chief Executive of the Council to engage collectively with SRFS to express the concerns of the Committee and to seek the withdrawal of these proposals.

The Committee also refers the matter to the People and Communities Scrutiny Committee for their urgent consideration, inviting the Chair of the Scrutiny Committee (Cllr E Clarke) to consider adding the item to the agenda of the meeting on 7 June 2023 as urgent business. The Committee agrees that the Scrutiny Committee should also consider using its power to invite the Chief Officer of the SRFS, or their representative, to attend the Committee meeting on June 7th to allow members to examine the proposals".

The movers of the motion and the amendment agreed to conjoin. The amended conjoined motion was agreed as follows:-

**"Scottish Fire and Rescue Service withdrawal of appliances**

The Committee notes proposals by the Scottish Fire and Rescue Service (SFRS) to withdraw appliances temporarily or otherwise from Methil, Glenrothes, Dunfermline and Kirkcaldy, including the high reach appliance from Kirkcaldy, as part of a budget cuts exercise.

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The Committee expresses its deep concern about the proposal to withdraw appliances from Fife and mandates the Council Leader (Cllr D Ross), the Spokesperson for Communities & Leisure (Cllr L Erskine), the Convener of the People & Communities Scrutiny Committee (Cllr E Clarke) and the Chief Executive of the Council to engage collectively with SFRS to express the concerns of the Committee and to seek the withdrawal of these proposals.

The Committee also refers the matter to the People and Communities Scrutiny Committee for their urgent consideration, inviting the Chair of the Scrutiny Committee (Cllr E Clarke) to consider adding the item to the agenda of the meeting on 8 June 2023 as urgent business. The Committee agrees that the Scrutiny Committee should also consider using its power to invite the Chief Officer of the SFRS, or their representative, to attend the Committee meeting on June 8th to allow members to examine the proposals".

### **Decision**

The Committee unanimously agreed the amended conjoined motion.

#### **117. PROPOSED DISPOSAL - ST. MARY'S PLACE, ST. ANDREWS**

The Committee considered a report by the Executive Director (Enterprise and Environment) seeking approval to dispose of the formal local office at St. Mary's Place, St. Andrews.

### **Decision**

The Committee approved the disposal on the terms detailed in the report.



**Cabinet Committee – 1st June, 2023****Amendment to Item 5 – Scottish Government Consultation on Draft Energy Strategy and Just Transition Plan**

That Cabinet Committee agree the recommendations subject to the following amendments to the draft consultation response:-

<b><u>Question</u></b>	<b><u>FC Response</u></b>	<b><u>SNP Response</u></b>
<b>20.</b> Should a rigorous Climate Compatibility Checkpoint (CCC) test be used as part of the process to determine whether or not to allow new oil and gas production?	Nil response	YES
<b>21.</b> If you do think a CCC test should be applied to new production, should that test be applied both to exploration and to fields already consented but not yet in production, as proposed in the strategy?	Nil response	YES
<b>22.</b> If you do not think a CCC test should be applied to new production, is this because your view is that:	Nil response	Nil Response
<b>23.</b> If there is to be a rigorous CCC test, what criteria would you use within such a test? In particular, in the context of understanding the impact of oil and gas production in the Scottish North Sea specifically on the global goals of the Paris Agreement, should a CCC test reflect:		
A) the emissions impact from the production side of oil and gas activity only	Nil response	NO
B) the emissions impact associated with both the production and consumption aspects of oil and gas activity i.e. also cover the global emissions associated with the use of oil and gas, even if the fossil fuel is produced in the Scottish North Sea but exported so that use occurs in another country – as proposed in the Strategy	Nil response	YES

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## Consultation Questions Response

24. As part of decisions on any new production, do you think that an assessment should be made on whether a project demonstrates clear economic and social benefit to Scotland? If so, how should economic and social benefit be determined?

25. Should there be a presumption against new exploration for oil and gas?

Nil response

YES

26. If you do think there should be a presumption against new exploration, are there any exceptional circumstances under which you consider that exploration could be permitted?

Nil response

NO

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36. What are the key actions you would like to see the Scottish Government take in the next 5 years to support the development of CCUS in Scotland?

Nil response

Continue to promote the Scottish cluster.

Work with partners and showcase the new skills leadership in Carbon Capture.

38. What are the opportunities and challenges to CCUS deployment in Scotland?

Nil response.

Opportunities relate to job creation and the storage of substantial carbon dioxide.

Challenge is the UK Government cancelling Scottish projects.

39. Given Scotland's key CCUS resources, Scotland has the potential to work towards being at the centre of a European hub for the importation and storage of CO2 from Europe. What are your views on this?

Nil response

Peterhead Port provides opportunities for commercial CO2 shipping and opening up Scotland for the importation for storage opportunities from Europe.

## Revenue Monitoring – Provisional Outturn 2022-23

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

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**Wards Affected:** All

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### Purpose

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The purpose of this report is to provide members with a strategic overview of Fife Council's finances and to report the provisional outturn for 2022-23.

### Recommendations

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It is recommended that members note:-

- (i) the ongoing financial uncertainty arising from recovery from the pandemic and the current economic conditions which continue to be managed using one off additional funding and from underspends;
- (ii) the high-level financial position as detailed in this report;
- (iii) that detailed monitoring reports will be submitted to the relevant Scrutiny Committees;
- (iv) that £17m of general fund balances may be used for one off investment in future; and
- (v) approve the suspension of the Budget Carry Forward Scheme for 2022-23.

### Resource Implications

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There is a provisional underspend of £27.542m across general fund services. Additional Items are underspent by £46.693m and council tax has collected £1.775m less than planned. Combined, these provide an overall underspend of £72.460m.

At the Cabinet meeting in December, information relating to updated statutory guidance in respect of accounting for the repayment of debt on "Service Concessions" was presented. The accounting entries for this have now been reflected in the outturn position and accounts for an underspend of £43.576m out of the £46.693m within Additional Items.

The current year underspend of £72.460m is a significant contribution to the level of balances. However, with the change in accounting treatment for Service Concessions, there is now an additional earmarked balance of £43.576m within earmarked balances. The total level of earmarked balances is now £134.516m and £44.530m for commitments.

As at 31 March 2023, the overall estimated level of uncommitted balances is £37.007m. The Section 95 Officer has indicated that, following the short-term improvement in the outturn position, £17m of balances can be made available for one off investment in the future.

## Legal & Risk Implications

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There are no direct legal implications from this report.

## Impact Assessment

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

## Consultation

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None.

# 1.0 Background

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- 1.1 This report sets out the provisional outturn for 2022-23. This financial year has been yet another extraordinary year in financial terms as the council has continued to be impacted by continuing financial implications and uncertainty brought about, firstly, by the pandemic and, more recently, by the current economic conditions and the high level of inflation.
- 1.2 Whilst the organisation continues to face financial uncertainty, the provisional outturn for 2022-23 is, again, favourable providing additional resources which can be used to deal with future financial challenges. A number of favourable items have led to a substantial contribution to balances. Service expenditure underspent by £27.542m as a result of reduced costs in certain areas of service provision, predominantly Education and Children's Services and underspent specific grant funding that will not be used until the new financial year. Whilst this position is favourable, the budget strategy employed for 2023-24 onwards will mean this level of service underspend will not continue in future years as the future service budgets have been reduced by around £22m.
- 1.3 In addition, there is significant underspend on Additional Items, primarily due to the change in accounting for Service Concessions, with the flexibility arrangements resulting in a further underspend of £43.576m, comprising both the catch up and the annual benefit. £40m of this underspend has already been earmarked to help fund the capital plan, a strategy which was agreed at the Council meeting on 22 February 2023.
- 1.4 Explanation of the variances and the significant movements are provided in Appendices 1–4. Appendix 5 provides a summary of the savings achieved during the year.
- 1.5 Appendix 6 outlines the positive balances position and provides the council with opportunities in respect of funding items and dealing with significant cost increases on a non-recurring basis in the immediate term. Some of these have already been committed into the future to fund these significant financial risks and impacts, leaving a level of £37.007m uncommitted balances.
- 1.6 The position on the Housing Revenue Account (HRA) has been more challenging with rising costs resulting in a much lower than planned revenue contribution to the HRA capital plan, a reduction of £8.067m.

- 1.7 The council continues to see distortions in expenditure patterns when compared to the planned expenditure. Change in costs have arisen from the likes of high levels of inflation in certain areas and also significant underspends in other areas linked to difficulties in recruiting staff and expenditure of specific grant not reaching planned levels in year. This has resulted in large variances across all areas. It is proposed that the carry forward arrangements are, once again, suspended in recognition of the variability of financial impacts across services and directorates. Exceptions will be the DSM carry forward, Temporary Investment and the Local Community Planning budgets (including Community Recovery Fund). It is also proposed that carry forward arrangements are reviewed in the coming year to ensure the arrangement will be fit for purpose in future.
- 1.8 More detailed financial reports will be presented to the relevant Scrutiny Committees as part of the council's wider scrutiny and performance management reporting arrangements. It is the role of the Scrutiny Committees to carry out in-depth scrutiny of the financial performance of functions within their remit.

## 2.0 Financial Overview

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### 2022-23 Provisional Outturn

- 2.1 Looking back over the last three years, the general fund service variances have changed considerably, and a number of significant factors have meant services have moved from an overspend position of around £8m back in 2019-20, to a significant underspend on general fund services this financial year of around £28m. There are a few main contributors to this change over the years.

Within Education and Children's Services, the financial position has improved significantly as a result of the successful implementation of the Children and Families strategy, coupled with increased levels of government grant recognised as well as increased staff vacancies. The position over the three years has moved from an overspend of £5m to an underspend of £26m.

The Health and Social Care position has also improved from an overspend position of around £2m to breakeven and the partnership now has a level of reserves which it did not hold three years ago.

The Communities Directorate position worsened slightly moving from around £1m underspend to around £1m overspend due to the impact of lost income as a result of the pandemic still being a persistent factor.

All Directorates are dealing with difficulties in recruiting staff to differing degrees and this is another contributory factor that has increased underspends over the three years. This problem is not unique to Fife Council and has impacted organisations nationally. The situation has been recognised as part of the budget strategy from 2023-24 onwards.

Over the last few years, the council has been in receipt of significant levels of non-recurring grant income from the Scottish Government. This grant has been awarded in a variety of ways as either General Revenue Grant or provided for specific initiatives. Due to the timing and receipt of these grants, it is not always feasible that the relevant expenditure is incurred in the year the grant has been awarded. As grant income should be recognised in the year it is awarded, this has led to underspends in year and contributes to the overall underspend and balances. In recognition that expenditure is still required and there is funding available, these specific underspends are earmarked within balances for these purposes.

When forecasting over the course of the year, in some instances it has been assumed the grant will be fully utilised, however, this has not been possible in all instances and accounts for some of the movements and the improvement in the outturn.

### **Revenue Budget 2023-24**

- 2.2 The favourable position in the current year demonstrates how the financial position of the council has changed significantly over the last few years and reflects why the use of budget realignment, use of underlying underspends and vacancy factors has been an appropriate strategy when agreeing the revenue budget for 2023-24. The outturn position demonstrates and re-enforces the decision to realign budgets during the consideration of the 2023-24 position.
- 2.3 Realigning £22m in the 2023-24 budget does not come without risk and will inevitably impact on the level of resources available to deal with day-to-day pressures within services in the future. However, this is linked to the strategy of holding more risk corporately which is supported by the current level of balances.

### **COVID-19 Recovery**

- 2.4 At this point in time, the additional net costs associated with COVID-19 are estimated to be in the region of £16m this year, which is a reduction of £4m from the previously reported estimate. This movement represents more refined cost estimates as the year has progressed, particularly in relation to loss of income due to closures, costs associated with workstyles, summer activities for young people and homelessness. Specific Funding has been identified for most of these costs leaving the remainder of £3.1m being funded from Service underspends. As time has gone on, it is becoming increasingly difficult to identify costs that are as a direct result of COVID-19, given the consequences and subsequent impacts in relation to cost of living crisis and inflationary factors.
- 2.5 Costs as a legacy of COVID-19 may continue into future years and assumptions have been made as to the possible impacts for both 2023-24 and 2024-25 with commitments recognised against balances to mitigate these costs in those years. Loss of income has been identified as a particular challenge in several areas and may take several years to recover. This will continue to be reviewed, however, at some point in the future, it is likely that Services will need to manage any residual cost impacts within the budget available to them. This will be subject to consideration alongside the budget in future.

### **Pay Award**

- 2.6 The level of pay award for 2022-23 for single status staff and craft workers has been agreed and the cost has now been reflected in individual Service budgets. Teachers have also settled and, although payment was made in 2023-24, the costs have been accrued as they relate to 2022-23 and are reflected in this report.
- 2.7 The Scottish Government funded elements of the 2022-23 pay award, with £140m being made available across Scotland as additional General Revenue Grant, Fife's share was £9.438m. In addition, capital grant of £120m has also been made available for the pay award, Fife's share being £8.130m. Guidance on the accounting arrangements was issued by the Scottish Government which set out circumstances of how the capital funding could be used to fund revenue costs.

- 2.8 The additional funding, along with budgetary provision that the Council had made, resulted in a shortfall of £1.202m which was held centrally. The recurring impact of this has been addressed by re-aligning the budget in 2023-24 as outlined at paragraph 1.2.

### **Other pressures – Economic Conditions/Cost of Living Crisis**

- 2.9 The current global economic crisis is concerning in terms of the possible financial repercussions of inflation for the council. These inflationary pressures mean the council is already experiencing increased costs, most notably, energy costs (£5.4m) along with others such as fuel and other commodities. Whilst the headline level of inflation has recently eased slightly, there is still concern that core inflation is not easing, meaning there is still uncertainty in this area.
- 2.10 The cost-of-living crisis is increasingly affecting households and, as such, commitments for several approved Cost of Living support measures are reflected in the budget.

### **Service Concession Arrangements**

- 2.11 In response to the COVID-19 pandemic and the financial challenges being faced by local government, the Scottish Government introduced a range of financial flexibilities, one of which centred around the profiling of debt repayments charged to the General Fund for PPP contracts.
- 2.12 The revised accounting guidance allows the council to account for the cost of the repayment element over the life of the assets – forty years as opposed to the contract period of twenty-five years. This approach is deemed to be prudent as it matches the expenditure profile to the consumption of the assets over time. Doing so reduces the cost per annum as the debt is accounted for over a longer period of time, but the total amount paid remains the same over the new repayment life.
- 2.13 This is an accounting entry which has the effect of releasing a “catch-up” benefit which reflects the reduced charges to the accounts for the earlier years of the arrangements. The catch-up benefit is in the region of £40m. There are also annual benefits of circa £4m. Following consideration at both this Committee and Fife Council, the application of the accounting guidance was approved and the accounting entries have now been actioned, resulting in a significant favourable variance in this financial year, allowing the benefit to be used to support the Capital Plan Review as agreed.
- 2.14 This variance then makes a contribution to general fund balances which has been earmarked as funding for the Capital Plan 2023-33, as approved at Fife Council on 22 June 2023.

## 3.0 Revenue forecast – Summary

### 3.1 General Fund Services

#### 3.1.1 Current revenue budget

The current revenue budget of £988m is shown in Appendix 1. The table below shows all budget changes since the previous Cabinet report:-

**Table 1 – General Fund – Revenue Budget Movement**

	Total Expenditure £m
<b>2022-23 Budget (December 2022)</b>	<b>984.766</b>
SG Funding - Redeterminations	2.706
Budgets Funded from/(to) Balances	0.786
<b>Current 2022-23 Budget (March 2023)</b>	<b>988.258</b>

The redeterminations of £2.706m represent additional General Revenue Grant received from the Scottish Government to cover the costs of teachers' pay award (£2.273m) and administration of Cost of Living Allowance (£0.111m) and Scottish Child Bridging Payments (£0.322m)

#### 3.1.2 Provisional Outturn

The provisional outturn presents a short-term favourable position in the current year. Service underspends of £27.542m (2.79% of budgeted expenditure) combined with an underspend of £46.693m in Additional Items result in an overall underspend of £72.460m as shown in the Table 1 below:-

**Table 2 – General Fund – 2022/23 Summarised Provisional Outturn**

	Annual Budget	Forecast	Variance	Previous Committee Variance	Movement
	£m	£m	£m	£m	£m
Service Totals	925.318	897.776	(27.542)	(18.407)	(9.135)
Additional Items	62.940	16.247	(46.693)	6.004	(52.697)
Total Expenditure	988.258	914.023	(74.235)	(12.403)	(61.832)
Financing	(988.258)	(986.483)	1.775	0.000	1.775
Contribution (to) / from Balances	0.000	(72.460)	(72.460)	(12.403)	(60.057)

3.1.3 At the last reported position, the forecast was an underspend of £12.403m; the forecast underspend has therefore increased by £60.057m since the previous forecast was presented to Cabinet Committee.

3.1.4 Service Expenditure underspend has increased, mainly as a result of favourable movements within Education and Children's Services, largely due to incorporating an updated forecast for the current academic year, the financial impact of additional Teachers' strike days, coupled with vacancies and recruitment delays in Children and Families. The position has also improved within the Communities Directorate due to a reduced need for financial support for the two largest Trusts and surplus specific grant income unspent during the year.



3.1.5 Additional Items has seen a large movement mainly relating to the financial benefits resulting from the agreed approach to accounting for Service Concession arrangements. This accounts for £43.576m of the movement. Further, there are favourable movements associated with both legislative obligations (£6.731m) and loan charges (£2.357m). Legislative obligations budget reflects the additional costs of items that are held centrally until the costs are known at which point the budget is allocated to Services, this accounts for the favourable movement of £6.731m.

The movement in loan charges is due to the level of cash balances held by the council being relatively high and interest rates are also relatively high, meaning the general fund has generated a more significant level of interest on the revenue balances held.

3.1.6 The net underspend will increase general fund reserves by £72.460m. Section 5 below provides more information on balances.

3.1.7 The detailed variances and movement are set out and explained in more detail at Appendices 1 and 2.

## **3.2 Housing Revenue Account (HRA)**

3.2.1 The Housing Revenue (HRA) Account forecast position is shown in Appendix 3.

3.2.2 The CFCR is reduced by £8.067m, movement £5.425m, as a result of increased cost pressures. This results in a net contribution to balances of £0.375m. As is the case for General Fund, the HRA is also experiencing inflationary pressures which has significantly increased the cost of Repairs and Maintenance, energy, hostels and property insurance costs. Increased volumes of Change of Tenancy works carried out in year has also resulted in a cost pressure on the HRA in year. The increased volumes of works are a result of a court judgement which awarded many homelessness tenants a secure tenancy. This has resulted in a large number of HRA properties being reprovioned for use by homelessness in year.

3.2.3 Appendices 3 and 4 provide further detailed variance analysis and commentaries on all variances that exceed +/- £250k.

## **4.0 2022-23 Revenue Budget Savings**

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4.1 The council had saving of £0.565m agreed in 2022-23 and has delivered £0.517m, 92% as shown in Appendix 5. This is an improvement on the last two years when the ability of services to deliver savings on time was significantly impacted in some areas as a result of the pandemic.

4.2 Directorates are working to deliver all savings as soon as possible and more detailed reports on the progress of savings will be presented to the relevant Scrutiny Committees as part of the council's wider scrutiny and performance management reporting arrangements.

## 5.0 Balances

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### 5.1 General Fund Balances

- 5.1.1 Appendix 6 details the forecast General Fund balances position which are held to fund specific one-off expenditure, provide funding to contribute to change initiatives, accumulate funds for a specific or “earmarked” purposes and to mitigate against risk by providing a level of uncommitted reserves which can be drawn on to respond to “shocks” such as unforeseen cost increases. It is important to note balances are split into two categories – committed and uncommitted with the breakdown of the detail of commitments being provided at Appendix 6.
- 5.1.2 Whilst the opening balance of £182.813m was exceptional, it was a direct result of increased one-off funding levels late last year and a change in accounting treatment of various Government Grants. Budgets which have been transferred to Services since the last report are detailed in Table 1 of Section 3. The forecast underspend detailed in Section 3 will provide a positive contribution to the balances position, with the estimated level before commitments rising to £216.053m.
- 5.1.3 As part of the Revenue Budget 2023-24 in February of this year, a full review of the commitments against balances at that time was carried out. In doing so, commitments were updated to reflect the funding strategies associated with the Capital Plan Review and re-phased to reflect expected expenditure patterns. Commitments were also updated to reflect the council decision to use £8.0m for investment which was approved on 23 February. In addition, commitments have been made for the use of service concessions, again, in support of the current Capital Plan Review.
- 5.1.4 Commitments against balances will be added to Service budgets on the basis of need as it arises during the next financial year.

### **Earmarked and Commitments against Balances**

- 5.1.5 The earmarked balances reflect unused grants and ring-fenced income which will fund specific expenditure. Balances are also earmarked for dealing with the ongoing costs associated with recovery from the pandemic and the impacts of inflation and supply chain disruption.
- 5.1.6 Commitments represent items for which provision has been made but, as yet the costs are yet to be incurred.
- 5.1.7 In recognition of the improvement in the outturn position identified in this report and that the full year position is now more certain, a review of commitments against balances has again been carried out. Given the underspend in year of Service Expenditure, a number of pressures have been offset by the level of underspend. Group leaders were notified on 29 May 2023 of the outcome this review and the possibility of recommitting some if the amounts that were aligned to costs in the 2022-23 financial year. The de-commitments, totalling £8.482m, included unused general COVID-19, inflation and some funding and will lead to an increase in the level of uncommitted balances.
- 5.1.8 After taking account the increased level of underspend and the de-commitments made, the level of uncommitted balances as at 31 March 2025 is expected to be £37.007m which equates to approximately 3.7% of the revenue budget. The Section 95 officer has indicated that, following the known outturn position and taking into account the de-commitments mentioned in para. 5.1.7, £17m from balances will become available for either one off revenue or capital investment. This is in line with the approach adopted when setting the budget in February and will retain a level of uncommitted balances of £20.007m which is around the policy minimum of 2%.

## HRA Balances

- 5.1.9 The opening HRA balance was £7.005m. There are approved commitments of £2.5m for the Transitional Affordable Housing Programme, £1.5m for improving Estates Management and £0.5m for Disability Adaptations. There was a withdrawal of £0.485m from the £1.5m earmarked for Estates Improvement during the year. A contribution of £0.860m was also made which will contribute to the CFCR in 23-24. This resulted in a net contribution of £0.375m. After taking these commitments into account, the level of uncommitted balances is £2.505m which in line with is the policy minimum.

## 6.0 Conclusions

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- 6.1 The outturn position for the council represents another extraordinary year in a financial sense, impacted significantly by a one-off change to accounting for Service Concessions. With Additional Items being underspent by £46.693m, mainly due to the change in accounting treatment for "Service Concessions" of £43.576m and an under-recovery of income of £1.774m and in addition service expenditure being underspent by £27.542m. Overall, there is a provisional underspend of £72.460m for the General Fund which will positively impact on the level of General Fund balances.
- 6.2 Allowing for all current commitments, the uncommitted level of balances is estimated as £37.007m in future years. The uncommitted balance has increased due to the increased underspend and the capability to de-commit a level of balances due to the level of service underspend. As a result of the improved position the Section 95 Officer has indicated that an amount of £17m can be made available or future one off investment. Balances can only be used once and it is important that the focus continues to be on strong financial management and a sustainable level of core funding and that decisions on use of balances are taken wisely and without adding to recurring expenditure in future years.
- 6.3 Following the budget strategy that has been adopted for 2023-24, the potential for service underspends will be dramatically reduced as £22m of service budget was realigned to contribute to closing the budget gap. In addition, it should be noted that where underspends arise from specific grant funding and carried forward, the funds must be used for the purpose intended and are not available for general use.
- 6.4 The forecast position for the council's Housing Revenue Account in 2022-23 is an underspend of £0.375m. The level of HRA balances, allowing for all commitments, is £2.505m which is in line with the policy minimum.

### List of Appendices

1. General Fund Revenue Summary 2022-23
2. General Fund Variance Analysis
3. Housing Revenue Account Summary 2022-23
4. Housing Revenue Account Variance Analysis
5. Approved Savings 2022-23
6. Summary of Balances

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**FIFE COUNCIL**  
**GENERAL FUND REVENUE SUMMARY 2022-2023**

	Annual Budget £m	Provisional Outturn £m	Variance £m	Previous Committee Annual Variance £m	Movement £m
<b>EDUCATION &amp; CHILDREN'S SERVICES</b>					
Education (Devolved)	236.012	227.769	(8.243)	(7.600)	(0.643)
Education (Non Devolved)	135.259	125.706	(9.553)	(4.852)	(4.701)
Children and Families	69.308	60.981	(8.327)	(6.776)	(1.551)
Criminal Justice Service	0.169	0.017	(0.152)	0.056	(0.208)
	<b>440.748</b>	<b>414.473</b>	<b>(26.275)</b>	<b>(19.172)</b>	<b>(7.103)</b>
<b>HEALTH &amp; SOCIAL CARE</b>					
Health & Social Care	213.689	207.058	(6.631)	(2.686)	(3.945)
Contribution to IJB		6.598	6.598	2.686	3.912
	<b>213.689</b>	<b>213.656</b>	<b>(0.033)</b>	<b>0.000</b>	<b>(0.033)</b>
<b>ENTERPRISE &amp; ENVIRONMENT</b>					
Assets, Transportation and Environment	100.466	102.854	2.388	1.308	1.080
Planning	1.874	1.468	(0.406)	(0.285)	(0.121)
Protective Services	3.217	2.091	(1.126)	(0.909)	(0.217)
Business & Employability Service	10.396	9.349	(1.047)	(0.770)	(0.277)
Property Repairs and Maintenance	13.479	15.653	2.174	0.000	2.174
	<b>129.432</b>	<b>131.415</b>	<b>1.983</b>	<b>(0.656)</b>	<b>2.639</b>
<b>COMMUNITIES</b>					
Housing & Neighbourhood Services	15.062	14.124	(0.938)	(0.836)	(0.102)
Communities & Neighbourhood	51.972	52.168	0.196	3.144	(2.948)
Customer & Online Services	15.225	14.663	(0.562)	0.213	(0.775)
	<b>82.259</b>	<b>80.955</b>	<b>(1.304)</b>	<b>2.521</b>	<b>(3.825)</b>
<b>FINANCE &amp; CORPORATE SERVICES</b>					
Assessors	1.875	1.809	(0.066)	(0.042)	(0.024)
Finance	5.271	5.139	(0.132)	(0.032)	(0.100)
Revenue & Commercial Services	15.940	15.146	(0.794)	(0.545)	(0.249)
Human Resources	5.840	5.900	0.060	0.159	(0.099)
Business Technology Solutions	17.963	18.210	0.247	0.396	(0.149)
Legal & Democratic Services	4.694	4.748	0.054	0.166	(0.112)
	<b>51.583</b>	<b>50.952</b>	<b>(0.631)</b>	<b>0.102</b>	<b>(0.733)</b>
Miscellaneous (inc Insurance Fund)	2.619	2.590	(0.029)	0.000	(0.029)
Housing Benefits	1.986	0.909	(1.077)	(1.162)	0.085
	<b>56.188</b>	<b>54.451</b>	<b>(1.737)</b>	<b>(1.060)</b>	<b>(0.677)</b>
<b>CHIEF EXECUTIVE</b>					
Chief Executive	0.304	0.283	(0.021)	(0.040)	0.019
Corporate and Democratic Core	2.698	2.543	(0.155)	0.000	(0.155)
	<b>3.002</b>	<b>2.826</b>	<b>(0.176)</b>	<b>(0.040)</b>	<b>(0.136)</b>
<b>SERVICE TOTALS</b>	<b>925.318</b>	<b>897.776</b>	<b>(27.542)</b>	<b>(18.407)</b>	<b>(9.135)</b>
<b>ADDITIONAL ITEMS</b>					
Loan Charges (including interest on revenue balances)	46.479	42.160	(4.319)	(1.962)	(2.357)
Loan Charges (Service Concessions)	11.532	(32.044)	(43.576)	0.033	(43.609)
Capital Expenditure Financed from Current Revenue	6.131	6.131	0.000	0.000	0.000
Legislative Obligations / Contingencies	(1.202)	0.000	1.202	7.933	(6.731)
	<b>62.940</b>	<b>16.247</b>	<b>(46.693)</b>	<b>6.004</b>	<b>(52.697)</b>
<b>TOTAL EXPENDITURE</b>	<b>988.258</b>	<b>914.023</b>	<b>(74.235)</b>	<b>(12.403)</b>	<b>(61.832)</b>
<b>FINANCED BY:</b>					
General Revenue Grant	(584.275)	(584.275)	0.000	0.000	0.000
Non Domestic Rates	(179.690)	(179.689)	0.001	0.000	0.001
Council Tax Income	(180.770)	(178.996)	1.774	0.000	1.774
Budgets transferred to/(from) Balances (previous years carry forwards etc)	(43.523)	(43.523)	0.000	0.000	0.000
<b>TOTAL INCOME</b>	<b>(988.258)</b>	<b>(986.483)</b>	<b>1.775</b>	<b>0.000</b>	<b>1.775</b>
<b>CONTRIBUTION (TO)/FROM BALANCES</b>	<b>0.000</b>	<b>(72.460)</b>	<b>(72.460)</b>	<b>(12.403)</b>	<b>(60.057)</b>

GENERAL FUND				
Area	Forecast Variance £m	Previous variance £m	Movement in variance £m	Commentary
<b>EDUCATION &amp; CHILDREN'S SERVICES</b>				
Education (Devolved)	(8.243)	(7.600)	(0.643)	<p>As part of the DSM scheme, forecasts for schools are provided by business managers in conjunction with head teachers:-</p> <ul style="list-style-type: none"> <li>• Pupil Equity Funding (PEF) underspend of (£4.578m) - this is ring-fenced funding and is carried forward and spent over 2 financial years (1 academic year)</li> <li>• There is a net underspend of (£3.665m) across all school sectors due to lower than anticipated staff costs.</li> <li>• <i>The movement in variance on DSM of (£0.643m) is due to a higher than anticipated underspend across schools of £1.065m, offset with a reduced underspend on Pupil Equity Funding of £0.422m.</i></li> </ul>
Education (Non Devolved)	(9.553)	(4.852)	(4.701)	<ul style="list-style-type: none"> <li>• General Education underspend of (£7.741m) due to the impact of adjusting schools' budgets mainly for the reduction in school rolls of (£1.800m), the estimated financial saving arising from teachers strike action of (£2.882m), underspends on grant funding not carried forward due to the change in accounting treatment of (£0.663m), an underspend on Professional Learning Team staffing of (£0.316m) as external funding was available to fund some posts, and an underspend on the additional funding from Scottish Government for additional teachers and support staff due to recruitment delays and the delay in agreeing the teachers pay award of (£1.547m).</li> <li>• Early Years underspend of (£6.218m) due to the level of staff costs being lower than planned for across Early Years provision and non-domestic rates relief to nurseries;</li> <li>• Overspend of +£2.533m in relation to maternity pay and +£1.049m long-term absence. These costs are in relation to teachers but are charged to the non-devolved budget;</li> <li>• PPP overspend +£0.810m due to inflationary increases relating to RPI, which are in excess of the inflation assumed in the budget.</li> <li>• +£0.532m overspend from additional COVID costs (mainly from PPP, catering provisions, cleaning and waste collection)</li> <li>• Special Education underspend of (£0.627m) due to underspends on employee costs and third party payments offset by an overspend on school related transport</li> </ul> <p><i>The movement from December is from the financial impact of additional teachers' strike action (£1.382m), increased unallocated amount from the additional SG funding of £10.4m (£0.848m), increased underspend across Early Years provision (£0.691m), a number of underspends on grant funding where grant funding will not be used until next year (£0.984m), increase in relation to maternity pay/long-term absence (£0.268m) and additional SG funding which has accommodated a number of associated posts previously budgeted within Education (£0.355m).</i></p>
Children and Families	(8.327)	(6.776)	(1.551)	<ul style="list-style-type: none"> <li>• Employee costs underspend of (£2.083m) predominantly due to staffing vacancies and delays in recruitment;</li> <li>• Underspends on third party payments and transfer payments relating to Purchased Placements (£5.277m) and foster care (£0.960m), which reflect the continued reduction in placement numbers;</li> <li>• Underspend of (£1.988m) in relation to the Whole Family Wellbeing Fund and other grants which reflects unused grant funding where expenditure will be incurred next year</li> <li>• Some of the underspend is offset by overspends in Continuing Care of +£0.815m and respite care of +£0.589m reflecting the costs of these care arrangements.</li> <li>• Overspend in premises costs of +£0.484m is also projected due to increases in costs for respite and kinship care, and increases in rents.</li> <li>• <i>The movement since the last report of (£1.551m) is due to the inclusion of underspends on grant income which will not be spent until next year</i></li> </ul>
<b>HEALTH &amp; SOCIAL CARE</b>				
Health & Social Care	(6.631)	(2.686)	(3.945)	<ul style="list-style-type: none"> <li>• Adult Placements overspend +£3.682m due to greater volume of adult packages being commissioned;</li> <li>• Adults Supported Living underspend (£4.832m) due to vacancies across the service which will not be filled until the future design of the service is established;</li> <li>• Adults Fife wide underspend (£1.610m) - provision for new packages where future requirements are being considered and delays in staff recruitment to take on new packages of care;</li> <li>• Older People Nursing &amp; Residential underspend (£2.867m) - fewer packages being purchased on third party payments;</li> <li>• Adults Fieldwork (£0.614m) - underspend due to vacancies across the Fieldwork teams;</li> <li>• Care at Home overspend +£0.557m - due to an increase in Direct Payments and Third Party Payments for Packages of Care +£2,399m offset by an underspend in staffing (£1,841) due to difficulties in recruiting staff.</li> <li>• Integrated Professional &amp; Business Enabling underspend (£0.947m) - underspend on Carers Act due to some projects being delayed which is offset by shortfall on the pay award;</li> <li>• <i>Movement of (£3.945m) mainly due to a reduction in Adults Care packages and vacancies across the services.</i></li> </ul>
Contribution to IJB	6.598	2.686	3.912	The underspend in Health & Social Care, £6.598m is transferred to the IJB reserves. This increased due to an increased underspend leading to a higher contribution to reserves.
<b>ENTERPRISE &amp; ENVIRONMENT</b>				
Assets, Transportation and Environment	2.388	1.308	1.080	<ul style="list-style-type: none"> <li>• Roads and Transportation overspend of +£2.013m primarily relates to Structural Maintenance overspend of +£1.198m and Routine Maintenance overspend of +£0.373m to reduce the backlog of pothole patching and drainage schemes, and Winter Maintenance overspend of +£0.856m.</li> <li>• Facilities Management Service overspend +£0.945m relates mostly to the £0.700m dilapidations provision for New City House.</li> <li>• Environment &amp; Building Services overspend +£0.378m - Domestic Waste &amp; Street Cleaning overspend +£0.792m due to increased transportation costs relating to fuel and vehicle repairs, Building Services over-recovery of income (£0.376m) relating to profit on manufacture of external doors for other Local Authorities.</li> <li>• Sustainability and Commercial Operations underspend of (£0.492m) - Relates primarily to a downward valuation on the Landfill Aftercare Financial Provision.</li> </ul> <p><i>The movement of +£1.080m is primarily due to a provision for New City House of £0.7m.</i></p>
Planning	(0.406)	(0.285)	(0.121)	<ul style="list-style-type: none"> <li>• Underspend is mainly due to part year vacancies (£0.243m) and recruitment is progressing in order to relieve pressure on the workforce of increased volume of Planning applications and related work;</li> <li>• Higher than expected income from statutory fees of (£0.085m).</li> </ul>

## GENERAL FUND

Area	Forecast Variance £m	Previous variance £m	Movement in variance £m	Commentary
Protective Services	(1.126)	(0.909)	(0.217)	<ul style="list-style-type: none"> <li>Over recovery of Building Warrant statutory fees (£0.742m) due to an increased volume of applications as a result of the recovery from the COVID pandemic;</li> <li>Underspend from part year vacancies (£0.518m), recruitment has been challenging and filling of vacancies is progressing where possible.</li> </ul>
Business & Employability Service	(1.047)	(0.770)	(0.277)	<ul style="list-style-type: none"> <li>Underspend on Employability is a result of focussed delivery on short term externally funded projects linked to the economic recovery from Covid-19 (£0.408m). Other underspend of (£0.168m) is a contribution to costs already incurred for administrative costs from participation in various grant funded Employability programmes.</li> <li>Over recovery of income of (£0.248m) from Business Development and City Region Deal funded projects.</li> <li>Further underspend emerged on revenue costs of Town Centre Properties (£0.130m) and feasibility studies associated with externally funded projects of (£0.098m) which were not required.</li> <li>Movement of (£0.277m) mostly relates to over recovery of external income and underspend on feasibility studies.</li> </ul>
Property Repairs and Maintenance	2.174	0.000	2.174	<p>Property Repairs and Maintenance +£2.174m - primarily relates to the realisation of Corporate Repair backlog of approved projects in previous years. The spend also relates to significant unanticipated spend following a condition introduced by our insurers to carry out enhanced electrical testing.</p> <p><i>The Movement of +£2.174m is due to a variety of factors including a backlog of projects approved in previous years which were billed late in the financial year and not fully projected for, and over commitment partly due to the significant impact of a requirement to carry out enhanced electrical testing and in-year construction inflation.</i></p>
<b>COMMUNITIES</b>				
Housing & Neighbourhood Services	(0.938)	(0.836)	(0.102)	<p>Homelessness has an underspend of (£0.311m) which relates to unspent grant monies returned by the Public Social Partnership (PSP) after the PSP was disbanded in year. The Community Safety Team have a projected underspend of (£0.247m) which is due to vacancies and low spend on equipment costs in year as well as small underspends on travel, printing and professional fees. The remaining variance (£0.379m) underspend relates to staffing vacancies across the service and reduced cross charges from HRA due to HRA vacancies.</p>
Communities & Neighbourhood	0.196	3.144	(2.948)	<p>A legacy from the pandemic continues to impact on level of demand and income received for some services. These include:-</p> <ul style="list-style-type: none"> <li>Fife Sports and Leisure Trust and Fife Cultural Trust have an estimated total deficit £0.225m. Council officers continue to review the areas where the level of income received has been impacted by the pandemic and both Trusts continue to receive temporary financial support from the Council;</li> <li>Community Use and Halls and Centres overspend £1.300m due to lost income. Further variances across the service include:-</li> <li>Community Use for Public Private Partnership (PPP) charges overspend £0.316m</li> <li>Health and Safety repair works Common good land Kinghorn Braes £0.236m</li> <li>Unachieved savings of £0.736m are offset by vacancies across the service</li> <li>Underspend of (£0.650m) from the Fairer Fife budget due to reduced need for match funding</li> <li>Underspend of (£0.475m) on Crown Estates Grant income, this will be committed in balances in 2023-24</li> <li>Underspend of (£0.488m) relating to income for Community COVID Testing being in excess of expenditure incurred.</li> </ul> <p><i>The movement of (£2.948m) relates to Fife Cultural Trust and Fife Sport &amp; Leisure Trusts requirement for additional support reducing, (£1.474m), the reduced need for match funding from the Fairer Fife budget (£0.650m), the community COVID testing income surplus (£0.488m), the inclusion of underspends on grant income where the expenditure will not happen until the new year (£0.511m).</i></p>
Customer & Online Services	(0.562)	(0.562)	(0.775)	<p>The underspend relates to an increased HRA Central Support Services Income of £0.525m.</p> <p><i>The movement relates to the following:-</i></p> <ul style="list-style-type: none"> <li>(£248k) drawdown of funding for local office previously not anticipated</li> <li>(£197k) unanticipated additional income for work relating to DHP was received at the end of 2022-23</li> <li>(£194k) relates to higher than expected underspends on staffing due to part year vacancies &amp; posts not being filled in year</li> <li>(£150k) relates to small underspends across the service relating to software, equipment, printing etc with the movement partially being due to some of these costs being covered by temp funding at the end of the year.</li> </ul>
<b>FINANCE &amp; CORPORATE SERVICES</b>				
Revenue & Commercial Services	(0.794)	(0.545)	(0.249)	<ul style="list-style-type: none"> <li>Underspend relates to vacancies, due to recruitment difficulties, and an increase in HRA Income, partially offset by delayed delivery of previously agreed savings.</li> <li>The movement relates to an increase in staff turnover across Procurement and Business Support and an increase in HRA Income.</li> </ul>
<b>ADDITIONAL ITEMS</b>				
Loan Charges (including interest on revenue balances)	(4.319)	(1.962)	(2.357)	<p>The council has had significant cash balances in the year which has reduced the need to borrow compared to the assumption made at the time of setting the budget. Therefore, the underspend relates to reduced interest charges as well as the general fund receiving interest on the balances held.</p> <p><i>The movement relates to the general fund receiving Interest on Revenue Balances which accounts for the movement as it was not anticipated to be at this level.</i></p>
Loan Charges (Service Concessions)	(43.576)	0.033	(43.609)	<p>The variance represents the application of accounting guidance associated with Service concessions arrangements in 2022-23. This results in financial benefits which will be earmarked for use in future years.</p>
Legislative Obligations / Contingencies	1.202	7.933	(6.731)	<p>During the budget process, provision is made for additional costs associated with inflation, pay awards and additional government funding. This is held centrally until costs are known and the budget is then allocated to Services reflecting where the expenditure will be incurred. The level of overspend reflects the residual shortfall for pay awards which was held centrally. This has been offset by funding for items that was not required such as national insurance.</p>
<b>INCOME</b>				
Council Tax Income	1.774	0.000	1.774	<p>The level of under-recovery of council tax reflects the increased level of council tax reduction being applied as a result of the cost of living crisis. The level is in excess of the government funding available. The movement is a result of not being able to accurately predict council tax reduction until the end of the year.</p>



**FIFE COUNCIL**  
**HOUSING REVENUE ACCOUNT SUMMARY 2022-2023**

	Annual Budget £m	Provisional Outturn £m	Variance £m	Previous Committee Annual Variance £m	Movement £m
<b>BUDGETED EXPENDITURE</b>					
Repairs and Maintenance	36.598	42.890	6.293	2.066	4.227
Supervision and Management	20.028	19.907	(0.121)	0.136	(0.257)
Funding Investment					
Cost of Borrowing	29.925	29.634	(0.290)	0.160	(0.450)
Revenue Contribution (incl CFCR)	29.327	21.260	(8.067)	(2.642)	(5.425)
	<u>115.877</u>	<u>113.692</u>	<u>(2.185)</u>	<u>(0.279)</u>	<u>(1.906)</u>
Voids	2.146	2.629	0.483	0.454	0.029
Housing Support costs	(0.448)	(0.464)	(0.016)	(0.031)	0.015
Garden Care Scheme	0.395	0.409	0.014	0.008	0.007
Bad or Doubtful Debts	3.000	2.847	(0.153)	(0.970)	0.817
Other Expenditure	10.227	12.547	2.320	1.610	0.710
Covid Expenditure	0.000	0.005	0.005	0.000	0.005
	<u>131.197</u>	<u>131.665</u>	<u>0.467</u>	<u>0.791</u>	<u>(0.324)</u>
<b>FINANCED BY</b>					
Dwelling Rents (Gross)	(123.910)	(125.010)	(1.100)	(1.028)	(0.072)
Non Dwelling Rents (Gross)	(3.494)	(3.484)	0.009	0.027	(0.018)
Hostels - Accommodation charges	(2.397)	(2.316)	0.081	0.072	0.009
Other Income	(1.397)	(1.230)	0.168	0.138	0.030
	<u>(131.197)</u>	<u>(132.039)</u>	<u>(0.842)</u>	<u>(0.791)</u>	<u>(0.051)</u>
<b>CONTRIBUTION (TO) / FROM BALANCES</b>	<b>0.000</b>	<b>(0.375)</b>	<b>(0.375)</b>	<b>0.000</b>	<b>(0.375)</b>

FIFE COUNCIL  
VARIANCE ANALYSIS

**HOUSING REVENUE ACCOUNT**

Area	Forecast Variance £m	Previous variance £m	Movement in variance £m	Commentary
Repairs and Maintenance	6.293	2.066	4.227	There has been an increase in costs from both inflationary pressures and a high volume of Change of Tenancy Works carried out in year. The increase in the change of tenancy works is a result of a court judgement which awarded many homelessness tenants a secure tenancy. This has resulted in a large number of HRA properties being reprovioned for use for homelessness.
Supervision and Management	(0.121)	0.136	(0.257)	The movement & underspend is a result of staffing vacancies during the year.
Cost of Borrowing	(0.290)	0.160	(0.450)	The budget for cost of Borrowing is set based on best estimates at the time if the budget setting with the final charge being based on final year outturns. Variances occur in year as a result.
Revenue Contribution (incl CFCR)	(8.067)	(2.642)	(5.425)	The underspend & movement is a result of the overspends across the HRA. The result is a much lower than planned contribution to the HRA Capital Programme. There will be an impact on the Capital Plan and the funding required to support the HRA Capital Programme as a result of the reduced CFCR.
Voids	0.483	0.454	0.029	A recent court judgment on Temporary Accommodation has meant that a large number of HRA rental properties are being reprovioned as temporary accommodation increasing the value of rent lost due to properties remaining empty.
Bad or Doubtful Debts	(0.153)	(0.970)	0.817	The movement relates to mainstream debts and is a result of an increase in the bad debt provision. The bad debt provision is consistent with previous years in that it quates to 75% of outstanding rent balances but the rent balances have increased significantly. This is due to a combination of a moritorium on evictions and court action taken against non-paying tenants, the low value of bad debt write-offs in year and increases in the overall housing stock figures.
Other Expenditure	2.320	1.610	0.710	The overspend mainly relates to Hostels, Adaptations, Insurance and Energy Costs:- <ul style="list-style-type: none"> <li>•Hostels expenditure is overspent by <b>£0.906m</b>, movement <b>£0.280m</b>. The service is seeking to remove this pressure in year by implementing a revised model as part of wider reforms taking place across the Homelessness service which includes General Fund Housing Homelessness and HRA Hostels</li> <li>•Adaptations has an overspend and movement of <b>£394k</b> due to unanticipated high spend levels at the end of the year.</li> <li>•Property Insurance is overspent in year by <b>£0.541m</b> due to increases in premium costs.</li> <li>•The remaining increase mainly relates to increasing utility costs for High Rises, Sheltered Housing and Laundrette facilities.</li> </ul>
Dwelling Rents (Gross)	(1.100)	(1.028)	(0.072)	Dwelling Rents income is higher than anticipated by <b>£1.1m</b> due to an increase in housing stock as the Affordable Housing Programme and Property Acquisitions progress.
NET BALANCE - Contribution to Balances	(0.375)	0.000	(0.375)	There is a net contribution to balances of <b>£0.375m</b> . This includes a withdrawal of £0.485m from the £1.5m earmarked for Estates Management, the remaining £1.05m will be spent and withdrawn from balances in future years. There is a contribution of £0.860m into balances which will contribute to increasing funding for CFCR in future years.



