

Cabinet Committee

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



Thursday, 17th November, 2022 - 10.00 a.m.

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 the meeting of the Cabinet Committee of 20th October, 2022. 3 – 7
4. **REVENUE MONITORING 2022-23** – Report by the Executive Director (Finance and Corporate Services). 8 – 20
5. **CAPITAL INVESTMENT PLAN UPDATE - PROJECTED OUTTURN 2022-23** – Report by the Executive Director (Finance and Corporate Services). 21 – 28
6. **HOUSING REVENUE ACCOUNT (HRA) CONSULTATIVE BUDGET 2023-24** – Joint report by the Head of Housing Services and Head of Finance. 29 – 38
7. **DEVELOPMENT PLANNING AND POLICY** – Report by the Head of Planning. 39 – 42
8. **FIFE DEVELOPMENT PLAN SCHEME 12** – Report by the Head of Planning. 43 – 61
9. **LEVEN RAILWAY BRIDGE WORKS - CAPITAL FUNDING** – Report by the Head of Roads and Transportation Services. 62 – 65
10. **CLIMATE CHANGE - PUBLIC BODIES DUTIES REPORT** – Report by the Head of Planning. 66 – 105
11. **REVIEW OF THE MOTHBALLING OF MILTON OF BALGONIE PRIMARY SCHOOL** – Report by the Executive Director (Education and Children's Services). 106 – 115
12. **EDUCATION AND CHILDREN'S SERVICES' MENTAL WELLBEING SUPPORTS AND SERVICES FOR SCHOOL-AGED CHILDREN AND YOUNG PEOPLE** – Report by the Executive Director (Education and Children's Services). 116 – 128
13. **TREASURY MANAGEMENT ANNUAL REPORT 2021-22 AND UPDATE 2022-23** – Report by the Executive Director (Finance and Corporate Services). 129 – 144
14. **RETIREMENT OF CHIEF EXECUTIVE** – Report by the Head of Human Resources. 145 - 148

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 paragraphs 8 and 9 of Part 1 of schedule 7A of the Act.

15. **DISPOSAL OF LAND AT FIFE INTERCHANGE NORTH, SANDPIPER DRIVE, DUNFERMLINE** – Joint report by the Head of Business and Employability Services and Senior Manager, Property Services. 149 - 153

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

10th November, 2022.

If telephoning, please ask for:
Michelle McDermott, Committee Officer, Fife House, North Street, Glenrothes
Telephone: 03451 555555, ext. 442238; email: Michelle.McDermott@fife.gov.uk

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

THE FIFE COUNCIL - CABINET COMMITTEE – BLENDED MEETING

20th October, 2022.

10.00 a.m. – 12.35 p.m.

PRESENT: Councillors David Ross (Convener), David Alexander, Lesley Backhouse, David Barratt, John Beare, James Calder, Fiona Corps, Altany Craik, Graeme Downie (substituting for Councillor David Graham), Linda Erskine, Derek Glen, Brian Goodall (substituting for Councillor Craig Walker) Peter Gulline, Judy Hamilton, Cara Hilton, Gary Holt, Kathleen Leslie (substituting for Dave Dempsey), Rosemary Liewald, Carol Lindsay, Julie MacDougall (substituting for Councillor Jan Wincott), Jonny Tepp and Ross Vettrano.

ATTENDING: Steve Grimmond, Chief Executive; Eileen Rowand, Executive Director (Finance and Corporate Services), Lindsay Thomson, Head of Legal and Democratic Services, Helena Couperwhite, Manager (Committee Services), Emma Lennon, Accountant and Michelle McDermott, Committee Officer, Legal and Democratic Services, Finance and Corporate Services; Ken Gourlay, Executive Director (Enterprise and Environment), Gordon Mole, Head of Business and Employability Services, Alan Paul, Senior Manager, Property Services, Ronnie Hair, Property Investment and Development Manager, Economic Development and Michael O’Gorman, Service Manager, Estates; Helen Wilkie, Service Manager (Housing Condition and Supply), Gavin Smith, Service Manager (Housing Access) and Paul Darcy, Project Manager (New Build Housing), Housing Services.

APOLOGIES FOR ABSENCE: Councillors Dave Dempsey, David Graham, Craig Walker and Jan Wincott.

30. DECLARATIONS OF INTEREST

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

31. MINUTES

(i) **Cabinet Committee of 22nd September, 2022.**

Decision

The Committee agreed to approve the minute.

(ii) Minutes of the Education Appointment Committee of 22nd February, 22nd April and 14th September, 2022.

Decision

The minutes were noted.

32./

32. STRATEGIC HOUSING INVESTMENT PLAN 2023-2028

The Committee considered a report by the Head of Housing Services seeking authority for the submission of Fife's Strategic Housing Investment Plan (SHIP) 2023/24 - 2027/28 to the Scottish Government which Plan was revised and updated annually for a rolling five-year period.

Decision

The Committee:-

- (1) approved the Strategic Housing Investment Plan (SHIP) 2023/24 - 2027/28 based on the priorities and principles outlined in the report; and
- (2) authorised the Head of Housing Services, in consultation with the Spokesperson for Housing and Building Services, to amend or substitute projects within the SHIP as and when required.

33. VOLUNTARY SECTOR RECURRING GRANT 6 MONTHS EXTENSION: FRONTLINE FIFE (1ST OCTOBER, 2022 - 31ST MARCH, 2023)

The Committee considered a report by the Head of Housing Services requesting approval to extend Frontline Fife's recurring grant for the second six months of the current financial year.

Decision

The Committee:-

- (1) noted the work undertaken and positive progress made between Frontline Fife and the Housing Services Commissioning Team to reach agreement on service provisions to be commissioned in year;
- (2) agreed the level of funding being recommended for the second half of the current financial year; and
- (3) agreed to further discussions on reconfiguring the organisation's temporary accommodation provision in year 2023/24.

34. RAPID REHOUSING TRANSITION PLAN PROGRESS AND SCALING UP HOUSING FIRST

The Committee considered a report by the Head of Housing Services advising of progress relating to the ongoing implementation of Fife's Rapid Rehousing Transition Plan (RRTP). The report also set out the priorities agreed through the RRTP Programme Board with a specific focus on the expansion of the Housing First Test of Change.

Decision

The Committee:-

- (1) noted the ongoing pressures on housing and homelessness services as a direct and indirect result of the pandemic;
- (2)/

2022 CC 21

- (2) noted that progress in implementing the Rapid Rehousing Transition Plan (RRTP) Transformational Change programme had been delayed but that progress was now being made;
- (3) agreed to upscale Housing First by enhancing the Test of Change approach and the investment in new service provision to prevent homelessness; and
- (4) agreed that the briefing paper being produced for the Scottish Government on homelessness and statutory compliance be provided to members as soon as possible and that a further examination of solutions be provided to members once this was available.

35. **ECONOMIC CO-OPERATION AGREEMENT - FIFE AND KUJASWKO-POMORSKIE, POLAND**

The Committee considered a report by the Head of Business and Employability Services seeking approval for entering into a Co-operation Agreement between Fife Council and the Voivodeship of Kujawsko-Pomorskie, Poland.

Decision

The Committee:-

- (1) noted the existing collaboration arrangements in place between Fife Council and the Kujawsko-Pomorskie region;
- (2) approved the co-operation agreement between Fife Council and the Kujawsko-Pomorskie Voivodeship; and
- (3) agreed that an annual report be provided to the appropriate Committee reviewing the agreement.

36. **EMPLOYEE SUPPORT (LIVING WAGE AND BUSINESS MILEAGE)**

The Committee considered a report by the Head of Human Resources outlining actions to address the cost of living challenges facing employees with specific reference to payment of the Real Living Wage and the cost of fuel associated with business mileage.

Decision

The Committee agreed to:-

- (1) implement the revised Real Living Wage rate for all eligible employees from 14th November, 2022;
- (2) implement a temporary twelve-month car users allowance in line with the principles outlined in the report and to backdate this payment to all eligible employees with effect from April, 2022; and
- (3) further explore the option of monthly pay rather than four weekly pay in consultation with employees.

The meeting adjourned at 11.40 a.m. and re-convened at 11.55 a.m.

The/

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

37. THE KIRKCALDY CENTRE, KIRKCALDY - PROPOSED LEASE RENUNCIATION AND REDEVELOPMENT

The Committee considered a joint report by the Head of Business and Employability Services and the Senior Manager, Property Services seeking approval to secure the early termination of two leases in respect of a car park and toilet block at the Kirkcaldy Centre which would facilitate the demolition of the centre and initiate redevelopment of a key town centre site.

Decision

The Committee :-

- (1) approved the proposal to renounce the leases between the Council and the landlord of the Centre;
- (2) approved the proposal to fund the consideration on the basis that monies would be met from Council balances and noted that the balance would be funded from Place Based Investment, as approved at the Policy and Co-ordination Committee; and
- (3) approved the Business Case in respect of the proposal to secure the renunciation of the leases.

38. SITE SALE - ADMIRALTY ROAD, ROSYTH

The Committee considered a report by the Executive Director (Enterprise and Environment) seeking approval to sell an area of land at Admiralty Road, Rosyth which would allow the combined site to be sold for a supermarket development.

Decision

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

39. LEASE VARIATION - PITREAVIE PLAYING FIELDS, DUNFERMLINE

The Committee considered a report by the Executive Director (Enterprise and Environment) seeking approval to vary the lease of the Pitreavie Playing fields.

Decision

The Committee approved the lease variation on the terms detailed in the report.

40. AFFORDABLE HOUSING PROGRAMME - 30 NEW HOUSES - MANSE ROAD, SPRINGFIELD

The Committee considered a report by the Head of Housing Services seeking authority to continue negotiations and conclude legally binding agreements for the development of 30 new affordable houses at Manse Road, Springfield as part of the ongoing implementation of the Transitional Affordable Housing Programme 2022-24.

Decision/

Decision

The Committee agreed to authorise the Head of Housing Services, the Head of Assets, Transportation and Environment and the Head of Legal and Democratic Services to conclude negotiations and enter into legally binding agreements on terms to their satisfaction:-

- (1) for the acquisition of the site of the proposed housing development of 30 new affordable houses for social rent at the site known as Manse Road, Springfield;
 - (2) for the direct award of a construction consent contract for the construction of 30 new affordable council houses for social rent at the site known as Manse Road, Springfield; and
 - (3) to suspend the Contract Standing Orders - Scheme of Tender Procedures 2018 in terms of Contract Standing Order No. 6.1 in respect of the proposed direct award of the construction contract on the grounds of the special circumstances detailed in the report.
-

Revenue Monitoring 2022-23

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

Wards Affected: All

Purpose

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

Recommendations

It is recommended that members:-

- (i) approve the increase to the weekly free school meal holiday payment;
- (ii) note the ongoing financial impacts arising from recovery from the pandemic which continue to be managed using one off additional funding and from underspends;
- (iii) note the high-level financial position as detailed in this report; and
- (iv) note that detailed monitoring reports will be submitted to the relevant Scrutiny Committees.

Resource Implications

The current forecast presents a short-term favourable position in the current year, an underspend of £2.184m. This is predominantly a result of a recent change in the accounting treatment of grant income received in year combined with the successful implementation of the Children and Families strategy.

The financial consequences of COVID-19 are expected to be in the region of £22m this year. This additional cost is being funded from a combination of both specific and general revenue grant funding carried forward from previous years, with the remaining cost of £8m being met from service underspends. Some of these impacts are likely to continue into future years and funding has been earmarked from balances in recognition of this.

Included in the current forecast is an estimate of the financial impacts for the Council as a result of ongoing pay negotiations. However, these estimates are based on pay offers known at the time of writing and may change as negotiations continue.

Although this is a positive position in the immediate term, the scale of financial pressures on the Council linked to the pandemic, supply chain problems and considerable inflationary cost pressures remain substantial and uncertain. Commitments against balances have been reviewed and taking these revised assumptions into account the estimated level of uncommitted balances is £25.334m.

Legal & Risk Implications

There are no direct legal implications arising from this report.

Impact Assessment

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

Consultation

None.

1.0 Background

- 1.1 The Council continues to deal with the continued financial implications arising from the pandemic as well as increased financial pressures and uncertainty brought about by the current economic crisis. The report provides a summary of the main budget variances and significant movements across the organisation and builds on the previous report considered in September 2022.
- 1.2 Whilst the immediate position continues to be favourable, there are still significant ongoing and future uncertainties and financial pressures associated with the costs of recovery from the pandemic, inflationary pressures impacting all supply chains (notably energy, fuel, construction costs and other commodities) and employee costs. Some of which have led to the need to earmark reserves to fund these significant financial risks and impacts (Appendix 4), leaving a level of £25.334m uncommitted balances.
- 1.3 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.

2.0 Financial Overview

COVID-19 Recovery

- 2.1 At this point in time, the additional net costs associated with COVID-19 are estimated to be in the region of £22m this year. This is a significant increase from previously reported as the full costs of LACER initiatives (£8.2m) and associated funding are now reflected as COVID-19 costs and funding. The estimated loss of income being experienced by community facilities has also increased. Specific funding has been identified for the majority of these costs leaving the remainder of £6m being funded from Service underspends.
- 2.2 Costs as a legacy of COVID-19 are likely to continue into future years and assumptions have been made as to the possible impacts for both 2023-24 and 2024-25 and commitments are recognised against balances to mitigate these costs.

Pay Award

- 2.3 At the time of writing, the likely level of pay award for 2022-23 for single status staff has been agreed, however, this has yet to be reflected in individual service budgets, therefore the unfunded shortfall is reflected corporately. Negotiations continue in respect of Teachers Craft Workers and Chief Officers. Currently, it is assumed that Service underspends, including government grant, will offset the budget shortfall in the current years pay costs.

Other pressures – Economic/Cost of Living Crisis

- 2.4 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 along with others such as fuel and other commodities.
- 2.5 The cost-of-living crisis is increasingly impacting on households and, as such, a commitment to increase the school clothing grant has been reflected in this report.
- 2.6 Further support is being proposed to families in receipt of free school meal payments during school holidays by increasing the weekly payment per child from £11.50 to £12.00 per week. There is capacity to fund this from Scottish Government grant received for free school meals.

3.0 Revenue forecast – Main Variances

3.1 General Fund Services

There is an overall service underspend of £11.209m, which equates to 1.16% of budget expenditure. An overspend of £26.8m in legislative obligations and additional grant funding of £9.6m result in a forecast net underspend of £2.184m for the general fund.

The current revenue budget of £962m is shown in Appendix 1. The table below shows all budget changes since the previous Cabinet report:-

	Total Expenditure £m
2022-23 Budget (June 2022)	957.288
Budgets Funded from/(to) Balances	
- Continuing Financial Consequences of COVID-19	4.888
- Energy Inflation	(0.230)
Current 2022-23 Budget (August 2022)	961.946

3.1.1 Education and Children's Services

Directorate position:- Variance (£14.695m) underspend, movement (£0.933m)

Devolved School Management (DSM):- Variance (£8.527m) underspend, movement £0.052m

DSM budget carried forward was £3.625m and is a contributory factor in the underspend in schools' devolved budgets. Also included is a projected underspend on schools' Pupil Equity Funding (PEF) of £5.000m which will be carried forward and used for the remainder of the academic year and beyond. Finally, the projections include costs for additional teacher with the associated COVID-19 funding from Scottish Government also included.

Non-DSM/Childcare:- Variance (£0.741m) underspend, movement £0.941m

There are significant offsetting over and underspends across the service. Early Years of £5.794m due to expenditure being lower than anticipated for Early Years provision combined with a change in the treatment of the associated grant funding and also non-domestic rates relief to nurseries. Also, a projected underspend in Childcare Services of £0.255m as services continue to recover from COVID-19 and respond to demand.

The underspends are offset by projected overspends relating to maternity pay and long-term absence of £3.015m and £0.510m respectively. These costs are in relation to teachers but are charged to the non-DSM budget and not the DSM. Overspends are also projected on transportation costs of £0.724m (mainly within Special Education), and on PPP charges of £0.820m due to inflationary increases relating to RPI, in excess of the inflation assumed in the budget. The movement in variance since the last report is mainly due to increased costs for transportation of £0.724m. The continuing legacy costs of COVID-19 are in relation to school transport, additional cleaning/catering and waste collection and PPE of £0.500m.

Children and Families / Criminal Justice Service:- Variance (£5.427m) underspend, movement (£1.926m)

The position for the service reflects a projected underspend for Children and Families / Criminal Justice Service, mainly due to reduced third party payments for Purchased Placements of £5.169m, due to the continued reduction in placement numbers. Further projected underspends of £0.616m within employee costs is due to staff turnover and recruitment delays in filling vacant posts and within foster care of £1.199m is due to lower than anticipated placements. Offsetting this underspend are projected overspends in Continuing Care of £1.039m and in respite care and supported lodgings of £0.649m reflecting changes in care arrangements. The movement since the last report is due to updated projections for care placements (£1.500m) and kinship care (£0.492m). Continuing costs of COVID-19 of £1.2m for additional support for looked after children and addressing the backlog of work in Criminal Justice are fully funded from Scottish Government funding.

3.1.2 **Health and Social Care**

Social Care: - Variance £0.000m

The budget and forecast include income received from NHS of £2.407m for transfer of resource as agreed at budget-setting in March 2022.

The forecast position for Fife Council Social Care is a breakeven position after a contribution to IJB reserves of £1.741m.

The main variances are an underspend of £3.423m on Adults Supported Living primarily due to vacancies across the service which will not be filled until the future design of the service is established. Further staff vacancies have resulted in an underspend of £0.436m in Fieldwork, £0.405m in Older People Residential and Day-care and £0.625m in Homecare due to difficulties recruiting.

Adults Fife wide has an underspend of £1.203m due to a reduced provision for new packages for service users where their current requirements are being considered.

Finally, there is an underspend of £0.689m on the budget allocated to pay weekend enhancements where the original provision was higher than required.

These are offset by an overspend on adult placements of £5.252m due to a greater number of packages than budget. The overall underspend of £1.741m will contribute towards IJB reserves.

Included in the forecast are costs of £4.070m related to COVID-19 and remobilisation costs and it is assumed these costs will be funded from reserves in the IJB.

3.1.3 **Enterprise and Environment**

Directorate position: - Variance £0.446m overspend, movement £0.195m

Assets, Transportation and Environment: - Variance £1.932m overspend, movement £0.509m

The overspend includes estimated costs for winter maintenance of £0.514m related to salt and fuel costs. In addition, reduced income in car parking of £0.436m due to continuing reduced levels of demand. There is a projected overspend of £0.825m in Facilities Management predominantly due to an underachievement in income as meals sales have reduced substantially. Finally, there is a projected overspend of £0.607m in Domestic Waste & Street Cleaning due to increased transportation costs relating to fuel and vehicle repairs.

Planning:- Variance (£0.295m) underspend, movement (£0.050m)

The variance is mainly due to part year vacancies and recruitment is ongoing to relieve pressure on the workforce of increased volume of planning applications and related work.

Protective Services:- Variance (£0.649m) underspend, movement £0.029m

The underspend is as a result of increased income for Building Warrant statutory fees of £0.648m due to an increased volume of applications combined with an underspend of £0.420m as a result of part year vacancies and planned recruitment is progressing. The underspends are partially offset by overspends on £0.275m dangerous buildings response and £0.100m cost of replacement of Trading Standards database system.

Business and Employability Service:- Variance (£0.542m) underspend, movement (£0.293m)

The variance is mainly due to an underspend on Employability as a result of increased short term external funding, the movement is a result of increased external funding contribution toward operational costs.

3.1.4 **Communities**

Directorate position:- Variance £3.320m overspend, movement £1.065m

Communities & Neighbourhood: - Variance £3.286m overspend, movement £0.715m

A legacy from the pandemic continues to impact on level of demand and income received for some services. These include Fife Sports and Leisure Trust and Fife Cultural Trust with an expected deficit in the region of £2.113m and Community Use and Halls and Centres with lost income in the region of £0.838m. In addition, there are overspends of

£0.295m within Community Use for Public Private Partnership (PPP) charges. 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.

Savings of £0.736m have been delayed following the pandemic. The overspends are partially offset by staff vacancies across the service. The movement of £0.715m relates to Fife Sports & Leisure Trust and Fife Cultural Trust identifying the need for increased support based on performance in early 2022/23, which is offset by a reduction in expected costs for Youth Work.

Customer and Online Services £0.157m overspend, movement £0.328m

The movement of £0.328m mainly relates to an increase in the cost of postages and franking costs of £0.277m. The remaining movement relates to a decrease in HRA CSS income received by Revenues in year.

3.1.5 **Finance & Corporate Services**

Directorate position:- Variance (£0.237m) underspend, movement (£0.066m)

Directorate Service Managed position £0.934m overspend, movement £0.137m

Overspend predominantly relates to the continued impact of COVID-19 as a result of the workstyles project and digital inclusion (£0.374m), additional staffing resources and delayed delivery of agreed savings (£0.551m).

Housing Benefits (£1.171m) underspend, movement (£0.203m)

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

3.1.6 **Additional Items**

Overall Position:- Variance £18.625m overspend, movement £0.044m

The net overspend on additional items is as a result of the estimates associated with the latest pay offer.

Legislative Obligations/Contingencies:- £26.800m overspend, Nil movement

During the budget process, provision is made for additional costs associated with inflation, pay awards and additional government funding. This is held centrally until the costs are known and the budget is then transferred to the Services, reflecting where expenditure will be incurred. The level of projected overspend reported reflects the estimated additional pay cost, over the budget provision.

Capital Financed from Current Revenue:- (£8.100m) underspend, NIL movement

The Scottish Government have confirmed that they will provide capital funding to meet some of the additional costs. Doing so will mean an increase in capital grant to the Council and a subsequent reduction in funding for Capital from revenue sources. This underspend will then be used to offset part of the estimated additional costs of the pay award above the budgeted level this year and next, with permanent funding being provided in future

3.1.7 **Income**

General Revenue Grant – (£9.600m) over recovery, NIL movement

General Revenue Grant is provided by the Scottish Government and the budget is based on the latest finance circular. The projected variance includes Fife's estimated share of additional funding that could be made available to offset some of the additional pay costs.

3.2 **Housing Revenue Account**

3.2.1 *Housing Revenue Account: - Breakeven Position*

Repairs & Maintenance is projected to overspend by £2.429m due to increased costs of repairs as a result of inflationary pressures. A recent court judgment on Temporary Accommodation meaning a large number of HRA rental properties are being reprovisioned as temporary accommodation increasing the number of void properties expected in year resulting in a projected overspend of £0.489m.

The projected spend on Supervision & Management has increased by £0.315m due to anticipated staff salary increases being above the 1% increase built into the 2022-23 budget.

Other Expenditure is projected to overspend by £1.546m, movement £0.810m which mainly relates to Hostels, Insurance and Energy costs. Hostels expenditure is projecting to overspend by £0.667m. 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. Property Insurance is also estimated to overspend in year by £0.579m based on a projected 33% increase. The remaining overspend mainly relates to increased gas and electricity costs in Sheltered Housing, High Rises and Laundrettes.

Dwelling Rents income is higher than anticipated by £0.928m due to an increase in housing stock as the Affordable Housing Programme and Property Acquisitions progress.

To maintain the breakeven position and maintain current HRA reserves the CFCR is reduced by £3.853m, movement (£0.869m) to offset the overspends noted in this report. As the year progresses, the final CFCR and the associated impact on the level of borrowing required to fund the HRA Capital Programme will become more certain.

4.0 **2021-22 Revenue Budget Savings Progress**

- 4.1 It is anticipated that the Council will achieve 84% of 2022-23 budget savings. 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 direct 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 Sub-Committees as part of the Council's wider scrutiny and performance management reporting arrangements.

5.0 Balances

5.1 *General Fund Balances*

- 5.1.1 Appendix 4 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 being provided at Appendix 4.
- 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 have been transferred to Services as 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 being £146.273m.
- 5.1.3 The current commitments against balances have yet to be added to Service budgets. However, there is a high level of commitments, bringing uncommitted balances to £25.344m.

Earmarked and Commitments against Balances

- 5.1.4 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.
- 5.1.5 Commitments represent items for which provision has been made but, as yet, the costs are yet to be incurred.
- 5.1.6 After taking account of all commitments, the level of uncommitted balances at 31st March, 2025 is expected to be £25.344m which equates to approximately 2.6% of the revenue budget.

HRA Balances

- 5.1.7 The opening HRA balance was £7.005m. There are approved commitments of £2.5m for the Transitional Affordable Housing Programme 2022-24 and £1.5m for improving Estates Management in 2022-23. After taking these commitments into account, the level of uncommitted balances is £3.005m which is above the policy minimum of £2.5m.

6.0 Conclusions

- 6.1 There is currently a forecast underspend of £2.184m. However, the level of financial risk and inflation moving forward is beyond that seen in decades. Whilst the forecast position remains favourable in the short term, it provides a level of one-off protection from the current rapidly increasing inflation as well as the continuing financial consequences of COVID-19.

- 6.2 The positive balances position is providing the Council with a level of protection from these significant cost increases but, given balances is one off in nature, will only be able to assist the Council's financial sustainability in the immediate term, leaving challenges ahead for the medium and longer term. Allowing for all commitments, the uncommitted level of balances is estimated as £25.344m in future years. 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 decisions are taken wisely on use of balances without adding to recurring expenditure in future years.
- 6.3 The forecast position for the Council's Housing Revenue Account in 2022-23 is a break-even position. The level of HRA balances, allowing for all commitments, is £3.005m which is above the policy minimum.

List of Appendices

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

Background Papers

None.

Report Contacts

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

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

FIFE COUNCIL
GENERAL FUND REVENUE SUMMARY 2022-2023

	Annual Budget £m	Forecast £m	Variance £m	Previous Committee Annual Variance £m	Movement £m
EDUCATION & CHILDREN'S SERVICES					
Education (Devolved)	224.197	215.670	(8.527)	(8.579)	0.052
Education (Non Devolved)	125.772	125.031	(0.741)	(1.682)	0.941
Children and Families/CJS	65.697	60.270	(5.427)	(3.501)	(1.926)
	415.666	400.971	(14.695)	(13.762)	(0.933)
HEALTH & SOCIAL CARE					
Health & Social Care	208.844	207.103	(1.741)	(0.711)	(1.030)
Contribution to IJB	0.000	1.741	1.741	0.711	1.030
	208.844	208.844	0.000	0.000	0.000
ENTERPRISE & ENVIRONMENT					
Assets, Transportation and Environment	91.445	93.377	1.932	1.423	0.509
Planning	1.624	1.329	(0.295)	(0.245)	(0.050)
Protective Services	3.053	2.404	(0.649)	(0.678)	0.029
Business & Employability Service	10.099	9.557	(0.542)	(0.249)	(0.293)
Property Repairs and Maintenance	14.425	14.425	0.000	0.000	0.000
	120.646	121.092	0.446	0.251	0.195
COMMUNITIES					
Housing & Neighbourhood Services	12.912	12.789	(0.123)	(0.145)	0.022
Communities & Neighbourhood	51.216	54.502	3.286	2.571	0.715
Customer & Online Services	12.685	12.842	0.157	(0.171)	0.328
	76.813	80.133	3.320	2.255	1.065
FINANCE & CORPORATE SERVICES					
Assessors	1.756	1.717	(0.039)	0.021	(0.060)
Finance	4.564	4.612	0.048	0.188	(0.140)
Revenue & Commercial Services	14.662	14.455	(0.207)	(0.369)	0.162
Human Resources	6.287	6.457	0.170	0.104	0.066
Business Technology Solutions	15.682	16.495	0.813	0.760	0.053
Legal & Democratic Services	4.873	5.022	0.149	0.093	0.056
	47.824	48.758	0.934	0.797	0.137
Miscellaneous	0.127	0.127	0.000	0.000	0.000
Housing Benefits	1.986	0.815	(1.171)	(0.968)	(0.203)
	49.937	49.700	(0.237)	(0.171)	(0.066)
CHIEF EXECUTIVE					
Chief Executive	0.298	0.254	(0.044)	(0.049)	0.005
Corporate and Democratic Core	2.698	2.699	0.001	0.017	(0.016)
	2.996	2.953	(0.043)	(0.032)	(0.011)
SERVICE TOTALS	874.902	863.693	(11.209)	(11.459)	0.250
ADDITIONAL ITEMS					
Loan Charges (including interest on revenue balances)	57.930	57.855	(0.075)	(0.119)	0.044
Capital Expenditure Financed from Current Revenue	9.923	1.823	(8.100)	(8.100)	0.000
Legislative Obligations/Contingencies	19.191	45.991	26.800	26.800	0.000
	87.044	105.669	18.625	18.581	0.044
TOTAL EXPENDITURE	961.946	969.362	7.416	7.122	0.294
FINANCED BY:					
General Revenue Grant	(562.777)	(572.377)	(9.600)	(9.600)	(0.000)
Non Domestic Rates	(179.690)	(179.690)	0.000	0.000	0.000
Council Tax Income	(180.755)	(180.755)	0.000	0.000	0.000
Budgets transferred to/(from) Balances (previous years carry forwards etc)	(38.724)	(38.724)	0.000	0.000	0.000
TOTAL INCOME	(961.946)	(971.546)	(9.600)	(9.600)	(0.000)
CONTRIBUTION (TO)/FROM BALANCES	0.000	(2.184)	(2.184)	(2.478)	0.294

FIFE COUNCIL
HOUSING REVENUE ACCOUNT SUMMARY 2022-2023

	Annual Budget £m	Forecast £m	Variance £m	Previous Committee Annual Variance £m	Movement £m
BUDGETED EXPENDITURE					
Repairs and Maintenance	36.598	39.027	2.429	2.543	(0.114)
Supervision and Management	20.065	20.062	(0.002)	(0.318)	0.315
Funding Investment					
Cost of Borrowing	29.925	30.055	0.130	0.108	0.022
Revenue Contribution (incl CFCR)	29.327	25.474	(3.853)	(2.984)	(0.869)
	<u>115.914</u>	<u>114.618</u>	<u>(1.296)</u>	<u>(0.651)</u>	<u>(0.645)</u>
Voids	2.146	2.636	0.489	0.489	0.000
Housing Support costs	(0.448)	(0.469)	(0.021)	(0.008)	(0.013)
Garden Care Scheme	0.395	0.395	0.000	0.000	0.000
Bad or Doubtful Debts	3.000	3.000	0.000	0.000	0.000
Other Expenditure	10.191	11.737	1.546	0.736	0.810
Covid Expenditure	0.000	0.000	0.000	0.005	(0.005)
	<u>131.197</u>	<u>131.916</u>	<u>0.718</u>	<u>0.571</u>	<u>0.147</u>
FINANCED BY					
Dwelling Rents (Gross)	(123.910)	(124.837)	(0.928)	(0.781)	(0.147)
Non Dwelling Rents (Gross)	(3.494)	(3.494)	0.000	0.000	0.000
Hostels - Accommodation charges	(2.397)	(2.325)	0.072	0.072	0.000
Other Income	(1.397)	(1.259)	0.138	0.138	0.000
	<u>(131.197)</u>	<u>(131.916)</u>	<u>(0.718)</u>	<u>(0.571)</u>	<u>(0.147)</u>
CONTRIBUTION (TO) / FROM BALANCES	0.000	0.000	0.000	(0.000)	0.000

FIFE COUNCIL
APPROVED SAVINGS FOR 2022-23
August 2022

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	0.082	(0.093)	47%
Finance & Corporate Services	0.040	0.040	0.000	100%
	0.565	0.472	(0.093)	84%

FIFE COUNCIL
BALANCE - GENERAL FUND SERVICES

	2022-23 £m	2023-24 £m	2024-25 £m	Future Years £m
Balance at 1 April 2022	(182.813)	(67.464)	(40.849)	(25.344)
Budgets transferred (to)/from balances	38.724			
Add Overall budget variance 2022-23 (Appendix 1)	(2.184)			
Estimated General Fund Balance at 31 March	(146.273)	(67.464)	(40.849)	(25.344)
Earmarked Balance				
Devolved School Management	3.527			
Energy Management Fund	2.447			
Council Tax - Second Homes	10.231			
SG Specific funding	28.111			
COVID-19 Funding:				
Continuing Financial Consequences of COVID-19	9.709	4.400	1.257	
Community Recovery Fund	5.000	5.000		
COMIS/SWIFT delay	0.000	2.185		
Inflation - Supplies & Services	2.344	1.700		
Construction Inflation :-				
Unallocated	9.907			
Total Earmarked	71.276	13.285	1.257	0.000
	(74.997)	(54.179)	(39.592)	(25.344)
Commitments against balance				
Budget Carry Forward Scheme	0.000			
Change Programme		5.000	5.000	
Dempgraphics/Pay/Pensions	5.000	6.000	7.000	
Fife Job Contract	0.300	0.300	0.216	
Barclay Funding - Assessors	0.147	0.030	0.032	
Workforce Change	2.000	2.000	2.000	
Other Commitments	0.086			
Total Commitments	7.533	13.330	14.248	0.000
Estimated uncommitted balance at 31 March	(67.464)	(40.849)	(25.344)	(25.344)

BALANCE - HOUSING REVENUE ACCOUNT

	2022-23 £M	2023-24 £M	2024-25 £M	Future Years £M
Balance at 1 April 2022	(7.005)	(7.005)	(5.505)	(3.005)
Add Overall budget variance 2022-23 (Appendix 2)	0.000			
Estimated Balance at 31 March	(7.005)	(5.505)	(3.005)	(3.005)
Earmarked Balance				
COVID Mitigation				
Estates Management Improvement	1.500			
Transitional Affordable Housing		2.500		
	1.500	2.500	0.000	0.000
Estimated uncommitted balance at 31 March	(5.505)	(3.005)	(3.005)	(3.005)

17th November, 2022.

Agenda Item No. 5

Capital Investment Plan Update – Projected Outturn 2022-23

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

Wards Affected: All

Purpose

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

Recommendations

The Cabinet Committee is asked to:-

- i) note the projected outturn position, that the level of financial risk appears to be increasing and also note the mitigating actions for the major projects within the Capital Investment Plan;
- ii) note that more detailed capital outturn reports for 2022-23 will be submitted to 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

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 this point in time, there is estimated to be an unfunded overspend of £4.165m on the major capital projects which will require a funding solution which will be reviewed in the upcoming capital plan review.