**FIFE COUNCIL**  
**APPROVED SAVINGS FOR 2022-23**  
**March 2023**

Directorate	Savings Target £m	Forecast £m	(Under)/Over £m	Forecast to be Achieved %
Education & Childrens Services	0.350	0.350	0.000	100%
Enterprise & Environment	0.175	0.127	(0.048)	73%
Finance & Corporate Services	0.040	0.040	0.000	100%
	<b>0.565</b>	<b>0.517</b>	<b>(0.048)</b>	92%

**FIFE COUNCIL**  
**BALANCE - GENERAL FUND SERVICES**

	2022-23	2023-24	2024-25 onwards
	£m	£m	£m
<b>Balance at 1 April 2022</b>	(182.813)	(187.565)	(117.608)
<b>Budgets transferred (to)/from balances</b>	43.523		
<b>Transfers from Other Statutory Reserves</b>	(4.303)		
<b>Add Overall budget variance 2022-23 (Appendix 1)</b>	(72.460)		
<b>General Fund Balance at 31 March 2023</b>	<b>(216.053)</b>	<b>(187.565)</b>	<b>(117.608)</b>
<b>Earmarked Balance</b>			
Devolved School Management		3.665	
Energy Management Fund		1.853	
Council Tax - Second Homes	2.502	5.050	1.594
SG Specific funding	9.066		
Specific Carry Forwards	6.886		
COVID-19 Funding:			
Business Support & Low Income Household	1.084		
Continuing Financial Consequences of COVID-19	6.554	4.350	1.258
Community Recovery Fund	0.376	5.000	4.500
COMIS/SWIFT delay	1.005	1.180	
Inflation - Supplies & Services		2.344	
Construction Inflation :-			
Unallocated		8.125	
CFCR		7.087	17.461
Service Concessions		10.000	33.576
<b>Total Earmarked</b>	<b>27.473</b>	<b>48.654</b>	<b>58.389</b>
	<b>(188.580)</b>	<b>(138.911)</b>	<b>(59.219)</b>
<b>Commitments against balance</b>			
Budget Carry Forward Scheme			
Change Programme		5.000	5.000
Demographics/Pay/Pensions		5.000	13.000
Fife Job Contract		0.816	
Levelling Up Funding	0.214		
Barclay Funding - Assessors		0.147	0.062
Workforce Change	0.123	2.000	4.000
Lease Surrender - The Kirkcaldy Centre		0.340	0.150
Election	0.342		
Baby Ashes Memorial	0.249		
Use of Balances – Revenue Budget 2023-24		8.000	
Other Commitments	0.087		
<b>Total Commitments</b>	<b>1.015</b>	<b>21.303</b>	<b>22.212</b>
<b>Estimated uncommitted balance at 31 March</b>	<b>(187.565)</b>	<b>(117.608)</b>	<b>(37.007)</b>

**BALANCE - HOUSING REVENUE ACCOUNT**

	2022-23	2023-24	2024-25 onwards
	£M	£M	£M
<b>Balance at 1 April 2022</b>	(7.005)	(6.365)	(2.505)
<b>Add Overall budget variance 2022-23 (Appendix 2)</b>	(0.375)		
<b>Estimated Balance at 31 March 2023</b>	<b>(7.380)</b>	<b>(6.365)</b>	<b>(2.505)</b>
<b>Earmarked Balance</b>			
COVID Mitigation			
Estates Management Improvement	1.015		
Transitional Affordable Housing		2.500	
Disability Adaptations		0.500	
	1.015	3.860	0.000
<b>Estimated uncommitted balance at 31 March</b>	<b>(6.365)</b>	<b>(2.505)</b>	<b>(2.505)</b>

29 June 2023

Agenda Item No. 5

## **Capital Investment Plan – Provisional Outturn 2022-23**

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

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Wards Affected: All

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### **Purpose**

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The purpose of this report is to provide a strategic financial overview of the Capital Investment Plan and to advise on the provisional outturn for the 2022-23 financial year.

### **Recommendations**

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The Cabinet Committee is asked to

- i) note the provisional outturn position and that the level of financial risk continues to be heightened due to high levels of inflation and supply chain challenges;
- ii) note that more detailed capital outturn reports for 2022-23 will be submitted to the relevant Scrutiny Committees of the council; and
- iii) note that budget variances will be managed by the appropriate Directorate in conjunction with the Investment Strategy Group.

### **Resource Implications**

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The level of financial risk associated with inflation and difficulties in supply chains continues with the impact on rising prices likely to continue for some time to come. At the time of writing there is estimated to be an unfunded overspend of £5.454m on the major capital projects which will require a funding solution. This is currently being considered as part of the Capital Plan Review process.

### **Legal & Risk Implications**

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Potential risks include the continuing difficulties across supply chains, rising inflation on costs of construction and availability of funding streams for larger capital projects, e.g. Developers' Contributions. Further detail relating to the current risks is contained in section 2.2.

### **Impact Assessment**

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

### **Consultation**

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

# 1.0 Background

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- 1.1 The purpose of this report is to advise members of the high-level provisional outturn position for the council's Capital Investment Plan (the Plan) for the financial year 2022-23. The report also highlights the provisional outturn position for major projects over £5.000m along with any potential risks associated with these projects. Explanation is provided at Section 2.1 where there is deemed to be a greater level of financial risk linked to major projects. The Plan covers capital expenditure on all council Services including the Housing Revenue Account, which is managed and accounted for separately from the General Fund.

## 2.0 Issues

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### 2.1 Major Projects

- 2.1.1 Appendix 1 provides a summary of the major projects within the Plan. There are twenty-five projects/programmes in this category with an overall budget of £997.933m.
- 2.1.2 At this stage, cost estimates suggest that there could be an overspend of £5.454m across the life of several major projects in the programme.
- 2.1.3 Much of this variance relates to the "Opportunities for All" theme whereby the projected overspend relates to four projects. The Viewforth High School extension project is projecting an overspend of £0.634m. Construction of the Care Homes on three sites are projecting overspends as follows, Methil £1.000m, Cupar £1.341m and Anstruther £2.625m because of increased materials and labour costs. Cost valuations for the Care Homes are being advanced and indicate an increase in costs. These overspends are being considered as part of the Capital Plan review process.

### 2.2 Potential Risks and Issues

- 2.2.1 Across the Capital Investment Plan there continues to be risk that both the timing and the costs of projects are adversely affected by the current economic climate. Throughout the programme, issues are continuing to be identified in relation to the supply of construction materials, the consequences of which are being considered and reflected in the Capital Investment Plan review which, at the time of writing, is expected to be approved by Fife Council on 22 June, 2023. Monitoring of the impact of any additional costs on projects still in their infancy will continue and any significant impact on timescales and associated risks will be reported to this committee. Where appropriate, any known impact on timing of delivery of projects has been built in to the rephased plan and the overall scale of any additional costs or further delays will be considered as part of the review of the Capital Investment Plan.
- 2.2.2 The council's approved Capital Plan includes £213.000m investment in respect of Secondary Schools in West Fife, which includes Dunfermline Learning Campus (DLC) and the Inverkeithing High School replacement. The budgets for the projects reflect the funding arrangements of the Scottish Government's Learning Estate Investment Programme (LEIP) which requires the council to fund the up-front cost of construction, with Government support coming in the form of a revenue contribution based on the achievement of outcomes. The potential risks associated with the DLC project significantly reduced following financial close in July 2022 (award of the construction contract), which now limits the impact of inflation on the project. The project is progressing in line with the required timeline with the campus due to open in August 2024. The council has approval through LEIP Phase 2 for a replacement Inverkeithing High School and a decision on LEIP Phase 3 is yet to be made, with the council having bid for a replacement High School in Glenrothes in the later years of the plan.

2.2.3 The New Build Affordable Housing: Proposed Phase 4 (2024-29) Programme Options paper presented to Cabinet on 6 April 2023 confirmed that additional capital investment of £38.778m would be required to complete the Phase 3 and Transitional Affordable Housing Programmes. This is due to the unit cost per property continuing to rise as inflationary pressures increase. The additional borrowing required has been fully tested for affordability as part of the HRA 2022 Business Plan modelling.

### 2.3 Financial Performance – 2022-23 Total Expenditure - Provisional Outturn

Appendix 2 provides a summary by capital theme of provisional expenditure and income for 2022-23 showing the total reprofiled expenditure budget of £206.755m and provisional spend of £189.362m in the 2022-23 financial year, £17.392m slippage across the plan. This represents expenditure of 92% of the budget. Comparable expenditure for the previous three years was £163.805m (2021-22), £138.473m (2020-21) and £175.104m (2019-20).

## 3.0 Budgets and Funding

### 3.1 Budget

The Capital Investment Plan 2021-31 was approved by Fife Council in March 2021. At the end of each financial year, any budget which has not been spent is rolled forward into the next financial year as slippage. Services are asked to re-profile their project budgets considering this slippage and the result of this can be seen in the movement from the approved budget to the current budget as detailed in Appendix 2.

The changes to the approved plan are summarised below and are the result of an increase in grant funding/other contributions. The change below followed agreed governance processes and have been endorsed by the Investment Strategy Group, chaired by the Head of Finance.

	<b>Total Expenditure £m</b>
Current Capital Investment Plan as at Dec 2022	204.451
CFCR	0.293
Increased Grant and Contribution Income	2.011
<b>Current Capital Investment Plan as at March 2023</b>	<b>206.755</b>

The increase in Grant and Contribution Income reflects claims made at the end of the financial year once eligible expenditure is incurred.

### 3.2 Expenditure

Expenditure variances are projected across all themes within the plan, the most significant being: -

#### 3.2.1 Opportunities for All

##### **Education and Children’s Services – (£3.713m)**

Slippage of (£0.895m) under Early Learning and Childcare is a result of the remaining nursery projects which are due to be completed next financial year. Slippage of (£1.454m) for Nursery Refurbishment relates to projects within existing nurseries now planned for future years. Slippage of (£2.059m) for Free School Meal Expansion has occurred as funding was only announced by Scottish Government in November 2022. Services are working collaboratively on plans for this funding. Offsetting this slippage is advancement for the replacement of Inverkeithing High School of £0.849m which is due to early progress on the design of the building, as procurement of the design work has been concluded early, in order to ensure the school can be completed by 2026. The advancement of these design fees will be managed within the overall project budget.

### 3.2.2 Thriving Places

#### **Asset, Transportation and Environment – (£2.101m)**

Sustainable Transport has slippage of (£1.282m). The slippage primarily relates to the Levenmouth Reconnected Programme of (£1.037m) as a result of the initial phasing of expenditure. This has been revised to reflect known patterns of spend. Further grant applications are being assessed and prioritised for approval. The remaining slippage relates to Path and Cycleways and is due to maximising the increased Cycling Walking Safer Routes grant award for this financial year. This will be used next financial year to leverage 70% match funding from Sustrans for future projects.

The Strategic Transport Intervention Programme has slippage of (£0.820m). A slower build out of housing developments compared to that forecast in the Housing Land Audit has impacted on the expected timing of the programme and has resulted in slippage this year. The slippage primarily relates to the Northern Link Road East End (£0.326m) - an external consultant has been appointed to progress with the detailed design which is due for completion in Winter 2023 and Bothwell Gardens Roundabout Signals (£0.351m) where an in-house design resource has been allocated with the detailed design programmed for completion in Autumn 2023.

#### **Area Community and Corporate Development – (£6.686m)**

There are several projects contributing to the levels of slippage, the main areas being as follows:

Area Community Facilities slippage of (£2.517m) relates to Abbeyview Integrated Hub which is now on site. Sport and Leisure Facilities has slippage of (£2.153m), (£1.130m) relates mainly to Lochore Meadows destination playpark. The retendered project is being evaluated and a full consultation exercise will be undertaken before the contract is let. (£0.378m) related to delay with the Cowdenbeath Leisure Centre project, work is ongoing to enable this project to start April 2024. Sports Leisure and Community Assets is showing slippage of (£0.856m) and will be used to support projects in 2023-24.

Improving Health Through Leisure and Sport has slippage of (£0.540m) relating to several playpark projects across Fife, these projects are at the design and consultation stage or out to tender.

Community Facilities Programme has an advancement of £0.477m due to the Glenwood Regeneration project progressing quicker than anticipated meaning the expenditure has been incurred in 2022-23 rather than in 2023-24. There is also an overspend of £0.500m for the same project as a result of the costs of Compulsory Purchase Orders being higher than anticipated. Slippage of (£0.301m) for Fife Infrastructure fund, where projects are being identified.

### 3.2.3 Inclusive Growth and Jobs

Industrial Investment Programme – (£0.819m) slippage

This variance is mainly due to delays in retendering the design of Glenrothes Flemington Road project following the decision to deliver this project internally, resulting in slippage of (£0.622m). A site acquisition at Dalgety Bay will now take place in 2023-24 resulting in slippage of (£0.232m) and there has been underspend at Lochgelly of (£0.270m) where full contingency was not required. Further slippage has emerged at John Smith Business Park of (£0.105m) as further design work is required. This has been offset by advancement of the construction of Levenmouth Business Units of £0.397m, in order to maximise grant funding available in this financial year.

### 3.2.4 Maintaining Our Assets – Rolling Programmes

#### **Education and Children’s Services – (£1.399m)**

Slippage on Rolling Programme is around a small number of projects that had initially been planned for this financial year now having been delayed and not happening until next financial year.

#### **Asset, Transportation and Environment – (£5.652m)**

Structures Infrastructure – (£5.202m) - The slippage primarily relates to Leven Railway Bridge (£3.837m) and the delays in commissioning Network Rail to construct the bridge. Woodside Road underpass (£0.651m) relates to a delay in utility works.

Purchase of Vehicles and Equipment - £1.769m - The advancement is due to budget being rephased at the start of the financial year to reflect information from suppliers at the time of delays to the supply chain. These delays have not been as severe as anticipated and suppliers presented opportunities to purchase vehicles in line with original programme plan.

Climate Change Adaptation – (£2.052m) primarily relates to Flood Alleviation Measures of (£0.720m) because of reduced delivery through staff shortages due to difficulty in filling vacancies. The remaining slippage of (£1.332m) relates to several projects where delays are due to alternative design solutions, environmental surveys/investigations and extended consultation. Projected completion is expected towards the end of 2023-24.

#### **Area Community and Corporate Dev – (£1.314m)**

Slippage relates to Parks development projects across Fife. Projects such as Ravenscraig Play Park, Castle Terrace Play Area and Daisy Park being in consultation design and tender stages. There is also an element of slippage relating to the Adam Smith theatre, Allotments Programme and Plant and Machinery Replacement Programme.

#### **Finance and Corporate Services - £0.992m**

There has been an advancement of spend within the Education ICT Programme of £1.314m, which mainly relates to the refresh of technology across the Primary School estate. This is partly offset by slippage within the Corporate ICT Programme (£0.322m).

### 3.2.5 Maintaining Our Assets – Specific Projects

#### **Asset, Transportation and Environment – (£1.568m)**

Landfill Sites - Slippage of (£1.518m) primarily relates to a delay in the Anaerobic Digestion Plant Reception Hall works due to an initial delay with resources availability and then a reallocation of resources to Capping works (rolling programme) following dialogue with SEPA. As a result, Reception Hall works will take place in 2023-24. In addition to this, there has been a contribution to works for weighbridge replacements at Lower Melville Woods and Lochhead but work has slipped into 2023-24.

### 3.2.6 Housing Revenue Account – £8.369m

Within Policy Options there is slippage of (£1.585m) relating to Energy Efficiency and Non-Traditional Housing projects which were previously delayed because of COVID-19. Work is expected to progress in this area in 2023-24 and will form part of the larger Energy Efficiency Standards for Social Housing (EESH 2).

There is slippage of (£1.581m) projected within Regeneration and Estates Action. This is mainly due to the Touch Regeneration project (slippage £0.745m) being paused while it is rescope. The CCTV Hub is in progression but spend is not expected until 2023-24 which has resulted in slippage of (£0.495m). The remaining slippage is due to several smaller projects which have been delayed or paused whilst the plans for each site are finalised.

Component Replacement has slippage of (£0.692m). All properties requiring upgrades have been addressed in year and the slippage will support spend in future years.

Within Special Needs / Sheltered housing there is an advancement of spend relating to the Property Acquisitions Programme of £6.590m. Approval was given at Cabinet Committee on 25 August 2022 for the HRA to acquire sufficient properties beyond the original target of 50 to meet increasing demand.

The Affordable Housing Programme has an advancement of spend in year of £8.599m. The timing of spend is impacted by the progress of sites in year which can cause advancements or slippage year to year.

Major Projects is also projecting slippage of (£1.092m). This relates to several projects which are now not expected to start until 2023-24, including works at Ravenscraig flats, Kirkcaldy and Bathgate Court, Cupar.

### **3.3 Total Income**

- 3.3.1 Capital expenditure is funded from several income sources, some of which contribute specifically to individual projects in the plan. These income sources are Capital Financed from Current Revenue (CFCR), Scottish Government Specific Capital Grant and other grants and contributions (e.g. lottery funding).
- 3.3.2 Appendix 2 shows that there is a total income budget of £69.471m against a forecast of £71.362m giving a variance of £1.891m. This variance results from two main factors, a decrease in the expected CFCR and increased grant income both in respect of the Housing Revenue Account.
- 3.3.3 Overspends and pressures within the Housing Revenue Account means that the Service cannot provide the level of CFCR which was originally budgeted, detail is presented in the revenue monitoring report on this agenda. Increased grant relates to the Tarvit Mill Gypsy Travellers Site and the Property Acquisitions Programme.

### **3.4 Total Funding**

Within the total funding section of Appendix 2, the other income such as General Capital Grant and Capital Receipts are not specifically related to any capital project but provide funding for the plan overall. The favourable variance of £7.102 on capital receipts relates mainly to the transfer of land to HRA and the sale of development land which was not budgeted for. The other variance is mainly due to changes in both General Fund and HRA borrowing.

## **4.0 Conclusions**

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- 4.1 The current total expenditure budget is £206.755m and the Council is showing provisional spend of £189.362m (92%) investment in the year, with slippage of (£17.392m).



- 4.2 This level of expenditure demonstrates continued progress on the delivery of a wide range of capital projects. Major capital investment by Fife Council continues, however, there is still a level of uncertainty associated with speed of delivery and future costs.
- 4.3 There are twenty-five projects/programmes within the Plan which have a value of £5.000m or greater. The overall budget for these projects is £997.933m, with anticipated expenditure of £1,003.387m and an estimated overspend of £5.454m (0.55%).
- 4.4 Where significant variances arise, these are reviewed by the appropriate Directorate in conjunction with the Investment Strategy Group and reflected in any future capital plan reports.

### **List of Appendices**

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

### **Background Papers**

None

### **Report Contact**

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FIFE COUNCIL  
CAPITAL INVESTMENT PLAN 2021-31  
TOTAL COST MONITOR - MAJOR CAPITAL PROJECTS

	Service	Original Approved Budget £m	Current Project Budget £m	Total Projected Outturn £m	Variance £m	Variance %	Current Project Status	Expected Project Completion Date
<b>Opportunities for All</b>								
Madras College - Langlands	E&CS	50.170	58.313	58.313	0.000	0.00%	Completed Project	2021-22
Madras College Extension	E&CS		5.709	5.709	0.000	0.00%	Future Project	2026-27
Dunfermline Learning Campus	E&CS		122.025	122.025	0.000	0.00%	Current Project	2024-25
Extension Secondary School - Viewforth	E&CS	5.989	6.335	6.969	0.634	10.01%	Future Project	2030-31
New Secondary School - Glenrothes /Glenwood	E&CS	27.532	78.937	78.937	0.000	0.00%	Future Project	2028-29
Queen Anne High School Extension	E&CS		6.626	6.626	0.000	0.00%	Future Project	2030-31
Inverkeithing High School	E&CS		85.000	85.000	0.000	0.00%	Future Project	2026-27
Primary School Development Future Projects	E&CS		79.357	79.357	0.000	0.00%	Future Project	2029-30
Methil Care Home	H&SC	6.620	7.277	8.277	1.000	13.74%	Current Project	2022-23
Cupar Care Home	H&SC	5.580	7.879	9.220	1.341	17.02%	Current Project	2023-24
Anstruther Care Home	H&SC	6.145	6.595	9.220	2.625	39.80%	Feasibility	2024-25
		<b>102.036</b>	<b>464.053</b>	<b>469.653</b>	<b>5.600</b>	<b>1.21%</b>		
<b>Thriving Places</b>								
Glenrothes District Heat	ATE	10.320	9.449	9.449	0.000	0.00%	Current Project	2023-24
Northern Road Link East End	ATE		11.171	11.171	0.000	0.00%	Preparatory Works	2026-27
Western Distributer Road	ATE		10.326	10.326	0.000	0.00%	Future Project	2028-29
Northern Road A823	ATE		8.568	8.568	0.000	0.00%	Preparatory Works	2025-26
Adam Smith Creative Hub	Communities		7.171	7.411	0.240	3.35%	Current Project	2023-24
Abbeyview Integrated Hub	Communities	1.500	7.506	7.506	0.000	0.00%	Current Project	2023-24
Templehall Community Hub	Communities	1.500	9.004	9.004	0.000	0.00%	Current Project	2025-26
		<b>13.320</b>	<b>63.196</b>	<b>63.436</b>	<b>0.240</b>	<b>0.38%</b>		
<b>Inclusive Growth and Jobs</b>								
Fife Interchange Business Units - Phase 1 & 2	Bus & Employ	8.129	11.068	11.068	0.000	0.00%	Current Project	2024-25
John Smith Business Park Business Units	Bus & Employ	3.644	5.517	5.517	0.000	0.00%	Current Project	2026-27
		<b>11.773</b>	<b>16.585</b>	<b>16.585</b>	<b>0.000</b>	<b>0.00%</b>		
<b>Housing Revenue Account</b>								
Affordable Housing	Housing	281.869	421.818	421.818	0.000	0.00%	Current Project	2022-23
		<b>281.869</b>	<b>421.818</b>	<b>421.818</b>	<b>0.000</b>	<b>0.00%</b>		
<b>Maintaing Our Assets</b>								
West Fife Depot	ATE	4.525	8.428	8.041	(0.386)	-4.59%	Completed Project	2019-20
Leven Railway Bridge & Bawbee Bridge	ATE	2.279	8.247	8.247	0.000	0.00%	Preparatory Work	2023-24
Local Area Network	BTS	7.200	7.308	7.308	0.000	0.00%	Current Project	2023-24
Balwearie High School	E&CS	8.300	8.300	8.300	0.000	0.00%	Future Project	2026-27
		<b>22.304</b>	<b>32.282</b>	<b>31.896</b>	<b>(0.386)</b>	<b>-1.20%</b>		
<b>Grand Total</b>		<b>431.302</b>	<b>997.933</b>	<b>1,003.387</b>	<b>5.454</b>	<b>0.55%</b>		

**FIFE COUNCIL  
CAPITAL INVESTMENT PLAN 2022-23  
MONITORING REPORT**

Appendix 2

<b>Capital Theme</b>	<b>Approved Budget £m</b>	<b>Current Budget £m</b>	<b>Actual to Date £m</b>	<b>Projected Outturn £m</b>	<b>Projected Variance £m</b>	<b>Projected Outturn as % of Plan</b>
Opportunities for All	42.474	46.830	42.747	42.747	(4.083)	91%
Thriving Places	16.485	16.904	7.696	7.696	(9.209)	46%
Inclusive Growth and Jobs	5.947	6.663	5.844	5.844	(0.819)	88%
Maintaining Our Assets - Rolling Programmes	42.437	52.966	44.781	44.781	(8.185)	85%
Maintaining Our Assets - Specific Programmes	6.099	4.361	2.896	2.896	(1.465)	66%
Housing Revenue Account	80.195	77.030	85.399	85.399	8.369	111%
Corporate Items	2.000	2.000	0.000	0.000	(2.000)	0%
<b>TOTAL EXPENDITURE</b>	<b>195.636</b>	<b>206.755</b>	<b>189.362</b>	<b>189.362</b>	<b>(17.392)</b>	<b>92%</b>
Scottish Government Specific Capital Grants	(1.429)	(4.246)	(5.458)	(5.458)	(1.211)	129%
Other Grants and Contributions	(18.502)	(24.826)	(33.380)	(33.380)	(8.554)	134%
Capital Financed from Current Revenue (CFCR)	(43.440)	(40.399)	(32.524)	(32.524)	7.875	81%
<b>TOTAL INCOME</b>	<b>(63.370)</b>	<b>(69.471)</b>	<b>(71.362)</b>	<b>(71.362)</b>	<b>(1.891)</b>	<b>103%</b>
<b>TOTAL NET EXPENDITURE</b>	<b>132.266</b>	<b>137.284</b>	<b>118.000</b>	<b>118.000</b>	<b>(19.283)</b>	<b>86%</b>
Scottish Government General Capital Grant	(24.806)	(36.113)	(36.113)	(36.113)	0.000	100%
Capital Receipts	(10.480)	(7.463)	(14.565)	(14.565)	(7.102)	195%
NHT Loan Repayments	0.000	0.000	0.000	0.000	0.000	0%
Borrowing from Loans Fund - General Fund	(56.743)	(55.237)	(23.591)	(23.591)	31.645	43%
Borrowing from Loans Fund - HRA	(40.237)	(38.471)	(43.731)	(43.731)	(5.260)	114%
<b>TOTAL FUNDING</b>	<b>(132.266)</b>	<b>(137.284)</b>	<b>(118.000)</b>	<b>(118.000)</b>	<b>19.283</b>	<b>86%</b>

29 June 2023  
Agenda Item No. 6

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## **Community Recovery Funding**

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**Report by:** Michael Enston, Executive Director (Communities)

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**Wards Affected:** All Wards

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### **Purpose**

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To provide an update on the use of the Fund to date and propose funding for Fife wide initiatives.

### **Recommendation(s)**

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The Committee is asked to:

- (1) note the progress and spend on Area Community Recovery Funds; and
- (2) approve the provision of additional Fife wide support to community recovery.

### **Resource Implications**

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The community recovery funding was intended to support projects for spend in 22/23 with flexibility as necessary into 23/24.

### **Legal & Risk Implications**

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There are no Legal and Risk Implications.

### **Impact Assessment**

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An Equalities Impact Assessment is not required for this report.

### **Consultation**

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The proposals for additional support have come through discussions at area teams and at member workshops co-ordinated by Community Managers.

## 1.0 Background

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- 1.1 Cabinet agreed a £10m Community Recovery Fund (CRF) on 25 August 2022 to provide additional local support to aid Covid recovery. Funds were allocated to Area Committees via a distribution of £1m per area plus a share of £2m based on equal weighting of population and SIMD, with £1m reserved for projects of a wider or Fife wide scale.
- 1.2 In a report to Cabinet on 22 September 2022, the following criteria and operating arrangements were agreed. The intention was to make the operation of the fund straightforward with simple application and reporting arrangements.

### Approach

- Area Committees will decide allocations from the fund
- Communities should help identify priorities and projects
- The fund can be used flexibly across the next two financial years
- Projects and spend should support wider community recovery as well as shorter term challenges e.g., cost of living
- Minimise any recurring revenue spend but promote innovation and pilot schemes which may influence future delivery

### Specific Criteria

- Projects should link to local community plan priorities
  - Projects should take account of Plan for Fife recovery priorities (Community Wealth Building, Tackling Poverty, Economic Recovery, Climate)
  - Projects should provide assessment of benefit to ensure no unintended consequences
- 1.3 Appendix 1 summarises projects and initiatives supported by Area Committees (up to 31 May 2023) This shows a total spend to date of £6,064,539 and follows a process of discussion and agreement in each Area Committee and with local teams. The Cabinet meeting of 9 March 2023 also agreed funding from the Fife wide provision to support the Fife Ice Arena.

## 2.0 Recovery Fund Themes

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- 2.1 Projects agreed to date by Area Committees have a strong focus on welfare, cost of living support and projects which promote community wellbeing and inclusion. A number of these are being linked into existing programmes such as the Fife wide programme of cost-of-living support.
- 2.2 It is proposed that a further allocation of £0.7m is made from the Fife wide provision to provide additional support and to tackle gaps identified through the continuing work on cost-of-living support. This would support recovery through Benefits and Welfare Take Up, Active Communities and targeted household Energy support and advice. This will leave a balance of £0.2m from the allocation of £1m for projects of a wider or Fife wide scale.

Theme	Funding Proposed
<p><b>Local Benefits Maximisation</b></p> <p>As previously reported to Cabinet, front-line organisations such as CARF are facing unprecedented demand on services. This is being exacerbated by the success of campaigns to encourage take up. This proposes the development of a more resilient 3-tier advice framework in Fife with an associated training programme for staff and volunteers.</p> <p>More staff and volunteers will be trained and able to help with first level advice.</p> <p>There will be a clear next step referral pathway for more complex cases.</p> <p>It will maximise people’s incomes at a time of increasing financial hardship for people with the cost-of-living rises.</p> <p>There will be more staff able to deal with appeals and more complex cases operating in the community at venues used by those needing support.</p>	<p>£200 000</p>
<p><b>Active Communities</b></p> <p>Funding to reduce barriers to participation in physical activity both through our own facilities or through sports clubs. This will include funding for leisure passes and a concessionary scheme to help people where cost is a barrier to their children’s involvement in sports such as buying kit or paying membership fees.</p> <p>Setting up a small grants scheme to help community groups and sports clubs deal with cost pressures which would otherwise affect provision.</p> <p>This provision will complement existing provision such as “Quid a Kid” and free summer swims for children and form part of a drive to support active communities and ensure access for everyone.</p>	<p>£250 000</p>
<p><b>Energy Support and Advice</b></p> <p>Development of a Fife wide scheme to upskill volunteers and staff to provide energy support.</p> <p>This will supplement current provision and increase the number of people able to give this type of help and make a practical difference to people coping with fuel price increases.</p> <p>It will make it easier for people to get this help as there will be more people across services and in the community, offering support.</p> <p>People will be able to access this support when accessing the Council and voluntary sector services for other reasons and make it more likely that people will get this help and avoid crisis.</p> <p>The help will include an increase in the number of people receiving energy saving items such as curtains and low energy light bulbs.</p> <p>Support will continue to be provided through Cosy Kingdom and will seek to build on existing provision around small works and energy advice and advocacy.</p>	<p>£250 000</p>

## List of Appendices

1. Area Allocations Approved up to 31 May 2023

## Background Papers

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

- [Help with Cost of Living:Extending Community Support Report to Cabinet Committee on 22<sup>nd</sup> September 2022 Agenda item 6](#)

## Report Contact:

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Area Allocations Approved up to 31<sup>st</sup> May 2023

## Area Community Recovery Fund

Area	Total Budget (£)	Total Funding Approved £	Balance £
<b>£9,000,000</b>			
Cowdenbeath	1,297,000	1,295,000	2,000
Glenrothes	1,303,000	134,123	1,168,877
Kirkcaldy	1,360,000	1,142,339	217,661
Dunfermline	1,266,000	738,243	527,757
NEF	1,240,000	1,248,649	-8,649
SWF	1,196,000	355,000	841,000
Levenmouth	1,338,000	1,151,185	186,815
	<b>9,000,000</b>	<b>6,064,539</b>	<b>2,935,461</b>



## Area Community Recovery Fund

CRF Allocation	Description of Project	Total Funding Approved (£)
Cowdenbeath	Support and resources for tackling poverty	102,000
Cowdenbeath	Support and resources for raising aspirations	185,000
Cowdenbeath	Funded outdoor education courses	20,000
Cowdenbeath	Youth Work Development	50,000
Cowdenbeath	Community Social Work	350,000
Cowdenbeath	Mental Health Projects in High Schools	60,000
Cowdenbeath	Town Hall Redevelopment - Lochgelly	10,000
Cowdenbeath	Civic Space - Lochgelly Town Hall	10,000
Cowdenbeath	Renew Play Park - Lumphinnans	150,000
Cowdenbeath	Replace Play Structure - Kier's Brae Cardenden	40,000
Cowdenbeath	Tree Growing - Ballingry	10,000
Cowdenbeath	Community Orchard - Corrie Centre	10,000
Cowdenbeath	Sports Hub - Crossgates Primrose Trust	200,000
Cowdenbeath	Car Park - Hill-of-Beath	50,000
Cowdenbeath	PB & Local Plans	48,000
Glenrothes	Community Van	14,965
Glenrothes	Support the Plan 4 Glenrothes in the provision of welfare support	78,358
Glenrothes	Brighter Futures	14,300
Glenrothes	Gilvenbank Sports Hub	26,500
Kirkcaldy	Ravensraig Walled Garden	60,000
Kirkcaldy	Everyone Deserves to Belong	150,339
Kirkcaldy	Energy Advice and Handy Services	50,000
Kirkcaldy	Place Officer for digital platform	300,000
Kirkcaldy	Adam Smith Global Foundation	100,000
Kirkcaldy	Additional Welfare Reform	122,000
Kirkcaldy	Participatory Budgeting	300,000
Kirkcaldy	Pathway to Prospects trainee posts	50,000
Kirkcaldy	Fundraiser Post for Kirkcaldy Foodbank	10,000
Dunfermline	Abbeyview Bowling Club	3,643
Dunfermline	Development of Dunfermline's City Status	150,000
Dunfermline	Dunfermline Tourism Audit and Action Plan	15,000

<b>CRF Allocation</b>	<b>Description of Project</b>	<b>Total Funding Approved (£)</b>
Dunfermline	D&WF Local Tourism Association Investment into Dunfermline.com	30,000
Dunfermline	Dunfermline Green Space SCIO	197,000
Dunfermline	FVA Dunfermline Advice/Services Hub	100,000
Dunfermline	FSLT Communities Wellbeing Advisor	86,900
Dunfermline	Community Use Central Equipment and Resources	12,859
Dunfermline	Link Church Community Support Posts	43,298
Dunfermline	Falling Up Together Community Workspace Hub	11,543
Dunfermline	Dunfermline Regeneration Trust - Dunfermline Skate Park	50,000
Dunfermline	CRUISEFORTH Destination Dunfermline	38,000
North East Fife	North East Fife Community Hub Expansion	225,000
North East Fife	Growing Food Initiatives	50,000
North East Fife	NEF Big Hoose Satellite Hub	18,730
North East Fife	NEF Community Food Coordinator	67,000
North East Fife	Home Start East Fife - Family Support Worker	34,600
North East Fife	Families First - Community Youth Work Services	77,851
North East Fife	LINK - East Fife Mental Health Adolescent Befriending Project	10,000
North East Fife	Replacement Heating in Centres	200,000
North East Fife	Pittenweem Community Library	60,000
North East Fife	St Andrews Botanic Garden Recovery and Renewal	65,000
North East Fife	Forgan Arts	90,000
North East Fife	Cupar Public Wi-Fi Expansion	24,984
North East Fife	Development Worker - Transport NEF	34,185
North East Fife	Mobile CCTV	40,000
North East Fife	Lived Experience	5,417
North East Fife	Summer Programme	20,000
North East Fife	Additional Community Education Worker for 12 months	43,000
North East Fife	Additional Welfare staff temp part-time for 12 months	36,000
North East Fife	Adult Befriending	10,242
North East Fife	Cupar Local Studies	22,640

<b>CRF Allocation</b>	<b>Description of Project</b>	<b>Total Funding Approved (£)</b>
North East Fife	Eden Hogweed	24,000
North East Fife	Feasibility Study Newburgh Pontoon	10,000
North East Fife	Duffus Park Middle Car Park	80,000
SWF	Dalgety Bay Community Hub	30,000
SWF	Financial and Education Worker	41,000
SWF	Community Education - Cost of Living Support	108,000
SWF	Welfare Support Posts	176,000
Levenmouth	Fifers for the Community	21,700
Levenmouth	Promenade Design	50,000
Levenmouth	CORRA Support	19,000
Levenmouth	Project Manager for tourism	75,000
Levenmouth	Support for Community owned facilities - renewable energy systems etc.	150,000
Levenmouth	The Plus Partnership	58,626
Levenmouth	Buckhaven Heritage Regeneration	50,000
Levenmouth	Leven Promenade Skatepark improvements design costs	10,000
Levenmouth	Leven Promenade Skatepark improvements construction costs	100,000
Levenmouth	Oakvale Road Play Area Improvements	155,000
Levenmouth	Leven Town Centre Marketing Approach	10,000
Levenmouth	Water connection to Community Garden	14,000
Levenmouth	Community Engagement post for Methil Heritage Centre	44,153
Levenmouth	Community Engagement post for Methil Heritage Centre	65,286
Levenmouth	Levenmouth Fuel Poverty Approach	30,000
Levenmouth	Electrical connection to container at The Unexpected Garden, Leven	6,323
Levenmouth	Additional costs incurred at Kennoway Pump Track	28,950
Levenmouth	Levenmouth Independence Initiative	30,000
Levenmouth	Kennoway Den ground remediation	10,000

<b>CRF Allocation</b>	<b>Description of Project</b>	<b>Total Funding Approved (£)</b>
Levenmouth	Improvements to Terras Hall, East Wemyss	28,200
Levenmouth	Mental Health Triage Vehicle	91,857
Levenmouth	Mental Health Triage Vehicle	91,857
Levenmouth	Short-term Policing Resource	11,233

29 June 2023

Agenda Item No. 7

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## Recovery to Reform – People and Communities

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Report by: Michael Enston, Executive Director (Communities)

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Wards Affected: All Wards

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### Purpose

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This report builds on the previously agreed framework for Fife's recovery from the pandemic and sets the direction for further change. It does this in line with the medium-term financial strategy and Plan for Fife aim to improve social justice through a community wealth building approach.

### Recommendation(s)

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Cabinet is asked to:

- (1) Endorse the report as the basis for organisational change in the Council over the medium term.
- (2) Note that the current phase of redesign work will lead to proposals later this year for changes to operating arrangements.
- (3) Ask the Chief Executive to consider the organisational implications of this work and make recommendations as appropriate around organisation structure.

### Resource Implications

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The revenue budget gap as of February 2023 was £23.484m for 2024/25 and £45.884m for 2025/26. These figures and the underlying assumptions will be reviewed around August this year and will be updated to include a forecast for 2026-27, giving a medium-term planning horizon. Setting a clear direction for reform will provide services with a framework in which to plan changes over this period. This report does not address investment or implementation costs. These will be identified and reported as part of the development of business cases. The redesign work on No Wrong Door involves external support funded through the Scottish Government Whole Family Support transformation workstream

### Legal & Risk Implications

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There are no specific legal and risk implications.

### Impact Assessment

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An impact assessment will be undertaken as part of the development of these proposals.

The content of this report has been developed through extensive engagement with community planning partners and council services. It also builds on joint working and community involvement through the pandemic and more recent cost of living challenges.

## 1.0 Background

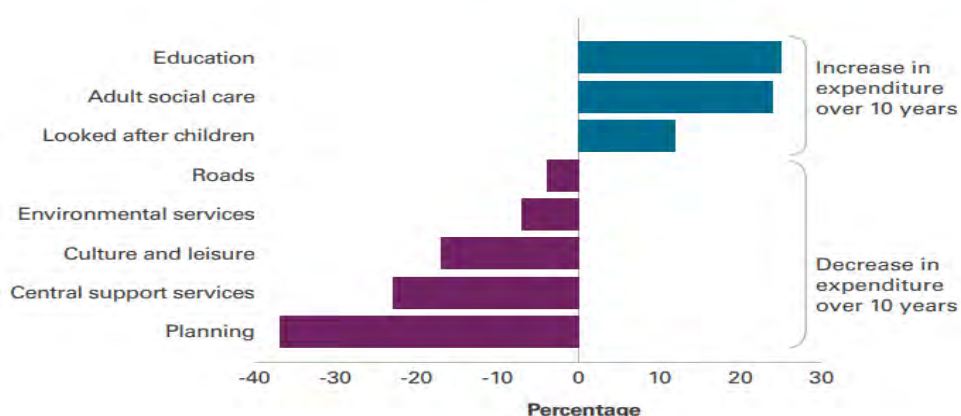
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- 1.1 In 2020 the Council and Fife Partnership proposed that the three-year refresh of the Plan for Fife focus on the challenges of recovery from the pandemic whilst laying the foundations for the next phase of reform of public service provision.
- 1.2 The resultant Plan for Fife was agreed in 2021. It places an emphasis on community wealth building through economic, anti-poverty and climate strategies. The Plan recognises the need for a greater shift toward prevention, improved collaboration across services and providers and reinforcement of the ways of working which had been critical to success in responding to the Covid pandemic. A focus on people and place is the foundation for realising the Plan ambitions.
- 1.3 The response to the challenges of the pandemic had demonstrated the willingness and ability of people to come together. Public Services working together with community groups, volunteers, and businesses, provided a fast and flexible response to meeting local needs. The experience was a reminder of the need for community-based solutions when tackling poverty, building future economic success, and addressing climate change.
- 1.4 In March 2022, Scottish Government published the National Strategy for Economic Transformation. This aims to put people at the heart of wealth generation and success. Specific measures were agreed by this Cabinet in April as part of a joint commitment with community planning partners through a charter of commitments to be adopted by the respective partners as 'anchor' institutions.
- 1.5 The Plan for Fife recognises that this commitment must underpin our whole public service approach and go wider than specific measures in economic and community development. This is consistent with the overall direction of public service reform nationally and an emphasis on core public service principles and a move to prevention. Chronic health and social care issues have led to more work around people-centred service design evidenced by 'The Promise' and support for transformation through national and regional programmes around improving outcomes for families. The consistent point is the need for whole system change to make prevention not only possible but a direct consequence of more personal influence and control.
- 1.6 This report is concerned with this wider question of how Council services continue to make the shift from a public management model of provision toward a more strongly person and community led public service. It addresses this question by drawing on recent evidence of successful redesign, tests of change in Fife, experience from other local authority areas and analysis of current organisation. It also draws on review work with community planning partners undertaken over the last year.

## 2.0 Local Government Context

- 2.1 Each year Audit Scotland publishes an overview of the challenges facing Local Government. The 2023 report notes that Councils are still facing an unprecedented set of challenges in trying to build back from pandemic impacts. Increasing demand coupled with significant supply side constraints are placing stress on services and staff resulting in backlogs and in some cases worsening performance.
- 2.2 This picture is also reflected in outcomes. A recent report to the Fife Partnership highlighted the negative impact of current challenges on achievement of key outcomes in relation to health, employment and well-being. An already difficult set of challenges coming out of pandemic has been reinforced through ongoing cost of living pressures.
- 2.3 Budget constraints and increasing cost pressures are putting councils' finances under severe strain. With an increasing proportion of funding being ringfenced or directed for national policy initiatives there is less scope to properly plan ahead and target resources to local needs. As a result, Councils are being faced with having to make increasingly difficult choices about spending priorities and service provision.
- 2.4 The Council's medium term financial strategy was updated to take account of the revised settlement received in December 2022. The forward outlook was reported in the budget report to Council in February. This identifies a potential net resource gap for 24/25 of around £23.5m and £45.9m for 25/26.
- 2.5 Councils have faced this scale of budget challenge in the decade prior to the pandemic. Figure 1 below shows the major changes in expenditure and by implication the challenges in making further budget savings in the same areas.

**Exhibit 1.**  
Percentage change in expenditure (in real terms) over ten years from 2012/13 to 2021/22



Note: Economic development and Tourism services have seen a 43 per cent increase over the period. We have excluded this from the chart as year-to-year expenditure is volatile and there is not a consistent trend in spending over this period.

Source: Local Government Benchmarking Framework, 2021/22

- 2.6 Fife Council's approach to balancing the budget has for many years been a mix of planned change programmes, efficiency savings and specific service changes. This has seen significant asset and office rationalisation, reductions in management layers and costs, procurement and technology savings, integration of customer contact and back-office rationalisation and the widespread use of mobile and flexible working to improve productivity.
- 2.7 These change programmes have targeted council wide opportunities and generally have been focussed on best value questions of efficiency and effectiveness. There is limited scope to simply do more of the same. Equally, the ability of services to come up with savings proposals while protecting and sustaining key areas of provision is significantly compromised.
- 2.8 The continuing challenges on council services and budgets presents a risk of a vicious circle in which increasing demand and savings leads to a tightening of eligibility criteria, a screening out of demand and an increase in stress on staff and systems. If unchecked this would in turn reduce capacity to intervene earlier, work across service boundaries and engage in a positive way with our communities.
- 2.9 While there is no "off the shelf" playbook which would allow Councils to successfully navigate these challenges and improve outcomes, there are many examples in the UK and elsewhere of changes in approach and culture which are achieving cost savings and better outcomes.
- 2.10 Local Government faces a continuing and significant challenge in being able to lead and deliver better outcomes. In other respects, Fife is in a good position to respond by building on strengths around collaborative working, decentralisation and the commitment of staff. A key message from the recent engagement with leaders from across services and partners is a strong desire to take the next step and to be ambitious in making the shift toward a strongly person and community centred public service in Fife.

## **3.0 Preparing the Ground**

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- 3.1 In June 2020, the Council reviewed the initial experience of the Covid-19 response. Respondents to the consultation on the impact of Covid-19 on local communities and services highlighted the importance of being part of a wider system of learning, innovation and scaling up of effective local responses. Benefits were evident in staff working across teams and with a shared purpose. The willingness to get things done with the support of leaders and the focus on taking the time to develop relationships with colleagues, volunteers and the community were all critical to meeting need.
- 3.2 In recent months work has been developed around the question of how we enable that kind of culture to operate beyond a crisis response and achieve better outcomes for communities in Fife. This work has involved:
- Tests of Change to explore different operating arrangements to support people.
  - Evaluation and scoping of family support services as part of the national Whole Family Wellbeing policy driver.
  - Research on organisational approaches in other Councils across the UK.
  - Analysis of organisation, productivity, and digital opportunities across Fife Council services.
  - Reviewing wider decentralisation arrangements and in particular the role of area committees and leadership in developing responsiveness to community concerns.



- 3.3 Some examples of the different strands of work are detailed in appendix 1 and summarised briefly in the paragraphs below. This work has also been critically reviewed through a series of workshops and leadership events with community planning partners.

### **Tests of Change**

- 3.4 Services and organisations form a complex system of customer contact processes which our communities rely on in times of hardship. We know that individuals seeking help with an immediate problem, may have multiple issues that require support. Where there are a range of supports available, from organisations with different policies and processes, there is the risk that responses are repeatedly reactive to fixing the immediate crisis but fail collectively to address other issues an individual may have.
- 3.5 Alongside reviews of different models, some small Test of Change initiatives were undertaken in one locality in Fife (Kirkcaldy). “Putting People First” included Housing, Community Learning & Development and Community Social Work. This involved staff working in a co-located way, visible in communities, not bound by criteria and focusing on earlier support and prevention. Fife also has previous and current examples of strong partnerships at a community level involving Third sector organisations working collaboratively with local services, Health, Social Work and Education. The early years Family Nurture programme which focused on prevention and earlier intervention demonstrated the benefits of teams as part of a community model.
- 3.6 The Children’s Services Partnership in Fife has oversight of the programme of work related to Scottish Government funding for Whole Family Wellbeing .The principles of whole family wellbeing align with ‘The Promise’ ensuring a focus on family support for the most vulnerable families and households in Fife as well as building capacity for services to work in a more collaborative and coordinated way. Funding has supported a number of Tests of Change on priority areas for example workforce development , co-production with the Third sector as well as enhancing services proven to be effective .This national programme of work has enabled Fife’s Children’s Services Partnership to examine models across Scotland and benefits to the Fife context .

### **Experience Elsewhere**

- 3.7 Research was undertaken into practice in those Councils which had already implemented reforms focussed on people and place. The adoption of a commitment to Community Wealth Building was based on experience of successful implementation in other areas in the UK. Local authority areas such as Greater Manchester, Wigan, London Borough of Barking and Dagenham, Birmingham City and East Ayrshire were able to demonstrate cost savings and better outcomes through community focussed models of delivery.
- 3.8 These examples all pointed to the importance of a whole Council and public service approach, of effective use of data to improve focus and targeting and the building of shared practice and culture which builds capability in communities. These successful examples of practice also have a firm basis in wider research around public service challenges and reform.
- 3.9 Our own work on tackling poverty, undertaken with elected members as part of the development of proposals on recovery and reform, highlighted the importance of building community capacity and prevention through a recognition that:
- Our public service needs to be about helping people to have control and improve their own quality of life.

- Small empowering interactions between people and service providers, at key moments, can potentially boost a person’s psychological resources which can, in turn, increase their ability to overcome disadvantage.
- Place-based solutions including co-location work well when they start with an understanding of the assets, stakeholders and relationships in a locality and build from there, recognising that how success is defined and pursued might look very different in different places.
- The range of people who can and should contribute to solving problems is broad. Building this “community capital” needs to be a key purpose of community planning.

### **Digital and Organisation Opportunities**

- 3.10 Previous change programmes in the Council have delivered technology and organisation-based savings. This has included the streamlining of processes and back office, flattening of management structures and improved customer access through online services. Significant steps have been taken in recent years to modernise the Council’s IT infrastructure and facilitate the demand for more flexible ways of working, information and knowledge sharing and ease of customer access.
- 3.11 As part of change planning, analysis has been undertaken across all services of digital, data and productivity opportunities. These are detailed in appendix one and focus on data management across systems, digital transactions and knowledge sharing. With investment and combined with productivity savings from new ways of working and team structures, these opportunities provide services with a basis for review allied to the wider organisation shifts outlined in this report.

### **Decentralisation**

- 3.12 A report to Cabinet in February this year outlined the continuing development of work around place and proposed a review of service areas in relation to area committees. This followed previous work involving elected members which highlighted the need for improvement.
- 3.13 That report also referenced a parallel review of the effectiveness of people and place arrangements within areas. A new approach to place-based working was agreed in September 2020 by the Council Executive Team. The intent was for the local leadership groups to be the driving force for local improvement action. It has proven difficult to realise the ambition that “All those responsible for providing services and looking after assets in a place need to work and plan together, and with local communities, to improve the lives of people, support inclusive growth and create more successful places” (The Place Principle)
- 3.14 This is due to several factors some of which are products of service managers and partners working to different organisational, planning and budgetary arrangements and to issues around data and knowledge sharing. Implementation of a new approach has also been affected by the pressures on services and teams which has continued from the pandemic through the current recovery phase. Nonetheless some of these factors are created by the way systems operate and current structural arrangements which unintentionally can result in a silo effect.

- 3.15 A review of internal charging arrangements was undertaken as part of this. Every year there are thousands of internal transactions within and between services. Internal recharging is alleged to slow things down and create unnecessary work for staff. The review found that while the current arrangements work reasonably effectively for routine situations, evidence does suggest that the current model and the volume of internal market transactions processed across the Council has added barriers and costs and blunts our effectiveness as time is spent agreeing on action where responsibility is unclear and/or where budgets are under significant pressure.
- 3.16 In February 2023 Cabinet agreed to a process of review to enhance the role of Area Committees in shaping policy, local scrutiny and direct decision-taking. Three workshops have been held initially focussing on housing, greenspace, property and town centre development. A further workshop is scheduled for the end of June 2023 to agree proposals for change in the way in which these service areas work with area committees. That workshop will also agree a similar programme of review for people services with a view to reporting overall outcomes to Cabinet later this year. The type of improvements discussed to date include developing approaches similar to transportation programmes into areas such as greenspace spending, improving information on housing need and supply and profiling of capital projects.

### **Partnership Discussions**

- 3.17 A series of workshops were arranged over the latter half of 2022 with leaders and managers from across the community planning partners. These were designed to explore the next stages of public service reform in Fife. The conclusions were reported to the Fife Partnership earlier this year and evidence both an appetite for change together with consensus around its direction.
- 3.18 The workshops focused on Community Wealth Building, Place Making, No Wrong Door and Health Inequality. Each identified a series of characteristics of current practice which is not consistent with the Plan for Fife vision. When looked at collectively and across partners, the current service landscape can be characterised as having:
- Multiple contact and referral routes
  - An often-cluttered landscape of support
  - A tendency to address problems in isolation
  - Challenges where the problem cuts across (or falls between) service responsibilities
  - Households having to tell their story repeatedly
  - Multiple decision points
  - Different policies and practices or differing interpretation of these
  - Gaps in information and understanding of what's needed
  - Inconsistent approaches to working with communities
- 3.19 The Fife Partnership has recently endorsed the outputs from this leadership exercise with a commitment to work collectively to lead and support change. Specific leadership commitments are summarised in appendix 2 and now form the basis for the next phase of change planning.

## 4.0 Our Public Service – People and Communities

- 4.1 The conclusion from all of this work is that there is a need to change the prevailing approach to delivery from one which responds to need based on service or policy silos, has a referral culture which through necessity screens people out to manage demand and which focuses mainly on people’s presenting problems. This needs to shift to a model that responds according to what matters to the person, is proactive and intervenes early, and which is better integrated across front line services. This needs to be developed as part of the model of locally focused public service which work with partners and the community to address problems and priorities.
- 4.2 The next phase is about moving from principles to revised operating arrangements. Three workstreams are being taken forward. In the first two, the focus is on redesign of current operating arrangements and the delivery of a business case for change. This will include assessment of costs and benefits and implications for workforce change, investment and organisational arrangements. The work on the third stream is different with the output being medium term change plans for each service area rather than business cases.

<b>Workstream 1 – Operate a “No Wrong Door, person focussed” approach</b>	
<b>Aim</b>	People services which are localised and flexible, with the ability to respond to community demand, collaboratively and efficiently. Through organising and working in a different way there is potential for realising both savings and better outcomes for people, families, and communities.
<b>Involves</b>	Services in scope are Social Work, Family Support services, Community Learning and Development, Customer Contact, Welfare and Debt support, Housing Support and Employability. Third sector input will be important as will the involvement of Health and Social Care and Health Services. Other partners will have an interest in how this work develops.
<b>Expected Outcomes</b>	<ul style="list-style-type: none"> <li>• Prevention of crisis intervention</li> <li>• Easier access to support</li> <li>• Simpler systems, processes and data management</li> <li>• Build relations, social connections and mutual support</li> <li>• Financial benefits through demand reduction, back office and FTE</li> </ul>

<b>Workstream 2 – Improve local action and community solutions through integrated place working.</b>	
<b>Aim</b>	Propose operating arrangements for delivery of place-based services, redesign joint working and planning processes around place and propose joint commissioning reforms.
<b>Involves</b>	Environmental Services, Community Services, Area Management, People and Place operating arrangements, Area governance including area committees.
<b>Expected Outcomes</b>	
<ul style="list-style-type: none"> <li>• Greater Co-production and use of assets and resources</li> <li>• Ethos of “just do it” saves time and resources and promotes greater community trust</li> <li>• FTE savings</li> <li>• Improved targeting of available spend</li> </ul>	

<b>Workstream 3 – Realise digital and productivity benefits and align service change.</b>	
<b>Aim</b>	Ensure services have change plans in place to support Community Wealth Building and address medium term financial context.
<b>Involves</b>	Focus on digital service redesign, benefits from productivity and new ways of working, review of organisation structures.
<b>Expected Outcomes</b>	
<ul style="list-style-type: none"> <li>• Improved customer experience</li> <li>• Reductions in transaction costs</li> <li>• Financially viable medium-term strategy</li> <li>• Improved productivity and staff engagement</li> </ul>	

4.3 This design phase will run through to autumn 2023 with a further report coming to Cabinet on proposals for change. It is recognised these 3 work streams do not operate in a vacuum and are interconnected, the learning from each stage of the work will be shared at key points to influence the direction and focus on work. This work has implications for the Council’s management structure, and these will be identified in the same timescale. This work and emergent proposals for change will be discussed with the trade unions. Wider staff engagement around the direction of change will be undertaken as part of this.

- 4.4 These changes have the potential to shape public service delivery in Fife beyond the current recovery challenges. They will not of themselves close the budget gap. They should however set a direction which enables savings to be achieved through earlier intervention, improved targeting of support, streamlined processes, improved productivity and use of digital and technology opportunities. These opportunities will be profiled over three years as part of the Council’s budget setting process for 24/25 and beyond to ensure an integrated approach to change and budget planning.

## 5.0 Conclusion

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- 5.1 The direction of change outlined in this report does not require a complete transformation to an entirely different model of delivery. The Council and Partnership policy ambitions remain, and services have been working to try and embrace the kind of shifts outlined in this report. The direction of reform now needs to be confirmed so that the detail of changes to approach and organisation can be developed.
- 5.2 This report, and the work which has underpinned it, aims to provide a path to deliver the reform aims in the current Plan for Fife and to shape the next 3-year refresh commencing in 2024. It builds on the experience of delivery during the Covid pandemic and currently in supporting people and communities with cost-of-living challenges. It also continues to build on previous work including the Fairer Fife Commission in 2017 and the more recent work of the national Social Renewal Advisory Board in 2021 and report “If not now, when”

### List of Appendices

Appendix 1 – Background work to section 3

Appendix 2 – Fife Partnership Draft Leadership Commitments

### Background Papers

- Reform and Recovery reports (P&C 4<sup>th</sup> March 2021 item 4/5)
- Audit Scotland Overview report 2023

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## Tests of Change

Description of Test of Change	
<b>1</b>	<p><b>Putting People First</b> is a joint project from January 22 to March 24 to between three Fife Council services: Housing Service, Communities &amp; Neighbourhoods - Community Development team and Community Social Work team. It is a multi-disciplinary team approach with services sharing data on cases to provide a more rounded view of the individual or household, their engagement with other services and to identify any current support being provided to them. Holistic support is a new way of working for the services involved. Whole household approach based on what's important to the household, identifying their goals and working with them to achieve them. It only receives referrals to PPF from the services involved. This specialist team consists of:</p> <ul style="list-style-type: none"> <li>• 2 x Community Social Workers</li> <li>• 1 x Social Work Assistant</li> <li>• 1 x Community Education Worker</li> <li>• 1 x Welfare Support Worker</li> <li>• 2 x Housing Management Officer</li> </ul> <p>An interim report documents the key learning from the first six months of the test of change and provides evidence to suggest the following: integrated working improves the experiences of people with multiple needs, building resilience stabilises people's situations, even though people's situations stabilise after support, there is a recognition that they may need help again and services should keep the door open to them, staff report that working together, small caseloads and enhanced person-centred working has enabled them to have capacity to support people for as long as they require it, creating time for staff to follow through with actions, connect with referrers and track people's uptake and progress suggests improvements with the time and range of support available for people accessing PPF, working collectively as part of a multi-disciplinary team enhances the range of support a person has access to, creating a single point of contact and review role is valuable in assessing if services are meeting people's needs or whether provision is rights and dignity based, Service thresholds alongside corporate structures are barriers to person-centred support, as those who don't meet statutory service criteria can fall through the gaps and not get the holistic support they need, staff have been creative, resourceful and persistent in finding solutions to people's needs.</p> <p>Examples of positive outcomes for people and families include;</p> <ul style="list-style-type: none"> <li>• preventing tenancy abandonment,</li> <li>• providing enhanced support packages for care experienced residents,</li> <li>• increasing household income,</li> <li>• supporting people into education or employment</li> <li>• providing access to transport to enable access to support services and appointments</li> <li>• supporting people to access goods and services to mitigate the impact of food fuel and household goods insecurity</li> </ul>





## Tests of Change

### Description of Test of Change

2

**Family Nurture Approach** – A three-year transformational change programme aimed at improving outcomes and closing the gap for families with children, pre-birth to age three which was initiated in 2012 with £7.8 million allocated to FNA for early years intervention for children in greatest risk and need. The principles and component parts were; Local services working in a more integrated way, Services were built around the Family Nurture Centre, Services ranging from universal, additional and intensive according to the needs of families, "one-stop-shop" referral pathway for families, multi-disciplinary teams, including the third sector, working closely together, group work, evidence-based programmes and support in the family home, collaborative leadership supporting the delivery of services in localities and a community engagement approach which builds on assets in communities and the strengths of families to improve lives.

An evaluation of the Family Nurture Approach in 2016 confirmed the benefits of multi-disciplinary teams in localities working in a collaborative way to deliver early and preventative services. A range of recommendations were proposed to further embed the learning from this transformation programme including a Hub model utilising the resources of Family Nurture Centres, early years networks to support workforce development, coordinated delivery of a range of family and parenting support opportunities. The new funding from Whole Family Wellbeing has provided the opportunity to revisit and re-establish the key elements that evidence impact to support an earlier intervention and preventative model across the age span of children and young people and families in Fife.

3

**Whole Family Wellbeing funding** - this has enabled an intensive programme of work to be undertaken based on analysis of priority areas as well as extending services which have demonstrated impact and positive outcomes for families. This key policy driver is to support whole system change and service redesign with a focus on prevention as well as targeted support. Funding for 2022-23 and 2023-24 is aimed at scaling up initiatives and practice proven to have impact and development of Tests of Change to support learning and whole system change to achieve an efficient and sustainable delivery model for family support services within communities in Fife. Co-production and families at the centres, availability and access through simplified pathways are at the centre of this work which aligns closely to the No Wrong Door workstream. The Community Social Work's TOC in Kirkcaldy has been funded and extended to the Benarty area to develop a community development approach building capacity and supporting an earlier intervention approach. A programme of work force development across all 7 localities is underway, enhancement of intensive resources to families in crisis and targeted practical support to families receiving a social work service is in place. Improvement work is also focusing support services to vulnerable children under 4 years of age as well as a collaborative model involving the Social Work service and 5 High Schools in Fife.

Outcomes and impact of this programme will be underpinned by the Scottish Government Logic Model and the How Good is Our Family Support Framework, a self-assessment across leaders, workforce, children, young people and families has been completed confirming areas of good practice and demonstrating impact and areas for improvement.





## Tests of Change

### Description of Test of Change

**Making It Work For Families** – is a regional service covering the six local authorities within the Edinburgh & South East Scotland City Region which is further testing a holistic “whole-family” approach to support families experiencing multiple disadvantage. The key partners in this test in Fife are drawn from the third sector; Fife Gingerbread, Clued up, Citizens Advice & Rights Fife and Fife Intensive Rehabilitation & Substance Misuse Team (FIRST). It offers a combination of intensive, general, and specialist activities tailored to the needs of the whole family, looks to wrap-around specialist provision and help coordinate existing support structure supporting each individual within the family to progress.

It is supporting:

- Lone parent, low income and unemployed families
- Families with a S1/S2 pupil living at home who is struggling to engage with or attend school
- Families where one or more young people are linked to Viewforth High School or Levenmouth Academy
- Families with current, historic or ‘at risk’ substance use within the household

It is doing this by:

- Whole family support - meeting the needs of individuals in the household
- Works collaboratively with families
- Co-ordinating activity ranging from one-to-one support, family learning, group work, youth work, financial inclusion and peer support opportunities.

4

Evaluation on Phase 1 (2020-21) of the Making It Work For Families published in June 2022 demonstrated evidence of:

- A consistent regional approach to supporting lone parents, low-income, and workless families to progress
- Delivery partners across the region enhancing their engagement with lone parent, low income, and workless families
- Delivery partners developing trusted relationships and promoted independence and raised aspirations for adults, children, and young people in families within each local service area
- Increased engagement with educational services, which has contributed to raised attendance for children and young people
- Enhanced engagement with statutory services for those families who are engaged with additional, specialist services
- Increased participation in further education and higher education and training activities



## Experience Elsewhere

### Description of research

1

**The Greater Manchester Combined Authority (GMCA)** has developed their Model of Wealth Building to promote inclusive growth and address inequalities in the region. In addition, The Greater Manchester Strategy, focuses on creating thriving, inclusive communities across the region by addressing issues such as housing, employment, health, and education. By leveraging anchor institutions, such as hospitals and universities, and focusing on redirecting procurement spend to local businesses, social value, employee ownership, and community finance initiatives, Greater Manchester has aimed to keep wealth circulating within the local economy.

- Developing several place-based, people centred approaches to support communities, Social Prescribing, Community-Led Housing, Thriving Places Index, Age-Friendly Greater Manchester, Town Centre Strategies, Neighbourhood Investment Funds.

2

**Wigan** - through their innovative "Wigan Deal," the council has emphasised collaboration between public services and local residents to improve outcomes and address social issues. This approach aims to empower communities, improve services, and reduce costs through prevention and early intervention. This approach includes efforts to promote local economic resilience, community-led initiatives, and cooperative models of enterprise.

- Introduced community hubs and neighbourhood networks to provide accessible services and support to residents within their local communities.
- Implemented the Deal for Communities Investment Fund, which provides funding to local groups and organisations to deliver place-based projects that address community priorities.
- Implemented a Social Value Charter, encouraging businesses to provide social and economic benefits to the local community through their activities.

3

**London Borough of Barking and Dagenham** has embraced community wealth building as a means to stimulate local economic development and improve social well-being. They have focused on local employment, enterprise, and investment to create opportunities for residents and build a stronger local economy.

- Established Community Wealth Building Strategy, which focuses on creating sustainable and inclusive economic growth through measures such as local procurement, investment in affordable housing, and community-driven initiatives.
- Launched the Community Solutions Programme, which aims to empower and support local residents to become leaders and agents of change within their communities. A subsidiary of the council, to deliver public services and generate social value, including employment and training opportunities for local residents.
- Developed place-based strategies to address issues such as housing, health, education, and employment in specific neighbourhoods.
- Developed a Social Value Charter, ensuring that public procurement contracts contribute to local economic growth, employment, and community development.





## Experience Elsewhere

### Description of research

4

**Bristol City Council** has embraced a community-focused model of delivery, with initiatives such as the Bristol Impact Fund and community asset transfer. These approaches have demonstrated positive outcomes, including increased community involvement, improved service delivery, and greater social and economic impact.

- Adopted the Bristol Pound, a local currency that promotes spending within the local economy and supports local businesses.
- Established community development teams that work closely with local communities to identify needs, facilitate engagement, and support community-led initiatives.
- Created the Neighbourhood Partnerships initiative, which encourages collaboration between residents, local businesses, and public agencies to improve local areas.
- Adopted the Bristol City Council Community Wealth Building Framework, which outlines the city's commitment to building inclusive and sustainable local economies.
- Launched the Bristol City Funds, which include the Bristol Impact Fund and the Bristol Housing Investment Fund, to invest in community-led initiatives, affordable housing, and socially responsible businesses – addressing local priorities and improving social outcomes.

5

**Birmingham City** has recognised the potential of community wealth building to address economic inequalities and enhance social value. They have adopted a people-centred approach that emphasises inclusive growth, local procurement, and community ownership.

- Developed the Birmingham Economic Inclusion Strategy, which includes community wealth building principles to address inequality, promote fair employment practices, and support local businesses.
- Introduced social value policies in public procurement processes to prioritise local suppliers, create job opportunities, and generate wider social benefits.
- Implemented the Thrive Brum initiative, focusing on place-based approaches to improve health and well-being outcomes in specific neighbourhoods.
- Birmingham connected comprehensive transport strategy that aims to improve transportation and connectivity within the city. The strategy takes a people-centred approach, prioritising sustainable travel options, accessibility, and the needs of local communities.
- Birmingham Children's trust focuses on delivering integrated services and support to improve outcomes for children and families. It takes a place-based approach, working closely with local communities, schools, healthcare providers, and other stakeholders to provide coordinated and targeted support.
- Birmingham Community matters provides support and resources to community organisations and encourages local people to take an active role in addressing issues within their neighbourhoods. It helps to build stronger communities and empower residents to shape their local areas.
- Established the District Energy Scheme to provide sustainable, low-carbon energy solutions to communities.



## Experience Elsewhere

### Description of research

6

**East Ayrshire** has implemented community wealth building principles to drive sustainable local development and improve well-being. They have focused on strengthening local supply chains, supporting community enterprises, and promoting fair work practices.

- Implemented the Vibrant Communities initiative, which aims to strengthen communities by promoting active citizenship, supporting community-led projects, and enhancing community facilities.
- Created the Integrated Community Support Teams, bringing together various agencies to provide coordinated support to individuals and families within their local areas.
- Developed a Community Benefits Policy, ensuring that community benefits, such as employment, training, and local investment, are integrated into procurement processes.
- Implemented the East Ayrshire Works initiative, which provides support for local people to access employment and training opportunities.
- Implemented community wealth building approaches, such as social value clauses in procurement contracts, to ensure that public spending generates benefits for the local community.
- Supported the development of cooperative and community-led enterprises to promote local economic ownership and empowerment.

7

**Clackmannanshire** - Safeguarding through Rapid Intervention (STRIVE) is a multi-agency, multi-disciplinary public sector team working together to improve the existing system of safeguarding vulnerable individuals within Clackmannanshire on the cusp of statutory intervention. Sharing crucial pieces of information at the earliest opportunity between trusted partners means practitioners are better able to "join the dots" to understand the overall vulnerability of cases and share knowledge of existing support and interventions underway: this better informs the most appropriate action, reduces the likelihood and impact of people experiencing crisis and reduces the intensive resource required by services. The benefits of STRIVE identified are:

- Preventing homelessness by supporting individuals and families to obtain and sustain new or more suitable tenancies.
- Improving financial security by undertaking immediate financial assessments, improving access to benefits entitlements and access to further education and employability.
- Reducing police involvement.
- Providing a rapid, direct pathway from the STRIVE table to mental health and wellbeing supports.
- Reducing alcohol and drugs use.
- Keeping families together.
- Supporting those fleeing domestic violence.
- Improving fire safety in the home.
- Arranging support to undertake household tasks.





## Digital and Organisation Opportunities

Description of opportunities		Potential Improvements
1	<p><b>Data management across systems</b></p> <p>As a Council we manage data across multiple systems and Services. Integrating data allows a fuller view of what we are doing leading to better decision-making and improved outcomes through use of insight. Data analytics &amp; insights leveraging analytics to gain valuable insights. By using tools to combine and analyse data, such as Business Intelligence, we can identify trends, patterns and correlations that inform targeting of resources, policy making and improvement. This is particularly relevant to No Wrong Door and Place based services where information is held across services relating to whole family support potential acting as a barrier to prevention and earlier intervention.</p>	<p>Productivity gains and increased responsiveness</p> <p><b>Focus Areas:</b></p> <p>Key foundation work is progressing to develop a data strategy, enhance governance and build the data and information blocks required, includes:</p> <ol style="list-style-type: none"> <li>1) Creating the data strategy - including technical and administrative approaches to link up and share data appropriately</li> <li>2) Designing and building data warehouses and connectors</li> <li>3) Using existing data and Business Intelligence tools to predict service requirements and manage geographical patches</li> <li>4) Continuing to expand our digital transaction offering online - automating processes in the background to increase response times and reduce manual effort – includes chatbots and AI targeted at high transaction volumes and high online page visits</li> <li>5) Identifying and linking case management systems where appropriate, enabling knowledge sharing, providing a platform for joined up family support/referrals</li> </ol>
	<p><b>Digital transactions</b></p> <p>Further opportunities to improve customer access through online services continues with a focus on optimising processes end to end, with fewer manual hand offs. Using chatbots and automation are examples of how Artificial Intelligence can be used to speed up the flow of processes. Improvements will be targeted including our internal processes relating to Oracle Cloud, our online customer offering and opportunities around whole family support.</p>	
3	<p><b>Knowledge sharing</b></p> <p>Effective sharing of knowledge between Services and partners coupled with digital inclusion, enhances engagement, providing more personalised and efficient services. Knowledge sharing enables a holistic view of interactions, allowing tailored services, responding to service requests and queries promptly and streamlining processes. Our Community Portal continues to be developed providing a platform for engagement, access and sharing. A digital upskilling approach is also being rolled out across the Council which includes digital champions and leaders.</p>	<p><b>Linkages to other change opportunities</b></p> <p>No Wrong Door and Place based services identified several challenges that effective data integration and knowledge sharing will help overcome,</p>



## Digital and Organisation Opportunities

	Description of opportunities	Potential improvements														
<p><b>4</b></p> <p><b>Productivity</b> – Each workstyle has been assigned a set of principles on how digital and data can improve productivity. Depending on the current digital maturity or enablement level there is scope for productivity improvement. Previous work within Fife Council (Mobile and Flexible Working Programme 2014), identified productivity ranging from 1% to 20%. With changes in digital offerings and the shift toward blended working there is further scope to achieve productivity improvements across Workstyles. <b>The productivity principles are:</b></p> <p><b>Case &amp; Field workers c.2,200 employees:</b></p> <ul style="list-style-type: none"> <li>•access to information in the field,</li> <li>•scheduling visits,</li> <li>•virtual appointments and</li> <li>•connectivity with colleagues</li> </ul> <p><b>Direct services workstyles c.2,700 employees:</b></p> <ul style="list-style-type: none"> <li>•scheduling,</li> <li>•route optimisation,</li> <li>•local patch management and</li> <li>•use of sensors to collect data</li> </ul> <p><b>Support and Organisation and Facility based office staff c.2,300 employees</b></p> <ul style="list-style-type: none"> <li>•optimising Office 365 and Oracle,</li> <li>•scheduling appointments and visits and</li> <li>•automating processes and using Artificial Intelligence (AI)</li> </ul> <p><b>Customer contact and telephony include c.200 employees:</b></p> <ul style="list-style-type: none"> <li>•having a single View of a customer,</li> <li>•referral &amp; case management across council,</li> <li>•digitisation and automation - more online services, removal of duplication and rekey,</li> <li>•automation - Chatbots, Home AI devices and</li> <li>•better information, advice, guidance and access to services digitally online</li> </ul>	<p align="center"><b>Employees per Workstyle</b></p> <table border="1"> <caption>Employees per Workstyle</caption> <thead> <tr> <th>Workstyle</th> <th>Employee Count</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Case and Field Workers</td> <td>2,200</td> <td>30%</td> </tr> <tr> <td>Customer contact and telephony</td> <td>200</td> <td>3%</td> </tr> <tr> <td>Direct Service</td> <td>2,700</td> <td>36%</td> </tr> <tr> <td>Support and Organisation</td> <td>2,300</td> <td>31%</td> </tr> </tbody> </table> <p align="center"><b>Productivity gains and increased responsiveness</b></p> <p align="center"><b>Focus Areas</b></p> <p>Across all Workstyles we will exploit our range of digital and data tools to increase productivity by creating model ways of working aligned to each workstyle, delivered through digital and data enabled working.</p> <p>This will include optimising:</p> <ol style="list-style-type: none"> <li>1) Use of Office 365 collaboration and power Apps</li> <li>2) Oracle Self service and reporting</li> <li>3) Digital scheduling and rota setting</li> <li>4) Use of virtual appointments and visits where appropriate</li> <li>5) Automating administrative tasks and linking processes across systems using data tools that can automate input and reduce duplication and errors</li> <li>6) Identifying and linking case management systems where appropriate, enabling knowledge sharing - providing a platform for joined up family support/referrals (knowledge sharing opportunity refers)</li> </ol> <p align="center"><b>Linkages to other change opportunities</b></p> <p>No Wrong Door and Place based services identified several challenges that effective data integration and knowledge sharing will help overcome.</p>	Workstyle	Employee Count	Percentage	Case and Field Workers	2,200	30%	Customer contact and telephony	200	3%	Direct Service	2,700	36%	Support and Organisation	2,300	31%
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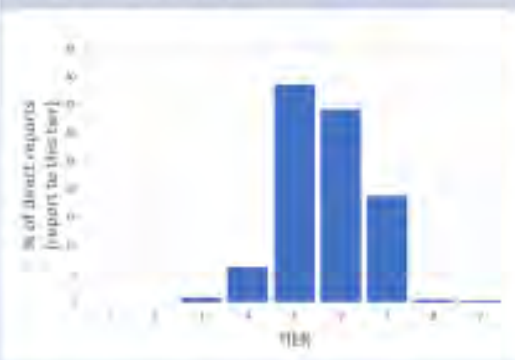


## Digital and Organisation Opportunities

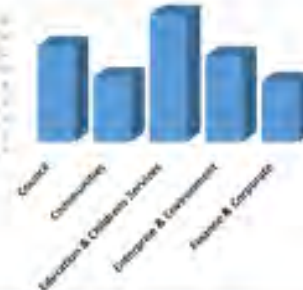
### Description of opportunities

#### Productivity – organisational structure

An overview of the current hierarchy, spans and layers, compared to 2017 structures was carried out. This high level assessment identified that the structure has flattened significantly since 2017 with around 73% of staff being managed by people on tiers 5 and 6.



#### Number of staff per manager/supervisor (anyone with a line management responsibility)



4

The tier structure varies significantly by Directorate and per Service. The functional area also impacts on size of teams with facility based staff and direct service teams having a relatively higher number of staff per manager/supervisor.

Given the variation across Services and functions, rather than a standard application of a set ratio for spans of control alternative approaches were considered. This includes potential opportunities provided by productivity improvements enabled through digital and data and potential shifts towards People and Place teams which may give rise to organisational change.