Legal & Risk Implications

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

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

Consultation

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

1.0 Background

- 1.1 The purpose of this report is to advise members of the high-level projected outturn position for the Council's Capital Investment Plan (the Plan) for the financial year 2022-23. The report also highlights the projected outturn position for major projects over £5.000m along with any potential risks associated with these projects. Explanation is provided at Section 2.1 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 Housing, which is managed separately from the General Fund.

2.0 Issues

2.1 Major Projects

- 2.1.1 Appendix 1 provides a summary of the major projects within the Plan. There are 25 projects / programmes in this category with an overall budget of £999.017m.
- 2.1.2 At this stage, cost estimates suggest that there could be an overspend of £4.165m across the major projects in the programme.

Within "Opportunities for All", the projected overspend relates to 4 projects, the Viewforth High School extension project £0.634m, the construction of the Methil Care Home £1.000m and the construction of Cupar Care Home £1.341m, all as a result of increased materials and labour costs. Estimates for the Care Homes are being advanced and indicate an increase in costs. This will be considered as part of the capital plan review process.

Within "Thriving places", the projected overspend relates to Adam Smith Creative Hub, £1.190m overspend. Funding has been identified and approved and the budget is in the process of being realigned.

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 which are resulting in delays to projects which, in turn, could lead to increased slippage and increased costs. However, the overall future impact of this is difficult to predict with any degree of certainty and the forecasts in this report for 2022-23 relate to projects that are currently in progress with contracts that are already agreed. Monitoring of the impact of any additional costs on projects still in their infancy will continue and any 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 kept under review in future reports and through the upcoming review of the Capital Investment Plan.
- 2.2.2 The Council's approved Capital Plan includes £213m 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, 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. This investment is intended to address both school condition and the need for

additional school places arising from housing development. The potential risks associated with the DLC project have significantly reduced following financial close in July 2022 (award of the construction contract), which now limits the impact of inflation on the project. In addition, negotiations with the Scottish Government have been positive and the revenue funding for the project per the Scottish Government funding model has now been agreed. The project is progressing in line with the required timeline which requires the campus to open in August 2024.

2.2.3 There is a risk that the cost of completing the Phase 3 and Transitional Affordable Housing Programmes will cost more than the current approved project budget of £160.886m. This is due to the unit cost per property continuing to rise as inflationary pressures increase. The Affordable Housing Board will continue to monitor the cost of completing these phases and will report back to this Committee & Cabinet Committee on any mitigating actions or potential additional borrowing required. Any additional borrowing required will be fully tested for affordability as part of the HRA 2022 Business Plan.

2.3 Financial Performance – 2022-23 Total Expenditure - Projected Outturn

Appendix 2 provides a summary by capital theme of projected expenditure and income for 2022-23 showing the total reprofiled expenditure budget of £197.420m and projected spend of £193.089m in the 2022-23 financial year, £4.331m slippage across the plan. Comparable expenditure for the previous 3 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 in light of this slippage and the result of this can be seen in the movement from the approved budget to the current budget as detailed in Appendix 2.

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.

	Total Expenditure £m
Current Capital Investment Plan as at June 2022	196.411
Budget Transfers	0.126
CFCR	0.005
Increased Grant and Contribution Income	0.878
Current Capital Investment Plan as at Aug 2022	197.420

3.2 Expenditure

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

3.2.1 Opportunities for All

Health and Social Care - £1.000m

The overspend for Methilhaven Care Home is expected to rise to £1.000m by the anticipated handover date (March 2023). This is due to the extended time the project is taking to complete, attributed to material/supply delays, leading to additional contractor claims for extended periods on site. In addition, there has been increases in sub-contractor labour costs as well as material costs.

3.2.2 Thriving Places

Asset & Transportation & Environment – (£1.232m)

Sustainable Transport (£0.698m): Slippage relates to the Levenmouth Reconnected Programme. The projected spend for this financial year is £1.300m, however, 50% of this will be claimed against the Transport Scotland Grant. Further grant applications are being assessed and prioritised for approval.

Strategic Transport Intervention Programme (£0.594m): A delay in the Housing Land Audit has impacted on the expected timing and has resulted in slippage for 2022/23. The slippage relates to two projects - Northern Link Road East End (£0.292m) - an external consultant has been appointed to progress with the detailed design which is due for completion in Summer 2023. Bothwell Gardens Roundabout Signal Replacement (£0.296m) – an in-house design resource has been allocated and alternative design solutions are being considered.

3.2.3 Area Community & Corporate Development – (£4.624m)

There are a number of projects contributing to the expected levels of slippage, the main areas of slippage are as follows:

Area Community Facilities slippage of £1.800m relates to Abbeyview Integrated Hub, tenders are due to be received in November 2022. Sport & Leisure Facilities slippage of £0.632m relates to Lochore Meadows. The retendered project is being evaluated and a full consultation exercise will be undertaken before the contract is let. Fife Tourism infrastructure slippage of £0.506m, several projects have been identified for this funding, the detail of which is being finalised.

Sports Leisure and Community Assets is showing slippage of £1.025m. The remaining slippage will be used to support projects in 2023-24.

3.2.4 Inclusive Growth and Jobs

Business and Employability – (£1.445m)

Fife Industrial Innovation Investment Programme has slippage of £0.574m which has occurred at Glenrothes Flemington Road as redesign of the project is required in order to meet procurement regulations. A site acquisition at Dalgety Bay will slip to 2023 resulting in slippage of £0.321m. There has also been an underspend of £0.277m on groundworks where full contingency was not required at Lochgelly.

3.2.5 Maintaining Our Assets – Rolling Programmes

Education & Children's Services - £0.832m

There has been an advancement of spend within the Education ICT Programme of £0.926m which, in the main, relates to the refresh of technology across the Primary School estate.

3.2.6 Housing Revenue Account - £1.745m

There are advancements of spend within the Property Acquisitions Programme £5.622m and Gypsy Travellers sites £3.000m. Approval was given at Cabinet Committee on 25th August, 2022 for the HRA to work to acquire sufficient properties beyond the original target of 50 to meet increasing demand. The regenerations work at the Tarvit Gypsy Traveller site was delayed in previous years due to COVID-19 but is now expected to complete in year.

Despite the risk outlined on para 2.2.4, the Affordable Housing Programme is projecting slippage of £5.663m in year. This is due to the timings of site completions and payment stages for each site. There is also slippage of £1.150m relating to Energy Efficiency projects which were previously delayed as a result 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 (ESSH 2).

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 £64.276m against a forecast of £60.661m giving a projected variance of £3.614m. This variance results from 2 main factors, a decrease in the expected CFR 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 commit to the level of CFR 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 is funding for the plan overall. The overall variance of £0.717m is mainly due to changes in both General Fund and HRA borrowing to ensure the plan remains fully funded.

4.0 Conclusions

- 4.1 The current total expenditure budget is £197.420m and the Council is estimated to deliver £193.089m investment in the year, with slippage of (£4.331m).
- 4.2 This level of projected 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 25 projects/programmes within the Plan which have a value of £5.000m or greater. The overall budget for these projects is £999.017m, the Council is showing estimated expenditure of £1,003.182m and an estimated overspend of £4.165m.

- 4.4 Where significant variances arise, these are reviewed by the Investment Strategy Group in conjunction with the appropriate Directorate and reflected in any future capital plan reports.
- 4.5 Services have reviewed expected project delivery timescales and have re-profiled expenditure into future years where appropriate to reflect a more realistic investment profile

List of Appendices

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

Background Papers

None

Report Contact

Laura Robertson
Finance Operations Manager
Finance & Corporate Services
Fife House
North Street, Glenrothes

Telephone: 03451 55 55 55 (Ext. 450552)

Email: laurac.robertson@fife.gov.uk

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

Appendix 1

	Service	Original Approved Budget £m	Current Project Budget £m	Total Projected Outturn £m	Variance £m	Variance %	Current Project Status	Expected Project Completion Date
Opportunities for All								
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	6.595	0.000	0.00%	Feasibility	2024-25
		102.036	464.053	467.028	2.975	0.64%		
Thriving Places								
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		6.221	7.411	1.190	19.13%	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
		13.320	62.246	63.436	1.190	1.91%		
Inclusive Growth and Jobs								
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
		11.773	16.585	16.585	0.000	0.00%		
Housing Revenue Account								
Affordable Housing	Housing	281.869	424.238	424.238	0.000	0.00%	Current Project	2022-23
		281.869	424.238	424.238	0.000	0.00%		
Maintaing Our Assets								
West Fife Depot	ATE	4.525	8.041	8.041	0.000	0.00%	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
		22.304	31.896	31.896	0.000	0.00%		
Grand Total		431.302	999.017	1,003.182	4.165	0.42%		

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

Appendix 2

Capital Theme	Approved Budget £m	Current Budget £m	Actual to Date £m	Projected Outturn £m	Projected Variance £m	Projected Outturn as % of Plan
Opportunities for All	42.474	42.474	11.045	43.379	0.906	102%
Thriving Places	16.485	15.983	1.410	9.967	(6.016)	62%
Inclusive Growth and Jobs	5.947	5.947	1.991	4.503	(1.445)	76%
Maintaining Our Assets - Rolling Programmes	42.437	47.173	11.954	47.683	0.510	101%
Maintaining Our Assets - Specific Programmes	6.099	3.649	0.933	3.618	(0.031)	99%
Housing Revenue Account	80.195	80.195	29.152	81.939	1.745	102%
Corporate Items	2.000	2.000	0.000	2.000	0.000	100%
TOTAL EXPENDITURE	195.636	197.420	56.483	193.089	(4.331)	98%
Scottish Government Specific Capital Grants	(1.429)	(1.429)	(2.138)	(4.623)	(3.195)	324%
Other Grants and Contributions	(18.502)	(18.763)	(9.825)	(15.770)	2.993	84%
Capital Financed from Current Revenue (CFCR)	(43.440)	(44.084)	(3.723)	(40.268)	3.816	91%
TOTAL INCOME	(63.370)	(64.276)	(15.686)	(60.661)	3.614	94%
TOTAL NET EXPENDITURE	132.266	133.144	40.797	132.428	(0.717)	99%
Scottish Government General Capital Grant	(24.806)	(25.684)	(10.923)	(25.684)	0.000	100%
Capital Receipts	(10.480)	(10.480)	(4.437)	(10.536)	(0.056)	101%
NHT Loan Repayments	0.000	0.000	0.000	0.000	0.000	0%
Borrowing from Loans Fund - General Fund	(56.743)	(56.743)	0.000	(53.624)	3.119	95%
Borrowing from Loans Fund - HRA	(40.237)	(40.237)	0.000	(42.583)	(2.346)	106%
TOTAL FUNDING	(132.266)	(133.144)	(15.360)	(132.428)	0.717	99%

Housing Revenue Account (HRA) Consultative Budget 2023-24

Report by: John Mills, Head of Housing Services and Elaine Muir, Head of Finance

Wards Affected: All

Purpose

The purpose of this report is to agree appropriate consultative rent options for 2023-24 to enable the Council to carry out its statutory duty to formally consult with council tenants during December 2022 and January 2023. The outcome of the formal tenant consultation will be reported in the HRA budget report at the Council Meeting in February 2023.

Recommendation(s)

It is recommended that Committee:

1. agrees to survey Council tenants around options for a rent increase in 2023-24 of 0%,1%,2% and 3% to also apply to charges for services, garage sites, lockups, and temporary accommodation;
2. notes that the outcome of the full tenant consultation will be reported to full Council in February 2023;
3. notes the current HRA financial position, including the projected £6.627m shortfall for 2023-24;
4. notes the high level of financial risk the HRA is expected to be exposed to because of current pressures and assumed rental increases in 2023-24 and beyond;
5. notes that the HRA Business Plan Review is continuing with results to be reported to Council in February 2023;
6. notes the balance of current HRA Reserves as £7.005m; and
7. notes the legislative implications in relation to the Cost of Living (Tenant Protection) (Scotland) Act 2022.

Resource Implications

Providing the Council works within the parameters set by the 30-year HRA Business Plan, there would be no significant resource implications. A rent freeze, partial rent freeze or a rent increase below the Business Plan assumption of 3.5% (2.5% annual inflation plus 1 %) ultimately exposes the HRA to an increasing level of financial risk. Service reductions and efficiencies will be required to mitigate and reduce the level of risk.

Legal & Risk Implications

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

The rental increase options presented are a rent freeze or below inflation rent increase which ultimately expose the HRA to an increasing level of financial risk. Testing of the HRA 2022 HRA Business Plan is still ongoing due to the extraordinary circumstances the council is currently operating in. The results of the Business Plan review will be reported in the HRA Budget Paper to Council in February 2023.

Impact Assessment

An EqIA has not been completed and is not necessary at this time. The outcome of the proposed consultation will be reported to Fife Council in February 2023 as part of the HRA budget report when an EqIA will be provided.

Consultation

This report outlines initial and planned consultations with tenants around the HRA rent increase and budget proposals for 2023-24.

Housing Services and Financial Services are working jointly on the issues outlined in this paper.

The Council's Housing Consultants, Arneil Johnson have been consulted and are continuing to work through the Business Plan Review.

1.0 Background

- 1.1 The Housing (Scotland) Act 2001 requires the Council to consult with tenants affected by any proposal to increase rents and have regard to the views expressed by those consulted. Information is presented in relation to:
 - Context of the HRA Business Plan, key assumptions, risks and impacts
 - Initial and planned consultation with tenants around the HRA rent increase
 - General impact and affordability of the HRA rent proposal
 - Adherence to the HRA Medium-Term Financial Strategy
- 1.2 In recognition of ongoing Cost of Living challenges affecting our tenants, a motion for officers to consider the financial impact on the HRA of both a rent freeze and a partial rent freeze for 2023-24 was approved at Cabinet Committee on 22nd September, 2022.
- 1.3 The Cost of Living (Tenant Protection) (Scotland) Act 2022 came into effect on 6th October, 2022 with measures intended to provide protection for tenants during the current cost of living crisis. This legislation introduces a cap on increases in rents at 0% until the end of March 2023 for houses provided by social and private landlords. The legislation gives Scottish Ministers the ability to extend the rent cap beyond March 2023 for two periods of six months and commits Scottish Ministers to set out no later than 14th January, 2023 their decision on whether to expire the rent restrictions at the end of March 2023, continue with a 0% cap for a further six months or set a different level for the cap from 1st April 2023.

- 1.4 It is noted that the Scottish Government has set up a short life working group with CoSLA, SHFA and the Private Sector to examine the implications of a rent freeze or rent cap for next year. The Scottish Housing Regulator has advised local authorities to continue to engage with tenants to determine rent options for 2023/24 and to explore tenants' priorities.

2.0 HRA Rent Proposal for 2023/24

- 2.1 In recognition of the considerable Cost of Living pressures faced by tenants and taking account of the Cabinet Committee motion of 22nd September, rent scenarios were tested through the Business Plan in the range 0%, 1%, 2% and 3%. These form the HRA rent proposal for 2023/24 which extends to housing rents, services, lockups, garage sites and temporary accommodation.
- 2.2 Recognising the continuing financial pressure on households, these remain well below the September RPI+1% rent assumption of 13.6%. Although this option will not be consulted on with tenants as it would not be affordable to many tenants experiencing the current Cost of Living Crisis, the financial impact is shown in the table below for comparison. Also shown for comparison is a rental increase of 5% which is the estimated rental increase required to remove the budget gap and maintain CFCR (capital funding from current revenue) at the current level:

RENTAL INCREASE %	2023-24 RENTAL INCOME (£m)	INCREASE IN RENTAL INCOME COMPARED TO 2022-23 (£m)	REMAINING BUDGET GAP (£m)	AVERAGE WEEKLY RENT (£)	INCREASE IN AVERAGE RENTS PER WEEK (£)
0.00%	124.701	0.792	5.835	78.49	0.00
1.00%	125.948	2.039	4.588	79.27	0.78
2.00%	127.195	3.286	3.341	80.06	1.57
3.00%	128.443	4.533	2.094	80.84	2.35
5.00%	130.937	7.027	(0.400)	82.41	3.92
13.60%	141.661	17.751	(11.125)	89.16	10.67

- 2.3 Based on the current rent options under consideration, service reductions and efficiencies will be needed for 2023/4. The budget gap figure and the financial impact of the proposed rental increase is detailed further in sections 6 and 7. The additional rental income of £0.792m generated by a 0% rent increase relates to additional income from increased stock figures because of the Affordable Housing and Property Acquisition Programmes.

3.0 HRA Financial Position 2023-24

- 3.1 The HRA is required to present a balanced budget for approval at full Council each year. The HRA faces increased costs due to increasing stock figures, inflation, staff salary increases and other pressures. To meet these rising costs, the HRA must increase rents or generate recurring savings (or a combination of both) annually to allow the rising costs to be met whilst maintaining service provision and ensuring an affordable level of borrowing, to fund new council housing and maintain existing housing stock.
- 3.2 Based on current estimates, it is projected that the HRA will have to fund a budget gap of £6.627m in 2023-24 through increased rental income and savings. It must be noted that this gap comes from recurring pressures and are likely to increase in future years. The budget gap facing the HRA for 2023-24 includes:

- £4.305m from inflationary increases in costs of materials and insurance and other operational costs
 - £0.823m from increases in salary costs from pay rises and increments
 - £0.382m from increasing Central Support Services costs as costs also rise on the General Fund
 - £1.117m from other general inflation increases
- 3.3 There is partial mitigation of £0.792m from additional rental income which is driven purely by an increase in the number of houses from the Affordable Housing Programme and the Property Acquisition Programme.
- 3.4 Based on the rental increase proposals for 2023-24, the remaining budget gap after the above mitigations ranges from £5.835m based on a 0% rental increase to £2.094m based on a 3% rental increase. It must also be noted that these are the current pressures anticipated for 2023-24 only. If other pressures emerge, the budget gap faced by the HRA will widen and expose the HRA to further financial risk.