### Potential Improvements

Productivity gains and streamlined decision making

#### Focus Areas

As part of forward change planning each Service is assessing the scope for organisational change opportunities in relation to:

- 1) reducing the number of layers to streamline decision making
- 2) ensuring the optimum span of control
- 3) assessing fit with People, Place and decentralisation designs

This will include reviewing size of teams and will be specific to each Service or functional area to take account of the differing workstyles and digital opportunities available.

#### Linkages to other change opportunities

No Wrong Door and Place based services will prompt consideration of multi disciplinary teams and decentralised approaches.



## Decentralisation

Description of opportunities	Potential improvements
<p><b>1</b></p> <p><b>Decentralisation and Place-Making With Communities</b></p> <p>Drivers for change are drawn from a variety of review work undertaken in the last year with elected members, officers and also from community feedback. It can be summarised as:</p> <ul style="list-style-type: none"> <li>• Inconsistent area committee oversight of local service delivery impacting on the quality of scrutiny, decision-making, coordination of local assets and developments, loss of opportunity for community co-production</li> <li>• under-developed role for the Area Committee to work with officers to influence and shape strategic policy direction.</li> <li>• recognition that devolution of budgets work well but are still siloed – extending the approach beyond those silos would maximise the use of finite resources and align not just money but people and assets to policy ambitions</li> <li>• local community planning approach does not yet provide the driving force for the Committee to work with communities and partners in co-ordination of strategic deployment, setting local priorities and reviewing progress.</li> <li>• organisational design and service management structures don't always enable effective joint working locally</li> <li>• there is inconsistent buy-in to place-based approaches across the organisation</li> <li>• multiple decision points and budget responsibility issues</li> <li>• Inconsistent buy-in to place-based approaches across the organisation</li> <li>• systems and processes are getting in the way of getting things done e.g internal market transactions, system of recharging which slows things down, creates unnecessary work and gets in the way of community trust in council ability to take quick action</li> </ul> <p>Opportunities exist to further decentralisation and deliver stronger place-making with communities.</p>	<p>Enhancing local leadership, empowering staff, increasing community capacity and devolving resources and decision making</p> <p><b>Focus Areas</b></p> <ol style="list-style-type: none"> <li>1. Increasing and more targeting of devolution of policy, budget and decision taking</li> <li>2. Reviewing scope for improved joint commissioning of services and initiatives.</li> <li>3. Enhancing area committee role, influence and co-production activity with communities and Services</li> <li>4. Increasing levels of delegated authority</li> <li>5. Develop proposals for revised operating arrangements across local services.</li> </ol> <p><b>Linkages to other change opportunities</b></p> <p>This work is in parallel to the business case development work underway for No Wrong Door and the consideration of multi disciplinary teams for people and family support.</p>



## Appendix 2 – Fife Partnership Leadership Summits 22/23

### Fife Partnership Draft Leadership Commitments

#### **Put Community Wealth Building at the heart of what we're doing, so we**

- actively engage and work with local business, start-ups and third sector to win more of our work
- reach out our recruitment to local communities
- prioritise CWB within our key strategies e.g. economy, climate, health

#### **Live up to the Place Principle, so we**

- work through a shared approach to how we inform, plan, review and engage locally
- adjust our structures and operating arrangements to enable locally responsive teamwork
- make resource decisions together

#### **Implement system change in how we are supporting people and families to improve their quality of opportunity and life, so we**

- commit to share knowledge, review our referral approaches, and redesign processes
- join up our access and information
- lead and invest in multi-service team working and skills

#### **Prioritise health and wellbeing when we plan our places and services, so we**

- invest in local community groups to facilitate local action
- design our workplaces and the services they deliver to improve physical activity and health and wellbeing
- work to create community networks and use all our assets to support physical activity and health and wellbeing, especially our green spaces

29 June 2023

Agenda Item No. 8

## Council Tax – Consultation Response

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**Report by:** Les Robertson, Head of Revenue and Commercial Services

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**Wards Affected:** All

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### Purpose

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This report presents a proposed response to the Scottish Government's consultation on amending the charging criteria within Council Tax for dwellings that are deemed Second Homes and Long-Term Empty Properties.

### Recommendation

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Members are requested to:

- (i) review the proposed consultation responses contained in this report;
- (ii) make suggestions on any content or omissions from a political perspective; and
- (iii) authorise officers to submit the consultation to the Scottish Government.

### Resource Implications

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Resource implications will be assessed if the legislation is altered in line with the consultation responses.

### Legal & Risk Implications

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There are no legal or risk implication in responding to the consultation.

### Impact Assessment

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

### Consultation

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This report commences the consultation with members.



- 1.4 After the consultation is considered, the Scottish Government will lay amending legislation so the powers (if enacted) would become available to Councils from 1 April 2024.
- 1.5 The full response is attached in Appendix 1 to this report.

## 2.0 Current situation in Fife

- 2.1 At present within Fife Council's policy, the following applies:

### Both Long-Term Empty Dwellings and Second Homes

Since April 2005, Fife Council agreed to remove the previous 50% discount awarded to both types of dwellings and instead award a discount to the value of 10% (which pertained until the further changes in charging noted below) were implemented into Fife Council policy.

### Long Term Empty Dwellings

Fife Council policy agreed to withdraw the 10% discount from LTE dwellings and impose a 100% additional charge to these dwellings (i.e. over one year since last occupation). This charging policy has been in place since April 2014 following agreement by the former Executive Committee in October 2013. The policy was brought in to encourage owners of these empty properties to work with the council to bring them back into use.

At the point of charging additional council tax, there were 2044 such dwellings and these reduced to the lowest figure of 1088 in 2020. However, since then, the number of long-term empty dwellings has steadily increased and at today's date there are 1702 dwellings classed as being long-term empty.

### Second Homes

A second home is classed within the regulations as a dwelling which is no person's sole or main residence which is occupied for at least twenty-five days in any rolling year. From April 2018 the council altered the charging policy for dwellings classed as a second home to remove the 10% discount and charge these dwellings at 100% charge.

- 2.2 Whilst these policies were not enabled to raise additional revenue – all these changes have and do raise additional revenue as follows: -

Change Implemented	Amount Raised			Amount Collected			Use of Additional Revenue
	20/21 £'000	21/22 £'000	22/23 £'000	20/21 £'000	21/22 £'000	22/23 £'000	
Removal of 50% and replace with 10% Discount	2,203	2,139	2,255	1,954	1,892	1,908	Ringfenced for affordable housing.
100% addition charge for long term empty dwellings.	1,186	1,117	1,226	783	725	756	Used as part of general revenues for services.
Removal of 10% discount for second homes	352	354	372	328	330	342	Used as part of general revenues for services.

2.3 Whilst analysing dwellings is difficult within our system, it would appear long term empty dwellings are spread evenly throughout Fife. However, second homes are much more prevalent in North-East Fife.

## 2.4 Potential Financial Impact

If these powers were remitted to Fife Council and any additional revenue raised is remitted to Fife Council as opposed to being held centrally by Scottish Government, then the potential revenue raised could be considerable.

At present there are 1702 LTE dwellings and 2349 Second Homes in Fife. If these powers were to be implemented fully (100% additional charging for Second Homes and an additional 100% for LTE dwellings) based on a rough band D charge of £1319 (2023/24 charge) the additional revenue raised would be: -

Second Homes	2349 x £1319 = £ 3,098,331
LTE Dwellings	1702 x £1319 = <u>£ 2,244,938</u>
Total maximum revenue	<b><u>£ 5,343,269</u></b>

## 3.0 Consultation Response

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3.1 The full consultation response is attached in Appendix 1 to this report but the main areas responded are as follows: -

- Fife Council supports additional charging for second homes
- Fife Council supports additional charging for Long Term Empty dwellings
- Fife Council supports a review into Holiday Lets and Self-Catering Accommodation
- Fife Council whilst agreeing to receiving the powers to charge that all decisions relating to these amendments are taken at a local level
- Fife Council wishes local decisions on the use of any additional revenue raised as a result of increased charging.

## 4.0 Conclusions

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- 4.1 The consultation requests responses by 11 July 2023 for consideration by Joint Ministerial Group and then by Scottish Government to either accept and enact changes within legislation or choose not to progress the proposals.
- 4.2 Officers are supportive of obtaining the power to raise additional charges but clearly the power must be determined locally by Fife Council members and discretion not to charge must be part of any future policy (as it is with current policy, and a further policy report would be required to be agreed by a future Cabinet Committee).
- 4.3 The proposed response is supportive of the changes but urging the need for local decision making based on local circumstances.

Les Robertson  
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## Respondent Information Form

**Please Note** this form **must** be completed and returned with your response.

To find out how we handle your personal data, please see our privacy policy:  
<https://www.gov.scot/privacy/>

Are you responding as an individual or an organisation?

- Individual  
 Organisation

Full name or organisation's name

Fife Council

Phone number

03451 555 555

Address

Fife House  
North Street  
Glenrothes

Postcode

KY7 5LT

Email Address

Les.robertson@fife.gov.uk

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name  
 Publish response only (without name)  
 Do not publish response

### Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

- Yes  
 No

## Questionnaire

### Question 1

Do you think the current definition of a second home should continue to apply?:

More information:

For council tax purposes, the current definition of a second home is, 'a dwelling which is no one's sole or main residence and that is lived in for at least 25 days during the 12 month period of the council tax charge'.

Answer:

- Yes  
 No  
 Don't know

Please give reasons for your answer.

The current definition is known as applied in the administration of the tax. Any changes would require Council's to review a large number of second homes to see if they would fit any altered definition. Thus Fife Council would ask the definition remain unaltered for consistency purposes.

### Question 2

Do you think the discount eligibility for job related dwellings and purpose built holiday accommodation is appropriate?:

More information:

Eligible job related dwellings and purpose built holiday accommodation are entitled to a council tax discount of 50%.

Purpose built holiday accommodation is defined as a dwelling that is used for holiday purposes and has a licence or planning permission limiting its use for human habitation throughout the whole year. An example might be chalets or other types of holiday accommodation that are either unsuitable to be occupied all year round (their construction may mean they are only suitable to be lived in during the warmer months) or are not allowed to be lived in all year due to planning, licensing or other restrictions.

Job-related dwellings are defined as homes owned by someone who has to live elsewhere for most or all of the time as part of their job, or the home the person occupies to undertake their job if the person has another home that is their main residence.

Answer:

- Yes  
 No  
 Don't know

Please give reasons for your answer.

Both of these exemptions seem fair and appropriate in the circumstances not to charge the additional levy and the actual numbers are low.

### Question 3

Do you think councils should be able to charge a council tax premium on top of regular council tax rates for second homes?

More information:

A premium is charging more than the full rate of council tax.

Answer:

Yes

No

Don't know

Please give reasons for your answer.

A premium should be charged, dependant of local circumstances, i.e. where the number of second homes adversely impacts the availability of homes for local residents. It should be a local policy decision but the power to apply such a premium should be made available to Local Government in Scotland (as it is currently available in Wales) and it will be local democracy and councillors who will make local policy decisions.

### Question 4

If you have answered yes to question 3, what do you think the maximum premium councils could charge should be?

More information:

50% premium is the same as one and a half times the normal rate of council tax.

100% premium is double the normal rate of council tax

150% premium is two and a half times the normal rate of council tax

200% premium is three times the normal rate of council tax

250% premium is three and a half times the normal rate of council tax

300% premium is four times the normal rate of council tax

Answer:

50%

100%



- 150%
- 200%
- 250%
- 300%
- Other (specify)

Please give reasons for your answer.

There has to be a balance between charging an additional levy and not being punitive to owners of second homes, some of whom may have not chosen to own second homes (i.e. inherited properties). Again these situations can be picked up in local policies.

### **Question 5**

What factors should be taken into account by councils when deciding whether to introduce a premium on council tax for second homes?

#### More information:

A non-exhaustive list of potential factors is set out below:

- numbers and percentages of second homes in the local area
- distribution of second homes and other housing throughout the council area and an assessment of their impact on residential accommodation values in particular areas
- potential impact on local economies and the tourism industry
- patterns of demand for, and availability of, affordable homes
- potential impact on local public services and the local community
- other existing measures or policies that are aimed at increasing housing supply and the availability of affordable housing

Councils may also decide not to use the powers or to disapply a premium for a specific period of time.

A non-exhaustive list of examples of where a council might consider doing this include:

- where there are reasons why the home could not be lived in as a permanent residence
- where there are reasons why a home could not be sold or let
- where the owner's use of their accommodation is restricted by circumstances not covered by an exception from the premium
- where charging a premium might cause hardship

Answer:

Please list the factors and provide reasons for your answer:

All of the above factors will apply to a greater or lesser degree, again these should be included in any local policies developed if additional charges are to be implemented.

### Question 6

If you do, or were to, own a second home please tell us what you would do if the applicable rate of council tax were to increase, and the 'thresholds' to be classed as self-catering holiday accommodation for non-domestic rates purposes stayed the same?

#### More information:

The current threshold for defining premises as self-catering holiday accommodation liable for non-domestic rates is it must be available to let for 140 days or more and actually let for 70 days or more in the same financial year.

A private residential tenancy is when a registered landlord lets accommodation to an individual/s and it will be their sole or main residence. All tenancies created on or after 1 December 2017 are open-ended, which means a landlord will no longer be able to ask a tenant to leave simply because the fixed term has ended.

#### Answer:

- The home is (or would be) already used as self-catering accommodation and liable for non-domestic rates
- The home is (or would be) already used as a private residential tenancy and the tenant is liable for council tax
- I would continue to use it purely for personal use and pay the higher rate of council tax
- I would continue with split use between self-catering accommodation (below the non-domestic rates threshold) and personal use, and pay council tax
- My second home already has/would have split use between self-catering accommodation (below the non-domestic rates threshold) and personal use. Rather than pay the higher rate of council tax, I would increase the number of days the accommodation is available to let and actually let in order to meet the non-domestic rates thresholds
- My second home is purely for personal use. However, in order to stop paying council tax, I would make it available as self-catering accommodation for 140 days or more and actually let it for 70 days or more in order to be liable for non-domestic rates
- I use my second home purely for personal use but I would change its use to a private residential tenancy
- I use my second home as self-catering accommodation (below the non-domestic rates threshold) but I would change its use to a private residential tenancy
- I will seek reclassification as an empty home and pay council tax

I will sell the second home

**Question 7**

Do you think councils should be able to charge a higher premium than the current 100% (double the full rate) of council tax on homes empty for longer than 12 months?

More information:

Councils currently have the discretion to charge up to 100% premium on council tax on homes empty for longer than 12 months.

Answer:

- Yes
- No
- Don't know

Please give reasons for your answer.

Fife Council – not applicable for response.
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**Question 8**

If you have answered yes to question 7, what do you think the maximum premium councils could charge should be?

More information:

This question is asking what the maximum premium should be for homes that have been empty for longer than 12 months.

The current maximum is 100% premium, which is double the normal rate of council tax.

Answer:

- 150%
- 200%
- 250%
- 300%
- Other (specify)

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Please give reasons for your answer.

### Question 9

Do you think there should be a stepped approach to charging higher rates of council tax on long-term empty homes?

More information:

By 'stepped approach' we mean only giving councils powers to charge higher rates of council tax the longer the home is empty. For example, 100% premium at 12 months, 200% premium at 2 years, 300% premium at 5 years.

100% premium is the same as double the normal amount of council tax.

200% premium is the same as three times the normal amount of council tax

300% premium is the same as four times the normal amount of council tax.

Answer:

Yes

No

Don't know

Please give reasons for your answer.

Fife Council believes that a stepped approach is appropriate, but this should be determined at a local level and not imposed in legislation. The concept of the longer a dwelling is empty, the more the additional charge should be would support the overall aim – bringing empty home back into use. Council's also need to discretion when circumstances merit – not to charge the additional charge and again this should be a local decision.

### Question 10

Are there any exceptions that are not already taken into account, that should be, when charging a premium of council tax on homes empty for longer than 12 months?

More information:

**Current discretionary powers for councils to change council tax liability for empty homes**

50% discount cannot be changed	Owner may apply for a major repairs or structural alterations exemption.  Discount can be varied between 50 and 10%.	Discount can be varied between 50 and 10% or discount can be removed or premium of up to 100% can be applied.
50% discount cannot be changed	50% discount cannot be changed	50% discount cannot be changed

The current list of exemptions to council tax are:

Dwellings last occupied by charitable bodies	Up to 6 months
Dwellings last occupied by persons living or detained elsewhere	Unlimited
Deceased owners	Unlimited up to grant of confirmation  6 months after grant of confirmation
Dwellings empty under statute	Unlimited
Dwellings awaiting demolition	Unlimited

Dwellings for occupation by ministers	Unlimited
Dwellings occupied by students, etc.	Unlimited
Reposessed dwellings	Unlimited
Agricultural dwellings	Unlimited
Dwellings for old or disabled persons	Unlimited
Halls of residence	Unlimited
Barracks, etc.	Unlimited
Dwellings occupied by young people	Unlimited
Difficult to let dwellings	Unlimited
Garages and storage premises	Unlimited
Dwellings of persons made bankrupt	Unlimited
Visiting forces	Unlimited
Dwellings occupied by severely mentally impaired persons	Unlimited
Prisons	Unlimited
Prescribed housing support services accommodation	Unlimited

**Answer:**

Please tell us about exemptions that you feel should apply and give reasons for your answer. Do not include exemptions that are already provided for.

Fife Council believes exemptions should not be reviewed as part of this process.

**Question 11**

What factors should be taken into account by councils when deciding whether to introduce a premium on council tax for homes empty for longer than 12 months?

**More information:**

A non-exhaustive list of potential factors might be:

- numbers, percentages and distribution of long-term empty homes throughout a local area
- potential impact on local economies and the community
- patterns of demand for, and availability of, affordable homes
- potential impact on local public services

- impact on neighbours and local residents

Councils may also decide not to use the powers or to disapply a premium for a specific period of time. A non-exhaustive list of examples of where a council might do this include:

- where there are reasons why a home could not be sold or let
- where an offer has been accepted on a home but the sale has not yet been completed and the exception period has run out
- if the home has been empty for longer than 12 months but has been recently purchased by a new owner that is actively taking steps to bring the home back into use
- if an owner has submitted a timely planning application or is undergoing a planning appeal that is under consideration by the council or Scottish Government. This means they cannot undertake work to bring the home back into use until that process is concluded
- where charging a premium might cause hardship or act as a disincentive to bringing the home back into use e.g. where extensive repairs are actively being carried out

Answer:

Please list factors and give reasons for your answer.

Fife Council believes all these factors are relevant but like previous answers – these should be set at a local level based on local circumstances.

### **Question 12**

If you do, or were to, own a home that has been empty for longer than 12 months, please tell us what you would do if your council decided to increase the maximum council tax charge above 100% premium?

More information:

Council tax premium:

- 100% premium is the same as double the normal rate of council tax. This is the current maximum councils can decide to charge. This question asks what you would do if councils are given powers to charge more than this e.g. up to 300% premium/ four times the normal rate and the council where your empty home is located decided to apply an increase.
- You may find it helpful to view what we mean by some of the options given e.g. short-term lets and private residential tenancies.

Short-term lets:

- In this consultation, short-term lets is a term used to refer to the whole or part of accommodation provided to one or more guests on a commercial basis that does not become the main residence of the guest/s. Self-catering accommodation is a type of short-term let and may be liable for council tax or non-domestic rates depending on the number of days they are available to let and actually let in the financial year.

- Self-catering accommodation must be available for let for 140 days or more and actually let for 70 days or more in the financial year, to be exempt from council tax and liable for non-domestic rates

Private residential tenancies:

- A [private residential tenancy](#) is when a registered landlord lets accommodation to an individual/s and it will be their sole or main residence. All tenancies created on or after 1 December 2017 are open-ended, which means a landlord will no longer be able to ask a tenant to leave simply because the fixed term has ended.

Answer:

- Leave the home empty and pay the higher council tax
- Sell the empty home
- Use the home as a private residential tenancy
- Use the home as a short-Term Let
- Other (specify)

Please give reasons for your answer.

Fife Council – not appropriate to respond to this question.

### Question 13

Do you think that the letting thresholds for self-catering accommodation for non-domestic rates should be changed?

More information:

The owners, tenants or occupiers of self-catering accommodation (who may be businesses, the public or the third sectors) may be liable for either council tax or non-domestic rates. This includes owners of second homes who use them for self-catering accommodation.

The current threshold for defining premises as self-catering holiday accommodation liable for non-domestic rates is it must be available to let for 140 days or more and actually let for 70 days or more in the same financial year.

Answer:

- X Yes
- No
- Don't know



Please give reasons for your answer.

Fife Council believes that the Self Catering and Holiday lets criteria set should be brought into line with that used by HMRC – that the property needs to be available for let for 210 days per annum and actually let for at least 140 days per annum. This would lead to consistency across public sector.

Fife Council would also highlight that changing the criteria has other consequences insofar as refuse collection (only domestic dwellings should receive domestic refuse and commercial properties need to arrange commercial refuse collection) and water service charges for domestic dwellings are charged via Council Tax whilst water services charges for commercial premises are billed and collected by Business Stream on behalf of Scottish Water.

Administratively there is a clear issue of properties flip-flopping between domestic and non-domestic charging dependant on days let etc.

#### **Question 14**

If you have answered yes to question 13, what do you think the threshold for the number of days self-catering accommodation must actually be let for should be?

#### More information:

The current threshold is self-catering accommodation must actually be let for 70 days in the financial year.

#### Answer:

- 50 days
- 100 days
- 140 days
- 180 days
- Other (specify)

See answer to Q13

Please give reasons for your answer.

Explained in the answer to Question 13 – consistency across public sector is required.

### Question 15

If you have answered yes to question 13, what do you think the threshold for the number of days self-catering accommodation must be available to let should be?

#### More information:

The current threshold is self-catering accommodation must available to let for 140 days in the financial year.

#### Answer:

- 120 days
- 160 days
- 200 days
- 250 days
- Other (specify)

Answered in Q13

Please give reasons for your answer.

See response to Q13.

### Question 16

Do you think councils should have discretion to change the self-catering accommodation 'days actually let' threshold, for their local area?

#### Answer:

- Yes
- No
- Don't know

Please give reasons for your answer.

The HMRC thresholds should be applied but the power to alter these locally should be within any legislation as there may be circumstances locally (perhaps not in Fife but certainly in some island communities) where it is hard to meet the HMRC standards.

### Question 17

If you answered yes to question 16 do you think that councils should have discretion to:

Answer:

- Increase the number of days actually let only
- Decrease the number of days actually let only
- X Increase or decrease the number of days actually let

Please specify if you think councils should have discretion to do something else

Please give reasons for your answer

Local discretion to set the days should be made available for local policy decisions which may vary over time – i.e. if there is a need for holiday lets to promote tourism then local council could look at the number of days to encourage such usage of properties or vice-versa.

**Question 18**

Do you have any other comments on the non-domestic rates system in respect of self-catering accommodation?

Answer:

Please provide your views

Fife Council believes that all holiday lets, self-catering accommodation should be reviewed nationally to see if it is still appropriate for these businesses to be included within the small business bonus scheme as at the moment 99.8% of these businesses pay no contribution to the provision of services within the area they are situated as they benefit from SBBS relief.

**Question 19**

If you do, or were to, own a second home please tell us what you would do in the event that the applicable rate of council tax and non-domestic rate thresholds both increased?

More information:

The current threshold for defining premises as self-catering holiday accommodation liable for [non-domestic rates](#) is it must be available to let for 140 days or more and actually let for 70 days or more in the same financial year.

A [private residential tenancy](#) is when a registered landlord lets accommodation to an individual/s and it will be their sole or main residence. All tenancies created on or after 1 December 2017 are open-ended, which means a landlord will no longer be able to ask a tenant to leave simply because the fixed term has ended.

Answer:

- The home is already used as a private residential tenancy
- I would continue to use it purely for personal use and pay the higher rate of council tax
- I would continue with split use between self-catering accommodation (below the thresholds to be liable for non-domestic rates) and personal use, and pay council tax
- My second home already has/would have split use between self-catering accommodation (below the non-domestic rates threshold) and personal use. Rather than pay the higher rate of council tax, I would increase the number of days the accommodation is available to let and actually let in order to meet the non-domestic rates thresholds
- My second home already has/would have split use between self-catering accommodation (above the non-domestic rates threshold) and personal use. Rather than revert to paying council tax, I would increase the number of days the accommodation is available to let and actually let in order to meet the higher non-domestic rates thresholds
- My second home is purely for personal use. However, in order to stop paying council tax, I would make it available as self-catering accommodation and let it for the number of days I needed to in order to be liable for non-domestic rates
- I use my second home purely for personal use but I would change its use to a private residential tenancy
- I use my second home as self-catering accommodation (below the non-domestic rates threshold) but I would change its use to a private residential tenancy
- I would seek reclassification as an empty home and pay council tax
- I would sell the second home
- Other (specify)

Fife Council – not appropriate to answer.

Please give reasons for your answer.

## Question 20

If you do, or were to, own a second home please tell us what you would do in the event that:

- a) council tax powers remained as they are for second homes (i.e. no provision for councils to charge a premium), but
- b) the 'thresholds' to be classed as self-catering holiday accommodation for Non-domestic rates purposes increased?

### More information:

The current threshold for defining premises as self-catering holiday accommodation liable for [non-domestic rates](#) is it must be available to let for 140 days or more and actually let for 70 days or more in the same financial year.

A [private residential tenancy](#) is when a registered landlord lets accommodation to an individual/s and it will be their sole or main residence. All tenancies created on or after 1 December 2017 are open-ended, which means a landlord will no longer be able to ask a tenant to leave simply because the fixed term has ended.

### Answer:

- The home is already used as a private residential tenancy
- I would continue to use it purely for personal use and pay council tax
- I would continue with split use between self-catering accommodation (below the thresholds to be liable for non-domestic rates) and personal use, and pay council tax
- My second home already has/would have split use between self-catering accommodation (above the non-domestic rates threshold) and personal use. I would increase the number of days the accommodation is available to let and actually let in order to meet the higher non-domestic rates thresholds
- I use my second home as self-catering accommodation (above the current non-domestic rates threshold). If I was not able to meet the new thresholds, I would change its use to a private residential tenancy
- I would seek reclassification as an empty home and pay council tax
- I would sell the second home

Other (specify)

Not appropriate to answer.

Please give reasons for your answer:

### Question 21

Please tell us how you think changes to council tax and/or non-domestic rates thresholds for self-catering accommodation might affect businesses in your area.

Answer:

Please provide your views

Fife Council believes that these changes are proportionate and decisions should be made at a local level to ensure any adverse effects are properly managed within local policies through the provision not to charge where local circumstances would dictate.

### Question 22

Please tell us how you think changes to the maximum council tax rate for second and/or empty homes and non-domestic rates thresholds might affect your local area or Scotland as a whole (social, economic, environment, community, cultural, enterprise).

More information:

We have prepared a partial Business Regulatory Impact Assessment and undertaken screenings to initially consider other impacts. We would welcome your views and comments to help us expand on these assessments.

Answer:

Please provide your views

Fife Council believes that by levying charges as a lever to bring more homes available for local residents is the most important benefit of the proposed changes and where the owners choose to retain empty or second homes, that additional charges should be levied for the common good/provision of local services.

**Question 23**

Please tell us how you think the changes identified might affect island communities.

More information:

We have prepared a partial Island Communities Impact Assessment and undertaken screenings to initially consider other impacts. We would welcome your views and comments to help us expand on these assessments.

Answer:

Please provide your views

Not appropriate for Fife Council to respond as we are not an island authority.

**Question 24**

Do you think there are any equality, human rights, or wellbeing impacts in relation to the changes set out in the consultation?

Answer:

- Yes
- No
- Don't know

Please give reasons for your answer.

Fife Council does not believe there are any equalities or human rights issues. Overall any well being issues should be dealt with within local policies through the application of discretion not to charge (as is the case at present with the current 100% long term empty levy).



## Question 25

Is there anything else you would like to tell us in relation to this consultation?

### Answer:

Please provide any further comments on the proposals set out in this consultation in the box below.

Fife Council, as detailed in this response, welcomes the opportunity to support the proposed increase in power to levy additional charges (only where appropriate to do so) but urges that these decisions are taken at a local level and not dictated within legislation.

It is clear that there has to be a balance between punitive charging and the need have as many properties as possible available for local residents (especially in areas where there are high numbers of second homes and long-term empty dwellings).

Any additional revenue raised should be retained locally to pay for local services and must not be included in the assumed Council Tax used to calculate the Central Support Grant as by doing so – such revenue would reduce the grant available and thus Council's would lose any benefit from implementing charging.

More in-depth work is needed on the definition of holiday lets and self-catering accommodation to avoid unnecessary administrative overheads for the Assessor, Council Scottish Water and the businesses themselves

## About you

Please tell us which of the following categories best describe you (select all that apply):

- Owner of a Second Home
- Owner of a Long-term Empty Home
- Short-Term Let/Self-Catering accommodation operator
- Council or Assessor
- Organisation e.g. third sector or industry body
- Member of the Public
- Other, please specify

Local Authority.

Please tick whichever council areas apply to you (or select all of Scotland)?:

- Aberdeen City
- Aberdeenshire Council
- All of Scotland
- Angus Council
- Argyll and Bute Council
- City of Edinburgh Council
- Clackmannanshire Council
- Dumfries and Galloway
- Dundee City Council
- East Ayrshire Council
- East Dunbartonshire Council
- East Lothian Council
- East Renfrewshire Council
- Falkirk Council
- X Fife Council
- Glasgow City Council
- Highland Council
- Inverclyde Council
- Midlothian Council
- Moray Council
- Na h-Eileanan Siar Council
- North Ayrshire Council
- North Lanarkshire Council
- Orkney Council
- Perth and Kinross Council
- Renfrewshire Council
- Scottish Borders Council
- Shetland Council
- South Ayrshire Council
- South Lanarkshire Council
- Stirling Council
- West Dunbartonshire Council
- West Lothian Council

29 June 2023  
Agenda Item No. 9

## River Leven Regeneration – Capital Funding

Report by: John Mitchell, Head of Roads and Transportation Services

Wards Affected: 13,14, 15, 21 and 22

### Purpose

The purpose of this report is to seek approval to progress delivery of the initial phase of the River Leven Regeneration Programme (Leven Connectivity Projects and Riverside Park, Glenrothes) through the UK Government Levelling Up Funding (LUF) and Sustran's Places for Everyone Funding.

### Recommendations

It is recommended that Committee:

- (1) approve the option to investigate delivery of the River Leven Regeneration Programme through the SCAPE Civil Engineering Framework;
- (2) note that delivery of the Mountfleurie Bridge is to be delivered separately through Network Rail and their contractor, as an addendum to the Implementation Agreement for the Leven Rail Bridge; and
- (3) note that further reports will be presented to this Committee to consider the final Business Cases and delivery agreements.

### Resource Implications

The level of potential funding is £25.18m, £19.4m from the UK Government's Levelling Up Fund (LUF) and £5.772m from Sustran's Places for Everyone Funding (PFEF).

Sustran's award consists of:

- **Phase 1 of the River Park Routes** **£2.669m**  
(Managed by Green Action Trust on behalf of SEPA (Scottish Environment Protection Agency))
- **Active Travel Routes (within the local road network)** **£1.735m**  
(Fife Council managed)
- **Mountfleurie Bridge (conditional on detailed design)** **£1.368m**  
(Fife Council managed)

The Sustran's award is based on match funding being delivered through the LUF Grant and requires to be delivered by March 2026.

The final Business Cases will be developed within the Pre-Construction stage. This work has a fee of 0.5% which is approximately £90k. This will be paid for from the LUF funding.

## Legal & Risk Implications

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The greatest risk lies in not delivering the Levelling Up Fund award by March 2025. This is a significant civil engineering programme of work within a very short timescale which has a direct relationship with the works for the Leven Rail Link, the road network in Leven and the River Parks where detailed planning approval and design details are yet to be concluded. Each of these issues have specific constraints due to the rail line becoming operational by December 2023 and the extent of the existing road network that can be subject to works at any one time.

In terms of risks with the LUF award, delays, over runs, unforeseen conditions and effects of inflationary costs etc. fall to the Council. Hence the requirement for a carefully managed contract and the appointment of an experienced Civil Engineering contractor are critical to successfully manage the risk and ensure that works and budget targets are fully met within deadlines.

Investigation of the SCAPE Civil Engineering framework to deliver the programme offers the potential for outline feasibility work to be undertaken by the contractor free of charge to help inform the programme development. Once this is completed and if accepted, the contractor then offers the option of a pre-construction design phase at a cost of approximately £90k where the detailed design, timescales and budget implications can be refined to help address risk within the programme.

If the contractor is appointed to manage delivery their fees would be taken from the grant awards. This delivery route provides a potential contractor with a known delivery expertise in this area which will help to achieve an efficient work programme, fully deliver the available budget, and avoid the potential for unclaimed grant.

## Impact Assessment

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An EqIA and a Fife Environmental Assessment Tool (FEAT) is not required as this report does not propose a change or revision to existing policies and practices. An appropriate environmental assessment will be completed as part of the Planning process.

The SCAPE delivery framework allows key local performance indicators to be agreed for local labour, spend, environment and social value goals. This would ensure that local contractors are fully utilised as part of any works.

## Consultation

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

Extensive community consultation has undertaken for the projects in this Programme.

A range of consultation with the local Area Committees and communities will be developed as part of the delivery programme.

## 1.0 Background

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- 1.1 On 4 November 2021 the Policy and Co-ordination Committee (2021.PC.97 para. 329 refers) delegated to the Executive Director (Finance and Corporate Services) and the Executive Director (Enterprise and Environment) in consultation with the Co-Leaders, to complete and submit the Levelling Up Funding applications once the deadline for the next round of Levelling Up funding was announced. On 25 August 2022, Cabinet Committee (2022.CC.6 item 10 refers) delegated to the Executive Director (Finance and

Corporate Services) and the Executive Director (Enterprise and Environment) to complete the Legal Agreements with the UK Government in the event any of the Levelling Up Funding Applications were successful. The Council has now entered into a Minute of Understanding with the Department for Transport as part of the Levelling Up Funding award for the River Leven Regeneration Programme.

1.2 The Programme is focussed on place-based regeneration projects with a view to improve connectivity, tourism, the natural asset and provide the first sections in connecting Leven with Loch Leven through an active travel route. The projects included within the LUF award are:

- **Leven Connectivity**

Active Travel Network - includes connections to the new rail stations at Leven and Cameron Bridge, the River Park network, and communities of Levenmouth. It also includes the requirement for a new footbridge crossing at Mountfleurie to maintain the route of the Core Path to connect Mountfleurie and Kirkland. Fife Council purchased the crossing at Mountfleurie from Network Rail in 1986 which included which included its future maintenance, repair, and renewal.

River Park Routes – This project was instigated by SEPA (Scottish Environment Protection Agency) as part of the River Leven Programme. They have since delegated the management of this to Green Action Trust (GAT). Fife Council Roads & Transportation Services are working with GAT to help deliver the programme and coordinate designs and available funding.

- **Riverside Park, Glenrothes**

This project looks to improve the park as an idyllic green space and attraction for the community and visitors.

1.3 The total LUF award of £19.4m comprises of £14.43m for the Leven Connectivity Programme and £4.98m for Riverside Park, Glenrothes. However, whilst specific awards are shown against each project, there is flexibility to transfer between the projects to ensure best use of the funds and full allocation of grant funding.

1.4 The deadline for delivery of the £19.4m LUF award is by March 2025. The level of construction works, including land purchase/agreements, planning approval, utility diversions, ground investigations, co-ordination with rail works and significant road works requires a considerable design/construction resource.

1.5 The SCAPE framework consists of five stages which are detailed in Appendix 1. It is proposed to undertake Stages 1-3 as part of this work to inform the detailed Business Case.

## 2.0 Delivery Options

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2.1 The following three outline options have been considered to deliver the programme:

**Option 1 - Do Nothing. Continue to maintain Riverside Park, Glenrothes and the current path network in Levenmouth.**

**Option 2 – Direct delivery of the projects by the Council through a series of open tenders or mini competitions within other relevant frameworks.**

**Option 3 – Deliver through the SCAPE Delivery Framework.**

- 2.2 On assessment of these options, Option 3 is the preferred, most cost-effective and lowest risk method of delivering the projects. It would allow management of the overall programme by a single contractor, which allows co-ordination of the sub-components which would minimise disruption to the community and deliver the grant allocation by the deadlines. The SCAPE Framework includes a proven approach to community benefits, social value and environmental impact which is shown in Appendix 2.
- 2.3 Option 1 would not deliver the regeneration goals of the Levenmouth Reconnected Programme. Option 2 would be time intensive, involve lengthy contract periods, multiple contractors and internal resources that are already fully committed to the Council's Area Works Programme. It is unlikely that the full LUF grant would be drawn down by its deadline.
- 2.4 The SCAPE Framework includes a Pre-Construction review stage, which has a fee of 0.5% (approximately £90k). This will produce/validate:
- Detailed design
  - Final Business Case.
  - Market tested estimates.
  - Detailed programme.
  - Risk management and reduction plan.
  - Project management plan, including HSES, social and stakeholders.
- 2.5 Investigating the use of the SCAPE Civil Engineering Framework could lead to a potential Construction start in October 2023. Until the feasibility and Pre-Construction stages are completed, there remains a risk that the contractor is unable to commit to the works within the timescales required. Roads and Transportation Services is monitoring this and the potential of other delivery options.

## 3.0 Conclusions

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- 3.1 The projects comprising the River Leven Regeneration Programme include projects associated with the Leven Rail Link and Riverside Park, Glenrothes. They bring £25m of investment to the Mid-Fife areas of Levenmouth and Glenrothes, a key regeneration focus for the Council.
- 3.2 The opportunity presented by the UK Government's Levelling Up Funding and Sustran's Places for Everyone Funding offers an efficient and timely mechanism for Fife Council to deliver the initial phases of the Leven Programme and improvement of Riverside Park, Glenrothes.

### List of Appendices

Appendix 1 – SCAPE Civil Engineering Stages

Appendix 2 – SCAPE Civil Engineering Performance Indicators

### Background Papers

- Policy and Co-ordination Committee, November 2021, Item 8: Levelling Up Fund Update [Public-Agenda-Pack-for-Policy-and-Co-ordination-Committee-4th-November-2021.pdf](#)
- Cabinet Committee, 25 August 2022, Item 11: Levelling Up Fund Update [Agenda-and-papers-for-the-Cabinet-Committee-25th-August-2022.pdf \(fife.gov.uk\)](#)

## Report Contacts

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## SCAPE Roadmap

<b>SCAPE Gateway</b>	<b>Key Outputs</b>	<b>Project Milestone</b>
Stage 1 Inception	Development of Master Programme	Programme of Works defined
Stage 2 Feasibility	Draft Programme and Phasing Identification of Supply Chain Initial Market Testing Budget Cost Established	Outline Design Approvals and Consents Outline Business Case Funding Application
Stage 3 Pre-Construction	Design Management/Value Engineering PU Co-ordination Engagement with Fife Council Network Teams Final Programme and Phasing Final Project Cost	Detailed Design Final Business Case Committee Approval
Stage 4 Construction	Delivery of Project Delivery of Social Value outcomes	Construction Phase
Stage 5 Post-Construction	Handover	Operation and Maintenance

## SCAPE Civil Engineering Framework Performance Indicators

Party	Performance Measures	Minimum Standard
<b>SCAPE</b>	Time Predictability	100% (including client agreed changes)
	Cost Predictability	100% (including client agreed changes)
	Fair Payment	100% within 19 days
	Health & Safety – RIDDOR Accidents (Reporting of Injuries, Diseases & Dangerous Occurrences Regulations)	Zero
	Environmental Incidents	Zero
	Supply Chain Satisfaction	Average 8/10
	Client Satisfaction	Average 8/10
<b>Delivery Partner</b>	Social Enterprise Engagement	Annual % spend of £ total
	Waste Reduction	Annual Tonnes per £100k project
	Considerate Constructor Scheme	Annual Average Score
	CLOCS (Construction, Logistics & Community Safety)	% with Standard Implementation
	Fair Payment – Faster Payment	Improved Payment Terms
	Pre-Manufactured Value	% Value
<b>Client</b>	Local Labour	0-100% as agreed with Client
	Local Spend	0-100% as agreed with Client
	SME (Small & Medium Enterprises) Engagement	0-100% as agreed with Client
	SME Spend	0-100% as agreed with Client
	Client's Social Value Targets	0-5 TOMs (Themes, Outcomes, Measures) as agreed with Client
	Client Satisfaction – Value for Money	8/10 Measures agreed with Client

29 June 2023  
Agenda Item No. 10

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## Fife's Digital Connectivity

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

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**Wards Affected:** All

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### Purpose

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The purpose of this report is to outline the council's approach to support the development of, and investment in, digital infrastructure in Fife to improve coverage to tackle areas of poor connectivity to enable a digital economy, communities and places as outlined in the report. For digital infrastructure in Fife to be able to enhance productivity, foster innovation, stimulate economic growth and make more digital jobs and opportunities possible.

### Recommendation(s)

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Members are asked to:

- (i) note progress to date and approve proceeding with Option 3 as outlined in Section 3; and
- (ii) note that the Outline Business Case for Option 3 will be subject to a further report to Cabinet Committee for approval.

### Resource Implications

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Note that the impact of The Electronic Communications Code is likely to reduce the council's rental income by approximately two-thirds once existing leases are renewed and any new leases would be for similar values. This is estimated at £40k to provide context. It would be managed within the Service budget.

The costs for two temporary regional digital engagement officer posts to deliver the Demand Stimulation option are being funded from UK Shared Prosperity Funding for two years, 2023-2025. The estimated cost is £105k. Fife's share would be approx. 40% of the total, £50K in 2023/24 and £55K 24/25.

It is proposed to commission external consultants to support officers to deliver an Outline Business Case for the Strategic Intervention Option 3 given the specialist nature of the requirements. The output would be justified market interest, the case for change, the social and economic impact of the investment, the commercial model, procurement strategy and resourcing requirements to seek Cabinet approval to proceed to procurement. The estimated costs are £50k, to be funded jointly by Business and Employability, Business Technology Solutions and Housing Services.

## Legal & Risk Implications

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Any financial contribution by the council must demonstrate compliance with the subsidy control principles set out in The Subsidy Control Act 2022. A Subsidy Assessment will be undertaken as part of the development of the Outline Business Case for the Strategic Intervention Option 3.

Perth and Kinross Council are recruiting the R100 Engagement Officers. Appropriate governance arrangements will be established to ensure that 40% of their time is dedicated to Fife based activities.

There is a risk that the Outline Business Case for the Strategic Intervention Option 3 is unaffordable within the council's Capital Plan. However, this cannot be quantified until the Outline Business Case is developed.

## Impact Assessment

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An Equality Impact Assessment (EqIA) is not required at this stage as there are no changes to existing service delivery and policy. However, this will be carried out as part of the development of the Outline Business Case for the Strategic Intervention Option 3.

## Consultation

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The Head of Legal and Democratic Services and the Head of Finance have been consulted during the preparation of this report. The Heads of Service for Business Technology Solutions and Housing Services have been consulted in the preparation of this report. The Tay Cities partners have been consulted through the Digital Thematic Board established as part of the Tay Cities Region Deal. Wider consultation is not required at this stage as the report does not propose a change to existing policies and practices. This will be carried out as part of the Outline Business Case for the Strategic Intervention Option 3.

## 1.0 Background

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- 1.1 Intelligens Consulting, a telecoms and smart cities consultant, was commissioned in 2021/22 to identify what actions the council could take to improve digital connectivity in Fife. This was at the request of the Economy, Tourism, Strategic Planning and Transportation Sub-Committee.

### **Digital Policy Ambitions**

- 1.2 Making future proof digital infrastructure available across the UK is at the heart of government policy. The UK Government ambition is for at least 85% of UK premises to have access to gigabit-broadband by 2025. It seeks to accelerate roll-out to get as close to 100% as possible through initiatives such as Project Gigabit, GigaHubs, etc. £5 billion has been allocated to stimulate gigabit investment into rural areas of the UK. This future proof and scalable fibre connectivity is expected to meet demands for next 20+ years. It is essential for business connectivity and speed and to enable 5G small cells. Smart Connected Places rely on IoT (Internet of Things) to support local authorities to deliver better services, improve productivity and reduce cost leakage.

- 1.3 In Scotland, the responsibility for taking action and implementing UK Digital policy lies with the Scottish Government. It delivers the R100 Programme as [Digital Scotland Superfast Broadband](#). In 2021, it published its digital strategy for Scotland: A changing nation: how Scotland will thrive in a digital world. This sets out an overarching framework to help the economy, businesses, public services and people capitalise on the many benefits presented by digital technology. There are seven key priority themes:
- No One Left Behind
  - An Ethical Digital Nation
  - Digital Education and Skills
  - Helping All Business Become Digital Businesses
  - Supporting Our Digital Technology Sector
  - Public Services Working for Us All
  - Transforming Government
- 1.4 In March 2023, the Scottish Government published its Public Review into Superfast and Gigabit Broadband Infrastructure in Scotland. This aims to ensure that the Scottish Government has the most up to date information about suppliers' existing and planned build over the next three years. This Public Review will be used to inform eligibility for potential future procurements in Scotland as part of the UK Government's Project Gigabit.
- 1.5 This consultation was the final opportunity to notify the Scottish Government before the Subsidy Control classification is defined for each property in Scotland (excluding the Inverness and Highland City Region Deal area). The premises identified as eligible for future, publicly funded interventions will be grouped into one or more appropriately sized Intervention Areas (IAs) by the Scottish Government. The IAs will be issued to the market so that suppliers can bid for public funding to support delivery to those areas.
- 1.6 Fife's Economic Strategy 2023-2030 states that one of the challenges faced by the Fife economy is that business investment in innovation/digitisation is below the Scottish average. Many industrial estates need significant digital investment and there are gaps in digital connectivity in less populated areas. The Manufacturing, Tourism and Retail sectors have been particularly impacted by digitisation. The Strategy aims to improve coverage and reach of digital networks to homes and businesses, eliminating areas of low connectivity and tackling areas of exclusion, increasing take-up and giving individuals and businesses improved choices. This challenge needs to be tackled to help achieve the overall objective to grow a stronger, greener and fairer economy in Fife.
- 1.7 Fife also requires a digital infrastructure to effectively respond to the global transformations driving innovation in the economy and society. These transformations include:
- Digitalisation, data, and AI (Artificial Intelligence)
  - Future of work, automation and agetech (technology that makes comfortable longevity accessible to all)
  - Energy transition, security, and decarbonisation
  - Smart mobility, ports, and logistics
  - Intelligent, carbon neutral buildings
  - Connected urban realm, decentralisation, and social value and
  - The need for place-based smart specialisation

- 1.8 The availability of digital connectivity is also a key facet of the emergent Health and Social Care Partnership’s Digital Strategy. It is regarded as essential not only to improve wellbeing through greater connectivity, but also in tackling key strategic imperatives such as providing more care in the community to ease continuing pressures on stretched hospital capacity. The partnership aims to become a more connected and digitally-enabled organisation, adapting to new developments in technology, medicines and digital healthcare. Housing Services also consider digital connectivity as essential to tackle issues such as dampness and enable delivery of Energy Efficiency Standards for Social Housing. There are limited options for low cost broadband for hard pressed households.
- 1.9 The research by Intelligens Consulting concluded that, despite the Government initiatives, there is still a role for individual councils. Government subsidies are targeted at the areas that are not viable for commercial investment. The UK attracts hundreds of billions of commercial fibre and mobile investment; however, local authorities need to compete to attract this commercial investment. North Lanarkshire and Renfrewshire Councils are examples where they have successfully done so to increase their fibre coverage and achieve gigabit speeds for more residents and businesses faster. Fife has benefited significantly from commercial investment by several telecoms operators such as Openreach, Virgin Media02, GoFibre, Lothian Broadband and Axione to improve its coverage of gigabit capable Fibre to the Premise.

## 2.0 Existing Connectivity in Fife

### Fibre

- 2.1 In May 2023, Think Broadband, an independent information provider, reported the following connectivity for Fife (the increase from August 2021 in brackets). This highlights the coverage gap between rural and urban areas in Fife.

UK Constituency	Premises with FTTP (Fibre to the premise)		Premises with Ultrafast (>100 Mbps)	
	2021	2023	2021	2023
Fife	23.78%	43.33% (+20%)	58.97%	69.91% (+11%)
Dunfermline and West Fife	50.56%	62.60% (+12%)	59.94%	70.58% (+11%)
Kirkcaldy and Cowdenbeath	21.11%	42.37% (+21%)	72.25%	85.05% (+13%)
Glenrothes and Central Fife	5.13%	41.94% (+37%)	77.73%	84.87% (+7%)
North East Fife	13.46%	31.24% (+18%)	20.37%	34.01% (+14%)

- 2.2 In December 2021, Think Broadband compared the full fibre availability across all Scottish local authorities. At that time, Fife was twelfth out of Scotland’s thirty-two local authorities with fibre availability at the UK average. By May 2023, however, Fife was sixteenth for the proportion of premises with Full Fibre availability, 0.43% below the Scottish average. Recent research for Tay Cities region on the location of digital jobs indicated that there is a strong urban focus for these, with nearly half of the region’s coding and cyber jobs located in urban areas.
- 2.3 Fife is within the Central Scotland Lot in the Scottish Government’s R100 Contract. Fibre coverage has reached 1,788 premises in Fife, (as of 31 December 2022) across twenty-four Exchanges. During 2023, a further eight Exchanges will be invested in by the R100 Contract. For premises outside of the R100 contract, the Scottish Government offers Scottish Broadband Vouchers to the owners to work with registered suppliers and neighbouring properties to deliver superfast broadband. However, take up of vouchers is low for a number of reasons despite the number of premises eligible for them.

- 2.4 The Intelligens report considered what is the role of the council to encourage take up of the Scottish Broadband Vouchers and encourage more suppliers to actively invest in Fife. During 2021/22, primary research was undertaken to understand what the council could do to improve voucher take up and to enhance fibre availability in Fife. This concluded that the limited number of vouchers available and low take up means that the voucher scheme's contribution to Fife's digital connectivity will be minimal. Also, that although fibre altnets (Alternative Network Providers) are less engaged with the voucher scheme than WISPs (Wireless Internet Service Providers), they are more likely to increase fibre availability in the longer term.

### **Mobile**

- 2.5 The Connected Nations Report, Ofcom published in 2022, reported that there are no areas in Fife that are not covered by at least one MNO (Mobile Network Operator), i.e. there is 100% coverage by at least one MNO. The average coverage for Fife is 90% with Glenrothes and Central Fife UK Parliamentary Constituency at 97% and North East Fife at 87%. The Ofcom Update in January 2023 states that mobile operators continue to roll out coverage to new areas through the Shared Rural Network scheme. The Shared Rural Network, developed by the UK's four mobile network operators and UK Government in 2020, will deliver 4G coverage to 95% of the UK. The Ofcom deadlines are Summer 2024 for industry to complete their investment in Partial-not-spot areas and Spring 2027 for new masts. Due to current levels of coverage, Fife is most likely to benefit from the partial-not-spot investment rather than new masts.
- 2.6 In 2022/23, Fife Council was a partner in the Infralink-Exchange project in Tay Cities Region, one of eight pathfinder projects each awarded £500k of funding from the UK government's Department for Digital, Culture, Media and Sport to explore how street furniture can be used to enhance mobile digital connectivity. This created a database of public sector owned infrastructure such as land, buildings, streetlights and CCTV, available for mobile phone operators to install their macro and small network transmitters. It began direct engagement with Mobile Network Operators to encourage them to use this when planning their investments in the region.
- 2.7 A significant challenge that all telecoms operators face in their investment is the requirement for wayleaves. For example, the R100 contract requires a wayleave for an average of eight premises. These slow down delivery and increase cost. The Infralink Exchange project aimed to respond to this barrier through standardised processes and documentation.
- 2.8 However, there is a financial risk to the council as Fife Council currently leases six sites to MNOs with an annual income of approximately £60,000. The Electronic Communications Code ("the New Code") makes major changes to the way land is valued. It is on the basis of market value on a "no scheme" basis based on compulsory purchase principles. This applies to existing leases when renewed. It is estimated to make a £40k difference to the council's income to provide context. It would be managed within the Service budget. Rents will, in effect, be regulated and the approach favours the operators. Delay or refusal to renew leases is likely to result in MNOs deprioritising investment in these masts.

## **3.0 Issues**

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### **Fibre**

- 3.1 Despite recent progress, levels of market investment have meant that Fife has less fibre coverage in its less-densely populated areas than other local authorities. Fibre availability in Fife is now below the Scottish average and is beginning to lag behind comparable areas as well as Scotland's cities.



- 3.2 Gigabit (delivers download speeds of up to 1Gbps or 1,000Mbps) fibre connectivity is now essential to futureproof Fife's standing as a smart-connected-place, to attract investment to sustain its place in the digital economy. Investment in mobile digital infrastructure also unlocks Fife's ability to capitalise upon the benefits of modern technology innovations such as the Internet of Things (IoT), Agetech, Artificial Intelligence and augmented and virtual reality.
- 3.3 A lack of market appetite has left some areas of Fife, particularly in the Northeast and Southwest, without superfast broadband (a connection with a download speed of thirty Mbit/s). The Scottish Government's Broadband Voucher Scheme (SBVS) has been designed to improve the availability of superfast broadband speeds, however, awareness of these and take up is low. This falls short of current UK ambitions that residents and businesses have access to gigabit speeds. Fibre to the premise is fast becoming the de-facto delivery method for broadband. The Intelligens research concluded that the council should work with existing partner's and programme commitments (e.g. Tay Cities Infralink Exchange) to support initiatives to stimulate demand for SBVS vouchers.
- 3.4 In tandem, the Intelligens research concluded that the council should embark upon a business case for a high impact intervention to unlock a privately led multimillion pound investment in gigabit and fibre connectivity, as has recently been demonstrated by Renfrewshire Council and North Lanarkshire Council. Such an intervention can increase the availability of gigabit capable fibre connectivity to businesses and people in rural areas. It might also deliver affordable broadband to social housing, helping ensure Fife's most vulnerable families are digitally included. The implementation of this intervention would need to align with any procurement of network services by the council.
- 3.5 Some R100 suppliers confirmed that they have no plans to invest in Fife currently and would require more than the SBVS vouchers, i.e. a larger intervention programme to change this decision. An additional opportunity would be for the council to aggregate demand from its business property / industrial estate tenants to reduce the investment risk. This is a concept from the commercial property sector known as an anchor tenancy model where a leading big name organisation rents space in the infrastructure and, by doing so, encourages additional investment and take up.
- 3.6 The Intelligens research concluded that if the council could allocate resources to engage with communities to raise awareness and improve take-up rates of the SBVS that would be beneficial in encouraging commercial investment. However, the most significant challenge faced by suppliers is to overcome low take up rates of vouchers after users have confirmed interest. Council resources could promote and market voucher awareness and benefits to end users to improve take up and also aggregate demand to improve take-up and provide investment certainty. The report concludes that the status quo, i.e. low levels of voucher take up will not change digital connectivity levels in Fife.

### **Mobile**

- 3.7 Experience from the Infralink Exchange project is that the quality of the data that the council makes available is critical to assisting MNOs to make a decision to invest in Fife. The council's internal processes to quickly deliver the site from the initial enquiry are also critical. These include statutory processes such as planning and roads consents as well as wayleaves and leases. Officers have begun reviewing internal process and policies to fit with the live platform.

3.8 The Infralink Exchange project concluded that the MNOs had already determined their deployment plans for the next two years to achieve their commitments to Ofcom within the Shared Rural network. This means that the activities need to continue beyond the pilot. The Tay Cities' local authorities are considering the options to extend the use of a Portal, their data and its processes. A single access route makes it easier for MNOs to invest. The pilot project also concluded that a commercially sustainable model for any platform is required that will be developed as part of the options.

## 4.0 Options

4.1 The Intelligens report concluded that the status quo, i.e. low levels of voucher take up will not change digital connectivity levels in Fife. It identifies tactical actions to improve voucher adoption and strategic intervention options to improve fibre availability, grouped by impact on fibre availability and resources/effort to implement. These are summarised in the Table below:

<b>High Impact</b>	No options were identified that create a high impact on gigabit fibre to the premise availability across Fife with a low level of resources/effort.	<b>STRATEGIC INTERVENTION OPTION (Option 3)</b> <ul style="list-style-type: none"> <li>▪ Council site WAN connectivity to support Anchor Tenant or GigaHub intervention</li> <li>▪ Support social housing broadband and digital inclusion programme</li> </ul>
<b>Lower Impact</b>	<p><b>TACTICAL – POTENTIAL QUICK WINS</b></p> <p><b>1.DEMAND STIMULATION (Option 2)</b></p> <ul style="list-style-type: none"> <li>▪ Identify and verify demand from businesses &amp; industrial estates</li> <li>▪ Market voucher benefits and awareness</li> <li>▪ Post build co-marketing / branding and community engagement</li> </ul> <p><b>2. ASSET MAPPING (Infralink Exchange Project)</b></p> <ul style="list-style-type: none"> <li>▪ Provide UPRN level data</li> <li>▪ Show current and future ducts plans</li> <li>▪ Show CCTV, traffic lights, streetlights by height, power, loading etc.</li> <li>▪ Show new house build plans</li> <li>▪ Show spare land and vacant units</li> <li>▪ Categorise social housing by dwelling type</li> </ul>	<p><b>TACTICAL - RESOURCES, PROCESSES AND DOCUMENTATION (Infralink Exchange Project)</b></p> <ul style="list-style-type: none"> <li>▪ Expedite property lease process to secure PoP (point of Presence) locations</li> <li>▪ Dedicated resourcing</li> <li>▪ Standardise wayleave agreement</li> <li>▪ Standardise asset pricing</li> <li>▪ Standardise sign off processes</li> <li>▪ Provide telecoms documentation, agreements, pricing, processes on a dedicated telecoms portal</li> </ul>
	<b>Lower Resources/effort</b>	<b>Higher Resources/effort</b>

### Option Analysis

4.2 Using the outputs of this analysis, the council has a number of options available to improve digital connectivity. These are summarised in the table below:

<b>OPTION 1</b>	<b>OPTION 2</b>	<b>OPTION 3</b>
Do nothing in addition to existing commitments.	Focus on quick wins to enhance voucher take up.	A Strategic intervention such as an anchor tenancy model to support enhanced connectivity and digital inclusion to social housing properties.

## **Option 2 – enhance voucher take up**

- 4.3 It was recommended that this is a regional intervention with the Tay Cities partners to build on the joint working through the Infralink Exchange project and to enable cross-boundary voucher schemes. There are approx.10,000 premises across the region are eligible for the R100 Vouchers (SVBS), outside of the main R100 contract. These are supplier-led vouchers, i.e. the supplier applies on behalf of the beneficiary. The number and location vary depending on R100 and commercial builds. The supplier uses the value of the vouchers to fund their deployment, drawing down the grant once the customer is connected.
- 4.4 Officer capacity and capability was a constraint to the delivery of this option. The costs for two temporary regional digital engagement officer posts are being funded from the UK Shared Prosperity Funding for two years, 2023-2025. The estimated cost is £105k. These officers will work across the four local authority areas, engaging with suppliers actively investing in the region with the SVBS vouchers to improve digital coverage. They will work with clusters of premises to provide independent advice to householders on their best technology options. The four councils are sharing the costs according to the proportion of the premises in their area eligible for the SVBS vouchers. Fife's share is 40% of the total premises and incurs costs of £50K in 2023/24 and £55K 2024/25. Approx. 25% of premises (2,468) could be clustered to increase the “potentially addressable market” for suppliers.

## **Recommended Option 3 - anchor tenancy model using Council premises including its social housing stock and IoT (internet of things) requirements**

- 4.5 This option leverages council connectivity to unlock significant investment in digital infrastructure without the need for Subsidy. It is intended to stimulate further commercial investment in Fife. It is the option that is most likely to achieve the Council's ambitions for Fife's economy. The key benefits for the Council's Business Technology Solutions Service could include:
- Modern, resilient, future proof gigabit infrastructure to support Council education sites
  - Enable digitisation of services, e.g. telecare, social housing through IoT, 5G, etc.
  - Reduce revenue spend on ICT services
  - A long term technology partner rather than a transactional relationship
- 4.6 This option would also unlock key social and economic benefits for business and residential premises in Fife including:
- Accelerate deployment of fibre coverage to unserved areas faster than otherwise planned
  - Enhanced broadband take-up particularly among social housing tenants (if included in the scope)
  - Increased choice, affordability and innovation for citizens and businesses.
  - Investment in futureproof smart enabling digital infrastructure
- 4.7 The research and analysis demonstrated that a significant high impact intervention is required to increase the availability of fibre infrastructure. Fife's residents, businesses and visitors are unlikely to receive the potential social and economic benefits without this intervention. Although the council will make some progress with the other options, the impact achieved will be minimal when compared to a high impact anchor tenancy intervention.

- 4.8 Therefore, it is recommended that the council designs a strategic, high impact anchor tenancy intervention (Option 3) that could attract commercial investment to deliver connectivity to rural Fife and affordable connectivity to social housing tenants. The research indicated that several telecoms operators are likely to be interested in this. It is proposed that BTS, Business and Employability and Housing Services would jointly develop the Outline Business Case in 2023/24.
- 4.9 The Outline Business Case needs to test the strategic case for the intervention, quantify the benefits to Fife and the council, establish the financial and resource commitments required, define the contractual strategy and, most importantly, design the commercial model to incentivise private investment. It is proposed to commission external consultants to support officers to deliver this, given the specialist nature of the requirements. The outputs would require Cabinet Committee approval to proceed with its procurement. The estimated Costs are £50k, to be funded by Business and Employability, Business Technology Solutions and Housing Services.
- 4.10 Research undertaken by Intelligens indicated that multiple approaches to IoT and smart cities within an organisation or region results in a patchwork of unco-ordinated initiatives leading to inefficiencies. However, if the council developed a strategic framework / roadmap for IoT, to articulate its whole demand, it would also make the investment more commercially attractive. The recommendation is that Fife Council develops an IoT roadmap as part of the Outline Business Case.

## 5.0 Conclusions

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- 5.1 This report summarises the policy background, the latest information on digital connectivity coverage and current and proposed interventions to identify a strategic role for the council.
- 5.2 It summarises the options from the consultancy study commissioned as a result of the feedback from elected members in 2021. It provides recommendations for action to attract commercial investment in digital infrastructure, a challenge that needs to be tackled to help achieve the Council's overall objective to grow a stronger, greener and fairer economy in Fife.

### Background Papers

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

- Fife Council Economy, Tourism, Strategic Planning and Transportation Sub Committee, 9 September 2021, Item 8 Digital Connectivity Update (page 79), see: [Agenda-and-Papers-for-Meeting-of-Economy-Tourism-Strategic-Planning-and-Transportation-Sub-Committee-of-9-September-2021.pdf](#)
- A Changing Nation: how Scotland will thrive in a digital world, see: <https://www.gov.scot/a-changing-nation-how-scotland-will-thrive-in-a-digital-world>

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## Opportunities Fife Partnership (OFP) Employability Pathway 2022-25 Commissioning

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

**Wards Affected:** All Fife

### Purpose

The report provides an update from the Opportunities Fife Partnership (OFP) regarding the recent commissioning of Employability Pathway activity, using allocation from No One Left Behind (NOLB), UK Shared Prosperity Fund (UKSPF) and the OFP's core budget. The report asks committee to approve the recommendations made by the OFP scoring panel and the Opportunities Fife Partnership for employability pathway delivery for the period 2023-25.

### Recommendations

Committee is asked to:

- (i) approve the recommended allocations to the preferred bidders for the delivery of employability activity and infrastructure support for the Employability Pathway, as set out in Appendix 1 to this report;
- (ii) 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 the delivery of employability pathway programmes between 2023 and 2025;
- (iii) 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 and UK Governments in year through No One Left Behind, UKSPF and any other relevant funding sources;
- (iv) note the consultation undertaken with service users, delivery organisations and the Opportunities Fife Partnership in the co-design of the refreshed Commissioning Framework for employability activity in Fife; and
- (v) note the OFP Commissioning Framework for employability pathway services for the period 2023-2025 as set out in Appendix 3 to this report.

### Resource Implications

An allocation of **£5,094,000** for No One Left Behind was confirmed by Scottish Government on 26 May 2023 for the period 2023-2024. Allocation is split between:

- All-Age Employability Support - £2,080,000
- Tackling Child Poverty (previously Parental Employability Support Fund) - £3,014,000

Further allocation of **£3,750,081** has been confirmed by UK Government through the UK Shared Prosperity Fund for People & Skills for the period 2023-25.

This allocation is divided between the following Interventions:

- S31: Employment Activity support for economically inactive people - £852,679
- S33: Enrichment & volunteering activities - £650,000
- S36: Local areas to fund local skills need - £827,402
- S37: Green skills courses - £720,000
- S39: Education & Skills targeting the vulnerable leaving school - £700,000

The above will be matched to **£400,000** from Opportunities Fife's Budget.

The total of these estimated budgets is approximately £9.2m, but this includes allocation through NOLB and OFP for activity up to 31 March 2024 and additional allocation from UKSPF that will support activity up to 31 March 2025.

The proposed budgets have been allocated (subject to approval) to successful delivery partners after a competitive challenge fund process conducted between February and April 2023, as set out in Appendix 1.

A proportion of the UKSPF Intervention Theme S37: Green Skills budget was allocated in principle, prior to the challenge fund process starting. An allocation of £360,000 was ringfenced to contribute to a regional green skills programme that is currently in development.

Where there is allocation available from any of the funding streams, after the commissioning process, it is the intention of the OFP to route this into additional Employer Recruitment Incentive (ERI) places through Fife Council's Fife Jobs Contract.

## **Legal & Risk Implications**

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There are no legal implications associated with this report. All awards are recommended for support subject to compliance with Fife Council's Monitoring and Evaluation Framework which requires that they are reviewed on an annual basis as part of the Council's ongoing commitment to ensuring organisations are meeting the terms of their Service Level Agreement. The terms and conditions of funding for No One Left Behind (now including allocations previously sub-categorised as Parental Employability Support Fund, Young Person's Guarantee and No One Left Behind Core) were agreed in 2020-2021 with Legal Services and Finance and are not anticipated to change for future years delivery.

## **Impact Assessment**

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No impact assessment is required. The OFP's Employability Pathway delivery model is building on the work carried out through NOLB in 2022-23 and has been developed using a Human Rights Based approach to ensure that delivery is inclusive of all groups with protected characteristics and those at greater disadvantage in the labour market. The commissioning framework was developed in line with the Scottish Approach to Service Design and in line with Scottish Government strategy on Halving the Disability Employment Gap, Reducing the Gender Pay gap, Reducing the Race Pay Gap, and Tackling Child Poverty.

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 the recently approved Fife's Economic Strategy 2023-2030 align with this Duty in their commitment to working towards achieving inclusive growth and economic growth, which is shared by all. The grants provided by Fife Council, as detailed in this report, provide specific support to reduce inequalities and support inclusive growth in Fife.

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

The Opportunities Fife Partnership, as the local employability partnership and oversight body for No One Left Behind and UK Shared Prosperity Fund, People and Skills Interventions. The OFP agreed the recommendations set out for delivery activity at its Executive Meeting on 23 May 2023.

## 1.0 Introduction

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- 1.1 Funding from NOLB and OFP budgets has been allocated for the period April 2023 March 2024, as an extension to the activity commissioned in 2022-2023, following the previous commissioning process in 2022. The intention in 2022 was to support three years of delivery but, due to the nature of this single year by year allocation from Scottish Government, it was the OFP's intention to offer the first year, with a plus 1; plus 1 option based on successful project delivery, budget availability and continued evidence of need, in order to provide continuity for beneficiaries and for delivery partners as much as possible over a three year period.
- 1.2 The funding from UKSPF was allocated in 2022 and will support activity up until March 2025. Therefore, delivery partners securing funding for activity supported by UKSPF will be commissioned to deliver for the twenty-one months between July 2023 and March 2025.

## 2.0 OFP Challenge Fund Framework and Process

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- 2.1 In April 2020, a No One Left Behind Oversight and Scrutiny Group, formed of representatives of strategic organisations drawn from the Opportunities Fife Partnership, including DWP, Skills Development Scotland, Fife Council, Fife College, Fife Voluntary Action and NHS Fife was established to direct NOLB activity in Fife. This group developed the framework of support for those with barriers to accessing and sustaining employment, which formed the basis for our first commissioning for activity in 2021. This framework was refreshed in October 2021 ahead of the second round of commissioning in January 2022 and then updated again in October 2022 to include UK Shared Prosperity Fund Intervention Themes ahead of commissioning again between February and April 2023.
- 2.2 In order to scope the extent and reach of delivery, the voice of lived experience has been key in developing new provision in Fife, therefore, involving people who use services, frontline staff and employers in service planning, design and delivery is crucial to developing services which are responsive and relevant. This included targeted efforts to engage with people affected under the Equalities Act (Scotland) 2010. This is in line with the Scottish Human Rights PANEL principles of: Participation, Accountability, Non-Discrimination, Engagement and Legality.
- 2.3 The process that was followed in 2020 for the first year of commissioned activity was subject to an independent evaluation by PHIRST (Public Health Intervention Responsive Studies Team) to ensure the process was robust, transparent and focussed on targeting provision where it was needed most. The recommendations from the report, the impact of the Covid-19 pandemic on delivery and through feedback from the delivery partner network helped to review and refresh the OFP Commissioning Framework for 2023-25. Greater clarity on budgets and a multi-year approach were two of the major issues raised

when refreshing the framework, which led to the one year, plus one; plus one option to enable the OFP to extend activity that is performing well, and the UKSPF elements that have allocation agreed through to 2025 allow us to provide a little more stability for forward planning. This approach is still subject to confirmation in each financial year and dependant of the quantum of funding available.

- 2.4 The updated version of the OFP Commissioning Framework was approved by the Opportunities Fife Partnership Board in February 2023 and potential delivery organisations invited to register for the application process by 31 March 2023. Thirty-eight organisations registered an expression of interest through the Public Information Notice on Public Contracts Scotland website and were sent an application pack. The deadline for applications to be submitted was 30 April 2023. All bidding organisations were able to ask questions on the framework and application documentation and were offered support as needed through Fife Voluntary Action.
- 2.5 Applications were assessed by a panel consisting of representatives from DWP, Skills Development Scotland, Fife Council (Communities and Neighbourhoods), the NOLB Project Co-ordinator and a representative of the Lived Experience Team. The panel was facilitated by the Opportunities Fife Partnership Manager. A sub-panel of those with lived experience were asked to consider and respond to the applications. This sub-panel fed scored and moderated comments into the main panel through their representative.
- 2.6 Unsuccessful bidders have received notification that their application has been unsuccessful and will be offered more detailed feedback once the process is complete. As in previous years, they will also be offered a development session with Fife Voluntary Action on their application, to support them with applications for funding in future.
- 2.7 The scoring panel recommended the approval of twelve additional projects to add to the existing Employability Pathway – two projects under UKSPF Intervention S31; two projects under UKSPF Intervention S33; one project under UKSPF Intervention S36; one project under UKSPF Intervention S37; one pilot project under UKSPF Intervention S39; five projects under NOLB’s Tackling Child Poverty allocation and additional match to one project funded through the OFP. These are set out in Appendix 1 to this report. The projects will be supported by an Infrastructure programme including ongoing staff training and development, marketing, equalities monitoring and evaluation.
- 2.8 The Funding allocated under UKSPF will run through to March 2025.
- 2.9 Funding allocated to projects through NOLB will be for one year, in line with Scottish Government funding, but with the opportunity for the OFP to recommend extending provision that is performing well for a further year (up to March 2025). Each year, budgets and project targets will be reviewed and approved by the OFP and reported to Cabinet Committee for noting.
- 2.10 A sum of £360,000 split over two years; £122,500 in 2023-24 and £237,500 in 2024-25 has been allocated in principle to support the development of a Net Zero Accelerator Hub (NZAH). This activity has been developed in partnership with regional colleagues as part of Fife’s commitment to supporting the Edinburgh and South East Scotland’s Regional Prosperity Framework (RPF). The NZAH has been developed by the RPF’s “Aligning Skills” Group, chaired by Ken Gourlay. The NZAH will support upskilling and reskilling of green skills linked to the construction industry and is being led by University of Edinburgh in collaboration with the College sector. This allocation will come from the UKSPF Intervention Theme S37: Green Skills Courses and is outlined in Appendix 1.



## 3.0 Delivery Arrangements

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- 3.1 Delivery of Employability Pathway projects that were commissioned through NOLB in 2022 were extended from April 2023 and will run for the full financial year until 31 March 2024. It is the OFP's intention that these projects would be extended for a further year, should the budget allocation allow, as outlined above.
- 3.2 Delivery of the new Employability Pathway projects will commence on 1 July 2023. Payment to delivery partners will be made on a quarterly basis in arrears dependent on sufficient compliance through monitoring and performance checks.
- 3.3 Projects will operate across Fife, with a focus on Mid Fife delivery as a targeted area of need. Delivery partners have arrangements for both physical and digital delivery in place to enable hybrid delivery to continue where appropriate.
- 3.4 Projects will be co-ordinated through the Opportunities Fife Partnership team, who will be responsible for the monitoring and management of the programme, including quarterly reporting against each funding stream to UK and Scottish Governments. The No One Left Behind Co-ordinator will continue to support co-ordination and delivery of the programme and Fife Voluntary Action through their existing service level agreement will provide support to the delivery organisations as well as strategic advice to the programme. Fife Centre for Equalities will provide specialist expertise on equalities monitoring and engagement.
- 3.5 The NOLB Oversight and Scrutiny Group are responsible for the monitoring and scrutiny of the project's performance and the co-design of commissioning for activity in future years. This group reports to the Opportunities Fife Partnership and is chaired by the council's Head of Business and Employability Services.
- 3.6 Including newly commissioned projects, there will be twenty-four projects that make up the Employability Pathway in 2023-25. Four of these are led by Fife Council's Employability Team. In terms of funding allocation, Fife Council led projects account for 23% of the available allocation. It is the OFP's intention to route any underspend to support additional ERI's through the Fife Jobs Contract provision, therefore this proportion could rise to over 28% of the available allocation, which is in line with the split in the previous ESF programme.
- 3.7 The scrutiny of Employability Pathway delivery within Fife Council is undertaken by way of regular reports on project progress to the Fife Partnership.
- 3.8 The programme is supported by an Infrastructure programme of marketing, staff training and development, evaluation, capture of good practice and use of the FORT database technology platform for outcome and equalities monitoring. These costs are included within the commissioning framework allocations, as set out in Appendix 1.
- 3.9 Community Wealth Building is increasingly recognised by Scottish Government in employability delivery and the challenge framework includes commitments to delivering fair and inclusive growth to communities furthest from the labour market to enable successful gaining of skills for employment, helping to increase ambition and reduce poverty in these communities. The NOLB Fife programme forms part of the council and Fife Partnership's agreed Leading Economic Recovery action plan and the aims of the council's Community Wealth Building reform programme for Fair Work, as set out in the adopted CLES Action Plan.

## 4.0 Conclusions

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- 4.1 The delivery approach selected through the OFP's Commissioning process represents a targeted and innovative approach to delivery of outcomes for young people, families and adults with multiple barriers to employment, or who require in work support and additional skills to progress in employment.
- 4.2 The programme will deliver outcomes across Fife, with a particular emphasis on delivery in areas of greatest disadvantage. The approved delivery partners represent both continuity of services that were commissioned in 2022-2023 but also the inclusion of additional projects that will provide greater choice and address gaps that had been previously identified. With particular regard to supporting adults with health and disability issues, addictions, migrants and isolated young people who did not sustain a positive destination when leaving school.
- 4.3 The recommended projects will inform delivery of future years of activity, in line with the key principles set out by UK and Scottish Governments for UK Shared Prosperity Fund and No One Left Behind programme delivery respectively.

### List of Appendices

1. Grant Awards summary for the approved preferred delivery partners for Employability Pathway delivery for 2023-25
2. Summary list of the unsuccessful bids through the challenge fund process.
3. OFP Commissioning Framework 2023-25

### 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 NOLB Delivery Plan, December 2020
- UK Government Levelling Up the United Kingdom, February 2022

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**Awards to Employability Pathway Delivery Partners**

**Awards for approval - 2023/24 – Cabinet Committee**

**UKSPF Intervention S31:**

<b>Organisation</b>	<b>Project Description</b>	<b><u>Awarded Allocation</u> 22/23</b>	<b><u>Award Allocation</u> 23/24</b>	<b><u>Award Allocation</u> (in principal) 24/25</b>	<b>Total 2022-2025</b>	<b>Additional Comments</b>
BRAG Enterprises	Fife ETC – Delivering Employability support for Inactive Adults, building on the adult support commissioned through NOLB	£300,000	£300,000	£300,000	£900,000	For Approval – to continue funding activity that commenced in 2022-23
Fife Employment Access Trust (FEAT)	Individual Placement and Support (IPS) Service, supporting those whose mental health is significant barrier to them accessing employment	N/A	£66,000	£132,000	£198,000	For Approval – New service recommended for commissioning by the OFP after the current commissioning process for 2023-25
SAMH	Individual Placement and Support (IPS) Service – specialising in supporting those with addictions.	N/A	£40,000	£99,992	£138,992	For Approval – New service recommended for commissioning by the OFP after the current commissioning process for 2023-25
<b>UKSPF S31 TOTAL</b>		<b>£300,000</b>	<b>£406,000*</b>	<b>£530,992**</b>	<b>£1,236,992**</b> *	

\* Initial Allocation for 2023-24 was £350,000 this means a £56,000 overspend that will be transferred from Intervention S33

\*\*Initial Allocation for 2024-25 was £502,679, this means a £28,313 overspend that will be transferred from Intervention S33.

\*\*\*Total Allocation for S31 was £1,152,679, means this is an overspend of £84,313

## UKSPF Intervention S33

Organisation	Project Description	<u>Awarded Allocation</u> 22/23	<u>Award Allocation</u> 23/24	<u>Award Allocation</u> (in principal) 24/25	Total 2022-2025	Additional Comments
FEAT	Employ Your Mind – supporting volunteers with health and mental health issues through outdoor activities and horticulture, while supporting through learning cognitive remediation therapy CRT techniques.	£70,000	£70,000	£70,000	£210,000	For Approval –building on the provision commissioned through the UK Government’s initial round of Community Renewal Funding prior to UKSPF People and Skills activity.
Fife Voluntary Action -	Volunteering Into Work – Supporting those using volunteering to gain skills and qualifications to progress into employment	N/A	£34,500	£36,350	£70,850	For Approval – New service recommended for commissioning by the OFP after the current commissioning process for 2023-25
Fife Ecology Centre	Person Centred Employability Project – supporting volunteers to learn forestry and green skills prior to progressing to a leadership qualification	N/A	£88,830	£90,607	£179,437	For Approval – New service recommended for commissioning by the OFP after the current commissioning process for 2023-25
<b>UKSPF S33 TOTAL</b>		<b>£70,000</b>	<b>£193,330</b>	<b>£196,957</b>	<b>£460,287</b>	

## UKSPF Intervention S36

Organisation	Project Description	<u>Awarded Allocation</u> 22/23	<u>Award Allocation</u> 23/24	<u>Award Allocation</u> (in principal) 24/25	Total 2022-2025	Additional Comments
Kingdom Works	Working for You – Skills specific provision targeting specialist qualifications required to support clients into work.	N/A	£229,460	£532,360	£761,820	For Approval – New service recommended for commissioning by the OFP after the current commissioning process for 2023-25
<b>UKSPF S36 TOTAL</b>		N/A	<b>£229,460</b>	<b>£532,360</b>	<b>£761,820</b>	

## UK Shared Prosperity Fund S37

Organisation	Project Description	<u>Awarded Allocation</u> 22/23	<u>Award Allocation</u> 23/24	<u>Award Allocation</u> (in principal) 24/25	Total 2022-2025	Additional Comments
Rural Skills Scotland	Grounds for Growth – Providing Green Skills Training and progression to employment in forestry and green skills roles.	N/A	£106,052	£173,018	£279,070	For Approval – New service recommended for commissioning by the OFP after the current commissioning process for 2023-25, building on the provision commissioned through the UK Government's initial round of Community Renewal Funding prior to UKSPF People and Skills activity.
Net Zero Accelerator Hub	Edinburgh and South East Scotland Regional Prosperity Framework Activity developed through the Aligning Skills Group facilitating Green Skills and retro-fit training and accreditation for the construction sector		£122,500	£237,500	£360,000	For Approval - New activity being developed as part of the ESES Regional Prosperity Fund Aligning Skills Group and will contribute to a regional net zero skills programme developing retro-fit and green skills in the construction sector.
<b>UKSPF S37 TOTAL</b>		N/A	<b>£228,552</b>	<b>£410,518</b>	<b>£639,070</b>	

## UKSPF Intervention S39

<b>Organisation</b>	<b>Project Description</b>	<b><u>Awarded Allocation</u> 22/23</b>	<b><u>Award Allocation</u> 23/24</b>	<b><u>Award Allocation</u> (in principal) 24/25</b>	<b>Total 2022-2025</b>	<b>Additional Comments</b>
Fife Council Supported Employment Service	EASYP – adding value to provision implemented through NOLB. Targeted support for those 16-18 in danger of leaving school to a negative destination, or those that have fallen out of a first positive transition	£197,037	£197,037	£197,037	£591,111	For Approval – to continue funding activity that commenced in 2022-23, building on the existing provision commissioned through NOLB.
Link Living	Step On – Targeted support for young people in Kirkcaldy area, linked to social football activity	N/A	£67,469	£69,509	£136,978	For Approval – New service recommended for commissioning by the OFP after the current commissioning process for 2023-25
<b>UKSPF S36 TOTAL</b>		<b>£197,037</b>	<b>£264,506*</b>	<b>£266,546</b>	<b>£728,089</b>	

\* The budget for 2023-24 is £250,000, which would be an overspend of £14,506, to be transferred from S37

## NOLB – All Age Provision

Organisation	Project Description	<u>Awarded Allocation</u> 22/23	<u>Award Allocation</u> 23/24	<u>Award Allocation</u> (in principal) 24/25*	Total 2022-2025	Additional Comments
BRAG Enterprises.	Fife ETC –Employability support for unemployed Adults with multiple barriers.	£300,000	£300,000	£300,000	£900,000	For Approval – to continue funding activity that commenced in 2022-23
Fife Council – Supported Employment Service	Positive Pathways – Support for adults with health and disability issues to access employment	£122,644	£122,644	£122,644	£367,932	For Approval – to continue funding activity that commenced in 2022-23
FEAT	Out to Work – employability support for unemployed adults, including CRT and progression to IPS	£74,778	£74,778	£74,778	£224,334	For Approval – to continue funding activity that commenced in 2022-23
Fife Council Supported Employment Service	EASYP - targeted support for those 16-18 in danger of leaving school to a negative destination, or those that have fallen out of a first positive transition	£403,720	£403,720	£403,720	£1,211,160	For Approval – to continue funding activity that commenced in 2022-23
BRAG Enterprises	Brighter Futures – Support for young people aged 19-24 who are disengaged from mainstream services	£1,113,814	£659,529	£659,529	£2,432,872	For Approval – to continue funding activity that commenced in 2022-23
The Princes Trust	Start Something – Industry specific training programmes and employability support	£46,782	£46,782	£46,782	£140,346	For Approval – to continue funding activity that commenced in 2022-23
The Venture Trust	Inspiring Futures – outdoor engagement and confidence building to initiate the employability journey.	£67,807	£67,807	£67,807	£203,421	For Approval – to continue funding activity that commenced in 2022-23

Organisation	Project Description	<u>Awarded Allocation</u> 22/23	<u>Award Allocation</u> 23/24	<u>Award Allocation</u> (in principal) 24/25*	Total 2022-2025	Additional Comments
Fife International Forum	Pre-Academy – Engagement and support for those from refugee and migrant communities	£68,875	£210,000	£210,000	£488,875	For Approval – to continue funding activity that commenced in 2022-23, building on the existing provision commissioned through NOLB.
Fife Voluntary Action	Infrastructure Support for Employability Pathway. Continued funding through to March 2024	£31,000	£31,000	£31,000	£93,000	For Approval - to continue funding for Fife Voluntary Action to support OFP Employability Pathway infrastructure. This support will cover the period April 2023 to March 2024
Fife Centre for Equalities	Infrastructure Support for Employability Pathway and Equalities Monitoring & Analysis. Continued funding through to March 2024	£30,000	£30,000	£30,000	£90,000	For Approval - to continue funding for Fife Voluntary Action to support OFP Employability Pathway infrastructure. This support will cover the period April 2023 to March 2024
<b>NOLB: All Age Provision TOTAL</b>		<b>£2,259,420</b>	<b>£1,946,260</b>	<b>£1,946,260</b>	<b>£5,151,940</b>	

\* There is no allocation at this time for 2024-25 through NOLB, so this is an indicative figure based on sustaining provision at the existing level, if appropriate.