4.0 Previous Years Rental Increases

- 4.1 The HRA is required to present a balanced budget for approval at full Council each year. The HRA faces increased costs annually due to increasing stock figures, inflation, staff salary increases and other pressures. To meet these rising costs, the HRA must increase rents or generate recurring savings (or a combination of both) annually to allow the rising costs to be met whilst maintaining service provision, an affordable level of borrowing, funding for new council housing and maintaining and improving existing housing stock.
- 4.2 The HRA Business Plan assumes that costs will rise with inflation and that rents will increase by the Retail Price Index inflation plus one percent (RPI+1%) each year over 30-years. The plan is modelled on a national Treasury assumption that inflation will average at 2.5% per annum, therefore RPI+1% equals 3.5%. However, given that the actual RPI will fluctuate year-on-year, the HRA uses the September RPI rate to inform the rent increase for the year ahead. This provides a consistent benchmark for comparing rent increases over time.
- 4.3 The table shows the previous four years rental increases which have all been below RPI+1%. The figures show the widening gap between the actual weekly rents charged each year and the baseline rents on which the 30-year business plan is based. The gap increases as time goes on due to the baseline on which all future rental increases are set being impacted by low rental increases compounding in previous years. This difference in the rental figures represents the opportunity cost of income that is lost to the HRA per week for each affordable home:

Financial Year	Percentage Rent Increase Applied	September RPI+1%	Weekly Average Rent based on % increase applied to rents (£)	Weekly Average Rent based on September RPI+1% (£)	Difference in Average Weekly Rent (£)
19-20	3.2%	4.3%	73.25	74.03	0.78
20-21	3.0%	3.4%	75.45	76.55	1.10
21-22	1.5%	2.1%	76.58	78.16	1.58
22-23	2.5%	5.9%	78.49	81.10	2.61

- 4.4 Partial rental increases or rent freezes ultimately expose the HRA to an increasing level of financial risk. The ability to fund the HRA Capital Investment Program through CFCR is reduced which in turn increases the level of borrowing required to fund the Capital Program. The reduced income also affects the HRA's ability to fund the cost of borrowing and reduce borrowing capacity to fund new or existing housing programmes.

5.0 Affordability / Tenant Impact

- 5.1 **Housing benefits** - the affordability of housing rents will depend on the circumstances of individual tenants. Given the general profile of Council tenants, the uptake of benefits is of importance. At the end of August 2022, 9,541 (32%) Council households were claiming Housing Benefit, with an estimated 10,500 (35%) now receiving Universal Credit.
- 5.2 Tenants in receipt of Universal Credit are entitled to any increase in their housing costs in a similar way to those on Housing Benefit. However, the Department for Work & Pensions administers Universal Credit applications and holds data around claimants. This makes it difficult to predict with any accuracy the exact number of Council tenants claiming Universal Credit at any point in time, and how they will be impacted by a rent increase.
- 5.3 Approximately 67% of council tenants are supported through HB or UC to pay their rent. This represents income to the HRA received directly through benefits payments. A rent freeze would therefore not benefit most tenants but would instead benefit HM Treasury and result in lost income to the HRA in both 2023-24 and all future years. The table below shows the rental income lost to the HRA for 2023-24 and the cumulative impact on the 30-year business plan:

2023-24 RENTAL INCREASE (%)	2023-24 RENTAL INCOME (£m)	RENT LOST IN 23-24 COMPARED TO INCREASE OF 3.5% (£m)	CUMULATIVE RENT LOST OVER 30 YEAR BUSINESS PLAN COMPARED TO INCREASE OF 3.5% (£m)
3.50%	129.066	0.000	0.000
0.00%	124.701	4.365	347.515
1.00%	125.948	3.118	239.856
2.00%	127.195	1.871	140.937
3.00%	128.443	0.624	46.497

- 5.4 Based on the estimated uptake in benefits shown in paragraph 5.1, it can be assumed that around 33% Council households will not claim benefits in 2022-23 and will be required to fully fund any rent increase. To support all tenants in difficulty with their rent payment, the Council has had £2m of rent support available for the past few years. The proposal is to continue with this rent support at £1.5m with added £0.5m support for fuel poverty. The Council's Rents Group are currently seeking to re-engineer these support funds to provide improved support for tenants struggling with rent payments in the current Cost of Living Crisis.

5.5 **Living Rent** - the introduction for a 'living rent' was recommended by the Fairer Fife Commission and an appropriate definition for social housing was agreed by the Fife Housing Partnership. A 'living rent' is defined as being affordable for a household with someone in full-time employment and not assisted through benefits, based on a calculation of charging a fixed percentage (28%) of net lower quartile earnings. In Fife, the current 'living rent' threshold for a single person is £105.53 per week. Housing costs below this threshold are affordable and above the threshold will be unaffordable.

5.6 The affordability of the proposed rent options of between £78.49 - £80.84 per week can be tested against different types of Council households on low income and not in receipt of benefits:

	Household / Income Scenario	28% of Weekly Earnings (net of tax)	Affordability of FC Rent Options
	Single person household, in full-time employment with lower quartile earnings (i.e. 'Living Rent' scenario')	£105.53	Rent options affordable / below threshold
	Two-person household with a full-time and part-time employee, both with lower quartile earnings	£145.18	Rent options affordable / below threshold
	Single person household, in full-time employment with lower <u>decile</u> earnings	£91.88	Rent options affordable / below threshold

Source: Annual Survey of Hours and Earnings 2020 / Fife Statistics

5.7 The table above indicates that single people and working couples on lower quartile earnings should be able to afford the proposed rent options without the assistance of benefits. Even if the 'living rent' definition is remodelled to assess lower decile earnings, reducing the living rent threshold, the average full-time employee should afford the proposed rent options. Therefore, the average Council rent across each option should remain affordable to those on the lowest earnings and would continue to be classed as a 'living rent'.

5.8 However, due to the cost-of-living crisis there are several other price increases being faced by tenants that may impact on the ability to afford a rental increase in 2023-24. A study by the Joseph Rowntree Foundation has found that the total amount needed to meet a minimum standard of living in the UK has significantly increased when comparing 2021 to 2022. The graphic below shows some detail on these increases:

A Breakdown of the Rising Cost of Living

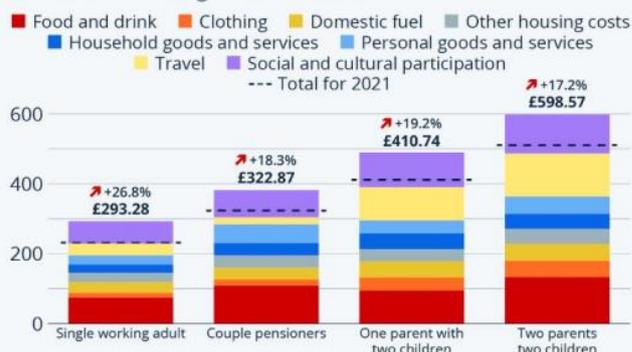
Amount needed each week for a single working adult to reach the minimum standard of living in the UK*



* Excluding rent and childcare
Source: Joseph Rowntree Foundation

The Rising Cost of Living Is Hitting All Groups

Amount needed each week to reach minimum standard of living in the UK in 2022



* Excluding rent and childcare
Source: Joseph Rowntree Foundation

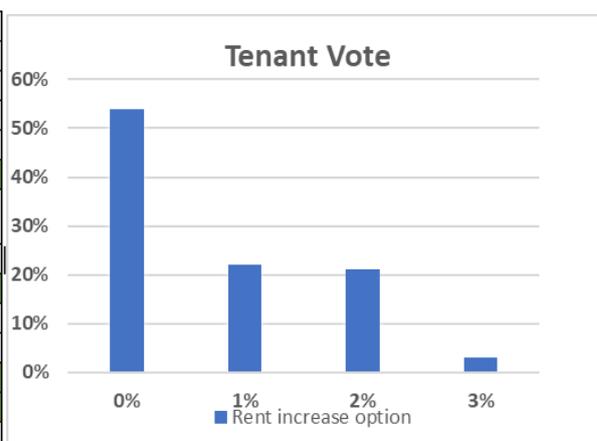
Source: Joseph Rowntree Foundation / ALACHO HRA Masterclass 2022

5.9 As can be seen from the above, to meet a minimum standard of living, a single person requires an additional £62.05 per week in 2022 compared to 2021, an increase of 26.8%. For a two-parent family with two children this has increased from £510.72 to £598.57, an increase of 17.2%. These increases exclude the cost of rent and childcare.

5.10 A series of five rent informal consultation events with council tenants were held in October 22, in partnership with the three Tenant Federations. Tenants were advised that elected members had asked officers to consult on a rent freeze, or partial rent freeze for 2023/24. Tenants were asked to indicate their preferred rent option for 2023/24 from the range 0%, 1%, 2% and 3%. Tenants were also asked about their three service priorities to inform future planning. The number of tenants who voted (37) was relatively low, perhaps reflective of the fact that the Cost of Living (Tenant Protection) (Scotland) Act had come into effect, with a rent freeze until March 2023 in place and a possibility of a further rent cap, or perhaps reflecting a reluctance to attend a public event due to covid concerns.

5.11 The outcome of the consultation is outlined below with service priorities and preferred rent options indicated:

Total	Priority 1	Priority 2	Priority 3	total
Painter Works		2		2
Lock Up Improvements			1	1
New Kitchens & Bathrooms	3	3	3	9
Fencing	2	4	3	9
New Affordable Housing	8	5	4	17
Improved Caretaking/Concierge		1		1
Estate Improvements	2	3	6	11
Energy Efficiency Works	7	5	1	13
Regeneration of Estates	3	2		5
Property Adaptations	2	2		4
Fuel Poverty Support	4	7	5	16
Rent Support	5	2	8	15
Other			5	5



- 5.12 It is noted that separate to the rent consultation engagement events, Glenrothes Area Residents Federation submitted a petition in which they asked to be considered as part of the rent consultation process. Two questions were asked “Do you agree rent should increase next year?” and “Do you agree there should be an increase in Council tax next year?”. This has 90 signatories with all responding “no” to each question. As addresses were not provided, it is unknown how many respondents are Council tenants.
- 5.13 A series of meetings is being arranged with the Tenants Federations in November-December 2022 to improve understanding of the HRA Business Plan, work through the rent options and consider potential implications and areas for future budget savings.
- 5.14 To meet statutory requirements for consultation with tenants, it is recommended that the options of 0%, 1%, 2%, 3% form part of a postal and on-line survey of all Council tenants during December 2022 - January 2023. Tenants will be asked to feedback their priorities. The outcome of this survey, and feedback from the meetings with the Federations, will inform a decision on the rental increase proposed for 2023-24, setting the HRA budget at full Council in February 2023.
- 5.15 It should also be noted that dependant of the outcome on the potential extension of The Cost of Living (Tenant Protection) (Scotland) Act by the Scottish Government, the HRA will need to implement a rental increase in line with this legislation. An announcement on this is not expected until 14th January, 2023. This will be further reported to Council in February 2023.

6.0 HRA 2022 Business Plan Review

- 6.1 The HRA uses prudential limits to measure debt affordability. The prudential limit is calculated by looking at the cost of loan charges as a percentage of net rental income. There is a risk to the HRA’s ability to meet statutory duties if borrowing increases to a level where a high percentage of rental income must go towards repaying loan charges.
- 6.2 The HRA currently has an agreed maximum prudential limit of 38%, this being set to ensure that borrowing remains within affordable levels. A borrowing level below 30% is deemed low risk and between 30%-33% is deemed to be medium risk. Anything over 33% is classed as high risk. Emerging challenges will create pressure for the HRA and, to prevent moving into a high-risk position going forward, the service needs to ensure it mitigates any future risks.
- 6.3 The HRA Business Plan Review for 2022 is currently underway and, due to the extraordinary operating context that the Council is currently working in, work will continue over the next 2-3 months to fully reappraise the business plan assumptions, including the appropriateness of the prudential borrowing limit of 38%. For new and existing elected members, an information workshop was held on 4th November, 2022. It is anticipated that the full results of the HRA Business Plan Review will be reported to the Council in February 2023 as part of the HRA Budget Report for 2023/4.

7.0 Service Reduction and Rent Options

- 7.1 As outlined in Section 3.4, as a result of only considering rent options under the HRA Business Plan assumption, officers are obligated to seek service reductions and efficiencies to mitigate and reduce the level of current HRA pressures. This will form part of the preparation of the HRA Budget Report to Council in February 2023. The potential options for reductions are still under officer discussions. These cover a range of options affecting HRA Revenue, HRA Capital and HRA Reserves.

- 7.2 The potential reductions will have varying impacts on the quality or level of service delivered directly to HRA Tenants, including:
- Reduction in annual revenue expenditure on non-statutory services
 - Reduction in annual capital expenditure on non-SHQS and EESSH1 work
 - Re-deployment of staff employed by the HRA to deliver the non-statutory services and projects
- 7.3 The ease of implementing the service reductions and the financial mitigation provided by each option may also vary. Whilst an overview has been provided, Housing and Finance Services will continue to assess the potential service efficiencies, including liaising with elected members and Council Tenants to determine the full impact of each potential cost reduction.
- 7.4 The Tenant Consultation process will also help shape the proposals as tenants' feedback what their priorities are. It is important that Tenants are also sighted on potential service reductions which may be proposed following the Cabinet discussion on 17th November, 2022 as part of the HRA Consultative Budget for 2023/24 and the statutory Tenant consultation which begins in early December 2022.

8.0 Reserves

- 8.1 As at the end of 2021-22, the HRA held reserves of £7.005m. The current HRA policy is to maintain minimum reserves at the level of 2% of the mainstream annual rent income budget. Under the three rent options, the minimum reserves position required would be in the region of £2.5m. The minimum balances of 2% will be assessed based on a rolling three-year period. This will allow for small short-term fluctuations in the reserves figure.
- 8.2 The table below shows the current HRA Reserves and the estimated remaining reserves at the end of 2023-24 based on current and proposed commitments:

OVERVIEW OF HRA RESERVES	APPROVAL STATUS	2022-23	2023-24
Opening Year Balances	-	7.005	5.005
Estate Management Improvements	Committee Approval	-1.500	
Transitional Affordable Housing Programme Contribution	Committee Approval		-2.500
ESTIMATED UNCOMMITTED RESERVES		5.005	3.005

- 8.3 The current estimated uncommitted balances as at the end of 2023-24 is in line with current policy.

9.0 Conclusions

- 9.1 The HRA is under considerable financial pressure and faces a high level of financial risk based on the assumptions outlined in this paper.
- 9.2 HRA tenants are also under pressure due to the ongoing Cost of Living Crisis which makes rental increases at RPI+1% potentially unaffordable for tenants. The rent consultation options of 0%, 1%, 2% & 3% take account of the current Cost of Living Crisis. Should any of these rent options be agreed by Council in February, some level of service efficiencies will need to be considered by officers to maintain a balanced budget.

John Mills
Head of Housing Services

Elaine Muir
Head of Finance

Report Contacts

Mhairi Mullen
Service Manager
Income, Poverty & Private Housing
Housing Services
Email: Mhairi.Mullen@fife.gov.uk

Emma Lennon
Accountant
Finance and Corporate Services
Email: Emma.lennon@fife.gov.uk

17th November, 2022.

Agenda Item No. 7

Development Planning and Policy

Report by: Pam Ewen, Head of Planning

Wards Affected: All

Purpose

To update the Committee on changes to development planning and seek approval of the *Fife Planning Obligations Framework Supplementary Guidance 2017* as a material consideration in the determination of planning applications.

Recommendations

It is recommended that the Committee:

- (1) notes the information in this report describing current changes in planning legislation affecting statutory development planning; and
- (2) approves the published *Planning Obligations Framework Guidance* as a material consideration in determining planning applications.

Resource Implications

There are no resource implications because the activities described in this report are part of the Local Development Plan review work programme and related project plan.

Legal & Risk Implications

There are no legal or risk implications arising from this report. The recommendation to approve existing planning guidance as a material consideration clarifies the status of the guidance in decision making. No consultation is required because there are no changes to the guidance.

Impact Assessment

An Equalities Impact Assessment is not required because the report does not propose a change or revision to existing policies and practices. An environmental assessment is not applicable for this report because it does not directly impact the environment.

Consultation

The Heads of Legal Services and Finance Service have been consulted in the preparation of this report and have no comments.

1.0 Background

- 1.1 The Planning (Scotland) Act 2019 was passed by the Scottish Parliament in June 2019 and introduces significant changes to the Scottish planning system. This report is concerned with changes to the development planning system and explains the implications for Fife's Development Plan and policies.
- 1.2 Development planning is the most significant area of change from the Planning (Scotland) Act 2019. The legislation adjusts the scope, content and processes for preparing plans from early engagement to examination and adoption. The overall aim of the reforms is to introduce a stronger and more flexible system of development planning which is more able to align with and contribute to wider planning policy making at a national, regional and local scale. For development planning and policy, this means:
- The scope of the National Planning Framework (NPF) is extended to include national planning policy. National planning policy, currently set out in the Scottish Planning Policy, will be incorporated within the NPF4;
 - The new NPF will become part of every development plan, meaning that its policies and proposals must be considered by decision makers when considering applications for planning permission;
 - Strategic development plans (SDPs) will cease to have effect when NPF4 is approved and be replaced by regional spatial strategies; these will not form part of the Development Plan but should be reviewed at least once in every 10 years from their adoption. SESplan and TAYplan Strategic Development Plan Authorities will cease to exist;
 - All SDPs and supplementary guidance issued in connection with them cease to have effect on the publication of the approved NPF4 and after the relevant part of the Planning (Scotland) Act 2019 comes into force;
 - The duration of any future NPF is increased from 5 to 10 years; and
 - Local development plans (LDPs) are to be prepared at intervals of no more than 10 years.

2.0 Discussion

- 2.1 National Planning Framework 4 (NPF4) will become part of Fife's Development Plan when adopted by Scottish Ministers. The adoption date will depend on approval by the Scottish Parliament; the Scottish Government aims to lay a finalised version for Parliament's approval in autumn 2022. This is more than a year later than originally proposed and has had consequential delays to related secondary legislation and guidance on development planning which has impacted on LDP preparation across Scotland.
- 2.2 When NPF4 is adopted by Scottish Ministers and comes into effect, the Development Plan at that point will comprise NPF4 and FIFEplan with its associated approved Supplementary Guidance. If a conflict arises, the approved NPF4 will prevail. The version of NPF4 laid in Parliament will be considered as material in determining planning applications.

Figure 1 – The Development Plan now and in the future

Meaning of Development Plan		
Current system	Transitional - After the publication of NPF4, where a LDP prepared under the current provisions remains in place	New system - After the publication of NPF4 and constitution of a LDP under the 2019 Act
Approved Strategic Development Plan and associated Supplementary Guidance	National Planning Framework 4	National Planning Framework 4
Adopted Local Development Plan and associated Supplementary Guidance	Adopted Local Development Plan and associated Supplementary Guidance	Adopted Local Development Plan*

* Any Supplementary Guidance adopted in association with an old Local Development Plan will cease to have effect.

(Source: The Planning (Scotland) Act 2019 - Development Planning – Transitional Guidance, Scottish Government, November 2020)

2.3 FIFEplan was adopted in September 2017 and was to be reviewed at intervals of no more than 5 years but the Planning (Scotland) Act 2019 changed that to intervals of no more than 10 years. The review has been delayed pending publication of the new Development Planning Regulations and guidance. The Scottish Government proposes to give effect to the LDP and supplementary guidance arrangements in separate regulations expected in late 2022/early 2023. Draft versions of these were published for consultation last year to which the Council responded in a response approved by the Economy Tourism Strategic Planning and Transportation Sub-Committee in March 2022. The transition between current and new legislation will impact on the current planning performance indicator for development plans which references their replacement by the fifth anniversary of their adoption.

2.4 Work on preparing FIFEplan’s replacement has started by gathering information for the Evidence Report which is the first stage of the process. Some targeted engagement is underway to collate information on specific communities of interest, such as younger people. Broader public engagement to inform the Evidence Report will take place by the end of 2022 and will include a survey of some pilot communities to help understand what is working well and what could be improved in those communities in terms of *Living Well Locally*, and a wider survey of opinions on the issues people would like to see addressed in the new LDP. LDP2 is currently programmed to be adopted by the Council in 2027. The milestone dates for LDP2 between now and adoption are:

- Evidence Report and Gate Check – March 2024;
- Proposed LDP2 and consultation – September 2025;
- Plan examination – March 2026;
- Adoption – March 2027.

More information on the LDP2 process and stages is in a separate report to this Committee on the Development Plan Scheme.

- 2.5 The adoption of NPF4 and the LDP review will take Fife's Development Plan into a transitional phase as illustrated in Figure 1, above. *FIFEplan*, as the current adopted LDP will continue to form part of the Development Plan along with supplementary guidance issued in connection with it. Supplementary guidance has been approved for several topics such as affordable housing, design principles and low carbon development. The Council also has planning guidance on planning obligations which does not have the same status as the supplementary guidance but will continue to be used in determining planning applications, including major development proposals before the LDP is reviewed. It therefore proposed to establish the status of the *Fife Planning Obligations Framework Supplementary Guidance* as a material consideration in determining planning applications and this is a recommendation for Cabinet Committee. It will be published as the *Fife Planning Obligations Framework Guidance* to distinguish it from statutory supplementary guidance.

3.0 Conclusions

- 3.1 Development planning in Scotland is undergoing its most significant change since 2006. Work is in hand to prepare for the publication of NPF4 and to review the Local Development Plan. In the meantime, a transitional phase will exist in which the new NPF and current LDP and its supplementary guidance will form the statutory Development Plan. If a policy conflict arises, the approved NPF4 will prevail.

List of Appendices

None.

Background Papers

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

- [Planning \(Scotland\) Act 2019](#)
- [Scotland 2045 - fourth National Planning Framework](#) – draft – Scottish Government, 2021
- Report to Economy, Tourism, Strategic Planning and Transportation Sub-Committee meeting of 17 March 2022 – [Scotland's Fourth National Planning Framework: Consultative Draft](#)
- Report to Economy, Tourism, Strategic Planning and Transportation Sub-Committee meeting of 17 March 2022 – [Local Development Planning – Draft Regulations and Guidance](#)
- [Local development planning - regulations and guidance consultation – draft guidance](#) – Scottish Government, 2021
- [Planning Obligations Framework Guidance](#) – Fife Council, 2017

Report Contact:

Bill Lindsay, Service Manager (Policy & Place)
Planning Services
Fife House,
North Street,
Glenrothes, Fife KY7 5LT
Telephone: 03451 55 55 55 Ext. 471776
Email: bill.lindsay@fife.gov.uk

17th November, 2022.

Agenda Item No. 8

Fife Development Plan Scheme 12

Report by: Pam Ewen, Head of Planning

Wards Affected: All

Purpose

To seek approval of the Fife Development Plan Scheme, 12th edition for publication and approval of future arrangements for subsequent editions of the scheme.

Recommendations

It is recommended that the Committee:

- (1) approves the Fife Development Plan Scheme, 12th edition for publication, deposit, and copying to Scottish Ministers (Appendix 1); and
- (2) delegates non-substantive edits to the Head of Planning.

Resource Implications

None. Preparation of the Development Plan Scheme is part of Planning Services' work programme will be prepared within the existing staff complement.

Legal & Risk Implications

The Planning (Scotland) Act 2019 requires the Council when preparing the Development Plan Scheme to seek the views of the public on what the content of the Participation Statement should be and have regard to any views expressed. This edition of the Development Plan Scheme is an interim version as development planning transitions to new Act and explains the Participation Statement for the next Local Development Plan will be prepared once the relevant regulations and guidance arising from the new Planning Act have been published.

Impact Assessment

An Equalities Impact Assessment is not required because the report does not propose a change or revision to existing policies and practices. An environmental assessment is not applicable for this report because it does not directly impact the environment.

Consultation

The Head of Legal Services and Head of Finance have been consulted in the preparation of this report. The proposals in the report have also been considered by the LDP2 Board.

1.0 Background

- 1.1 All planning authorities in Scotland produce a Development Plan Scheme at least annually or when directed by Scottish Ministers to:
 - explain what the development plan is and its component parts including the Local Development Plan (LDP);
 - set out the timetable for preparing the next plan; and
 - explain on how the public at large can get involved in preparing the LDP.
- 1.2 The most recent Fife Development Plan Scheme was published in 2019. Subsequent editions were suspended during the lockdown periods of the COVID pandemic and as the details of new local development planning guidance was emerging. Now is the right time to publish a new version as part of the wider project management of the LDP and to return its approval to a Council Committee which will ensure it can be formally adopted by the Council.
- 1.3 Legislation requires that as soon as is reasonably practicable after a Development Plan Scheme has been adopted, the Council is to send two copies of it to the Scottish Ministers, publish it (including by electronic means) and place a copy of it in each public library in Fife.

2.0 Discussion

- 2.1 Development Plan Schemes must include a Participation Statement which should say how and with whom consultation on the plan will take place. It should also say how the Council will involve the public and stakeholders in the preparation of the plan. The Statement will be used when the Local Development Plan is submitted to Scottish Ministers for examination to show how the Council has conformed with the Participation Scheme's proposed means of engagement.
- 2.2 The Planning (Scotland) Act 2019 requires the Council, when preparing the DPS, to seek the views of the public on what the content of the Participation Statement should be and have regard to any views expressed. This edition of the Development Plan Scheme (DPS12) does not include a Participation Statement or seek those views on what it should contain. Instead, DPS12 is an interim version as development planning transitions to the new Act; it explains the Participation Statement for the next LDP will be prepared once the relevant regulations and guidance arising from the new Planning Act have been published. It does, however, invite the public at large to express their views on the content of the Participation Statement and say where to send those views. These views will be incorporated in the preparation of DPS13 in 2023 and ahead of the Proposed LDP being prepared.
- 2.3 LDP2 is currently programmed to be adopted by the Council in 2027. The milestone dates for LDP2 between now and adoption are:
 - Evidence Report and Gate Check – March 2024
 - Proposed LDP2 and consultation – September 2025
 - Plan examination – March 2026
 - Adoption – March 2027.

3.0 Conclusions

- 3.1 This edition of the DPS describes how the next Fife Local Development Plan will be prepared. It includes:
- information on the changes to development planning coming from the Planning (Scotland) Act 2019;
 - an up-to-date timescale for the key stages in preparing the new plan;
 - updates on planning guidance, development frameworks, and development briefs; and
 - invites the public to give their views on what the content of the Participation Statement should be to help Planning Services Policy & Place team know how they want to get involved in the Plan's preparation.
- 3.2 Future editions of the Development Plan Scheme will be reported to this Committee.

List of Appendices

1. Fife Development Plan Scheme 2022 (twelfth edition)

Background Papers

None.

Report Contact

Bill Lindsay
Service Manager (Policy & Place)
Planning
Fife House,
North Street,
Glenrothes, Fife KY7 5LT

Telephone: 03451 55 55 55 Ext. 471776

Email: bill.lindsay@fife.gov.uk

Fife Development Plan Scheme - 2022 (Twelfth Edition)





Above: Iron Mill Bay, designed by Fife Architects - image © and used with permission of www.fifearchitects.com

Contents

What is a Development Plan Scheme?	5
What is the Development Plan for Fife?.....	6
Local Development Plan Update.....	8
Supplementary Guidance	10
Participation Statement.....	15
<i>Figure 1: Strategic & Local Development Plan Boundaries within Fife</i>	7
<i>Table 1: Supplementary Guidance, Development Frameworks and Development Briefs (position at November 2022)</i>	11

Fife Development Plan Scheme - 2022 (Twelfth Edition)

What is a Development Plan Scheme?

The Town and Country Planning (Scotland) Act 1997 (as amended by the Planning etc. (Scotland) Act 2006, the Planning (Scotland) Act 2019), and the Town and Country Planning (Development Planning) (Scotland) Regulations 2008, require planning authorities to prepare a Development Plan Scheme each year.

This is the twelfth edition of the Fife Development Plan Scheme and includes:

- information about the development plan for Fife and its preparation
- updates on planning guidance, development frameworks and development briefs
- an invitation to give your views on the content of the Participation Statement



Madras College, St Andrews - © Andrew Beveridge, Fife Council

Draft Local Development Planning regulations were published in 2021 and are expected to be finalised following the adoption of the Fourth National Planning Framework (NPF4). The changes introduced by the regulations will be reflected in the next Development Plan Scheme.

What is the Development Plan for Fife?

The planning system in Scotland is led by development plans which form the basis for making planning decisions.

The Fife Development Plan currently consists of the adopted [Local Development Plan \(FIFEplan\)](#), and the approved Strategic Development Plans of [TAYplan](#) and [SESplan](#), together with supplementary guidance issued in connection with those plans.

The planning system in Scotland is, however, currently undergoing a transformation following the approval of the Planning (Scotland) Act 2019 in June 2019. Much of the detail of how the new Act's provisions will work in practice in relation to development plans is not yet confirmed, but draft secondary legislation and guidance published for consultation in December 2021 sets out the Scottish Government's intentions.

National Planning Framework (NPF)

NPF3 was published by the Scottish Government in 2014, setting out a strategy for the long-term development of Scotland. NPF3 contains reference to national projects in Fife including the completion of the Queensferry Crossing, freight facilities at Rosyth, and the Fife Energy Corridor extending from Methil to Longannet.

The Draft Fourth National Planning Framework (NPF4) was published on 10 November 2021. A revised draft is expected to be put to the Scottish Parliament for consideration and approval late in 2022, and to progress towards adoption by Scottish Ministers thereafter. It will form part of the development plan when it is adopted and related parts of the legislation come into effect. NPF4 will incorporate Scottish Planning Policy, which currently exists as a separate document.



Strategic Development Plans are still part of the development plan until NPF4 is adopted. Fife lies within both the Edinburgh and Dundee city regions (SESplan and TAYplan). The Strategic Development Plan areas covering Fife are shown in [Figure 1](#).

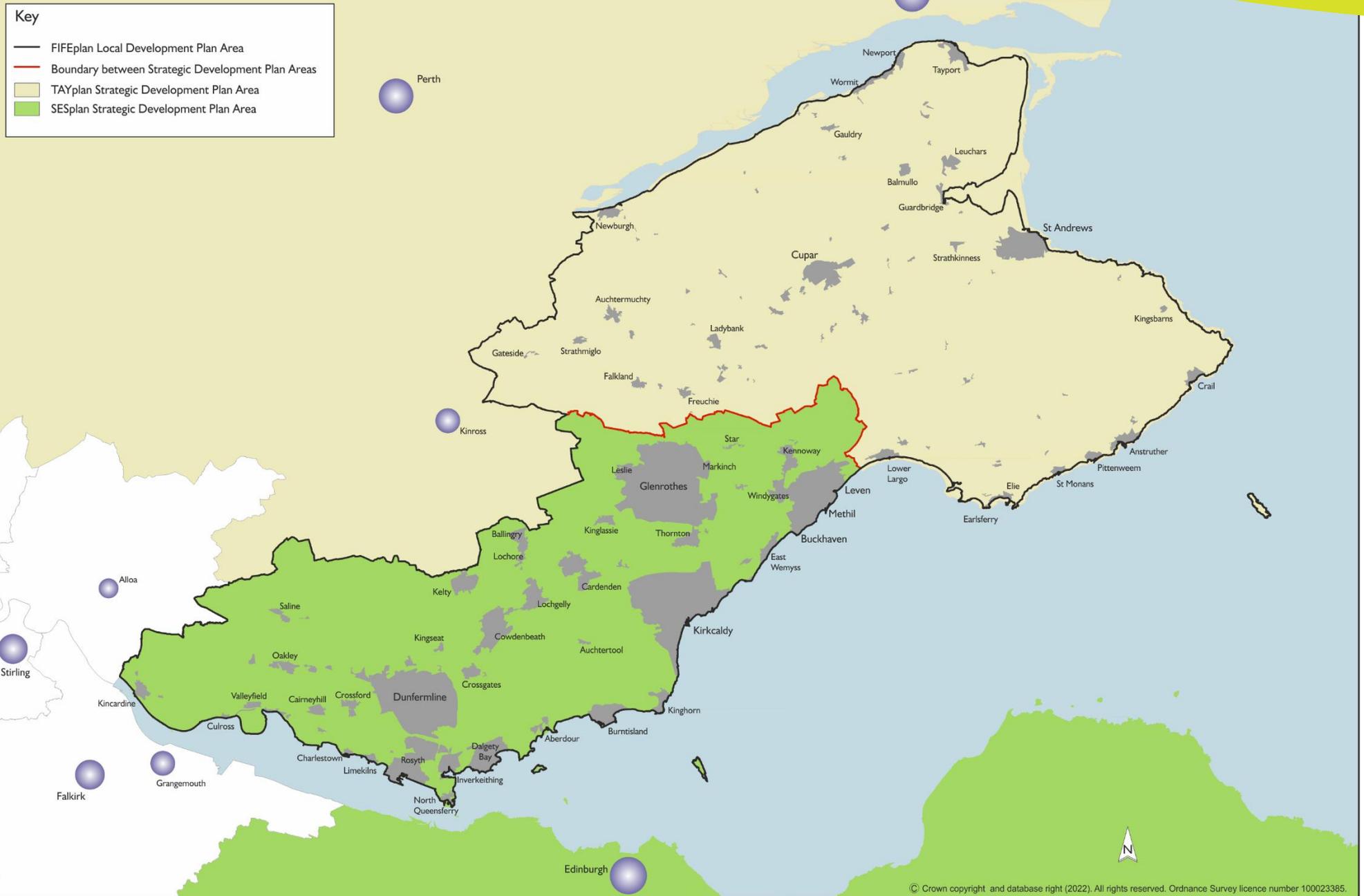
TAYplan's second Strategic Development Plan was approved in October 2017. The Strategic Development Plan for the **SESplan** area remains that adopted in June 2013, following the rejection of SESplan 2 by Scottish Ministers in May 2019.

Once NPF4 is adopted, all strategic development plans and their associated supplementary guidance will cease to have effect and will no longer form part of the Development Plan.