## NOLB - Tackling Child Poverty Allocation

Organisation	Project Description	<u>Awarded Allocation</u> 22/23	<u>Award Allocation</u> 23/24	<u>Award Allocation</u> (in principal) 24/25*	Total 2022-2025	Additional Comments
Fife Gingerbread	Making it Work for Lone Parents – Holistic service supporting lone parents in key mid-Fife geographies.	£260,850	£768,000	£768,000	<b>£1,796,850</b>	For Approval – to continue funding activity that commenced in 2022-23
BRAG Enterprises	Families Square Start – family service supporting those in North East, South West and Dunfermline	£129,690	£487,500	£487,500	<b>£1,104,690</b>	For Approval – to continue funding activity that commenced in 2022-23



Organisation	Project Description	Awarded Allocation 22/23	Award Allocation 23/24	Award Allocation (in principal) 24/25*	Total 2022-2025	Additional Comments
Fife International Forum	Building Bridges - Targeted support for refugee and migrant families to engage, skills planning and ESOL	N/A	£445,060	£457,382	<b>£902,442</b>	For Approval – New service recommended for commissioning by the OFP after the current commissioning process for 2023-25
Triage	Connecting Parents – Support for parents and priority on woman returners to upskill and access employment	N/A	£148,547	£150,817	<b>£229,364</b>	For Approval – New service recommended for commissioning by the OFP after the current commissioning process for 2023-25
Venture Trust	Forward for Families – early engagement with disadvantaged families, using outdoor activities to bring the family together ahead of progression	N/A	£107,966	£106,796	<b>£214,762</b>	For Approval – New service recommended for commissioning by the OFP after the current commissioning process for 2023-25
Fife Council – Supported Employment Service	Breaking the Cycle – Kirkcaldy specific project linked to cycling, promoting intergenerational learning and wellbeing	N/A	£178,170	£178,170	<b>£356,340</b>	For Approval – New service recommended for commissioning by the OFP after the current commissioning process for 2023-25
Fife Council Employability	Fife Jobs Contract – ERI programme offering progression for clients from across the pathway	N/A	£215,636	£215,636	<b>£431,272</b>	For Approval – New service recommended for commissioning by the OFP after the current commissioning process for 2023-25, building on the existing successful ERI activity run by Fife Council.
<b>NOLB – Tackling Child Poverty TOTAL</b>		<b>£390,540</b>	<b>£2,350,879</b>	<b>£2,364,301</b>	<b>£5,105,720</b>	

\* There is no allocation at this time for 2024-25 through NOLB, so this is an indicative figure based on sustaining provision at the existing level, if appropriate.

## OFF Budget

Organisation	Project Description	<u>Awarded Allocation</u> 22/23	<u>Award Allocation</u> 23/24	<u>Award Allocation</u> (in principle) 24/25*	Total 2022-2025	Additional Comments
Fife Council Employability	Fife Jobs Contract – ERI programme offering progression for clients from across the pathway	N/A	£200,000	£200,000	£400,000	For Approval – to add additional places to the ERI programme being supported for pathway clients.
<b>OFF Budget TOTAL</b>		<b>N/A</b>	<b>£200,000</b>	<b>£200,000</b>	<b>£400,000</b>	

There is no allocation at this time for 2024-25 through OFF, so this is an indicative figure based on sustaining provision at the existing level, if appropriate.

## Funding Summary

	2022-23	2023-24	2024-25 (In Principle)	Total
Total Allocations	£3,216,997	£5,818,987	£6,447,934	£15,483,918
Available Funding:				
OFFP		£400,000	£500,000	£810,000
NOLB		£5,094,000	£5,094,000	£10,188,000
UK SPF		£1,348,174	£2,401,907	£3,750,081
Total Funds	£3,216,997	£6,852,174	£7,905,907	£17,965,078
Unallocated	£0	-£1,180,962	-£1,457,973	-£2,481,160

### Summary of Unsuccessful Applications:

The Table below provides a brief summary of the unsuccessful applications, that were not recommended for commissioning through the recent challenge fund process.

Organisation	Project Description	<u>Awarded Allocation</u> 22/23	<u>Award Allocation</u> 23/24	<u>Award Allocation</u> (in principal) 24/25*	Total 2022-2025	Additional Comments
Fife Council – Employability Team	Pre-Employment Programme – Building on provision already delivered through LACER, developing pre-employment academies for unemployed people	N/A	N/A	N/A	N/A	Applied under UKSPF Intervention S31
Fife Council – Supported Employment Service	Get Set Go – Skills training course for those with health and disability issues, progressing to work placement at Matrix or Midfield.	N/A	N/A	N/A	N/A	Applied under UKSPF Intervention S31
Fife Council – Supported Employment Service	Positive Pathways for Young People – Expansion of existing NOLB funded project for adults, to include activity for 19-24 year olds.	N/A	N/A	N/A	N/A	Applied under UKSPF Intervention S31
Fife Council – Supported Employment Service	Pride at Work – Support for those identifying as LGBTQ+ and for employers to build healthier, more inclusive workplaces. Partnership with Hive Café.	N/A	N/A	N/A	N/A	Applied under UKSPF Intervention S31
Salvation Army	Employment Plus – Expanding on provision they already provide to increase capacity of job clubs and digital skills classes.	N/A	N/A	N/A	N/A	Applied under UKSPF Intervention S31
Fife Employment Access Trust	Heart, Mind and Soul – Volunteer engagement programme based at Silverburn park offering support to learn outdoor activities, horticulture, repair and maintenance and growing vegetables.	N/A	N/A	N/A	N/A	Applied under UKSPF Intervention S33
Fife College	Get Into Hospitality - Employability support and skills training for those aged 50+ to enter the hospitality sector	N/A	N/A	N/A	N/A	Applied under UKSPF Intervention S36
Helm	Craigtoun Project – Provision for 16-24 year olds to learn life skills prior to being referred to potential placements through other pathway projects.	N/A	N/A	N/A	N/A	Applied under UKSPF Intervention S36

<b>Organisation</b>	<b>Project Description</b>	<b><u>Awarded Allocation</u> 22/23</b>	<b><u>Award Allocation</u> 23/24</b>	<b><u>Award Allocation</u> (in principal) 24/25*</b>	<b>Total 2022-2025</b>	<b>Additional Comments</b>
Fife College	Supporting Fife's Service Families – Tailored Courses and Professional Learning for College staff to understand the challenges faced by service families, and outreach to establish STEM clubs for young people.	N/A	N/A	N/A	N/A	Applied under UKSPF Intervention S37
Enable	Progress for Parents – Partnership with APEX, Street-League and Families in Trauma to support families with multiple barriers to maximise income.	N/A	N/A	N/A	N/A	Applied under Parental Employability Support Fund (now Tackling Child Poverty Allocation).
Fife Council – Supported Employment Service	Fife Youth Initiative - Provision for young people prior to leaving school to progress onto existing EASYP project.	N/A	N/A	N/A	N/A	Applied under Parental Employability Support Fund (now Tackling Child Poverty Allocation).
Fife Council – Supported Employment Service	Homeplus Works – Support for those at risk of housing exclusion, homelessness or living in temporary accommodation.	N/A	N/A	N/A	N/A	Applied under Parental Employability Support Fund (now Tackling Child Poverty Allocation).
Fife Council – Supported Employment Service	Turning Point – Support for families of those in prison or with an offending background. Life skills and good habits training leading up to liberation.	N/A	N/A	N/A	N/A	Applied under Parental Employability Support Fund (now Tackling Child Poverty Allocation).
Into Work	Inclusion Workshops – Income maximisation workshops for parents in mid-Fife, supporting income maximisation.	N/A	N/A	N/A	N/A	Applied under Parental Employability Support Fund (now Tackling Child Poverty Allocation).
Fife Council – Supported Employment Service	Better off in Work – Provision to support those in employment, but in danger of dropping out due to health/mental health issues. Working with businesses to implement reasonable adjustments to help retain employment.	N/A	N/A	N/A	N/A	Applied under Opportunities Fife Partnership Allocation
<b>TOTAL</b>		N/A	N/A	N/A	N/A	N/A

## OPPORTUNITIES FIFE PARTNERSHIP

### COMMISSIONING FRAMEWORK 2023 - 2025

#### 1.0 INTRODUCTION

- 1.1 This Commissioning Framework sets out the Opportunities Fife Partnership's<sup>1</sup> (OFP) intentions, principles and priorities that will underpin local commissioning of employability and skills provision between 2023 and 2025.
- 1.2 The Framework was created in 2020 using the [Scottish Approach to Service Design](#). It is based on the findings of 16 Collaborative Conversations with 120 individuals and over 124 responses to our online survey held during 2020, including the voice of frontline staff, those who have used or are currently using employment services as well as those who have never used an employment service before and a wide range of stakeholders.
- 1.3 The Framework has been used to commission employment services in Fife under the banner of No One Left Behind in 2021 and 2022. It has been refreshed to reflect new funding priorities and the findings of an independent evaluation [Final-interim-report-Phase-1.pdf \(nihr.ac.uk\)](#)<sup>2</sup>, and will be used to commission further employment support for the period 2023-2025.
- 1.4 This, 2023-25 version of the OFP Commissioning Framework, outlines existing commitments in Fife through No One Left Behind, and identifies priorities for further commissioning using resources such as (but not limited to) UK Shared Prosperity Fund, City Region Deals and Best Start Brighter Futures.
- 1.5 Fife's budget allocation for the above-mentioned funding streams for the 2023-2025 period has not yet been finalised, therefore activity will be commissioned with a flexible focus, providing scope for activities to be scaled appropriately once the financial situation has been clarified.
- 1.6 The Opportunities Fife Partnership (OFP) is a strategic decision-making partnership reporting directly to the Fife Partnership. The OFP is responsible for overseeing the delivery of aspects of the "Inclusive Growth and Jobs" priority within Fife Partnership's Local Outcome Improvement Plan (LOIP); "A Plan 4 Fife".
- 1.7 The OFP's Mission is:

***"To influence and drive innovative approaches to skills and employability services that reflect the current and future needs of individuals and employers."***

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<sup>1</sup> Opportunities Fife Partnership includes representation from: Fife Council, Fife College, Fife Health & Social Care Partnership, NHS Fife, Department for Work & Pensions, Skills Development Scotland, Fife Voluntary Action, Developing Young Workforce and Fife Chambers of Commerce

<sup>2</sup> Weblink TO PHIRST NOLB Evaluation PHASE 1

- 1.8 This Commissioning Framework builds on co-production work done under No One Left Behind and has been refreshed to include current policy and funding context. The Framework includes:
- An updated outline of the current policy, economic and delivery context (Section 2)
  - OFP Employability Service delivery expectations: The principles which guide delivery (Section 3)
  - OFP Employability Service delivery expectations: Who services will be aimed at and what they will be delivering (Section 4)
  - OFP infrastructure that will support provision in Fife (Section 5)
  - Performance Management expectations and recording personal information (Section 6)
  - Outline Budget allocations (Section 7)
  - Outline timetable and criteria for commissioning applications 2023-25 (Section 8)
  - Outline assessment criteria (Section 9)

## 2.0 CONTEXT

### ***National and Local Employability Funding Context:***

- 2.1 **UK Shared Prosperity Fund: prospectus - GOV.UK ([www.gov.uk](http://www.gov.uk))** The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK government's ambitious Levelling Up agenda and a significant component of its support for places across the UK. It provides £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation via a funding formula rather than a competition. UKSPF aims to help places across the country deliver enhanced outcomes and recognises that even the most affluent parts of the UK contain pockets of deprivation and need support. UKSPF aims to invest in domestic priorities and targeting funding where it is needed most: building pride in place, supporting high quality skills training, supporting pay, employment and productivity growth and increasing life chances.
- 2.2 **Best Start, Bright Futures** is Scottish Government's strategy to tackle child poverty. It includes a commitment to supporting an integrated and different approach to supporting priority families in Scotland with specific resource allocated to Whole Families Wellbeing funding and integrated investment to help parents to enter, sustain and progress in work. The priority families most likely to experience poverty in Scotland are:
- Lone parents
  - Families living with disability
  - Families with 3 or more children
  - Minority ethnic families
  - Families with a child under the age of 1
  - Families where the mother is under 25 years old

- 2.3 **No One Left Behind** is the Scottish Government's policy framework and approach to tackling employment issues. It aims to ensure those who experience complex and multiple barriers to moving into work are not 'left behind'. No One Left Behind is supported through a **Partnership Working Agreement** which reflects shared principles and ambitions for improving outcomes for individuals between Scottish Government and local authority partners agreed with COSLA, with inputs and oversight through the Improvement Service, SLAED and SOLACE<sup>3</sup>. It signals a shift from top-down programme design approaches, where target groups and provision are set out at a national level, to one where local areas have the flexibility to use funding in line with the needs of their local community. NOLB allocation combines several former national employment-related funding pots<sup>4</sup> into one coordinated fund which is flexible to local needs, takes a long-term approach to funding, adaptable to changing circumstances, and values the role of the third sector.

These commitments are designed to support services and Local Employability Partnerships, such as the OFP to create a system based on the following principles:

1. Promote dignity and respect, fairness and equality and continuous improvement
2. Provide flexible and person-centred support;
3. Be more straightforward for people to navigate;
4. Be better integrated and aligned with other services, particularly with health, justice and housing provision;
5. Provide pathways into sustainable and fair work;
6. Be driven by evidence, including data and the experience of users; and
7. Support more people – particularly those facing multiple barriers – to move into the right job, at the right time.

#### ***No One Left Behind in Fife:***

- 2.4 In 2022 the OFP commissioned activity through NOLB to provide Core and Specialist services that will support adults, young people and families, with the intention of delivering through to 2025, based on project performance and the continued need for the service. Any new programmes commissioned through the 2023-25 Framework will supplement and add value to the existing provision, not create competition or duplication that would confuse the existing landscape.

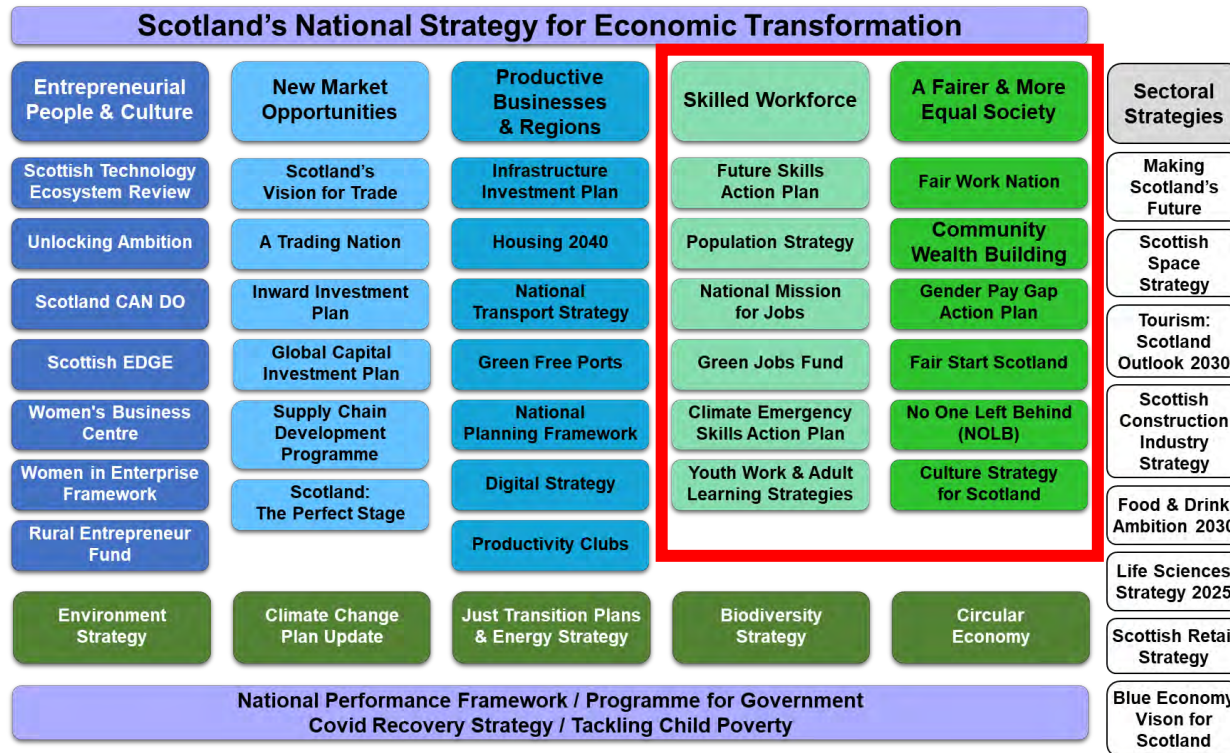
#### ***Wider national strategies relating to employability/employment:***

- 2.5 The diagram below highlights the number of strategies, national, regional and local that the Commissioning Framework and the OFP's approach has to fit within, these strategies sit within an overarching context of the National Strategy for Economic Transformation (NSET) and UK Government's Levelling Up Policy.

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<sup>3</sup> COSLA: Convention of Scottish Local Authorities, Solace: Society of Local Authority Chief Executives, SLAED: Scottish Local Authority Economic Development representative body.

<sup>4</sup> No One Left Behind Funding strands will include: Activity Agreements, Young Person's Guarantee, Scottish Employer Recruitment Incentive, Parental Employment Support Fund (and PESF Boost). Community Jobs Scotland and the Employability Fund.



*The highlighted section outlines those strategies that are most relevant to the OFF's delivery.*

*Other areas, such as the recent announcement of a Green Free Port in the Forth will have knock on effects regarding skills training and new vacancy opportunities that will support our ambition of a higher skilled, higher paid workforce in Fife.*

The National Strategy for Economic Transformation [Scotland's National Strategy for Economic Transformation - gov.scot \(www.gov.scot\)](https://www.gov.scot) connects to, and is supported by, a number of wider Scottish Government policies relating to improving employment outcomes in Scotland. These include but are not limited to: No One Left Behind, Halving the Disability Employment Gap, Reducing the Gender Pay gap, Reducing the Race Pay Gap, Tackling Child Poverty, Scotland's commitment to becoming a [Fair Work Nation](#) and a human-rights based approach to policy development and delivery. The intention is that by 2025, people in Scotland will have a world-leading working life where fair work drives success, wellbeing and prosperity for individuals, businesses, organisations and society. Scottish Government is supporting this through the promotion of work places that support the real minimum wage, developing supportive working environments for women, those from black and minority ethnic communities. those with health or disabilities issues and those impacted the exit from the EU.



**Community Wealth Building:** ([inclusivegrowth.scot](http://inclusivegrowth.scot))

2.6 Fife is committed to a Community Wealth Building (CWB) approach, providing a holistic approach to empowering communities to actively participate in and benefit from economic growth. An anchor institution charter has been adopted by key stakeholders to deliver this change. CWB means more local employment and a larger more and more diverse business base, ensuring that wealth is locally owned and benefits local people. The five pillars of Community Wealth Building are:

1. Plural ownership of the local economy
2. Making financial power work for local places
3. Fair Employment and Just Labour Markets
4. Socially productive use of land and property
5. Progressive procurement of goods and services

The Community Wealth Building approach in Fife will link to OFP Employability provision through ensuring that fair and accessible work is embedded within delivery approaches, and successful providers will be expected to show how they are supporting the community wealth building agenda through activity such as progressive recruitment, community benefit approaches through procurement or plural ownership.

***The impact of Covid-19 and other international factors***

2.7 No One Left Behind was originally conceived and developed in a social and economic context where Scotland was experiencing relatively high employment rates and comparatively low unemployment. Since then, we have been significantly affected by a global pandemic, the implications of leaving the European Union and factors such as global conflicts (war between Russia and Ukraine) and the Cost of Living Crisis in Scotland. These factors have resulted in the displacement of people, an increase in people living in poverty or struggling with the rising costs of energy and food and the paradox of more hard to fill vacancies in key industry sectors, which are not necessarily attractive employment options for those with existing barriers to employment.

2.8 The full economic impact is still unclear and uncertain, but it is widely expected that we will still be facing significantly increased levels of unemployment and slow economic growth, particularly in key sectors such as culture, entertainment, tourism & hospitality, health & social care and in the respective supply chains for these industries. This will combine with fluctuating funding provision coming from both the UK and Scottish Governments to try and mitigate the worst impacts of this. Evidence from previous recessions suggests people affected by protected characteristics will be disproportionately negatively affected and therefore the work of the OFP and the wider employability provision will be even more important.

2.9 Across Fife the issues created by digital poverty have been significant. Whether this be through lack of laptops, tablets and computers, lack internet access, lack of skills or confidence, digital poverty has had severe impact on people's ability to access and interact with a whole range of services, including employability services and jobs. The national [Connecting Scotland](#) programme aims to address elements of this issue,

nevertheless it is crucial for employability provision in Fife to factor this into service delivery. Although the pandemic has resulted in many people embracing virtual interaction and online participation in learning and training, those that lack the technology and/or skills to engage in this way will be disproportionately disadvantaged due to the pandemic.

### ***Climate Change and the move to Net Zero***

- 2.10 Climate change and the climate emergency are anticipated to be significant drivers of change in investment and public policy with related strategies underpinning the National Strategy for Economic Transformation (see 2.5 for further details). These strategies will drive change in both the economy and skills arenas both of which are highly relevant to employability providers. Fife has a Climate Emergency Action Plan [ClimateActionPlan2020\\_summary.pdf \(fife.gov.uk\)](#)

### ***Existing employment funding & support in Fife:***

- 2.11 Commissioning new activity must be placed in the context of the existing employability provision and support available in Fife. Adding value and introducing additional opportunities where there are gaps in provision is the priority. Existing provision includes (but is not limited to):
- **No One Left Behind:** The OFP commissioned employment support services for April 2022 – March 2025, delivered by third sector and public sector partners. See section 4.3 and 4.4 for more detail.
  - **Community Renewal Fund:** Commissioned in January 2022 by the UK Government as part of their Levelling Up activity as a precursor to the UKSPF. There are two programmes currently delivering enhanced volunteering opportunities, but where volunteers are learning valuable rural skills for future employment.
  - **Fair Start Scotland:** Scottish Government funded provision delivered at 'regional' level focussing on all ages with multiple barriers to employment. In Fife, this is delivered by FedCap, working across the Edinburgh & South East Scotland city region with a small element sub-contracted to Triage. The funding for this has been extended but will conclude in March 2024.
  - **Department for Work & Pensions and Job Centre provision:** DWP is responsible for welfare, pensions and child maintenance policy. It administers a range of working age, disability and ill health benefits. With UK and locally funded provision, Jobcentre Plus helps people move from benefits into work and helps employers advertise jobs. It also deals with benefits for people who are unemployed or unable to work because of a health condition or disability. In 2023 older workers (50+) are a key priority for DWP with specialist Champions, Mid-Life MOT services and specialist support offers in place in across Job Centres. DWP also commission Sector-based Work Academies (SWAPS) through partnerships with individual businesses and use the Flexible Support Fund to commission additional support where appropriate.

- **Skills Development Scotland:** Offer Career Advice and Guidance and employability support to people of all ages in Fife. SDS have public centres across Fife and advisers in each secondary school and in Fife College. SDS also fund Foundation, Modern and Graduate Apprenticeships as well as developing and sharing local and national labour market insight data.
- **City Region Deals:** Fife is an active partner in two city region deals; Tay Cities [Home | Tay Cities Deal](#) and Edinburgh & South East Scotland [The Edinburgh and South East Scotland City Region Deal \(esescityregiondeal.org.uk\)](#). The latter includes an Integrated Regional Employability and Skills (IRES) Programme with a focus on industry targeted Skills Gateways, disadvantaged families, growth sector pathways, workforce mobility and more.
- **Fife College:** Careers advice and skills development, including apprenticeship activity, a Flexible Workforce Development Fund and new programmes aligned to priority groupings and funding streams identified to support economic recovery.
- **Fife Council employment support:** Internal provision focuses on delivery of foundation and modern apprenticeships, Administration of Employer Recruitment Incentive's through the Fife Jobs Contract, Supported Employment Services and other employability initiatives which are funded through Local Authority Covid Economic Recovery Fund (LACER), Fife Council also supports community learning and development (Welfare Reform Provision) and local area funded provision varies according to locality and includes a variety of valuable partnership projects<sup>5</sup>
- **Developing Young Workforce:** Plays a key part in the delivery of the Young Person's Guarantee. DYW are employer led and their priority is to make it easier for employers to connect with young people in Fife's schools and college. The total allocation for 2022/23 was £694,975, which includes a Core DYW Allocation of £251,455 and allocation of £443,520 to support School Coordinators. The budget for 2023/24 has still to be confirmed.

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<sup>5</sup> such as the FEAT and Coalfield Worx programme

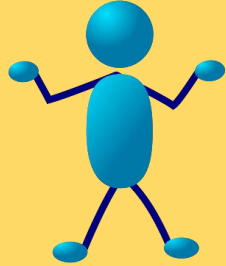
### 3.0 OFP EMPLOYABILITY SERVICES: THE PRINCIPLES AND DATA WHICH GUIDE DELIVERY

The OFP will commission employability provision in a way which supports services to adapt to:

- the unique needs of individuals with a specific focus on those who tend to be ‘left behind’,
- the dynamic and rapidly changing economic and employment context in Fife and beyond

#### **Employability is complex**

3.1 In Fife we understand that ‘employability’ is a complex concept which is affected by factors relating to an individual’s personal strengths and capacities and the social and economic context in which they live. These two contexts inter-connect with each other but broadly can be divided as follows:<sup>6</sup> This means that no two individuals’ journeys to work will ever be the same.

Internal: Personal context		External: economic/social context
Motivation & determination		The economy
Confidence		Job opportunities
Hope		Stigma & discrimination
Resilience		Educational opportunities
Emotional wellbeing		Social & family context
Abilities (learned and innate)		Transport
Knowledge & skills		Access to health care
Experience of trauma		Access to housing or other support services

***Delivery providers will be expected to demonstrate how their staff, and the provision they deliver, will support people to navigate both internal and external barriers, so they are more likely to achieve healthy, sustainable employment outcomes<sup>7</sup>.***

3.2 Meaningful involvement (co-production) of people who use services, frontline staff and employers in planning, design and delivery is crucial to developing services which are complexity friendly. This includes targeted efforts to engage with people affected under the Equalities Act 2010. This is in line with the Scottish Human Rights PANEL principles of: Participation, Accountability, Non-Discrimination, Engagement and Legality

***Delivery providers will be expected to demonstrate how they have engaged, and will continue to engage with, people who use services, staff and employers to inform and support service delivery in line with the PANEL principles outlined above.***

<sup>6</sup> The list in this table has been updated since 2022. The internal and external factors that affect someone’s employability is infinite, unique and continuously changing

<sup>7</sup> Healthy and sustainable work characteristics are defined in the [Marmot Principles of Fair work](#)



***OFP Principles for Employment Service Delivery***

3.3 **How** services are delivered is as important as **what** they do. The following principles were developed through the process of establishing our No One Left Behind delivery and the OFP has adopted them as the basis for all employability service delivery. They connect with the National Charter for No One Left Behind (which can be found: [publication-customer-charter.docx \(live.com\)](#) ).

<b>Equal and Fair</b>	• People accessing the service will be treated as equals, they will feel <b>respected, trusted and listened to</b> .
<b>Strength Based</b>	• Provision will focus on helping people to identify and grow their own strengths rather than solving problems for them. This also means giving people responsibility and allowing them to make mistakes and take risks.
<b>Non Judgemental</b>	• People will feel able to open-up without risk of judgment, staff will bring <b>humility</b> and an open mind to understand people’s individual situation and challenges
<b>Discreet</b>	• Services will be provided in a way that respects people’s need for privacy and the vulnerability associated with accessing support services
<b>Collaborative</b>	• Services will work together to ensure people get the support they need when they need it. This includes warm handovers or working alongside one another, with clearly identified progression options and support pathways.
<b>Time Unlimited</b>	• Services will balance consistency and dependability with energy, momentum and challenge at a pace that works for the individual and which maintains momentum towards improved employability
<b>Continuously Improving</b>	• Services will actively gather feedback from people who use their services, reflect on delivery and demonstrate a willingness to adapt and learn
<b>Hopeful</b>	• Provision will hold the hope for everyone who comes through the door, (and those who don’t), <i>and support people to recognise, voice and progress their individual hopes. Knowing that the right work is out there for them, and we are all on a journey.</i>

***Delivery providers will be expected to demonstrate how they will ensure provision supports the OFP’s Principles outlined at Section 3.3 and how their internal monitoring and evaluation of their provision will reflect them.***  
***Providers will be held accountable for delivering in line with these Principles and must have clear systems for people to raise concerns or complaints regarding delivery.***

### ***The demographics of unemployment and inequality in Fife***

3.4 The table below outlines the (currently available) data for Fife for people with key protected characteristics and relevant life experiences which may affect their journey to work. It is important to acknowledge that this data is not complete and there will be under-reporting in many categories. Many people will be affected by more than one of these issues so there is going to be cross-counting and intersectionality between these groups.

Protected Characteristics under the Equality Act 2010	Population data for Fife	Those with experience of:	Population data for Fife
Unemployed age: 16- 24	3,600 <sup>8</sup>	4+ Adverse Childhood Experiences (ACEs)	34,777 <sup>9</sup>
Unemployed age: Over 50	3,200 <sup>10</sup>	Looked After Young people	81/year <sup>11</sup>
Unemployed from a minority ethnic background	4,300 <sup>12</sup>	Accessing criminal justice support services	2669 <sup>13</sup>
Unemployed with (physical or mental) health conditions or illnesses lasting more than 12 months	3,200 <sup>14</sup>	Drug and alcohol use	4,089 (Substance) <sup>15</sup> 34,768 (Alcohol) <sup>16</sup>
Common mental health problems (employed and unemployed)	32,785 <sup>17</sup>	Long-term unemployed	6,600 <sup>18</sup>
Sexual Orientation (LGB and Other) (employed & unemployed)	12,700 <sup>19</sup>	Homeless	2,630 <sup>20</sup>
People undergoing Gender Reassignment (Trans men and Trans women) (employed & unemployed)	Estimate:17-34 <sup>21</sup>	Carers and young carers	53,500 adult carers (16+) <sup>22</sup> 6,785 young carers <sup>23</sup>

<sup>8</sup> Source: Annual Population Survey, NOMIS (accessed 22/09/2023)

<sup>9</sup> Those with four or more ACEs far more likely to have low qualifications and be in lower paid/manual jobs [Scottish Health Summary 2019](#)

<sup>10</sup> Source: Annual Population Survey Apr 2020 – Mar 2021, NOMIS (accessed 30/01/2023)

<sup>11</sup> [School Leaver Destination Return 2018/19](#)

<sup>12</sup> Source: Annual Population Survey, NOMIS (accessed 22/09/2023), as above – small sample sizes mean this figure need to be treated with caution. Unemployment rates for minority ethnic females are high in Fife: 65% compared to 36% nationally. For males this is 29.4%, compared to 18.6% nationally. Male: 3,000 & Female: 3,500

<sup>13</sup> 2022 data provided via email from Fife Criminal justice team

<sup>14</sup> 2.4% of people who had a health condition or illness lasting more than 12 months were unemployed in Fife. 2.6% in Scotland as a whole. We estimate a further additional 22.8% (44,200 people) were economically inactive in Scotland, many of whom may wish to gain or return to employment with appropriate support. Source: Annual Population Survey, NOMIS (accessed 22/09/2023)

<sup>15</sup> [Prevalence of problem drug use in Scotland](#), June 2020 (2015-16 estimates) -this includes all forms of problem drug use from cannabinoids to opiates

<sup>16</sup> [ScotPHO profile tool \(2014-17\)](#)

<sup>17</sup> <sup>17</sup> [ScotPHO profiling tool](#). (2014-17) common mental health problems, defined as score of 4 or more on the General Health Questionnaire (12 item version) (GHQ12). Does not include undiagnosed MH problems

<sup>18</sup> Source: ONS Jobseeker's Allowance by age and duration; Department for Work & Pensions statxplora

<sup>19</sup> Scottish Survey Core Questions 2019 <https://www.gov.scot/publications/scottish-surveys-core-questions-2019/documents/>, Published 19 Jan 2021 (Table 4.4)

<sup>20</sup> This data does not include the hidden homeless which are more likely to be affected by other complex barriers listed here. [Homelessness in Scotland 2019-20](#)

<sup>21</sup> <https://centreforequalities.org.uk/wp-content/uploads/2019/08/EQUALITY-IN-FIFE-JULY-2019-3b.pdf>

<sup>22</sup> Based on figures from Fife Carers Centre: 17% of the adult population (16+). The figures for adult carers are estimated to have increased by at least 25% since lockdown, and higher than this in some areas.

<sup>23</sup> Will have a caring role at some point in their life, [Fife Young Carers Report 2018](#)

Economically inactive women who wish to work	6,000 <sup>24</sup>	Lone parent households	11,900 <sup>25</sup>
Unemployment rate aged 16-64 - not Equality Act 2010 core or work-limiting disabled	10,000 <sup>26</sup>	Children living relative or absolute poverty	13,238 <sup>27</sup>
Refugees / Migrants	750 <sup>28</sup>	'Employment deprived', living in 20% most deprived area of Fife	9,071 <sup>29</sup>
Families living with a disability	6,789 <sup>30</sup>	Minority Ethnic Families	3800 <sup>31</sup>
Families with 3 or more children	5,480 <sup>32</sup>	Families where the mother is under 25 years old	579 <sup>33</sup>
Families with a child under the age of 1	3,157 <sup>34</sup>		

3.5 OFP has a commitment that all services should be universally accessible. Based on the data above it is clear that the following populations are of such a significant size that *ALL* employability provision funded by the Opportunities Fife Partnership should be skilled and resourced to support people from the following communities:

- Adults with caring responsibilities (53,500)
- Those with four or more adverse childhood experiences (ACEs) (34,777),
- People with issues relating to alcohol misuse (34,768),
- People who experience common mental health problems (32,785),
- People who define themselves as Lesbian, Gay, Bisexual or other (12,700)

In addition, OFP funded provision will also be targeted at people living in areas of multiple deprivation (9,071) see section 3.7 below for further information.

***All OFP employability providers are expected to demonstrate the necessary skills to support people affected by these issues as well as an awareness of stigma and discrimination and how to address it.***

<sup>24</sup> Annual Population Survey Jun 2019 - July 2020, accessed via NOMIS 20/11/20

<sup>25</sup> [Child Poverty in Scotland: priority groups - lone-parent families \(healthscotland.scot\)](https://www.healthscotland.scot.nhs.uk/child-poverty-in-scotland-priority-groups-lone-parent-families)

<sup>26</sup> Source: Annual Population Survey Apr 2020 – Mar 2021, NOMIS (accessed 22/09/2021). Rate of 7.7% in Fife compared to Scotland (4.3%)

<sup>27</sup> [LCPAR-4-report.pdf \(fife.scot\)](https://www.fife.scot.nhs.uk/lcp4-report.pdf)

<sup>28</sup> Fife Centre for Equalities

<sup>29</sup> Scottish Index of Multiple Deprivation 2016 & 2020

<sup>30</sup> [LCPAR 2020 - DRAFT \(improvementservice.org.uk\)](https://www.improvementservice.org.uk/lcp2020-draft)

<sup>31</sup> [LCPAR 2020 - DRAFT \(improvementservice.org.uk\)](https://www.improvementservice.org.uk/lcp2020-draft)

<sup>32</sup> [Child Poverty in Scotland: priority groups – larger families \(healthscotland.scot\)](https://www.healthscotland.scot.nhs.uk/child-poverty-in-scotland-priority-groups-larger-families)

<sup>33</sup> [Births Time Series Data | National Records of Scotland \(nrscotland.gov.uk\)](https://www.nrscotland.gov.uk/births-time-series-data)

<sup>34</sup> [Fife Council Area Profile \(nrscotland.gov.uk\)](https://www.nrscotland.gov.uk/fife-council-area-profile)



***Where and when do we want services to be working?***

- 3.6 Through the existing NOLB activity, the OFP have established a network of delivery in **each of Fife's 7 localities, but with a particular focus on supporting those living in areas of multiple deprivation and the Mid-Fife area** (See Annex B). Provision must be easily accessible from anywhere in Fife, such as within a single bus journey, or provision for alternative delivery available online. In reality, this may involve prioritising provision in areas with highest levels of systemic unemployment OR where the local transport connectivity is a predominant barrier for effective access to services.
- 3.7 The Tay Cities Region Deal's Skill Programme will allocate funding for the Targeted Pockets of Needs project for North-East Fife. This is to develop a holistic, whole family support service to help parents and young people from lone parent, low income and workless families in North-East Fife to move towards employment. The projected cost of the service is approximately £30,000 per annum, over the seven years. Planning and the commissioning process for services will take place in 2023-24 with the delivery of activity running from April 2024 to March 2029.
- 3.8 The type of delivery should be focused on the needs of the individual or family. This means providing a flexible approach to engagement is essential. Face-to-face delivery should be available wherever possible but it is critical that **online, hybrid and remote approaches**, including the tools for people to use these, are considered as an essential part of delivery. The use of online platforms developed in recent years has given greater flexibility for many people to engage with provision when at home.
- 3.9 Delivery providers will be expected to offer reasonable support out with traditional Monday to Friday, 9-5 office hours as appropriate, especially for people who have moved into work, with clear rationale for how this will be delivered and when.

***Delivery providers will be expected to demonstrate where services will be physically located to ensure local availability in priority areas; state which online platforms they will use and their commitment to out of hours provision where necessary.***



#### 4.0 OFF SERVICE DELIVERY MODEL:

4.1 Employability services commissioned by the OFF will have the aim of actively reducing barriers for people with protected characteristics as defined by the Equality Act 2010, as well as for those with certain life experiences who are significantly more likely to struggle, in order to improve their employability and successfully gain and sustain employment. These characteristics and life experiences often interact with each other (also known as intersectionality) meaning that people are often affected by more than one issue at a time which can have a cumulative impact on person's journey to work.

4.2 Services commissioned by the OFF cover:

- **Core provision** which aims to be as inclusive as possible, offering support across all 5 stages of the employment pathway and with a presence in all seven localities of Fife. See Annex C for details.
- **Specialist provision** for people where additional, specialist skills are required (Section 4.7)

It is our hope that provision be delivered within Consortia or in Partnership to build on the principles of collaboration outlined at section 3.3.

#### **Existing OFF Commissioned Employability Services in Fife**

4.3 NOLB Core and Specialist provision activity was commissioned for one year (April 2022 – March 2023) but with the intention for activity to be extended, for a second (2023-24) and possibly third year (2024-25), subject to budget availability, performance review and continued evidence of need. This continues to be the way forward subject to confirmation of budget from Scottish Government.