The Act introduces provisions for **Regional Spatial Strategies**. These are not part of the development plan. The Act does not prescribe the geographical areas to be covered by Regional Spatial Strategies, nor at this stage the procedures for their preparation.

An interim Regional Spatial Strategy has been produced for South East Scotland. It includes all of Fife. Further information on the formal Regional Spatial Strategy will be given in the thirteenth edition of the Development Plan Scheme.

Figure 1 - Strategic & Local Development Plan Boundaries within Fife



Local Development Plan Update

Local Development Plans provide site specific and detailed policies which guide the day-to-day decisions made on planning applications.

Adopted FIFEplan (Fife Local Development Plan)

The current Local Development Plan, FIFEplan was adopted on 21 September 2017.

New Local Development Plan starting in 2022

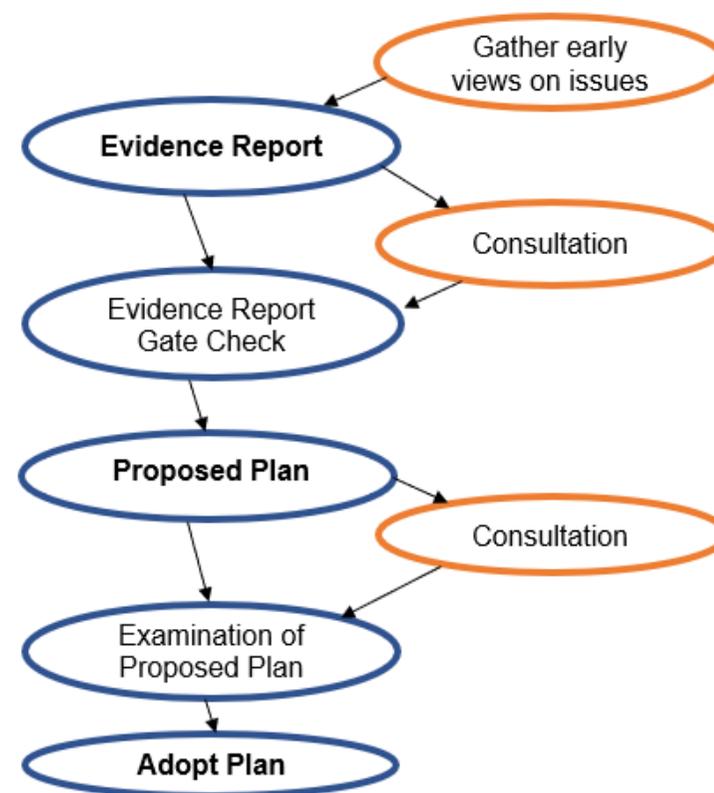
Under the new Planning Act Local Development Plans (LDPs) are to be reviewed every 10 years, rather than 5 years as previously. The process for the preparation of LDPs is changing, notably by replacing Main Issues Reports with Evidence Reports. Evidence Reports will set out the information on which plans will be prepared and are to be assessed by a person appointed by Scottish Ministers during a 'Gate Check' at the start of the plan preparation process.

LDP2 is currently programmed to be adopted by the Council in 2027. The milestone dates for LDP2 between now and adoption are:

Evidence Report and Gate Check	March 2024
Proposed LDP2 and consultation	September 2025
Plan examination	March 2026
Adoption	March 2027

This version of the DPS gives high-level timescales for the LDP. A more detailed work programme will be prepared following the finalisation of the Scottish Government's regulations and guidance for local development planning. The next Development Plan Scheme will set out timescales for Strategic Environmental Assessment and Habitats Regulations Appraisal, a Public Sector Equality Duty Assessment, a Fairer Scotland Duty Assessment, and evidence gathering/monitoring.

New Local Development Plan process



Action Programme

The latest Action Programme for FIFEplan was published in July 2020. The Action Programme identifies what is needed to implement FIFEplan. The Action Programme shows the linkages between development and the provision of related infrastructure and helps to coordinate activity in identifying priorities and funding.

As part of the changes to the planning system Action Programmes will be replaced by **Delivery Programmes**. Delivery Programmes are to be focussed on supporting delivery of the Local Development Plan, and must be approved by the full Council, and updated every at least every two years following the Plan's adoption.



Community Planning

Community Planning is how public bodies work together and with the community in each council area to make life better for people. Fife's Local Outcome Improvement Plan [Plan 4 Fife: 2017-2027](#) was published in April 2018 as Fife's new Community Plan. An update to this was published in August 2021 [Recovery and Renewal: Plan4Fife 2021-2024 Update](#).



Local Community Plans for each of Fife's 7 local committee areas are in place, and these are in the process of being updated during 2022. Neighbourhood Plans have also been developed for targeted areas.

All of the above plans will help to identify priorities as we review the Local Development Plan.

Local Place Plans



The 2019 Planning Act introduced provisions to enable community bodies to prepare Local Place Plans. These will not form part of the development plan but will help to inform it.

An invitation to communities to prepare Local Place Plans was issued in May 2022, through:

- letters to community councils
- our Planning e-newsletter
- Fife Voluntary Action e-newsletter
- news and social media releases

The [invitation can be found on our website](#) alongside information to assist communities who wish to prepare Local Place Plans.

Supplementary Guidance

The main purpose of supplementary guidance is to help applicants understand what planning authorities expect in relation to planning applications.

Supplementary guidance prepared in connection with a Strategic Development Plan or Local Development Plan, subject to meeting consultation requirements, forms part of the Development Plan and is referred to in this document as statutory supplementary guidance.

A range of statutory Supplementary Guidance has been produced since the adoption of the Local Development Plan:

- Making Fife's Places Supplementary Guidance
- Affordable Housing Supplementary Guidance
- Minerals Supplementary Guidance
- Low Carbon Supplementary Guidance

The Council will also continue to use existing non-statutory guidance listed in this Development Plan Scheme and will prepare other guidance on a range of planning matters as required. A full list of current and proposed Fife Council planning guidance is included in **Table 1**.

New non-statutory guidance *Policy for Development and Noise* was produced in 2021. This guidance aims to ensure that new development does not lead to detrimental impacts on existing businesses and future investment, or to impacts on the health and wellbeing of new or existing residents exposed to unacceptable levels of noise.

The future of Supplementary guidance

Statutory provisions for Supplementary Guidance have been removed under the 2019 Planning Act. Local Councils will still be able to produce supplementary guidance on specific planning issues, but this will no longer have 'development plan' status.

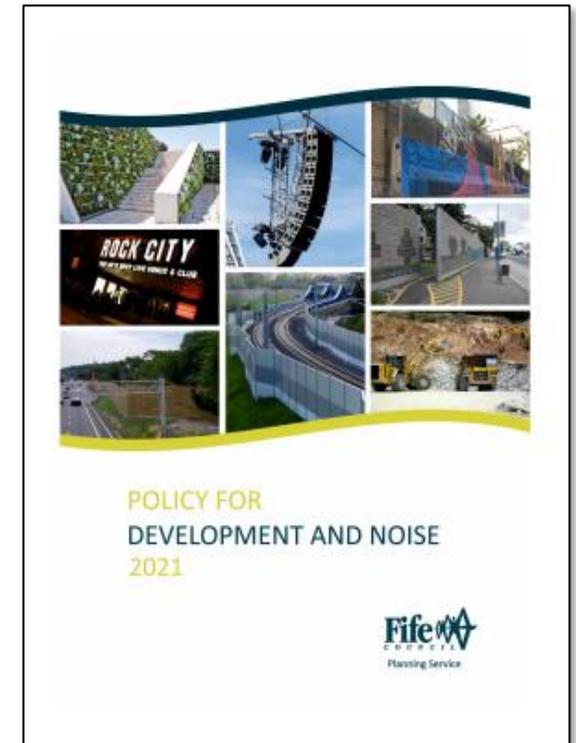


Table 1: Supplementary Guidance, Development Frameworks and Development Briefs (position at November 2022)

Topic	Status	Timescales
Statutory Supplementary Guidance		
Affordable Housing	Adopted Supplementary Guidance	Adopted Autumn 2018
Making Fife's Places	Adopted Supplementary Guidance	Adopted Autumn 2018
Minerals	Adopted Supplementary Guidance	Adopted Autumn 2018
Low Carbon Fife	Adopted Supplementary Guidance	Adopted January 2019
Housing Land Supplementary Guidance (SESplan)	Adopted as part of the development plan by all SESplan authorities on 28 October 2014	Adopted October 2014

Table 1: Supplementary Guidance, Development Frameworks and Development Briefs (position at November 2022)

Topic	Status	Timescales
Non-Statutory Guidance		
Planning Obligations Framework Guidance	Approved Framework March 2015 - A new version of this guidance was prepared in 2017 and is a material consideration in determining planning applications.	Complete
Houses in Multiple Occupation in Central St Andrews Conservation Area	Approved Supplementary Planning Guidance June 2011.	To be reviewed in 2023 alongside an update to Fife Council Housing Services' Over-provision policy.
Lochgelly Supplementary Planning & Transportation Guidance	Approved Supplementary Planning Guidance September 2011	Complete
St Andrews Design Guidelines	Approved Supplementary Planning Guidance August 2007	Complete

Table 1: Supplementary Guidance, Development Frameworks and Development Briefs (position at November 2022)

Topic	Status	Timescales
Development Frameworks & Briefs		
East Sands Urban Design Framework	Approved September 2010	Complete
Levenmouth Strategic Land Allocation Strategic Framework	Approved October 2012	Complete
St Leonards Fields and Memorial Hospital	Approved November 2011	Complete
Development brief for Bonnygate, Cupar gap site	Approved November 2012	Complete
Gap site at 269-293 High Street, Cowdenbeath	Approved March 2011	Complete
Millgate Development Brief, Cupar	Approved November 2008	Complete
Crail North Development Framework	The community led charrette report 'Deciding Crail's Future' and anticipated forthcoming update Local Place Plan will inform the Council's framework for this site.	Timescales to be confirmed – to follow anticipated update to 'Local Place Plan' by local community.
Rosyth Waterfront Development Framework	Approved December 2017	Complete
ATS depot, Cupar	Updated Brief Approved March 2019	Complete
Madras College (Kilrymont) – Design & Development Framework	New item. Framework approved January 2020	Complete

Table 1: Supplementary Guidance, Development Frameworks and Development Briefs (position at November 2022)

Topic	Status	Timescales
Town Centre Frameworks		
Kirkcaldy Town Centre Design & Development Framework	Approved October 2015	Complete
Cowdenbeath Town Centre Design & Development Framework	Approved July 2015	Complete
Kirkcaldy Charrette Area - Green Infrastructure Masterplan	Produced April 2018	Complete
Glenrothes Town Centre Design & Development Framework	Produced September 2016	Complete
Glenrothes Town Centre Masterplan	Approved March 2021	Complete
Inverkeithing Town Centre Design & Development Framework	Produced February 2015	Complete
Leven Town Centre - Urban Design Study	Produced August 2012	Complete

Participation Statement

A Participation Statement sets out when consultation is likely to take place, its likely form, who will be involved, and how we intend to involve the public and other stakeholders.

A Participation Statement for the next Local Development Plan will be prepared once the relevant regulations and guidance arising from the new Planning Act have been published.

In the meantime, and to help us understand what works for you, we would welcome your views on how we engage with you.

HAVE YOUR SAY

E-mail your suggestions on the content of the Participation Statement to:
fife.devplan@fife.gov.uk



 @FifePlanning

Follow us for updates from Fife Council's Planning Services.

Fife Planning E-newsletter

Sign up to regular email updates on the progress of Fife's Development Plan and news from the Planning Service:
<http://eepurl.com/wnVzr>

www.fife.gov.uk/LDP

Visit the FIFEplan Local Development Plan web-page to:

- access the online Local Development Plan and mapping
- take part in consultations, see the latest news and learn of future consultations
- register for the Planning Update (e-newsletter)



fife.devplan@fife.gov.uk



03451 55 11 22

Fife Development Plan Scheme - 2022 (Twelfth Edition)



Planning Services, Fife Council

Leven Railway Bridge Works – Capital Funding

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

Wards Affected: 21 & 22

Purpose

The purpose of this report is to seek approval for the assurance of additional funding of £1.904m to allow the Leven Railway Bridge (Bawbee Bridge) contract to be signed with Network Rail and the works to commence.

Recommendation(s)

It is recommended that the Cabinet Committee agree to approve additional funds of £1.904m, to be funded from the Council's Future Construction Inflation budget.

Resource Implications

The cost to undertake the bridgeworks is now estimated at £10.06m, which is an increase of £1.904m from the £8.157m previously agreed by Committee. The revised estimate of cost includes optimism bias and is assumed to be reasonable, however, given the unprecedented times in terms of inflation, there remains a risk of increases.

Legal & Risk Implications

The Leven Rail Link is programmed to be reinstated by March 2024. Consequently, the Council needs to deliver the bridge replacement works prior to this to avoid the excessive construction costs associated with delivering the works over a live rail line.

Fife Council requires to sign an Implementation Agreement with Network Rail to enable their contractor to construct the bridge on behalf of the Council. An assurance of funding is necessary to enable the agreement to be signed.

Impact Assessment

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.

Consultation

There has been consultation with the Investment Strategy Group, Financial Services, Community Services, Legal Services, Transport Scotland and Network Rail in developing this report.

1.0 Background

- 1.1 On 20th January, 2022, the Policy and Co-ordination Committee (2022 PC 106 para 341 refers) approved additional funding of £5.711m from the Council's Capital Contingencies budget to help fund the replacement of the Leven Railway Bridge. At that time, the cost estimate for the replacement, including Utility diversions, was £8.157m.
- 1.2 Since April 2022, the UK construction industry has experienced significant increases in costs because of global events and following COVID, including increases in costs for materials and personnel of circa 20% and 10%, respectively.
- 1.3 The existing bridges infrastructure budget is unable to cover the costs detailed in this report. A funding bid of £6.7m for the Leven Railway Bridge has been submitted to the UK Government's Levelling up Fund (LUF),

2.0 Issues and Options

- 2.1 Since January 2022, utility undertakers have amended their projected costs for diversionary works which has seen the estimate for works increase by £1.620m from £0.828m to £2.448m. With this significant increase and other smaller increases to allow for material and personnel costs, including the effects of COVID, the revised cost estimate for the Bridgeworks is now £10.060m (refer Appendix 1). This revised estimate retains an allowance for optimism bias for the construction works of 20% (£1.481m) and 10% (£0.107m) for client related functions. It is necessary to retain these levels of contingencies to allow for the uncertainties of the work and price fluctuations currently experienced in the construction industry.
- 2.2 The principal changes to cost are a result of increased utility and construction costs and reduced fees for Network Rail staff and active travel costs, as detailed below:

Public Utility cost	+£1.620m
Construction	+£0.462m
Optimism Bias	+£0.240m
Design, Topographic and GI surveys	+£0.100m
Network Rail Fees and active travel costs	-£0.458m
Land leasing saving	-£0.060m
Total increase	+£1.904m

- 2.3 The revised cost estimate and the previous estimate for the works are detailed in Appendix 1. The cost estimates have been developed in partnership with Network Rail and their designer/contractor.
- 2.4 It is noted that the collaborative working between the construction parties within the project has helped to mitigate the increase in construction costs to 10%, which is below the current increases seen throughout the UK construction industry.

3.0 Conclusions

- 3.1 The Leven Rail Link and associated programmes will bring over £130m of investment to the Levenmouth area which is a key regeneration focus for the Council.

- 3.2 The level of construction works required to replace the Leven Rail Bridge is broadly in line with original estimate detailed in the Policy and Co-ordination Committee on 20th January, 2022. However, the extent and cost of utility diversions necessary to allow the works to be undertaken is now significantly more extensive and the principal reason for the projected cost estimate at £10.060m.
- 3.3 There is a need to confirm availability of additional funding of £1.904m to allow Fife Council to sign the Implementation Agreement with Network Rail, to allow their contractor to advance the works prior to the opening of the new rail line.

List of Appendices

Appendix 1 – Comparison of Costs Dec '21 and Sept '22.

Background Papers

Agenda item 6 of Policy and Co-ordination Committee 20th January, 2022

Report Contact(s)

Ross Speirs
Service Manager (Structural Services)
Bankhead Central
Tel: 03451 555555 Ext 444390
Email – ross.speirs@fife.gov.uk

APPENDIX 1

FIFE COUNCIL ROADS AND TRANSPORTATION SERVICES STRUCTURAL SERVICES ESTIMATE OF COST OF PROJECT			Estimate Type		
			Preliminary Pre-Tender	Post-Tender X	
PROJECT: Leven Railway Bridge					
FILE REF. NO:		Dec-21	Oct-22		
OTHER	Preliminaries				
	Roadworks	New Roadworks	£365,785.00		£374,109.00
	General				
				£365,785.00	£374,109.00
	Structures	New Structure	£1,987,616.00		£2,263,342.00
				£1,987,616.00	£2,263,342.00
	Accommodation Works				
		Public Utility costs		£828,172.00	£2,448,206.00
		Temporary Road accommodation works		£729,000.00	£795,332.00
		Temporary Road		£561,792.00	£712,141.00
		Temporary roadbridge		£600,000.00	£502,000.00
		Temporary Roadbridge foundations		£250,000.00	£309,107.00
		Sub Total		£5,322,365.00	£7,404,237.00
		Contingencies		£1,348,258.00	£1,480,847.00
		TOTAL CONTRACT WORKS		£6,670,623.00	£8,885,084.00
		Land	100,000.00		£40,000.00
	Ground Investigation	406,000.00		£456,000.00	
	Topographical Survey etc (incl in NR fee)	0.00		£50,000.00	
	Fife Council Staff Costs	179,415.00		£179,416.00	
	Supervision Fee (Network Rail)	500,000.00		£342,573.00	
	Active travel cost est on temp road	300,000.00		£0.00	
	Contingencies			£106,800.00	
	TOTAL OTHER COSTS		£1,485,415.00	£1,174,789.00	
	TOTAL COST OF PROJECT		£8,156,038.00	£10,059,873.00	
Compiled :		M Anderson/R Speirs			
Checked:		M Anderson/R Speirs			
Service Manager:		R Speirs			
			Date :	October 2022	

17th November, 2022.

Agenda Item No. 10

Climate Change – Public Bodies Duties Report

Report by: Pam Ewen, Head of Planning

Wards Affected: All

Purpose

This report presents Fife Council's annual submission of Fife Council's 'Public Bodies (Climate Change) Duties Report' for financial year 2021-22, for approval.

Recommendation(s)

The Committee is asked to:

- (1) approve the draft Public Bodies Duties Report (Appendix 1) and instruct officers to submit to the Scottish Government by 30th November 2022;
- (2) note new reporting requirement to advise how we will align spending plans and use of resources to contribute to reducing carbon emissions. (Section 3d); and
- (3) note the availability of "Climate Knowhow" training for members.

Resource Implications

Other than the officer time involved in collating the information to include in Fife Council's annual Public Bodies Duties Report return, there are no resource implications relating to compilation of this paper. However, there are significant future financial pressures related to tackling climate change. As policy and targets (see 1.1.1) are set by Scottish Government, changes to Building Regulations, climate adaptation requirements and more, along with shortening of delivery deadlines to respond to the Climate Emergency, there will be significant additional financial pressures to the Council. Recent Audit requirements will also lead to additional climate actions being assigned indicative costs by March 2023, recommendations for the Capital Plan and budgets should be sufficiently and appropriately allocated to those responsible for implementing climate change actions by March 2024 (see 2.8 and appendix 2). Officers are progressing work to cost climate change actions.

Legal & Risk Implications

Any legal and risk implications have been fully considered as part of the reporting process. As of 2016, Public Bodies Duties Reporting is mandatory for all listed bodies in terms of the Climate Change (Scotland) Act, 2009. All Local Authorities are deemed to be listed bodies.

Impact Assessment

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

An assessment using the Fife Environmental Assessment Tool (FEAT) is not required as it is not a recommended change to policy.

Consultation

Consultation with Fife Council officers across directorates has been undertaken to allow an accurate and complete picture of the Council's performance in cutting carbon emissions and adapting its assets, services and Fife itself, to the physical impacts of climate change.

Sign off has been agreed with:

- Head of Property Service
- Head of Planning
- Head of Environment and Building Services
- Head of Roads & Transportation Services
- Head of Communities and Neighbourhoods
- Head of Finance
- Head of Legal and Democratic Services
- Head of Revenue & Commercial Services
- Chief Executive Officer, Fife Coast & Countryside Trust
- Executive Director, Enterprise and Environment

1.0 Background

- 1.1 Part 4 of the Climate Change (Scotland) Act 2009, referred to as the 'Public Bodies Duties' sets out the Scottish Government's duties on how the public sector should take action on climate change. The Act was updated in 2014 to require annual mandatory reporting. Mandatory targets were amended by the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, and Fife Council has a duty to continue to demonstrate progress to meeting the emissions targets for 2030 (at least 75% lower than the baseline), 2040 (at least 90% lower than the baseline) and net zero carbon by 2045.
 - 1.1.1 The Bute House Agreement (2021) and Heat in Buildings Strategy (October 2021) propose public sector buildings should achieve net zero carbon emissions by 2038. As these and other changes are made by Scottish Government to the scale of public sector building standards, changes to Building Regulations and other future requirements, this will result in additional financial pressure to the Council.
- 1.2 Fife Council is required to submit an annual report to the Scottish Government detailing its compliance with climate change duties, including its carbon footprint and the progress made in cutting emissions (mitigation) and adapting Fife, services and assets to the physical impacts of climate change (adaptation). This includes an opportunity to showcase where Fife Council are making use of procurement to mitigate and adapt to climate change. A voluntary section on wider Fife emissions asks reporting bodies to detail how they are working with the community to tackle climate change in their wider geographic area.
- 1.3 The Public Bodies Duties report has been submitted to this committee in this format since 2014. It is a snapshot of the Council's performance for the previous financial year.
- 1.4 Scotland Sustainable Network is the current secretariat for these reports, they publish annual guidance, review reporting and host previous reports.

Changes in reporting for 2021/22 and future

- 1.5 From this year, public bodies are required to provide details within the report on “how the body will align its spending plans and use of resources to contribute to reducing emissions and delivering its emissions reduction targets”. In addition, there is a duty to outline: “how the body will publish, or otherwise make available, its progress towards achieving a zero emissions target”. These sections have been completed by the Head of Finance and the Investment Strategy Group using the guidance provided, with details in sections 3da and 3db of the report (Appendix 1).

2.0 Issues and Options

Key Successes

- 2.1 In 2021/22, the revision of the Plan 4 Fife added “Addressing the Climate Emergency” as one of the 4 key objectives to be progressed in Fife. This was followed by establishment of the Addressing the Climate Emergency Board, comprising Heads of Service and Senior Managers, providing an overview and troubleshooting delivery of priorities from Climate Fife to ensure delivery of the Plan 4 Fife.

The Addressing the Climate Emergency priority for the Plan for Fife aims to reduce the impact of the climate emergency by addressing five main areas of activity for which business cases will be brought forward where investment is required:

1. Climate Ready Buildings (reduce carbon emissions)
2. Climate Resilient Communities (greater resilience to impacts of climate change)
3. Climate Action Communities (increase community capacity to tackle climate change)
4. Maximise Environmental Capital (link to community wealth building, including nature’s wealth)
5. Implement Climate Fife priorities (partnership and strategic progress)

- 2.2 The Action Plan recognises a key element to future success is training and capacity building, both to ensure maximum action on carbon emissions is being taken and resilience to the effects of climate change is grown. ‘Climate Knowhow’ Training has been developed to do that and it has already been delivered to some elected members. This training will continue until March 2023.

- 2.3 There was a reduction in emissions from business mileage and electricity emissions in Fife Council vehicles in 2021/22. This reduction could be linked to changes in work patterns with only necessary site visits taking place across services. There has been a global supply problem with vehicles which has impacted the Council’s availability of new pool cars. There may be an increase in mileage emissions in future reporting years as Covid recovery continues.

- 2.4 The Council recognises the need for action around Adaptation and Climate Change and, as a result, there has been a range of actions and training taken place to enhance Fife’s ability to adapt to climate change. Fife Council’s corporate risk register covers the risks of climate adaptation, which are further progressed through for example, Shoreline Management Plan, Flood Risk Management Strategy, Local Flood Risk Management Plans and more as detailed in Part 4 of Appendix 1.

2.4.1 The actions to deliver against the duty to adapt to the unavoidable impacts of climate change include building awareness of the need to adapt and building capacity to take action via Fife Council's partnership in Climate Action Fife (a National Lottery funded partnership project) and delivery of Climate Literacy (see 2.2).

Areas for Improvement

2.5 This reporting year saw a return to a new 'business as usual' following the previous closures and service limitations in response to the Covid pandemic. As a result, offices and Council owned buildings reopened in 2021/22 and various other activities were restarted increasing both Carbon Footprint and actions to deliver climate adaptation. Although Fife Council has adopted new ways of working to allow staff to opt into a hybrid work style, the increase in staff returning to office buildings and operational activities has increased emissions from building energy and staff mileage.

2.5.1 From 2020/21 to 2021/22, Fife Council's carbon footprint increased by 9.47%. This was from increases observed across electricity consumption for buildings and infrastructure (streetlighting, road signage etc), a range of fuels for heating buildings, Council's own waste and water. The increase in electricity consumption linked to infrastructure is likely due to new housing areas being adopted and improved lighting placements in the column replacement project. When additional streetlighting infrastructure and roads are adopted, it adds to the Council's emissions and costs, with no additional budget assigned for the maintenance and operation of these. Similarly, when cycle/ walkways are adopted to facilitate active travel without budget for maintenance and operation, revenue pressures increase. This all indicates that there are opportunities for Fife Council to integrate more low carbon solutions into the recovery from the impacts of the Covid pandemic. Figure 1 illustrates the breakdown of the five largest contributors to the Footprint in 2021/22, other emission sources not summarised in this figure accounted for 14.6% of the total footprint.

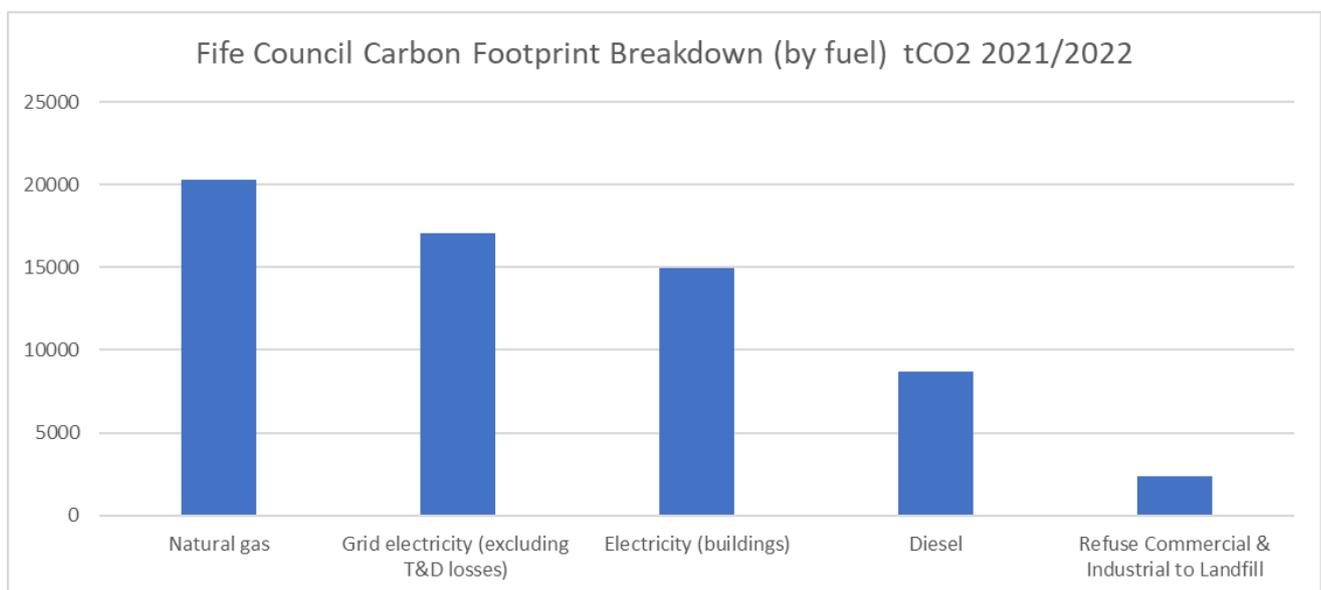


Figure 1 – Bar chart that illustrates the five largest contributing factors that makeup Fife Councils carbon footprint.

2.5.2 Natural gas consumption has increased by 15% this reporting year, this rise is due to several factors, for example, in schools it is still required to keep windows open to allow ventilation in classrooms as a result more energy in the form of natural gas is needed to heat these buildings and hence the sudden rise.

2.5.3 Fife Council have a proposed programme of works to meet the target of cutting 68% off 2020 carbon levels for non-domestic public buildings and are working through business cases to determine investment to enable that. Further work is required to identify similar levels of carbon savings and investments beyond 2030 to achieve net zero for non-domestic buildings in line with Bute House and Heat in Building Strategy proposals.

- 2.5.4 Carbon emissions for waste, water and homeworking figures were added to the Footprint in the previous year 2020/21 report. These emissions account for 6% of the Council's footprint and were obviously impacted by the closures and restricted use of spaces in response to Covid.
- 2.5.5 Water treatment and supply carbon emissions have both increased by 12% from the previous year, again, anticipated due to an increase in demand with staff and public returning to council buildings.
- 2.5.6 Trend analysis between waste and water datasets cannot yet be made as the data has only been recorded for this and the previous reporting years.
- 2.6 The reduction of the Council's footprint (67% since 1990) has been largely driven by the reduction in emissions associated with National Grid electricity. The carbon footprint over time and by fuel type is illustrated in Figure 2. These changes are likely to result from two factors:
- Electricity consumption from our estate has decreased by 24% between 2014 and 2022, resulting from both energy efficiency measures and reduction of estate.
 - The National Grid for electricity has been gradually decarbonised, with its grid emission factor decreasing by 57% in the same period.

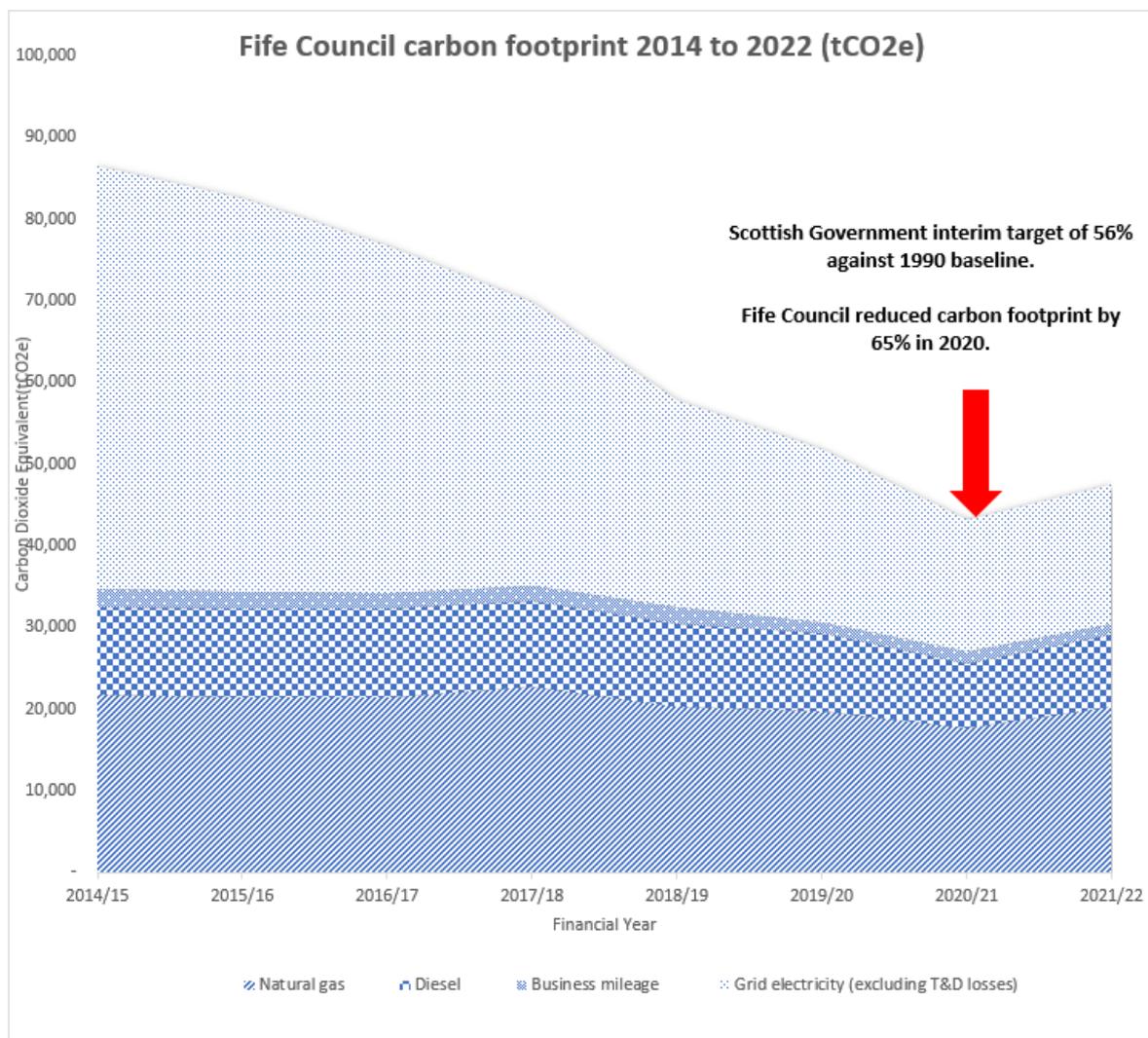


Figure 2 – Graph highlighting the trends in the largest contributors to Fife Council's Footprint.