4.4 The provision funded through NOLB currently supports:

Type of Provision	Number of clients targeted in 2022-23
<b>Core:</b>	
• Unemployed / Economically Inactive Adults (25+)	300 Adults
• Young People aged 16 – 18	200 Young People
• Young People aged 19 – 24	500 Young People
<b>Specialist:</b>	
• Unemployed Adults with Health Problems & Disabilities	100 Adults
• Unemployed Adults with Mental Health Challenges	60 Adults
• Unemployed Migrants	50 Adults
• Young people with specialist requirements	50 Young People
• Vulnerable and Disadvantaged Families	145 Families

For more information about existing provision, commissioned by the OFF [click here](#).

***NEW Employability Service Commissioning Priorities for 2023-25***

- 4.5 For the period 2023-25 relevant to this Commissioning Framework, the OFP are seeking to commission provision for the following priority communities who are not well served by the existing provision outlined above.
- 4.6 Specialist provision takes a different role and is not expected to be involved in delivering end-to-end employability services. Specialists will vary activity to reflect the needs of the community being supported. Key elements of all Specialist Provision will include:
- Acting as an **early engagement partner** with individuals from the relevant community, helping them to gain confidence to access mainstream (or relevant specialist) employability services whether through group activities, outreach or 1:1 work.
  - **Supporting individuals** *while* they are accessing mainstream (or relevant specialist) employability services (either within the OFP;s network or elsewhere) and liaising constructively with the relevant services in terms of any specific support needs (e.g. language issues), barriers and opportunities affecting that individual
  - Actively **engaging with employer engagement** teams and employer recruitment incentives in Fife to ensure that they are both accessible and being accessed by the individuals they are looking to support.
  - Providing **in-work support** where necessary to help people to maintain or progress in employment and to address in-work poverty.
  - Delivering **awareness sessions** co-produced and co-delivered with the voice of experience, targeted at frontline staff, employers and the employer engagement team about their area of expertise.

- 4.7 Providers are invited to apply for funding to support the following communities affected by unemployment in Fife. Details of the funding available under each intervention are given in the table in section 7.4. Details of targets associated specifically with UKSPF interventions can be found at Annex D:
- 4.8 Support for key target client groups could align with interventions as outlined below. It is understood, however, that some of the proposed provision could be relevant to multiple Intervention themes. To simplify the process of reporting the OFP's scoring team will attempt to fund activity, where possible, through a single Intervention.

Target Group	Possible Intervention Themes
People from Minority Ethnic Communities in Fife	UKSPF S31 / S33 / S39 / OFP
Young people with a physical or mental health problem or disability	UKSPF S39 / OFP
People with physical or mental health problems or disabilities (particularly in-work/job retention support)	UKSPF S31 / S36 / S39 / OFP
Young carers	UKSPF S39 / OFP
People experiencing housing issues, including at risk of homelessness	UKSPF S31 / S33 / S39 / OFP
People with a history of drug or alcohol misuse	UKSPF S31 / S33 / S39 / OFP
People with a history of offending	UKSPF S31 / S33 / S39 / OFP
People for whom their sexual orientation or gender identity is acting as a barrier to work	UKSPF S31 / S33/ OFP
Looked after young people	UKSPF S39 / OFP
Activity which helps support people towards and into 'green jobs' <sup>35</sup> in Fife	UKSPF S33 / S37 / OFP
Locality specific activity / ERI activity that supports local businesses to recruit local employees.	UKSPF S36 / OFP
Locality specific activity which helps generate jobs in SIMD areas of Fife	UKSPF S36 / OFP
Families living with a disability	Parental Employability Support Fund / Best Start Brighter Futures/ OFP
Families with 3 or more children	Parental Employability Support Fund / Best / OFP Start Brighter Futures
Families with a child under the age of 1	Parental Employability Support Fund / Best Start Brighter Futures / OFP
Families where the mother is under 25 years old	Parental Employability Support Fund / Best Start Brighter Futures / OFP
Minority Ethnic Families	Parental Employability Support Fund / Best Start Brighter Futures / OFP

<sup>35</sup> Green Jobs can be defined as completely new jobs relating specifically to climate change; current jobs that require new skills or existing jobs for which there is an increased demand. See [Green Jobs in Scotland report](#) for further information.

- 4.9 Specialist provision will be commissioned on a Fife-wide basis to reflect the spread of people affected by these issues. Providers are expected to develop effective working relationships with existing Core providers, work closely with community-based provision in each area as well as other provision in Fife that is relevant to their specialism.

***Providers delivering Specialist services must evidence what experience, knowledge and skills they have relating to the specialist provision they have proposed. They must demonstrate experience of existing partnership working and commitment to working pro-actively with both Core providers and wider relevant partners in Fife.***

## 5.0 OFP GOVERNANCE AND INFRASTRUCTURE

The Opportunities Fife Partnership provides core infrastructure services relating to employability to improve both accessibility and outcomes for individuals they support. The infrastructure services will be coordinated through the OFP and will be available to all employability services as well as other employment-related services in Fife.

- **Tackling Stigma and Discrimination** – OFP partners will support a programme of training for frontline staff in employability services and employers to understand the impact of stigma and discrimination in services and the workplace. They will also support training on Employment Law and the Equality Act 2010 for people who use services.
- **Staff training** – OFP partners will continue to support a programme of staff training relevant to employability colleagues and beyond. This will include elements such as strengths-based coaching, basic employment law, understanding stigma and discrimination, emotional resilience & employability, understanding the Fife landscape of employability services, housing and more. This will also raise awareness with key partners in Fife of the support on offer within the employability landscape.
- **Marketing** – OFP partners will support the development and maintenance of an accessible public-facing, searchable database of employment-related services in Fife and beyond. This will also be produced as a hard copy directory and promoted to staff in related sectors every 2 years. All providers will be expected to display the OFP logo on marketing of commissioned provision.
- **Collaboration** – OFP will continue to support strategic partnerships and Forums which promote networking and collaboration such as: Know Your Network and the Fife Employability Forum.
- **Employer Recruitment Incentives (ERIs)**– Fife Council deliver a coordinated approach to Employer Recruitment Incentives in Fife. Job application, interview and job outcome equalities data will be monitored and reviewed, and provision adapted as necessary. Employers using ERIs in Fife will need to demonstrate how they are working to create good and healthy working environments, pay the living wage and tackle stigma and discrimination. Any provider wishing to include an element of wage subsidies or Employer Recruitment Incentives should work in partnership with Fife Council's Fife Jobs Contract Team to ensure a single message and offer to Fife's businesses.

***Delivery providers must contribute to the support of this infrastructure by promoting services on shared platforms, actively participating in relevant networking events and training and optimise use of ERIs for the individuals they support.***

## 6.0 PERFORMANCE MANAGEMENT, GATHERING OF PERSONAL INFORMATION

All provision commissioned by the OFP will need to comply with certain data gathering requirements in line with the expectations of Scottish and/or UK Governments and the principles outlined below.

6.1 **Personal information** will be gathered and recorded for the following purposes:

- To provide quantitative data on registrations, progressions and positive outcomes to inform service delivery adjustments and improvements (e.g. Are people getting healthy sustainable jobs? Are services mainstreaming equalities provision? Are people 'stuck' in the system?)
- To provide qualitative data in the form of case studies and surveys to inform how services are performing in relation to the OFP's Principles for Service Delivery outlined at Section 3.3
- To contribute to the national Employability Shared Measurement Framework.

6.2 **Providers** will be expected to use the Fife Online Referral Tracking (FORT) system or alternative Client Management System as identified by the OFP to record all personal and service-related information for people who use their services. Tracking and aftercare support must be recorded for a minimum of 12 months.

6.3 **Equalities** data will be recorded separately and anonymously at point of registration for *all* participants in services commissioned by the OFP. Equalities monitoring information will be coded anonymously so that outcomes can be tracked and linked to personal characteristics, such as age bracket, or locality area, but not to specific individuals.

6.4 Information relating to **personal barriers** to work will be allowed to emerge as trust builds with someone's keyworker and recorded on the system only when relevant/appropriate. The **Fife Mental Health & Work Indicator** should be used as appropriate to guide conversations where mental health has been identified as a barrier.

6.5 Successful providers must follow OFP's guidance and provide **evidence that supports compliance**. Any delivery partner(s) failing to maintain acceptable performance or compliance standards will be removed from the OFP's provider list and their funding will be withdrawn.

6.6 Service delivery will include on-going **monitoring and reporting of progress**: through statistical data uploaded to FORT; qualitative reporting at scheduled meetings; case studies; monitoring of equalities data and external user-led evaluations. This will allow the real-time evaluation of each project's current levels of achievement and facilitate any actions required to address any performance issues. Providers will also be required to produce evidence of financial spend, statistics and case studies for quarterly reports to Scottish and/or UK Government, compiled by the Fife Council NOLB Co-ordinator.



- 6.7 **Service activity reports** and performance against the OFP's Principles for Service Delivery will be provided to OFP, as required and published so that all partners understand their own progress against performance profile, but also in relation to the other delivery partners.
- 6.8 All provision must demonstrate how it will uphold the OFP's Principles for Service Delivery, as outlined at Section 3.3 as well as applying a Human Rights-based Approach to service design and delivery using the key principles of PANEL: Participation, Accountability, Non-discrimination and equality, Empowerment and Legality<sup>36</sup>.

***Delivery providers must ensure staff abide by the expectations outlined above and that they are gathering the necessary information and paperwork to inform in-year reviews of provision. Providers will be expected to evidence how they will use data as a tool for reviewing, informing and where necessary adapting provision within contract if necessary.***

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<sup>36</sup> <http://www.scottishhumanrights.com/>

## **7.0 BUDGET AND PAYMENT PROCESS**

7.1 It is our intention that payment for service delivery will be as follows:

- The first payment will be made after delivery providers return a signed grant offer letter and service level agreement.
- Second payment will be made between during the second quarter of delivery (October to December 2023).
- Subsequent payments will be made quarterly in arrears, subject to compliance with service delivery commitments.
- Full details of the payment schedule will be confirmed through a grant offer letter and service level agreement with successful providers.

7.2 The compliance arrangements for successful delivery partners will be outlined in the grant offer letter and service level agreement. Examples of non-compliance include, but are not limited to:

- Failure to maintain appropriate client records and supporting evidence.
- Failure to complete the required reporting obligations.
- Failure to deliver services that promote OFP's principles.
- Inability to deliver on agreed target outputs or outcomes, without acceptable reasons.

7.3 The table below outlines indicative funding amounts for the total anticipated employability budget for Fife for 2023-24 and 2024-25. The table includes funding already allocated 'in principle' through previous No One Left Behind Fife commissioning and the UK Community Renewal Fund, as well as new and additional funding coming to Fife through UK Shared Prosperity Fund and Parental Employment Support Fund/ Best Start Bright Futures..



**Provisional allocation for activity 2022-2025:**

Funding Source	Intervention	2022-23 (allocated)	2023-24 (allocated in principle)	2023-24 (available for commissioning)	2024-25 (allocated in principle)	2024-25 (available for commissioning)
UKSPF People & Skills	S31: Employment support for economically inactive people	£300,000	£300,000	£30,000 - £50,000	£300,000	£150,000 - £200,000
UKSPF People & Skills	S33: Enrichment & volunteering activities	£140,000	£140,000	£70,000 - £90,000	£140,000	£200,000 - £260,000
UKSPF People & Skills	S36: Local areas to fund local skills needs	£37,050	£55,000	£200,000 - £255,000	£96,076	£500,000 - £550,000
UKSPF People & Skills	S37: Green skills courses	£0	122,500	£100,000 - £125,000	£237,500	£200,000 - £230,000
UKSPF People & Skills	S39: Education & skills targeting the vulnerable leaving school	£197,037	£250,000	£0	£250,000	£150,000 - £200,000
<b>Parental Employment Support Fund/ Best Start Bright Futures**</b>	Provision for families	£606,473	£2,295,000	£900,000 - £1,300,000	TBC	TBC
<b>No One Left Behind**</b>	Core and specialist provision for those furthest from the labour market	£1,120,551	£1,435,00	£0	TBC	TBC
<b>Young Person's Guarantee</b>	Support for young people leaving school	£1,192,118	<b>No further funding</b>	<b>No further funding</b>	<b>No further funding</b>	<b>No further funding</b>
<b>Long Term Unemployed</b>	Employer recruitment incentive for long-term unemployed	£1,460,000	<b>No further funding</b>	<b>No further funding</b>	<b>No further funding</b>	<b>No further funding</b>
<b>Opportunities Fife Partnership*</b>	Additional Match	£650,000	£150,000	£300,000 - £500,000	TBC	TBC
<b>TOTAL</b>		<b>£5,703,229</b>	<b>£4,747,500</b>	<b>£1,600,000 - £2,315,000</b>	<b>£1,123,576</b>	<b>£1,200,000 - £1,440,000</b>

\*\* NOLB and PESF Budgets are provisional at this time and could be subject to change.

\* OFP Budget for 2023-24 is provisional and is awaiting confirmation.

## 8 CHALLENGE FUND PROCESS

The following table outlines the timescale for commissioning the new activity:

Activity	Date
OFP Commissioning Framework Published	March 2023
Information Session – Potential Delivery Providers	7 March 2023
Commissioning Period	Up to 28 April 2023
Bids assessed, Scoring Panel to meet	May 2023
Scoring Panel Recommendations Prepared	May 2023
OFP Executive to consider commissioning recommendations	28 May 2023
Delivery Partners notified, in principle	June 2023
Fife Council Cabinet to approve grant allocations	29 June 2023
Grant Offer Letters issued and Service Level Agreements finalised	July 2023
Delivery Partners commence activity	July 2023

Proposals will be assessed according to the following sample criteria. Percentage allocations will be marked against the different elements of the bid.

Applicants should note that all bids are scored by a panel of assessors including representatives from the voice of experience panel.

To help our assessment panels all bids must be written in plain English and ensure that content is accessible and included in the appropriate section to the application form.



Outline Scoring Criteria	% Score allocation
<p><b>Project Outline</b></p> <p>This section should outline what the project intends to deliver, the client group they are focusing on, and how the project will incorporate the OFP Principles for Service Delivery (Section 3.3). Including a clear overview of the client journey from referral to exit point. Diagrams may be embedded in the document if that is helpful to illustrate the activity being proposed.</p> <p>Support people for to navigate internal and external barriers to work (3.2 of Framework)</p> <p>Delivery of a strengths-based approach and ensure staff have time to deliver reflective practice.</p> <p>Tools offered to help people see their own progression and journey and support reflective practice for staff.</p> <p>Commitment to partnership working: outline key relationships, principles working together and rationale for the partnership</p> <p>Commitment to working with the OFP Infrastructure (Section 5.0 of the Framework)</p> <p>Applicants must demonstrate:</p> <ul style="list-style-type: none"> <li>• Which specialist community they wish to support including evidence of need and how the people they are supporting have been and will be involved in the development/design of the proposed activity</li> <li>• How they will create and deliver early engagement opportunities</li> <li>• How they will support people to engage with mainstream employability services</li> <li>• Their ability to work with existing employer engagement teams to improve uptake of opportunities for the people they support</li> <li>• How they will provide <i>specialist</i> in-work support and will work with mainstream in-work support to avoid duplication of effort</li> <li>• Proposals for specialist awareness sessions for frontline staff, employers and employer engagement staff.</li> </ul>	<p><b>50%</b></p>
<p><b>Programme Delivery, Performance Management and Previous Experience</b></p> <p>Outline their internal systems for governance, review and continuous improvement to ensure activity can achieve the performance management expectations outlined at Section 6.0 of the Framework</p>	<p><b>15%</b></p>

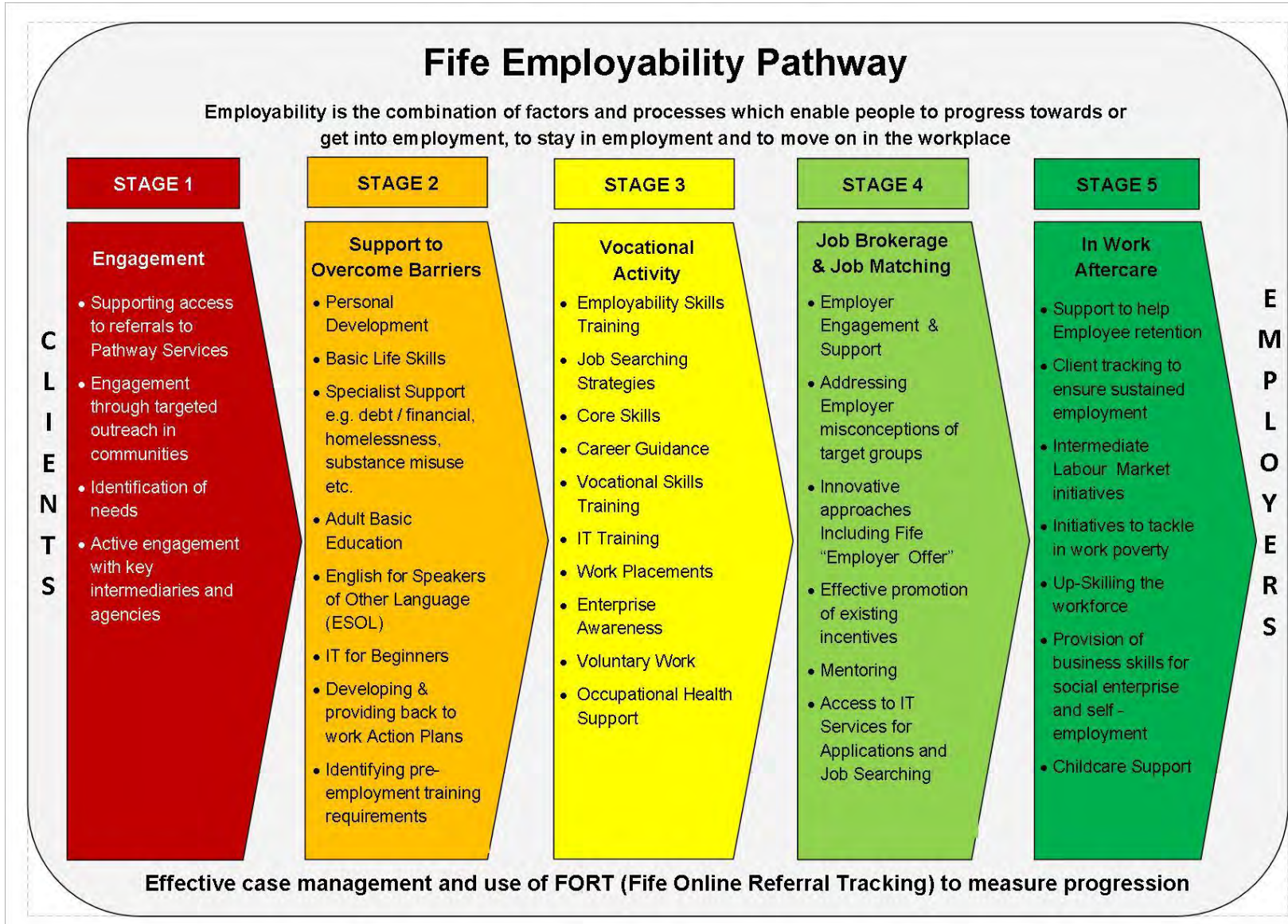
<p>Evidence of how the programme will monitor and report on the OFP's Principles for Service Delivery (Section 3.3 of Framework). This should include how training, supervision, internal monitoring and evaluation processes will ensure these standards are maintained.</p> <p>Expectations in terms of number of people worked with, as well as anticipated outcomes and outputs.</p> <p>Evidence of previous experience that supports the organisation or partnership's ability to achieve these outputs and outcomes.</p> <p>Reporting processes for evaluation and activity updates.</p> <p>How they will monitor and evidence activity in line with the OFP Principles of Service Delivery.</p>	
<p><b>Governance, Partnership Structure and Project Staff</b></p> <p>Provide an outline of their Partnership structure, governance arrangements, project management, including ongoing engagement/co-production with people who are using the services, infrastructure, delivery roles and reporting lines.</p> <p>Details of delivery partner roles, and relationship.</p> <p>Rationale for and outline of keyworker caseloads.</p> <p>Number and experience/skills of personnel involved in delivery and the role each person will perform in delivering this contract: Contingency plans to cover holidays, absence, sickness etc</p> <p>Summaries of the relevant qualifications, competencies and experience for staff intended to be involved in delivering this contract.</p>	<p><b>15%</b></p>
<p><b>Delivery Location(s)</b></p> <p>Which localities in Fife covered, and evidence of why this location has been selected for their delivery.</p> <p>Details of venues in which services will be located and their suitability in terms of privacy and accessibility.</p> <p>Which online platforms and tools will be used to support digital delivery and why?</p> <p>What skills and resources will be in place to ensure digital accessibility for the people being supported.</p>	<p><b>5%</b></p>



<p>What out of hours provision will be made available and in what format.</p> <p>Rationale for the approach being taken</p>	
<p><b>Project Costs</b></p> <p>Anticipated financial costs for staff and related costs must be fully detailed</p> <p>Additional match or in-kind contributions can also be included.</p> <p>Details of any other public funds being received by applicants whether or not relevant to the project proposal</p>	<p><b>10%</b></p>
<p><b>Added Value</b></p> <p>How the proposal supports the Plan 4 Fife and other relevant local/National strategies (Section 2.5).</p> <p>How the proposal supports the Community Wealth Building agenda (Section 2.6).</p> <p>Established relationships with existing Community organisations and demonstrable links to the communities they are targeting.</p> <p>Any additional elements which are important for the panel to consider in terms of resource, relationships and values.</p>	<p><b>5%</b></p>



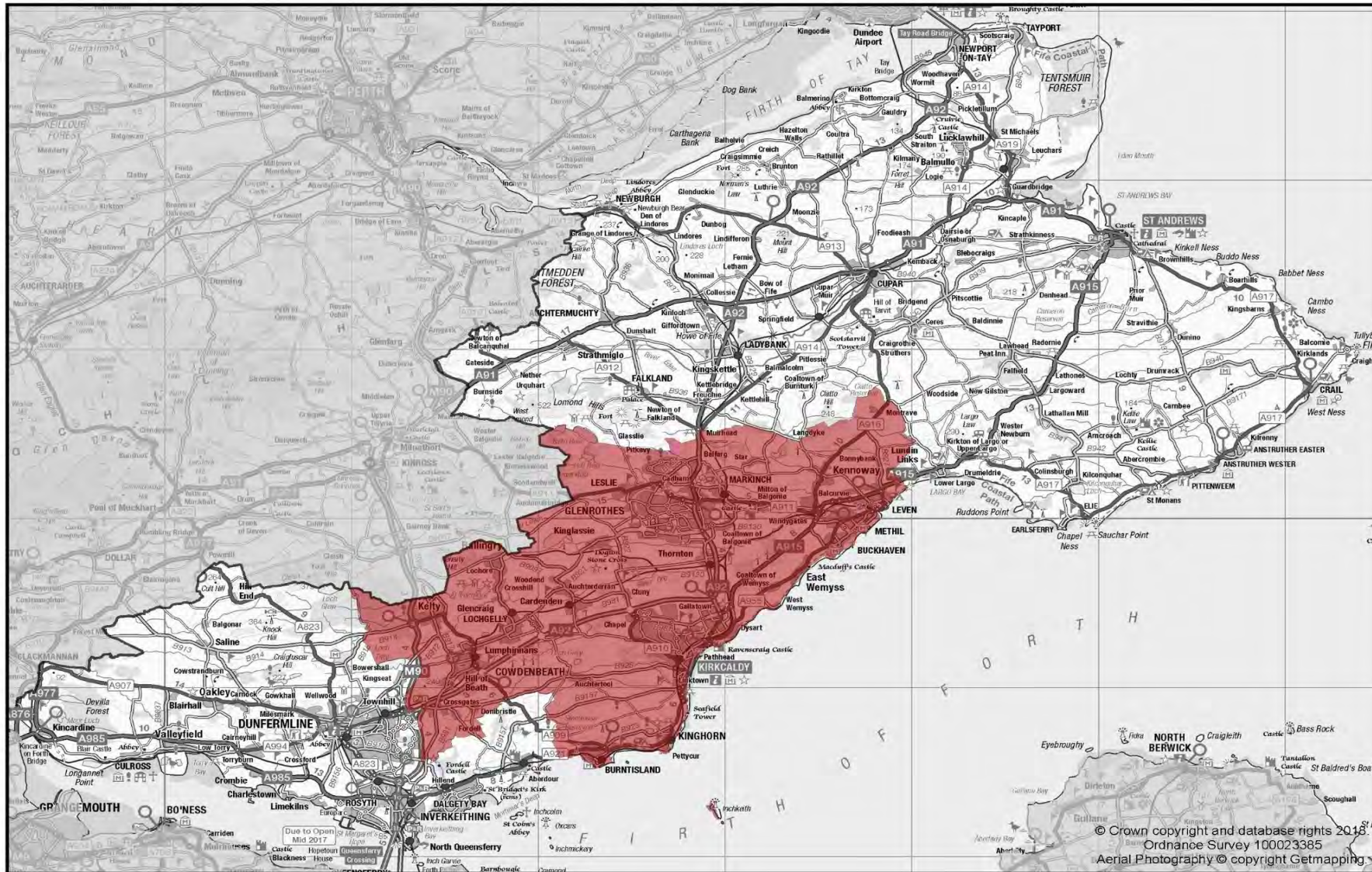
**Annex A**







## Annex B – Map of Mid-Fife



**ANNEX C: Summary of OFP’s Core Delivery:**

Core OFP Delivery is built around person centred activity that operates using a 5-stage keyworker/support worker model, which aligns with the OFP’s Employability Pathway (Annex A).

People’s life circumstances mean that they may need support at multiple stages simultaneously and it will be the keyworkers’ role to navigate the necessary supports as appropriate to the individual’s journey. Keyworkers are expected to take a **strengths-based approach** to supporting individuals, with capacity for **reflective practice** to ensure sufficient support and momentum is in place on their journey, as outlined within the OFP Principles.

Core Services provide access to a *menu* of skills development as appropriate to individuals’ needs. Elements of the menu of support are listed here. This is not an exhaustive list and not all elements are expected to be delivered by all providers.

Core provision must include	Core provision may also include the following	These elements will be available through NOLB infrastructure or existing provision
Digital Skills, tools and access to the internet	Volunteering	Understanding stigma and discrimination
Accurate and easy to understand financial advice and support	Work placements (of personal relevance)	Talking to your employer and knowing your employment rights
Employability skills: cv, applications, personal presentation, interview and career management skills	Peer mentoring	Basic literacy and numeracy support
Growing Community Connections	Funding for transition to work costs	Use of Employer Recruitment Incentives
Emotional Awareness (resilience)	Travel training and financial support	
Support for mild mental health problems, Mental Health First Aid	Engagement with & feedback from employers	
Trauma & Alcohol use Aware	In-work support	
Strengths-based approaches and reflective practice	Industry specific training	
Understanding and awareness of the impact of stigma and discrimination		

**Positive outcomes** for Core Provision primarily focus on the outcomes relevant to the individuals being supported. From an employability perspective they will include moving into: training, education, volunteering which supports transition to employment; paid employment and staying in/progressing in work. Job outcomes are a core element and expectation of any employment service. No One Left Behind job outcomes are expected to be sustainable and in ‘good and healthy<sup>37</sup>’ working environments.

<sup>37</sup> [Marmot Principles of Good Work](#) and [Scottish Government Fair Work First Principles](#)



Core Provision is split according to Fife’s seven localities - with keyworker provision for young people (24 and under) and for adults (25+) in each area:

- **Core Provision for adults (25+)** focuses on key transition points such as supporting women returners, over 55s, and those affected by change in life circumstances. This would be reviewed to ensure provision reacts to the changing needs of the economy, as highlighted to the response to the Covid-19 Pandemic between 2020-2022.
- **Core Provision for young people (24 and under)** focuses on key transition points including early engagement, actively working with schools, those who have left school to a negative or unknown destination, and/or those who have fallen out of/not sustained their first positive transition. Provision can target support at young people in key age brackets such as 16-18 or 19-24 year olds, should that be relevant for the delivery activity.

Core provision is allocated by locality, providers must offer flexibility and willingness to work with individuals out with that area where necessary. For example, this may be due to the individual moving accommodation mid-engagement with a service or due to a stated preference to access a service out with their local area.

**ANNEX D: UK Shared Prosperity Fund Outputs and Outcomes – by Intervention:**

UKSPF Intervention	Outputs by 31/03/25	Outcomes by 31/03/25
S31: Employment support for economically inactive people	920 socially excluded people accessing support	276 in employment or self-employment
S33: Enrichment & volunteering activities	315 volunteering opportunities supported	105 in employment or self-employment
S36: Local areas to fund local skills needs	307 people supported to gain a qualification	92 in employment or self-employment
S37: Green skills courses	240 people supported to access basic skills	96 in employment or self-employment
S39: Education & skills targeting the vulnerable leaving school	425 people receiving support to sustain employment	125 in employment or self-employment
<b>Total People &amp; Skills Interventions</b>	<b>2,207</b> people supported	<b>694</b> in work

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## Review of Mossmorran and Braefoot Bay Community and Safety Committee

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**Report by:** Nigel Kerr, Head of Protective Services

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**Wards Affected:** All

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### Purpose

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The purpose of this report is to provide an update on the review of the Mossmorran and Braefoot Bay Community and Safety Committee as reported to Environment and Protective Services Sub-Committee on 17 September 2020 and to seek approval for a change in the Constitution and Terms of Reference of the Committee and associated groups.

### Recommendation

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Members are asked to:

- (i) note the contents of the report and, in particular, the large reduction in complaints following investment at the complex;
- (ii) agree to the proposed change in the Constitution and Terms of Reference of the Mossmorran and Braefoot Bay Community and Safety Committee and associated groups; and
- (iii) agree that an annual report will not be required and future reports can deal with issues by exception or by call in to any council committee.

### Resource Implications

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There are additional resource implications for supporting the three expert advisory groups detailed in the new Constitution and Terms of Reference. It is anticipated there will be between three and six additional meetings per year in total; these will be supported through existing staff resources. Expenses for committee meetings will be minimal and will be funded through existing budgets.

### Legal & Risk Implications

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The outcomes and benefits from the changes to these working groups will ensure that any developments at the complex are known, to better brief communities on any incidents or potential future impacts and allow the views of the community to be expressed. This approach supports delivery for the Plan for Fife and, in particular, to protect and enhance health and wellbeing.

### Impact Assessment

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An equalities assessment has not been completed and is not necessary as no change to policy or service provision are being proposed at this time.

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 socioeconomic disadvantage when making strategic decisions. There are no negative impacts identified as part of this review as it will aim to protect and enhance health and wellbeing for all.

## Consultation

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The Heads of Service for Finance and Legal Services have been consulted in the preparation of this report.

The Mossmorran and Braefoot Bay Community and Safety Committee has also been consulted.

## 1.0 Background

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- 1.1 The review of the Mossmorran and Braefoot Bay Community and Safety Committee was approved by the Environment and Protective Services Committee on 5 September 2019. A further report was submitted and approved by this Committee on 17 September 2020.
- 1.2 This review was requested following a significant unplanned flaring event at the ExxonMobil site from 21 – 27 April 2019; there had been considerable scrutiny over the regulation of these operations and potential health effects on the local community. This had been further exacerbated with further unplanned flaring events due to boiler breakdown in August 2019 and further elevated flaring was experienced at the site due to the extreme weather on 11 August 2020.
- 1.3 There had been considerable public and media interest and concern surrounding the operations and impacts from the Mossmorran complex with three public meetings taking place over this period. Significant concerns had been raised by communities in relation to health and safety issues and health impacts from these operations. Feedback from these public meetings also highlighted that there was a lack of trust in operations / regulation at this site and that communication and provision of information could have been better.
- 1.4 A number of the recommendations in the September 2020 report required a further report to be presented to a future committee for approval. These included:
  - Expert Advisory Groups (EAGs) will be established – these will replace the Independent Air Quality Monitoring Review Group. Three groups will be set up initially – EAG on air quality, EAG on noise, vibration and light and an EAG on communications. These groups will sit as sub-groups under the main committee and be tasked by the main umbrella group to carry out specific projects/tasks. These pieces of work will then be presented back to committee for approval. The representation on these groups will be delegated to the Community and Safety Committee and incorporated within the governance documents.
  - An independent chair should replace the existing elected member role. This postholder will be identified and agreed by the new committee; the current chair should continue until a suitable replacement is identified by the group.
  - To ensure suitable governance and oversight by Fife Council, an annual report is to be produced and submitted to relevant Area Committees and the Environment and Protective Services Sub-Committee.
  - Amend the Constitution and Terms of Reference of the Mossmorran and Braefoot Bay Community and Safety Committee to reflect these changes and bring these back to the Environment and Protective Services Sub-Committee for approval.

## 2.0 Update

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- 2.1 Three Expert Advisory Groups (EAGs) have now been established which sit under and report to the Mossmorran and Braefoot Bay Community and Safety Committee. The Terms of Reference and Constitution have been updated to include these changes and is attached in Appendix A for approval.

- 2.2 At the Mossmorran and Braefoot Bay Community and Safety Committee of 24 March 2022, it was agreed that no financial payment should be made (other than out of pocket expenses) to an independent chair to ensure no conflicts of interest were raised by local communities. Whilst a number of individuals had been approached to undertake this role, it had not been possible to identify a suitable chair for this role.
- 2.3 This matter was discussed further at the Mossmorran and Braefoot Bay Community and Safety Committee of 24 November 2022 when it was the recommendation to revert back to a Fife Council elected member chairing the Committee. The appointment for this role would be by the Community and Safety Committee from one of the three elected members nominated by Area Committees to represent Fife Council. Following elections in May 2022, the following elected members were appointed by the three Area Committees:
- Councillor Alistair Bain (Chair) - Cowdenbeath
  - Councillor David Barratt – South and West Fife
  - Councillor Julie MacDougall - Kirkcaldy
- 2.4 In view of the support for an elected member chair, the Constitution and Terms of Reference has been updated to reflect this position – for approval by Cabinet.
- 2.5 During the review of the Community and Safety Committee by the Head of Protective Services, it was highlighted that both Benarty and Keltie Community Councils were not represented on this Committee. Following discussions with both Community Councils, it was agreed that they would be included in the new membership structure. Hill of Beath Community Council later expressed a wish to be part of this Committee and have also been included.
- 2.6 As part of the September 2020 report, one of the recommendations was that an annual report was to be produced and submitted to relevant Area Committees and the Environment and Protective Services Sub-Committee – this was to ensure suitable governance and oversight by Fife Council. At the time of presenting this report, there was a perceived lack of trust and communication between the plant operators, regulatory agencies, the council and communities. This was also highlighted as a concern by the plant operators and other agencies and was considered a key challenge going forward.
- 2.7 Since that time, there has been significant investment and improvements which has seen a dramatic reduction in total complaints received by the operators and SEPA.

<b>Year</b>	<b>Number of Complaints</b>
2019	1421
2020	1671
2021	132
2022	42

- 2.8 In line with the considerable reduction in complaints, there has also been sea-change in the level of trust and confidence communities now have with the operators, regulatory agencies and Fife Council. In view that detailed quarterly reports are provided to the Mossmorran and Braefoot Bay Community and Safety Committee by both operators, SEPA and Fife Council, it is recognised that an annual report would now be largely duplication of this information. It is, therefore, recommended that there is no longer a requirement for an annual report, however, future reports can deal with issues by exception or by call in to any council committee.

### **Investment in Maintenance and Upgrading of Plant/Equipment**

- 2.9 Significant investment by both operators including £140M upgrade project by ExxonMobil to improve reliability and reduce the need for flaring. Key improvements include:
- New elevated flare tips installed by both operators. The new elevated flare tip is designed to reduce the amount of noise and vibration that has previously been highlighted by residents when the plant was using its flare. It uses Best Available Technology to ensure a clean flame but with the need for the addition of less steam – the main source of noise and vibration.
  - New enclosed ground flares which will reduce the use of elevated flares by at least 98% with greatly reduced noise levels and no smoke/vibration are expected to be operational at the [Fife Ethylene Plant](#) (operated by ExxonMobil) later this year. Enclosed ground flares are also planned at the [Fife Natural Gas Liquids \(NGL\) Plant](#) (operated by Shell UK) – with plans to be operational by December 2025.
  - Ongoing planned maintenance, plant upgrades and new infrastructure, together with SEPA's ongoing regulatory requirements and permit variations, should significantly improve the reliability of the Mossmorran Complex, reducing the requirement for flaring and significantly reducing the community impact of flaring when it does occur.

### **New Air Quality and Noise Monitoring Network**

- 2.10 [SEPA](#) has set up and maintain two continuous noise monitoring stations, one at the Lochgelly water tower and the other on farmland immediately to the north of the Mossmorran complex. These provide 24-7 noise monitoring and allow SEPA to obtain data on short events or capture data during the early stages of any flaring event prior to staff arriving on site.
- 2.11 SEPA has also installed new air quality monitoring equipment to monitor more pollutants across a greater geographic area including: One reference air quality monitoring station downwind of the Mossmorran complex and Eight Portable AQMesh analysers located in communities around the Mossmorran complex. A data sharing platform has been developed which allows the data from these monitoring stations and non SEPA monitors to be viewed in close to real time. This data has been live since 23 March 2023 and can be viewed here: [Mossmorran Air Quality Network \(sepa.org.uk\)](https://sepa.org.uk/mossmorran-air-quality-network)
- 2.12 This improved monitoring network follows on from community participation (see below) in the design of a new air quality monitoring network and a refreshed online regulatory hub produced to make it easier than ever to find information about SEPA's regulation of the Fife Natural Liquids Plant and Fife Ethylene Plant.

### **Community Engagement**

- 2.13 In September 2021, SEPA held four community engagement sessions in partnership with Fife Council and the Health and Safety Executive to listen to the needs of the community. Feedback from these sessions was used to inform SEPA's review of the monitoring they undertake and how results of that monitoring are shared with the local community.

- 2.14 To date, SEPA monitoring has shown no breaches of the air quality objectives in the vicinity of the Mossmorran and Braefoot facilities (also confirmed in latest [2021 Air Quality Annual Report](#)) but it was clear, in hearing from the community, that there continues to be a concern about air quality in the area. The community asked for:
- Permanent monitoring of air quality in the communities around Mossmorran
  - Simple, easy to understand and timely data, with the ability to get more detail if required

This network of monitoring with an easy to use dashboard is now live.

- 2.15 There is active participation by the two operators, SEPA, NHS Fife and Community Councils in the three new Expert Advisory Groups which have been formed – this has resulted in greater two way communication between all parties and more detailed peer review in the production of relevant reports.
- 2.16 Members of the public are encouraged to sign up to receive direct community notifications which provide regular updates on activities on site and/or planned maintenance/flaring, etc.
- 2.17 New animations and video blogs are being used by both operators to de-mystify the complex operations on site by providing an appropriate level of detail and clear, non-technical and jargon free language.
- 2.18 Fife Council has developed a new landing platform on [Fife Direct](#) to provide information on activities associated with Mossmorran and Braefoot Bay; this platform also includes formal agendas/minutes from the Community and Safety Committee. It also includes non-technical summaries of the annual report on air quality which facilitate understanding of such documentation.

## 3.0 Conclusion

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- 3.1 There has been significant improvements at the Mossmorran complex since the flaring events in 2019 and 2020.
- 3.2 Investment in new technology together with improved monitoring and communication networks has reduced the number of overall complaints from over 1600 in 2020 to less than 50 in 2022.
- 3.3 The updated Constitution and Terms of Reference provide a robust framework for oversight and scrutiny for Mossmorran and Braefoot Bay going forward and a solid foundation for alleviating any concerns local residents may have.

## List of Appendices

- A Mossmorran and Braefoot Bay Community and Safety Committee Constitution and Terms of Reference

## Background Papers

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

- The Plan4Fife [A Plan for Fife | Our Fife - Creating a successful, confident and fairer Fife](#)
- Its Recovery and Renewal - A Plan for Fife 2021-24 Update. [Plan for Fife 2021-24 | Our Fife - Creating a successful, confident and fairer Fife](#)

## Report Contact

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## The Fife Council

### Mossmorran and Braefoot Bay Community and Safety Committee

#### Constitution and Terms of Reference

##### 1.0 Title

- 1.1 The Committee shall be known as the Mossmorran and Braefoot Bay Community and Safety Committee: referred to herein as "the Committee"

##### 2.0 Terms of Reference

- 2.1 The Committee shall provide a forum which will enable the local communities to:

- Be aware of developments likely to take place at Mossmorran and Braefoot Bay;
- Be briefed on operational, environmental and safety aspects associated with the existing plant and terminal and associated with developments affecting the plant and terminal (this includes from the three Expert Advisory Groups for Air Quality, Noise, Vibration and Light and Communications – the aims and objectives of which are outlined in Appendices 1-3); and
- Allow the views of local communities on these issues to be properly expressed.

In particular, the Committee shall have the following remit:

- To identify and discuss operational, environmental and safety aspects of the developments at Mossmorran and Braefoot Bay on the area. Where appropriate, to identify and suggest possible action or investigation to be taken, if required, in connection with such aspects.
- To receive, for information and discussion purposes, reports on various aspects relating to measures and procedures designed to safeguard the environment, monitor potential environmental impact of the developments and identify matters of relevance to communities. This includes reports from the three Expert Advisory Groups for Air Quality, Noise, Vibration and Light and Communications.
- To discuss safety issues and any matters of interest or concern to the local communities relating thereto, arising from the developments at Mossmorran and Braefoot Bay.
- To receive, for information and discussion purposes, reports on various aspects of operations at the Mossmorran and Braefoot facilities.
- To receive, for information purposes, reports from the local authority in respect of the companies' performance of those conditions of a continuing nature pertaining to the planning permissions for the developments at Mossmorran and Braefoot Bay.
- To assist in developing a mutual understanding of matters and issues of relevance to both the local communities and the companies to assist in the creation of a climate which is positive to future investment and/or developments which are safe, environmentally acceptable and economically advantageous for the area of Fife.



2.2 This Constitution and terms of reference shall not imply any responsibility for, control over, or restriction of the statutory or common law positions of Fife Council, Scottish Environment Protection Agency (SEPA), Health and Safety Executive (HSE), Shell U.K Limited, ExxonMobil Chemical Ltd or any other local authority, statutory authority or agency, or company, nor derogate from the rights, powers and responsibilities of such authorities, agencies or companies, in respect of the developments.

### 3.0 **Membership**

3.1 There shall be on the Committee three representatives from Fife Council and one representative from each of the following: -

- Scottish Environment Protection Agency (SEPA)
- Health and Safety Executive (HSE)
- Shell U.K. Ltd
- ExxonMobil Chemical Ltd
- Aberdour Community Council
- Auchtertool Community Council
- Benarty Community Council
- Burntisland Community Council
- Cardenden & Kinglassie Community Council
- Cowdenbeath Community Council
- Crossgates & Mossgreen Community Council
- Dalgety Bay & Hillend Community Council
- Hill of Beath Community Council
- Kelty Community Council
- Lochgelly Community Council
- Lumphinnans Community Council

Representation level shall be increased to enable the companies to invite appropriate specialists, who shall not be entitled to vote, to attend when required.

3.2 An appropriate number of officials (normally no more than four), who shall not be entitled to vote, from the local authority shall attend meetings of the Committee.

3.3 The Committee may invite others to attend meetings to address them on issues related to the terms of reference as referred to in paragraph 2.1 above.

### 4.0 **Meetings**

4.1 The Committee shall meet four times per year or more if deemed necessary.

### 5.0 **Office Bearers**

5.1 The members of the Committee shall appoint an elected representative of Fife Council to Chair this Committee.

5.2 Secretarial support shall be provided by Fife Council.

### 6.0 **Business**

6.1 The Secretary shall send to all members, as appropriate, a record of the previous meeting and notice and agenda for all meetings at least seven days before the date of the next meeting.

6.2 Business shall be in keeping with the terms of reference specified in paragraph 2.1 above.

## 7.0 **Finance**

7.1 The local authority shall meet any reasonable costs of the administration of the Committee.

June 2023

## Expert Advisory Group (EAG) on Air Quality

### 1.0 Title

- 1.1 The Group is known as the Mossmorran & Braefoot Bay Expert Advisory Group on Air Quality (referred to below as the EAG).

### 2.0 Introduction

- 2.1 The EAG was formed in 2021 (following the dissolution of the Mossmorran and Braefoot Bay Independent Air Quality Monitoring Review Group) to provide advice and recommendations to Fife Council regarding the monitoring of air emissions arising from the operations at the Mossmorran plants and the Braefoot Bay terminal facilities.
- 2.2 The EAG's focus is to review data, particularly surrounding air quality issues of relevance within the local communities. A key role is assisting with communications of air quality related information.

### 3.0 Aims and Objectives

- 3.1 To provide independently reviewed advice on air quality related monitoring arrangements.
- 3.2 To review air quality monitoring data obtained at sites in the vicinity of the Mossmorran complex and the Braefoot Bay terminal.
- 3.3 To consider, advise and make recommendations on the outcome of monitoring data including to the Mossmorran and Braefoot Bay Community & Safety Committee. The EAG intends by inclusion in its membership of public health representation and where required, independent specialist consultants, that timely and informative communications can be provided in respect of any relevant health issues that might arise in the local communities. The EAG also intends by inclusion in its membership of an independent consultant that the recommendations have been independently reviewed.
- 3.4 To submit reports to the Mossmorran and Braefoot Bay Community & Safety Committee, Fife Council and to make presentations as appropriate to representatives of the Community Councils that are local to the Mossmorran plants and the Braefoot Bay terminal. The EAG intends inclusion in its membership of representation from the local Community Councils to assist with these communications related responsibilities.
- 3.5 The EAG's approach will be based on:
- (i) Providing regular updates on activities to the Mossmorran & Braefoot Bay EAG on Communications & the Mossmorran and Braefoot Bay Community & Safety Committee;
  - (ii) Prepare and publish an Annual Independent Air Quality report, ensuring that all reports produced by, or on behalf of, the EAG are independently produced and/or reviewed;

- (iii) Ensuring that all reports produced by, or on behalf of, the EAG are fully documented and contain source references to all relevant data;
- (iv) Providing regular and non-technical summaries on its activities in collaboration with the Communications EAG; and
- (v) Informing the local communities through submissions to existing liaison structures (i.e. primarily the Mossmorran & Braefoot Bay Community & Safety Committee) and through direct presentations by EAG members as appropriate.

## 4.0 **Membership**

4.1 Membership of the Expert Advisory Group comprises appropriate representation from the following:

- Fife Council (Chair)
- NHS Fife
- Scottish Environment Protection Agency (SEPA)
- Community Councils
- Shell U.K. Ltd
- ExxonMobil Chemical Ltd
- Elected Members

4.2 The EAG may invite others to address group members on issues related to the terms of reference set out at paragraph 3.0 above.

## 5.0 **Meetings**

5.1 The EAG will meet as frequently as is considered necessary by the Chair (normally at least once a year), having regard to the remit set out at paragraph 3.0 above.

5.2 A summary of the meetings will be provided to the Mossmorran and Braefoot Bay Community and Safety Committee for formal noting.

## 6.0 **Finance**

6.1 The local authority shall meet any reasonable costs of the administration of the EAG.

6.2 The operators of the Mossmorran complex will pay for the costs of a suitable consultant to produce the Annual Independent Air Quality Report.

### Expert Advisory Group on Communications

#### 1.0 Title

- 1.1 The Group is known as the Mossmorran & Braefoot Bay Expert Advisory Group on Communications (referred to below as the EAG).

#### 2.0 Introduction

- 2.1 The EAG was formed in 2022 to provide advice and recommendations to the Mossmorran and Braefoot Bay Community & Safety Committee regarding the communication of factual information arising from the operations and any matters arising at the Mossmorran plants and the Braefoot Bay terminal facilities.
- 2.2 Of particular relevance to the EAG are issues relating to any aspects of relevance within the local communities, and a key role is assisting with communications on matters relating to health, air quality, noise, vibration and light related information.

#### 3.0 Aims and Objectives

- 3.1 To provide advice on the communication of air quality, noise, vibration and light monitoring arrangements.
- 3.2 To review air quality, noise, vibration and light monitoring data/reports obtained at sites in the vicinity of the Mossmorran complex and the Braefoot Bay terminal and how best to communicate this information (includes design/layout and content) in collaboration with the relevant EAG's.
- 3.3 To consider, advise and make recommendations on the communication of monitoring data including to the Mossmorran and Braefoot Bay Community & Safety Committee. The EAG intends by inclusion in its membership of public health representation that timely and informative factual communications can be provided in respect of any relevant health issues that might arise in the local communities.
- 3.4 To submit reports to the Mossmorran and Braefoot Bay Community & Safety Committee, Fife Council and to make presentations as appropriate to representatives of the Community Councils that are local to the Mossmorran plants and the Braefoot Bay terminal. The EAG will invite representatives from the local Community Councils to assist with these communications related responsibilities as and when required/appropriate.
- 3.5 The EAG's approach will be based on:
- (i) Providing regular updates on communication trends to the Mossmorran and Braefoot Bay Community & Safety Committee, in particular highlighting aspects of relevance raised by local communities.

- (ii) Ensuring that all reports produced by, or on behalf of, the EAG are fully documented and contain source references to all relevant data;
- (iii) Providing regular and non-technical summaries on its activities, in particular the effectiveness and feedback on communication activities undertaken in local communities; and
- (iv) Ensuring local communities receive fit-for-purpose communications on aspects of relevance relating to the Mossmorran plants and the Braefoot Bay terminal facilities through submissions to existing liaison structures (i.e. primarily the Mossmorran & Braefoot Bay Community & Safety Committee) and through direct presentations by EAG members as appropriate.

## 4.0 **Membership**

4.1 Membership of the Expert Advisory Group comprises appropriate representation from the following:

- Fife Council (Chair)
- Scottish Environment Protection Agency (SEPA)
- Shell U.K. Ltd
- ExxonMobil Chemical Ltd
- NHS Fife
- Elected Members
- Community Councils

4.2 The EAG may invite representatives of other organisations to address group members on issues related to the terms of reference set out at paragraph 3.0 above.

## 5.0 **Meetings**

5.1 The EAG will meet as frequently as is considered necessary by the Chair (normally at least once per year), having regard to the remit set out at paragraph 3.0 above.

5.2 A summary of the meetings will be provided to the Mossmorran and Braefoot Bay Community and Safety Committee for formal noting.

## 6.0 **Finance**

6.1 The local authority shall meet any reasonable costs of the administration of the EAG.

### **Expert Advisory Group on Noise, Vibration and Light**

#### **1.0 Title**

- 1.1 The Group is known as the Mossmorran & Braefoot Bay Expert Advisory Group on Noise, Vibration & Light (referred to below as the EAG).

#### **2.0 Introduction**

- 2.1 The EAG was formed in 2021 to provide advice and recommendations to the Mossmorran an & Braefoot Bay Community and Safety Committee regarding the monitoring of noise, vibration and light arising from the operations at the Mossmorran plants and the Braefoot Bay terminal facilities.
- 2.2 The EAG's focus is to review data, particularly surrounding noise, vibration and light issues of relevance within the local communities. A key role is assisting with communications of noise, vibration and light related information.

#### **3.0 Aims and Objectives**

- 3.1 To provide advice on noise, vibration and light monitoring arrangements.
- 3.2 To review noise, vibration and light monitoring data/reports obtained at sites in the vicinity of the Mossmorran complex and the Braefoot Bay terminal.
- 3.3 To consider, advise and make recommendations on the outcome of monitoring data including to the Mossmorran and Braefoot Bay Community & Safety Committee. The EAG intends by inclusion in its membership of public health representation and where required, independent specialist consultants, that timely and informative communications can be provided in respect of any relevant health issues that might arise in the local communities.
- 3.4 To submit reports to the Mossmorran and Braefoot Bay Community & Safety Committee, Fife Council and to make presentations as appropriate to representatives of the Community Councils that are local to the Mossmorran plants and the Braefoot Bay terminal. The EAG intends inclusion in its membership of representation from the local Community Councils to assist with these communications related responsibilities.
- 3.5 The EAGs approach will be based on:
- (i) Providing regular updates on activities to the Mossmorran and Braefoot Bay Expert Advisory Group on Communications and the Mossmorran and Braefoot Bay Community & Safety Committee
  - (ii) Ensuring that all reports produced by, or on behalf of, the EAG are fully documented and contain source references to all relevant data;
  - (iii) Providing regular and non-technical summaries on its activities, in collaboration with the Communications EAG; and

- (iv) Informing the local communities through submissions to existing liaison structures (i.e. primarily the Mossmorran & Braefoot Bay Community & Safety Committee) and through direct presentations by EAG members as appropriate.

#### 4.0 **Membership**

4.1 Membership of the Expert Advisory Group comprises appropriate representation from the following:

- Fife Council (Chair)
- Elected Members
- Scottish Environment Protection Agency (SEPA)
- Shell U.K. Ltd
- ExxonMobil Chemical Ltd
- NHS Fife
- Community Councils

4.2 The EAG may invite others to address group members on issues related to the terms of reference set out at paragraph 3.0 above.

#### 5.0 **Meetings**

5.1 The EAG will meet as frequently as is considered necessary by the Chair (normally at least once a year), having regard to the remit set out at paragraph 3.0 above.

5.2 A summary of the meetings will be provided to the Mossmorran and Braefoot Bay Community and Safety Committee for formal noting.

#### 6.0 **Finance**

6.1 The local authority shall meet any reasonable costs of the administration of the EAG.



29 June 2023  
Agenda Item No. 13

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## **CET Recruitment**

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**Report by:** Sharon McKenzie, Head of Human Resources

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**Wards Affected:** N/A

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### **Purpose**

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To set out the arrangements for the recruitment to the post of Executive Director (Enterprise and Environment) and to confirm how the vacancy for the Executive Director (Education and Children’s Services) will be managed.

### **Recommendation(s)**

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Cabinet is asked to:

1. agree the recruitment strategy for the post of Executive Director (Enterprise and Environment), noting that the post will be retitled to Executive Director (Place) and to note that there will be a need to form an Appointments Sub-Committee;
2. agree the post of Executive Director (Education and Children’s Services) will be covered on a temporary basis pending a review of the wider operating model for Directorates; and
3. note that a further report on organisational change linked to the senior leadership model will be submitted to Cabinet in due course.

### **Resource Implications**

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There will be costs associated with the recruitment to the post of Executive Director (Place) but there are no additional financial implications linked to these proposals and there will be some salary savings whilst arrangements are made to fill the posts.

### **Legal & Risk Implications**

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None

### **Impact Assessment**

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An EqIA has not been needed for the purpose of this report.

### **Consultation**

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The Council Leader has been consulted on the proposals in this report. There has been discussion with the Joint TU Secretary as is required under the council’s Managing Change policy.

## 1.0 Background

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- 1.1 There are two vacancies within the Council's Executive Team (CET). Following the internal appointment to the post of Chief Executive, there is now a vacancy for an Executive Director in Enterprise and Environment. The post will be vacant when the incoming Chief Executive takes up post on 3 July, 2023. With the resignation of the Executive Director (Education and Children's Services), there is also a need to consider this vacancy. The present incumbent is due to leave the organisation on 1 August, 2023.
- 1.2 The incoming Chief Executive has considered the opportunities that arise from these vacancies and his conclusions are as set out in the following sections of the report.
- 1.3 Key to the incoming Chief Executive's thinking is the need for continued strength and resilience within the senior leadership team as well as ensuring that agreed priorities and momentum remains intact during a period of potential change and uncertainty.
- 1.4 A separate report on Change Planning work will be submitted to this committee and the programme of work outlined in that report has been pivotal to the incoming Chief Executive's considerations on the direction of travel in relation to the senior leadership vacancies.
- 1.5 A key part of the change planning programme work will be the focus on providing detailed design support on the People and Place "no wrong door" model. This work will develop and deliver a business case and a potential operating model which focuses on a people centred delivery model. This is in line with the council's ambition to have services which are localised, agile and flexible, with the ability to respond to community demand, both collaboratively and efficiently.
- 1.6 The incoming Chief Executive intends to consider the operating model and the senior leadership arrangements for the council alongside the outputs from this work and would intend a further report to Cabinet on specific senior leadership structural considerations.

## 2.0 Proposed Changes and Next Steps

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### 2.1. Executive Director (Enterprise and Environment)

It is proposed to advertise this post on a permanent basis but with a revised job title, Executive Director (Place), allowing the recruitment process to be aligned with the council's ambitions as stated above and as per the Plan4Fife. There will be no changes to functional responsibilities at this time but an expectation of changes in the operating model will be clearly stated during the recruitment process. There will be a focus during the process on recruiting for this scenario.

### 2.2 For ease of reference, the current services reporting to the Executive Director (Enterprise and Environment) are as follows:

- Business and Employability Services
- Environment and Building Services
- Facilities Management
- Planning
- Property Services
- Protective Services
- Roads and Transportation Services

### 2.3 Executive Director Education & Children's Services

The current Executive Director will leave the council on 1 August 2023 and it is not intended to backfill the post with immediate effect pending the review of the change work currently being undertaken across the council. This work could impact on the final structure of the council at executive level and, in the interim period, the Heads of Service within Education and Children's Services will share the duties of the Executive Director to ensure there is adequate cover.

## 3.0 Conclusions

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- 3.1 It is in the council's best interests to ensure there is sufficient senior leadership capacity across its existing Directorates and the arrangements set out in this report will provide the strength and resilience needed now but designed to offer flexibility in the face of future changes.

### Report Author:

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29 June 2023

Agenda Item No. 14

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## Attendance Management

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**Report by:** Sharon McKenzie, Head of Human Resources

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**Wards Affected:** None

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### Purpose

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The report discusses the key issues impacting current absence levels and identifies a wider range of considerations on health and wellbeing. It provides an overview of our attendance management strategies and presents proposals and investment to strengthen them through the creation of an Attendance Support Unit, a model which was successful in reducing absence levels previously.

### Recommendations

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Cabinet is asked to:

- (1) note the issues impacting on absence levels;
- (2) endorse the proposed approach to establish additional support within HR; and
- (3) approve the proposed investment level and funding proposal.

### Resource Implications

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Although not fully quantifiable, there is a cost to the organisation when employees are working under circumstances which mean they are not thriving, as well as the more obvious direct costs of sick pay and paid backfill arrangements.

As an indication, sick pay was estimated at £21.3m in 2021/22 and is likely to be similar or higher for 2022/23 when costs are finalised.

The proposed permanent Attendance Support Unit will require recurring funding of £0.805m but is unlikely that the full amount will be required in year one. Given existing pressures, there is no scope to fund this level of resource from within the Finance and Corporate Services Directorate. It is recommended that balances are used for the initial part year cost. For 2024/25 onwards, it is recommended that the funding requirement is added as a corporate investment in line with the budget strategy for 24/25 onwards which will result in an increase to the required level of savings that Directorates will be asked to meet. There is an expectation of indirect financial benefits and improved productivity from the investment. Reduction targets for Directorates will be identified and monitored as a key part of the work.

In addition, there is a proposed temporary element of £0.071m across two financial years. Given the temporary nature and the relatively small amount within each financial year, it is recommended that this is funded within Finance and Corporate Services Directorate.

## Legal & Risk Implications

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There is a risk that continued high absence levels negatively affect public perception. This is heightened when comparisons are made in the media with the private sector or where individuals have experienced poor service delivery.

There is an expectation from risk experts that there will be a rise in stress claims and there is a risk that the additional pressures on those remaining in work could give rise to such claims within the council.

## Impact Assessment

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An EqIA has not been completed and is not necessary because the report does not propose a change or revision to existing policies and practices.

## Consultation

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The Trade Unions are kept up to date on corporate absence measures during meetings with HR to discuss general health, wellbeing, and attendance issues.

# 1.0 Background

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## Context - Absence

- 1.1 The National Benchmarking Overview Report 2021-22 published in March 2023 described the position for all local authorities in Scotland. Key Messages in the report confirm: - Workforce pressures have been exacerbated by Covid. Staff absence levels (excluding teachers) reached 12.2 days in 2021/22, the highest ever reported. NHS backlogs, treatment delays and increasing mental health issues are all significant factors in this increase. More than half of all councils are experiencing skills shortages caused by or exacerbated by the combined impact of Covid and Brexit, with councils now facing recruitment challenges in areas not previously impacted. Staff retention and high levels of staff turnover, including at senior levels, is a growing issue for councils and is being driven by Covid-related early retirement, and pay competition from other sectors.

This description also highlights the pressures contributing to the sickness absence levels in Fife Council.

- 1.2 Many factors affect reported sickness absence. To make any comparison meaningful, the following factors are relevant.
- The size and scale of the council (absence is normally higher in larger organisations)
  - Local policies and operational model. E.g., the length of bereavement leave before continued absence defaults to sick leave.
  - Cultural norms - how much time and support are expected before a capability (sickness absence) dismissal takes place. Appeals Sub Committee decisions play an important part here.
  - The amount of change and capacity in the organisation. Line managers, who play the key role in managing absence, often have the least capacity during periods of change so taking employee stressors and manager capacity into account, the level of sickness absence is likely to increase. This situation is likely to be exacerbated if there is already high turnover and vacancies as they put pressure on the remaining workforce.

- Despite national guidance, benchmarking has identified a range of different SPI calculation methods across councils.

1.3 Fife has been in the bottom 10% of council SPI rankings for some time and has relatively higher levels of absence than broadly comparative councils. This impacts service delivery. We know from survey information that Fife policies and processes are standard ones and can deliver what they are designed to do. There is, however, inconsistency in deployment, delays and non-compliance with the policy standards. This happens from the start of the attendance management process with what is a fair and equitable managed process when applied consistently. As managers have a greater number of demands in their role, focus on support tasks can slip. Our previous experience of reinforcing policy through re-training and concentrated support for timing, following process and what can be difficult conversations and decisions was managed through a dedicated unit in HR. This unit made a tangible difference. Whilst the context was very different then, absence was reduced by 12% in eighteen months with a focus on compliance. Whilst not measured, there were also service delivery improvements and financial benefits such as reduced overtime and reduced requirement for use of agency workers.

### **Context – Wellbeing**

1.4 Health and Wellbeing is a concept that has been emerging over the last twenty years and individual wellbeing has really come to public attention during the covid pandemic. As well-being is about how people feel, even bodies like the Office of National Statistics base personal well-being information on subjective reports of ‘satisfaction’, ‘purpose’, ‘happiness’ and ‘anxiety’.

1.5 The vision from the 2017 Stevenson Farmer report (Thriving at Work) is for

- employers to have the awareness and tools to address and prevent mental ill-health caused or worsened by work; and support employees to thrive and to access timely help; and
- employees in all types of employment to have ‘good work’ and every individual has the knowledge, tools, and confidence to understand and look after their own mental health and the mental health of those around them.

1.6 Many employee supports are in place through HR policies and provisions such as Occupational Health introduced as good practice measures and strengthened over many years. An initial definition of wellbeing was agreed by CET in January 2022 as follows:

Wellbeing is a positive physical, social, and mental state. It requires that basic needs are met, that individuals have a sense of purpose, that they feel able to achieve and thrive. It is enhanced by conditions that include supportive relationships, strong and inclusive communities, good health, financial and personal security, rewarding employment, and a healthy and attractive environment.

1.7 Fife Council value all staff feeling healthy, happy and everyone having a personal responsibility for wellbeing. We appreciate our part as an employer in contributing to staff wellbeing and will aspire to address this through the following recognised key areas:

- Psychological – Mental Health and Stress
- Physiological – Physical Health and Musculoskeletal
- Societal – Connections, Environment and Consultation
- Fiscal – Financial Wellbeing

## 2.0 Sickness Absence (The Problem)

- 2.1 Local government sickness absence average working days lost is published by the Improvement Service as a Statutory Performance Indicator (SPI). The 2021/22 SPI was published March 2023. Before publication, figures are considered indicative.
- 2.2 Initially, all covid related absences were treated as a form of special leave, then covid absences over twelve weeks were classed as sick leave and now, to avoid potential grounds for discrimination claims, all situations where the employee is too sick to work are treated as sickness absence. Reported sickness absence for the 2021/22 reporting period therefore excludes most Covid absence as old rules still applied.
- 2.3 The Fife SPI confirmed a rise in absence levels during 2021/22. Covid absence is in addition to the SPI figure. Within the total, short-term absence reduced but long-term absence increased. The most recent (indicative) rolling twelve-month figure to March 2023 unfortunately confirms the continued rise in absence levels, with a reduction in additional covid absence.

<b>SPI Results - 2018/19, 2019/20, 2020/21, 21/22</b> All figures are average working days lost (WDL)					<b>Current</b>	<b>Covid (21/22)</b>
	Fife Council 2018/19 (i.e., 12 months to March 2019). <b>Published</b>	Fife Council 2019/20 (i.e., 12 months to March 2020) <b>Published</b>	Fife Council 2020/21 (i.e., 12 months to March 2021) <b>Published</b>	Fife Council 2021/22 (i.e., 12 months to March 2022) <b>Published</b>	<b>Fife Council Rolling 12 months to March 2023</b> <i>Indicative</i> <b>Not Published</b>	Av. Wkg. Days Lost per FTE.  <i>Indicative</i> Rolling 12 months covid to March 23
All Other Employees	13.10	13.86	11.83	15.29	15.85	(3.78) 0.95
Teachers	6.76	6.35	5.15	6.98	8.24	(3.35) 0.64
All Employees	11.58	12.06	10.23	13.26	14.02	(3.68) 0.87

In 2020/21 Fife ranked 31<sup>st</sup> out of all councils and has remained 31<sup>st</sup> for 2021/22.

- 2.4 The indicative (unpublished) information is that there has been a further increase Average Working Days Lost for the period 1 April 2022 to 31 March 2023. The table below also shows the absence level by directorate.

<b>Directorate</b>	<b>2021/22 (Excluding Corona-virus)</b>	<b>Absences Recorded as Corona-virus 21/22</b>	<b>21/22 – All Sickness Absence Reasons (Including Corona-virus)</b>	<b>2022/23 Indicative (Excluding Corona-virus)</b>	<b>Absences Recorded as Corona-virus 22/23</b>	<b>22/23 – All Sickness Absence Reasons (Including Corona-virus)</b>
ECS all other employees	11.67	0.85	<b>12.52</b>	12.38	1.04	<b>13.42</b>

Directorate	2021/22 (Excluding Corona-virus)	Absences Recorded as Corona-virus 21/22	21/22 – All Sickness Absence Reasons (Including Corona-virus)	2022/23 Indicative (Excluding Corona-virus)	Absences Recorded as Corona-virus 22/23	22/23 – All Sickness Absence Reasons (Including Corona-virus)
ECS Teachers	6.98	0.63	<b>7.61</b>	8.24	0.64	<b>8.88</b>
HSCP	27.17	0.67	<b>27.84</b>	26.82	1.35	<b>28.17</b>
E&E	14.79	0.40	<b>15.19</b>	15.46	0.69	<b>16.15</b>
Communities	12.31	0.73	<b>13.04</b>	13.11	0.89	<b>14.00</b>
F&CS	9.77	0.37	<b>10.14</b>	11.32	0.85	<b>12.17</b>
TOTAL	13.26	0.62	<b>13.88</b>	14.02	0.87	<b>14.89</b>
Total excluding HSCP	11.11	0.61	<b>11.72</b>	12.10	0.80	<b>12.90</b>

- 2.5 Absence reduced in Fife Council between the 2019/20 financial year and 2020/21 financial year by an average of 1.83 working days lost per full-time equivalent. The majority of councils identified a similar pattern of reduction. Unfortunately, absence has gone up between the 2020/21 and 2021/22 financial years by an average of 3.03 working days lost per full time equivalent, consistent with the general summary in the National Benchmarking Overview Report. Whilst still unpublished a further rise in level in Fife Council between 2021/22 and 2022/23 is indicated. Whilst Fife follow the same trends, absence levels are higher and remained so for some time.
- 2.6 Research on previous pandemics suggested that there would be an initial response to the pandemic – similar to a normal change curve. It was also indicated that there would likely be several waves, which is what we have seen in the UK.
- 2.7 Research suggests we should be prepared for sickness absence levels higher than pre-pandemic levels for some time still. The impact of delayed medical interventions is being seen in the duration of long-term absences. Supervisor sickness and covid absence contribute to the length of absences so early intervention is not universal. Currently a change in pension regulations in combination with GP and consultant availability/priority to provide further medical information to our occupational health provider is also having a noticeable impact on long term absences as managers lack confidence to act.
- 2.8 In some councils, central HR still manage absence on behalf of managers. In Fife Council this responsibility has been part of the line manager remit for many years. HR are responsible for the Attendance Management policy, procedure and case advice whilst service managers will follow policy and procedure – the same as with any other HR policy and procedure. Questions about attendance management go through the Shared Service Desk with complex queries and requests for support on individual cases being passed to the HR Business Partner teams.



- 2.9 Benchmarking discussion continued throughout the pandemic and subsequently in Society of Personnel and Development (SPDS) forums and we have good insight on approaches in all councils and high performing ones. HR capacity to support managers is important (using XperthHR data, the Fife ratio of HR staff to employees is 1:250 compared to organisations with more than 1000 workers of 1:100, the Public Sector average of 1:83 and Local Government average of 1:59). Also, the general culture is to assess risk and take bold and informed decisions as part of actively managing cases. This includes targeted support to support the 'front end' of absence ensuring a relatively standard suite of supports is offered early and offers and uptake of support is noted in return-to-work plans. This evidence that a reasonable approach had been taken meant capability dismissals were then progressed relatively quickly by managers on the basis of a business case.

## 3.0 Wellbeing Activity

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- 3.1 Many areas of the HR Service support different aspects of wellbeing directly, and indirectly, enabling employees to have the information, tools and confidence to understand and look after their own wellbeing and for supervisors to support those around them.
- 3.2 With wellbeing identified as a strategic risk for the organisation, the wellbeing plan is evidence based using credible published sources, survey and statistical information (Health Needs Analysis, sickness absence and geographic data) and confirmed through the council's research team report on 'Thriving at Work - in Fife Council'. It confirmed the national research that the greatest pandemic impact was in higher SIMD areas was also reflected in Fife Council sickness levels – areas we would like to see receiving the earliest intervention.
- 3.3 Key areas for action highlighted to Heads of Service for consideration are:
- Regular supportive supervision with line manager (survey information in 2022 confirmed this was only happening regularly in 60% of situations) - a key opportunity for early intervention to prevent work-related stress increasing, and signposting support for wellbeing issues
  - Workload & Management - a service level stress risk assessment would identify whether council mitigation measures are being used by everyone and working for 100% of employees, or whether more needs to be done.
  - Awareness of support services (e.g. Physiotherapy, Mental Health First Aid & Counselling) - linked to first point above. Proactive line management encouragement is a good support for employees and demonstrating individual interest and concern helps to develop positive relationships.
  - Physical Activity / Sedentary/ Musculoskeletal issues - whilst this involves personal choices, there will be health issues longer term for some sedentary employees. There can be opportunities to energise groups and share team successes. Like the third point above, proactive line management and peer encouragement can encourage behaviour changes.
  - Violence & Aggression - a key area for consideration here is the perception of how well supported employees felt after an incident.

## 4.0 Managing Absence

- 4.1 It has been known for some time from external research that early intervention is the most effective support and remaining at work is good for mental health. The Department of Health and Social Care in a paper published in 2019 identified the likely rate of not returning to work and how this increases, quite markedly, with the length of the absence. Between 1-3 months the likelihood of return is over 90% dropping to 80% at six months and 63% between nine months and one year.
- 4.2 The aim for some time has been to get the basics right and build from there. This is still the priority as there are no shortcuts to absence management or wellbeing. The strap line for this approach for both absence management and wellbeing is:
- **Wise Up** (managers and employees know what they should do, and where to get information. A critical action is regular supervision)
  - **Speed Up** (this covers early intervention including the negative impacts of delay on the prospect of returning to work identified above, making timeous referrals and importantly prevention by asking the right questions at supervision and signposting to support)
  - **Speak Up** (this will happen when there is regular supervision and good work relationships and covers asking if people are OK, and employees asking for help – preferably early)
  - **Meet Up** (ensuring that regular supervisor-employee meetings are taking place to develop the supportive relationship necessary for the employee to feel comfortable raising concerns).
- 4.3 To pinpoint which interventions would improve current Attendance Management, a Theory of Change (ToC) model was developed. This led into Reform Board and Council Leadership Team discussions and feedback which shaped the full proposal. Appendix 1 provides some illustrative examples of the initial work. The ToC document was a working document and is available through HR. Key considerations from information and feedback have been the impact on the organisation of the pandemic, the ongoing high operational workloads of managers (meaning that staff support activities slip down the ‘to do’ list), the likely continuation of pressures, the demands on HR which cannot currently be met, lack of supervisor time to access the right reports (they need more reports sent out and will then need training on dashboards as they develop) manager knowledge (turnover, new systems and lack of induction leading to skills and knowledge gap), potentially cumbersome processes (analysis of perceived issues) and lack of confidence (gained from discussion with HR).
- 4.4 Consideration was also given to the impact of improvements in the areas of highest absence. The following areas (with over twenty employees as less than this and the figure may be skewed) currently have the highest levels of absence.

Full time equivalent Staff (FTE)	Functional Area	Average Working Days (WDL) Lost per FTE at 31 March 2023
829	Care at Home	29.73
394	Waste Operations	24.52
751	Adult Services	23.82
379	Roads and Transportation	17.96
1254	Facilities Management	16.61
265	Customer Service Improvement	16.14

These areas were costed (assuming an hourly rate based on mid-point FC5 with on-costs) and the potential efficiency gain of percentage improvements identified. An indicative reduction of 2.5% is illustrated in the table below.

<b>Efficiencies</b>	
	<b>2.5%</b>
<b>Priority Focus Area</b>	<b>£m</b>
Care at Home	0.078
Waste Operations	0.031
Adult Services	0.057
Roads and Transportation	0.022
Facilities Management	0.066
Customer Service Improvement	0.014
	<b>0.107</b>

There are no immediate direct financial savings from efficiency improvements alone as pay or sick pay is part of terms and conditions requirements. However, for many functions measures are required for continued operational delivery. Therefore, indicative efficiency costs are also the indicative costs for additional hours or overtime working and agency workers although not all sickness absence will be covered.

4.5 The proposal for a dedicated Attendance Support Unit within HR is built on the previous successful unit in 2013/14 as this avoids duplication and provides appropriate consistency with data, training, support and analysis. The aim is that all managers and employees will know what to do, feel confident raising issues and act early. Ensuring supervisors Meet Up remains a manager responsibility but HR staff will be identifying and raise any areas for improvement. Staffing levels for the Attendance Support Unit have been worked up from available data on times and volumes. The proposal is not at a scale sufficient to meet all the suggestions from the focus groups but is sufficient to get traction. To provide context on the scale, we have provided some basic statistics from 2022.

- Long term absence cases (over 4 weeks) 3,531
- Short term absence instances 10,383
- Short term absences of 3 or more occasions 1,994

Part of the work in setting up an Attendance Support Unit will be looking at a realistic target for the first full year of operation for each directorate. Financial and efficiency benefits will build during the next 2-3 years. Monitoring specific activities (we know wellbeing activities are generally well received) against their impact on attendance and also other factors such as vacancy levels and turnover, supervisor turnover etc should allow more fine-tuned target setting in future years.

Directorate	2022/23 Ave WDL per FTE	Reduction in WDL per FTE			
		2.5%	3.00%	4.00%	5.0%
Communities	14.00	0.35	0.42	0.56	0.70
Education & Children's Services (including Teachers)	11.14	0.28	0.33	0.45	0.56
Enterprise & Environment	16.15	0.40	0.48	0.65	0.81
Finance & Corporate Services	12.17	0.30	0.37	0.49	0.61
Health & Social Care	28.17	0.70	0.85	1.13	1.41
<b>Fife Council Overall</b>	<b>14.89</b>	<b>0.37</b>	<b>0.45</b>	<b>0.56</b>	<b>0.74</b>

4.6 The different key elements of the Attendance Support Unit proposal are identified below in priority sequence with costs:

- **First**, continue and make permanent the existing 4.5 FTE temporary funded posts for the key activities which were previously identified as pressures. These posts already support good attendance management in Data /Systems Capability and HR Business Partner support and training and are required to maintain the current level of support.

Continuity of Temporary Posts			
Role	Grade	FTE	Permanent £m
HR Officer	FC6	1.00	0.035
P/T Wellbeing Information Advisor	FC7	0.50	0.023
HR Advisor	FC8	2.00	0.109
HR Lead Officer	FC9	1.00	0.056
		4.50	0.223

- **Second**, strengthen reporting capability. This is to increase capacity to both provide reports short-term and capacity to continue to meet demand and develop reports and dashboards longer-term.

Data and System Capability				
Role	Grade	FTE	Permanent £m	Temporary £m
HR Advisor OC Report dev & Power Bi	FC7	1.00	0.043	
Temporary HR Advisor OC Report *	FC7	1.00		0.065
		2.00	0.043	0.065

- **Third**, strengthen HR support to managers through a permanent increase in HR positions to extend current activity. In particular providing support with attendance cases and with a focus on business need areas – very high levels, high levels in units with critical delivery or recruitment issues etc. At the same time strengthen HR support to managers with building knowledge and confidence through ongoing training and development, inducting new employees and supervisors and keeping current supervisors involved in and abreast of changes.

Phase 1				
Role	Grade	FTE	Permanent £m	Temporary £m
HR Attendance Support Unit Manager	FC10	1.00	0.068	0.000
HR Lead Officer	FC9	1.00	0.056	0.000
HR Advisor	FC8	3.00	0.154	0.000
HR Advisor	FC7	2.00	0.085	0.000
Attendance Support Officer	FC5	4.00	0.133	0.000
Project Assistant	FC4	1.00	0.030	0.000
		12.00	0.525	0.000
Other Operational Costs			0.014	0.006
			0.539	0.006

- 4.7 The additional support will enable staff to be recruited in HR to extend capacity, thus increasing the ability to increase targeted assistance to managers. Managers will also be building knowledge and confidence through additional training and development. A corporate induction programme for new employees and supervisors will ensure consistency and keep current supervisors involved in and abreast of changes as approaches are reviewed. The support from HR will provide a cost-effective use of resources and provide monitoring information as more HR staff advice and support across a range of areas will make best use of manager time.
- 4.8 One factor that shifted during the pandemic is the expectation of support. Government reports over the last ten years have included increasing expectations of employers. This challenge will be met through increased championship of Attendance Management support and performance by the Chief Executive and the Executive Director (Finance and Corporate Services) introducing a governance model involving Council Leadership Team leads from each directorate. Working with HR, this group will ensure standards and expectations are understood, prioritised and embedded in services. The Attendance Support Unit will overview the support offered to ensure there is equity and effective universal provision and offers of additional support.

## 5.0 Conclusions

- 5.1 Absence has increased between the 2020/21 and 2021/22 financial years by an average of 3.03 working days lost per full time equivalent. Indicative figures suggest a further increase to 14.02 in 2022/23. This will be the highest level of sickness absence ever experienced in Fife Council.

- 5.2 This proposal recognises the current context where managers are operating under greater pressures than they were pre-pandemic. To increase early intervention and process review and compliance, the current model of operation needs to be supplemented to get traction. The proposal recognises the identified pressures of: 'manager self-service', lack of familiarity, continued high workloads contributing to delays, knowledge and skills gaps reducing confidence, demand for easier to use information on absence and demand for HR support/advice exceeding current capacity.
- 5.3 An established Attendance Support Unit will significantly increase the information, training, support and advice available to managers and supervisors and enable earlier and consistent intervention. Over time, this will minimise absence levels and realise financial benefits and productivity gains.
- 5.4 Wellbeing activities will continue and hopefully contribute to prevention and the workforce thriving.
- 5.5 Attendance Management is delivered through over 1,600 managers and supervisors. It is important they keep a focus on this responsibility despite the other simultaneous demands. Regular supportive supervision is key to early intervention to minimise absence and encourage wellbeing and this will be championed by the Council Leadership Team.
- 5.6 HR will continue to benchmark regularly to understand the effectiveness and transferability of initiatives and approaches to the management of absence. HR will also continue to provide advice, tools and information to assist services and line managers in the management of absence and explore barriers to this.

## List of Appendices

1. How the proposed model was developed

### Background Papers:

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

- Department of Health & Social Care. Health in the workplace – patterns of sickness absence, employer support and employment retention – [report link](#)
- BMP Public Health Predicting return to work after long-term sickness absence with subjective health complaints: [a prospective cohort study](#)

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## How the proposed model was developed

The starting point for the proposed Attendance Support Unit was by working through a Theory of Change. The initial proposal was then refined with the input from Reform Board and focus group feedback which shaped emphasis, and the scale, of different elements.

A **Theory of Change** starting point is the long-term goal, in this case '***A sustainable model for promoting and supporting staff attendance and wellbeing effective in a post-pandemic period of economic downturn to first stabilize, and then reduce sickness absence levels.***'

The stages provide structure to keep the focus high level to hone the proposition for getting from where we are to where we want to be, and how we will measure different outcomes. The operational detail is developed by the project team when the project has been stood up.

Examples include

**Context** High workloads during the pandemic and system replacement reliant on self-service learning has created knowledge and skill gap; Absence levels high and continuing to rise; Continuing high levels of supervisor and manager workloads and demand for HR support/advice exceeding current capacity; No post pandemic / managing with delayed NHS intervention research available to suggest particular strategies.

**Assumptions** Lifting some management burden for a period would be welcome and at lower unit cost.

**Evidence** Key legislation, external publications and internal research reports.

**Internal & External Enablers** e.g. long-term success depends on supervisor and manager workloads becoming manageable so that activity can be handed back

**Broad inputs** to – Improve knowledge, strengthen prevention, review current provision in a post-pandemic context and increase HR support to managers.

**Activities** –the main areas to be developed. In practice, when the model is developed there will be flexibility as required to deliver the best outcomes.

**Inputs** – the staffing proposal

**Outputs leading to the Outcome of stabilized and then reducing absence** – e.g. reduction in staff who disagree they have regular 1—1 supervision (43% in January 2022); early supportive engagement ensured; confidence in equitable treatment of all employees; increased knowledge of supports like physiotherapy; recording and reporting compliance checked.