- 2.7 Fife Council's carbon footprint remains on track to achieve Scottish Government's target for 2030 of a reduction of least 75% lower than the baseline year.
- 2.8 An Internal Audit has been undertaken to assess Fife Council's commitment to tackling climate change and achieving net zero emissions of all greenhouse gases by 2045, in line with Scottish Government targets as set out in the Climate Change (Emissions Reductions Targets) (Scotland) 2019 Act. A separate report was considered and noted by 31 Oct Standards, Audit and Risk Committee. The audit report made the following recommendations which were agreed by the Audit and Risk Committee and will add to current financial pressures:
- 2.8.1 The Council should carry out the overdue Risk and Vulnerability Assessment immediately. Implementation by 14th March 2023.
- 2.8.2 All actions in the Addressing the Climate Emergency Action Plan should be clearly defined, with clear timescales and outputs and an assigned lead. Implementation by 30th November 2022.
- 2.8.3 The Council should ensure all climate change actions are properly costed. Implementation by 14th March 2023.
- 2.8.4 Budgets should be sufficiently and appropriately allocated to those responsible for implementing climate change actions. Implementation by 31 March 2024.

Future Challenges

- 2.9 Mandatory targets were amended as in 1.1 above, aiming for net zero carbon by 2045. Although the Council's carbon footprint has increased by 9% from 2020/21 to 54,358 in 2021/22, this still shows a reduction of carbon emissions by 61% from the baseline year of 1990. Fife Council now requires to reduce emissions by a further 14% against the 1990 baseline by 2030 to maintain emissions reduction in line with Scottish targets.
- 2.10 The Local Heat and Energy Efficiency Strategy (LHEES) is an additional duty that Scottish Government prepared throughout 2021/22. By the end of December 2023, Fife Council has to prepare and publish a strategy and a 5 year delivery plan, covering all building energy in Fife. That is all public, domestic, industrial and commercial building energy, not just energy consumed by Fife Council. This new LHEES duty is also accompanied by reporting requirements. Preparation for this additional duty is underway.
- 2.11 The energy crises is now being experienced by households, businesses and organisations throughout Fife and beyond. This brings to the fore the need to reduce demand for energy, as the important first step in reducing carbon emissions. Services throughout Fife Council are now working to tackle this to support Council Services, households and businesses to manage their energy bills.

3.0 Conclusions

- 3.1 During 2021/22, the Council began to recover from the Covid pandemic, reopening services and buildings that in the previous reporting year had either not been operating or had been operationally restricted. Consequently, data collected for the 2021/2022 Public Bodies Duties Report highlights an increase in almost all components that make up the Council's Footprint. However, due to the pandemic, 2020/21 was not an average year and indicators on the Council's progress on climate change cannot be assessed by exclusively comparing last year's data against this year's data.

TABLE OF CONTENTS

Required

PART 1: Profile of Reporting Body

PART 2: Governance, Management and Strategy

PART 3: Corporate Emissions, Targets and Project Data

PART 4: Adaptation

PART 5: Procurement

PART 6: Validation and Declaration

Recommended Reporting: Reporting on Wider Influence

PART 1: Profile of Reporting Body**1(a) Name of reporting body**

Fife Council

1(b) Type of body

Local Government

1(c) Highest number of full-time equivalent staff in the body during the report year

15,297

1(d) Metrics used by the body

Specify the metrics that the body uses to assess its performance in relation to climate change and sustainability

Metric	Units	Value	Comments
Floor area	m2	75.99	Units are kWh per m2. We monitor electricity consumption in kWh per m2 of GIA.
Floor area	m2	126.25	Units are kWh per m2. We monitor oil consumption (burning oil / kerosene) in kWh per m2 of GIA.
Floor area		107.56	Units are kWh per m2. We monitor the consumption of green electricity via Fife Council generation, in kWh per m2 of GIA.
Floor area	m2	35.59	Units are kg CO2 per m2. We monitor our overall carbon intensity in kg CO2 per m2 of GIA.
Other (please specify in comments)		122.07	Rates per sqm are calculated against assets where there are both a GIA value and energy consumption for the utility, i.e. the GIA of assets that have no Gas consumption are not included in the calculation of the rate per sqm.

1(e) Overall budget of the body

Specify approximate £/annum for the report year

Budget	Budget comments
£927,879,000	

1(f) Report type

Specify the report year type

Report type	Report year comments
Financial	2021-2022

1(g) Context

Provide a summary of the body's nature and functions that are relevant to climate change reporting

As a Local Authority we are considered to be a major player under the Climate Change Act's public duties reporting requirements. As a major player we feel that it is important to offer leadership within our wider region. While the Council's direct footprint only represents 3% of Fife's total carbon footprint, through our policies, projects and service delivery we have an influence over upwards of 33% of Fife's total carbon footprint. Our influence on Fife-wide emissions can be direct or indirect. After the NHS, the Council is the largest employer in the region. We are a major landowner in Fife. We also operate a large property portfolio within Fife which comprises thousands of properties from leisure centres, offices, schools, landfill sites, and care homes to social housing units. We also set planning policy and make strategic decisions about where and how Fife should be developed in the future. These decisions will shape Fife's future resilience to the projected impacts of climate change and our future emissions trajectory. As a Local Authority in an area with an expanding population Fife Council provides a wide range of services that are relevant to climate change reporting. Some of the ways that the Council influences emissions and adaptive capacity include:

- The development of strategic transport policy;
- Roads design and maintenance works;
- Operation and maintenance of street lighting;
- Our decisions about where to site assets and how we build, operate and maintain them (such as schools and leisure centres) and how these will be linked to the transport network, powered, landscaped;
- Development of low carbon transport networks such as electric and hydrogen vehicles;
- Development of active travel networks to encourage walking and cycling;
- Council subsidy of commercial passenger transport (i.e. bus routes);
- Council provision of accessible transport for vulnerable residents (Fifebus);
- Contracting bus and taxi transportation for school children;
- Our procurement of low carbon transport technologies (EV's, hybrid EV's and hydrogen / diesel hybrids) for Council and community use;
- Supporting fuel efficient driving schemes both within the Council fleet and with fleet operators across Fife (ECOSTars scheme);
- How and where we place residents who are seeking social housing (i.e. close to family and their place of work);
- How Council staff work (improved services to work from home during COVID);
- The development of planning policy and planning guidance;
- Granting planning permission;
- Building standards inspections;
- Decisions about the Council's affordable housing programme;
- Providing discounted insulation and other energy efficiency measures to private and social housing residents;
- Working with local businesses to share best practice in terms of emissions reductions. Fife Council influences emissions from land use and land use change in a number of ways too, including:
- Waste management and waste disposal options;
- Management of our own significant land-holdings;
- Expanding our use of biofuel powered heating systems;
- Flood risk management and coastal protection;
- Encouraging biodiversity, reforestation and natural flood management by the use of blue –green infrastructure;
- Using regeneration to achieve sustainability and climate change objectives;
- Building local networks (e.g. Fife Environmental Partnership) to share environmental best practice and partnership solutions; and
- Working with local landowners to share best practice in terms of emissions reduction and using the land to enhance adaptive capacity. The list above is not exhaustive but illustrates the sheer depth and breadth of services provided by the Council and some of the ways that we can influence climate change mitigation and adaptation in Fife.

PART 2: Governance, Management and Strategy**2(a) How is climate change governed in the body?**

Provide a summary of the roles performed by the body's governance bodies and members in relation to climate change. If any of the body's activities in relation to climate change sit outside its own governance arrangements (in relation to, for example, land use, adaptation, transport, business travel, waste, information and communication technology, procurement or behaviour change), identify these activities and the governance arrangements. Provide a diagram / chart to outline the governance structure within the body.

Policy and strategy regarding climate change are agreed by Committee. During the reporting year this includes the Environment & Protective Services Sub-Committee which approves climate strategy and scrutinises and approves the Public Bodies Climate Change Duties Report. Other committees with a role in climate change include the 'Economy, Tourism, Transportation & Strategic Planning Committee' for climate change regarding transportation, economic development, strategic planning and other matters. Planning Committees scrutinise planning and related applications, and Local Area Committees approve implementation of projects at a local level. For the forthcoming review of the Local Development Plan, Fife Council will consider approval of key stages of the Plan.

Fife Council also operates within the Fife Partnership (the Community Planning partnership which includes wider public sector organisations). They produce Fife's Local Outcome Improvement Plan / Community Plan called 'A Plan for Fife' (<https://our.fife.scot/plan4fife/plan-for-fife-2021-24>), with cross-partner environmental strategy and action undertaken by the Fife Environmental Partnership (FEP). FEP's role within The Plan for Fife is to develop and deliver environmental projects. FEP monitors implementation of Fife's strategy "Climate Fife" and annual reporting is undertaken to the Fife Partnership on progress.

The Addressing the Climate Emergency Board reports to the Fife Partnership Board and Recovery and Renewal Leadership Group. Membership includes Executive Director, E&E, (Lead); Head of Planning, Head of Finance, Director of Property and Management (NHS), Chair of Fife Environmental Partnership, Head of Customer Service & Support Zero Waste Scotland.

2(b) How is climate change action managed and embedded in the body?

Provide a summary of how decision-making in relation to climate change action by the body is managed and how responsibility is allocated to the body's senior staff, departmental heads etc. If any such decision-making sits outside the body's own governance arrangements (in relation to, for example, land use, adaptation, transport, business travel, waste, information and communication technology, procurement or behaviour change), identify how this is managed and how responsibility is allocated outside the body. Provide a diagram to show how responsibility is allocated to the body's senior staff, departmental heads etc.

Climate change strategy is implemented and managed through the Addressing the Climate Emergency Board. With overall decision making in relation to climate change and delivery of services conducted by the Council Executive Team (CET). CET is the most senior management body in the council, made up of the Chief Executive and the five Executive Directors. Duties and responsibilities are cascaded through directorate and service management teams.

2(c) Does the body have specific climate change mitigation and adaptation objectives in its corporate plan or similar document?

Provide a brief summary of objectives if they exist.

Wording of objective	Name of document	Document link
Reducing the impact of the climate emergency	Plan4Fife	https://our.fife.scot/plan4fife/plan-for-fife-2021-24
Greater resilience to climate change	Plan4Fife	https://our.fife.scot/plan4fife/plan-for-fife-2021-24
Increased community capacity to tackle climate change	Plan4Fife	https://our.fife.scot/plan4fife/plan-for-fife-2021-24
Reduced carbon emissions	Plan4Fife	https://our.fife.scot/plan4fife/plan-for-fife-2021-24

2(d) Does the body have a climate change plan or strategy?

If yes, provide the name of any such document and details of where a copy of the document may be obtained or accessed.

Climate Fife - https://www.fife.gov.uk/_data/assets/pdf_file/0028/219970/Climate-Fife-Sustainable-Energy-and-Climate-Action-Plan-2020-2030.pdf

2(e) Does the body have any plans or strategies covering the following areas that include climate change?

Provide the name of any such document and the timeframe covered.

Topic Area	Name of document	Link	Time period covered	Comments
Adaptation	Climate Change Adaptation Framework, 2010	Internally hosted, available on request	2010-2060	This Climate Change Adaptation Framework assesses the likely impacts that Climate Change is going to have on Fife Council and it's Community Planning Partners
Business travel	Fife Council Travel Plan	Internally hosted, available on request	2000, but updated regularly as the Council's asset portfolio changes	
Staff travel	Fife Council Travel Plan	Internally hosted, available on request	2000, but updated regularly as the Council's asset portfolio changes	
Energy efficiency	Fife Council's Carbon Management Plan	available on request, not a public document	2017-2050	Internal Targets in line with Net Zero by 2045
Fleet transport	Electric Vehicle and Charging Point Policy	Available on request, not public document.		Fleet Services continued investment in Electric Vehicles, there is no longer a Service Plan and the replacement is a Savings Plan.
ICT	Building a "Digitally Savvy" Council: Fife Council's ICT & Digital Strategy, 2016	Internally hosted, available on request	2016-2019	Rolled over into COVID year and under review as come out of pandemic.
Renewable energy	Fife Council's Carbon Management Plan	Available on request, not public document.	2017-2050	Internal Targets
Sustainable/renewable heat	Fife Council's Carbon Management Plan	Available on request, not public document.	2017-2050	Internal Targets
Waste management	Zero Waste Fife	https://www.fife.gov.uk/kb/docs/articles/bins-and-recycling/resources-strategy-and-action-plan	2018-2028	Strategy & top level action plan
Water and sewerage	No formal strategy			
Land use	The Fife Forestry and Woodland Strategy, 2013	http://publications.fifedirect.org.uk/c64_FifeForestryWoodlandStrategy2013.pdf	2013 - ongoing	Fife's trees, forests and woodlands provide a wide range of benefits for the local economy, communities and environment. They are important to the character and biodiversity of the region and to quality of life. They can also assist climate regulation, filtering of pollution, flood prevention and carbon sequestration. This document provides a coordinated plan for delivering the Scottish Government's objective of 10,000 hectares of new woodland per year for ten years. The Fife Forestry and Woodland Strategy guides the future expansion and restructuring of woodlands in Fife to maximise these benefits. It will also inform future woodland management and planting proposals. Still active.

Other (please specify in comments)	Fife Procurement Strategy	This document is not currently hosted online in the public domain. We are happy to send SSN a copy of this document.	2011-2020	Our Procurement strategy describes the policies which support how the Council procures goods and services and the underlying principles which govern procurement decisions.
Land use	Fife Local Biodiversity Action Plan (LBAP), 2013	https://www.fife.gov.uk/__data/assets/pdf_file/0/024/191175/FifeLBAP_4thEd.pdf	2013-2018	Rolling document, still active. Working closely with Fife Coast and Countryside Trust (FCCT) to deliver conservation and biodiversity initiatives.
Adaptation	Shoreline Management Plan	https://www.fife.gov.uk/__data/assets/pdf_file/0/020/270461/Fife-SMP-2011-Summary2.pdf		
Adaptation	Flood Management Strategy	LPD_07_Full.pdf https://www2.sepa.org.uk/frmstrategies/pdf/lpd/LPD_09_Full.pdf https://www2.sepa.org.uk/frmstrategies/pdf/lpd/LPD_10_Full.pdf	various	Districts 7, 8, 9 and 10 hosted by SEPA
Adaptation	Local Flood District Plans	nd_montrose_basin_local_flood_risk_management_plan https://www.pkc.gov.uk/media/36487/Tay-Local-Flood-Risk-Management-Plan/pdf/Tay_LFRM_Plan_FINAL_Updated_links.pdf?m=636729546384470000 https://stirling.gov.uk/media/7286/floodriskmanagementplan.pdf https://www.edinburgh.gov.uk/downloads/file/22751/local-flood-risk-management-plan	various	Local Plan District 7, 8, 9 and 10 hosted by other LA's
Other (please specify in comments)	SEStran Regional Transport Strategy	https://sestran.gov.uk/publications-category/strategy/		Transportation
Other (please specify in comments)	SEStran Freight Transport Strategy	https://sestran.gov.uk/publications-category/strategy-freight/		Transportation
Energy efficiency	Lighting Column Replacement Programme	Internally hosted, available on request	2013-2020	Energy efficient lighting replacement- Light Fife Green
Adaptation	Bridge strengthening programme	Internally hosted, available on request		Strengthening required due to the effects of climate change
Other (please specify in comments)	Local Transport Strategy	Internally hosted, available on request	2006 - 2026	This Local Transport Strategy 2006 (LTS) sets the 5 year short term programme, 10 year medium term plan and longer term 20 year vision and objectives for transport delivery in Fife.
Other (please specify in comments)	Fife Wide Parking Strategy	Internally hosted, available on request		Transportation
Other (please specify in comments)	Fife Road Safety Action Plan	Internally hosted, available on request		Transportation
Other (please specify in comments)	School Travel Plans	Internally hosted, available on request		Transportation
Adaptation	Fife Safeguarding of Infrastructure Programme (Roads & Bridges)	Internally hosted, available on request		Transportation
Other (please specify in comments)	Roads Maintenance Policies and Standards	Internally hosted, available on request		Transportation
Other (please specify in comments)	Fife Local Development Plan	https://fife-consult.objective.co.uk/portal/fife_ldp/fifeplan_-_adopted_plan_13/adopted_fifeplan	2017-2027	Relates mainly to Land Use, but also Renewable Energy, Sustainable/Renewable Heat, Energy Efficiency topic areas

Other (please specify in comments)	Low Carbon Supplementary Guidance	https://www.fife.gov.uk/kb/docs/articles/planning-and-building2/planning/development-plan-and-planning-guidance/planning-guidance	2017-2027	Relates to Renewable Energy, Sustainable/Renewable Heat, Energy Efficiency topic areas
Other (please specify in comments)	Making Fife's Places Supplementary Guidance	https://www.fife.gov.uk/kb/docs/articles/planning-and-building2/planning/development-plan-and-planning-guidance/planning-guidance	2017-2027	Relates mainly to Land Use, but also Adaptation and Energy Efficiency topic areas

2(f) What are the body's top 5 priorities for climate change governance, management and strategy for the year ahead?

Provide a brief summary of the body's areas and activities of focus for the year ahead.

Continue the Addressing Climate Emergency Board

Deliver the objectives in the Plan 4 Fife.

Integrate Climate into wider strategies including Procurement, Local Development Plan and Local Transport Strategy

Deliver council climate comms plan including internal climate literacy training across partnership (with Planning Service to become Gold level accredited by the carbon literacy project).

Review, update approach to Adaptation including the Risk & Vulnerability Assessment as part of the Climate Fife and Edinburgh and South East Scotland Regional approach

2(g) Has the body used the Climate Change Assessment Tool(a) or equivalent tool to self-assess its capability / performance?

If yes, please provide details of the key findings and resultant action taken.

(a) This refers to the tool developed by Resource Efficient Scotland for self-assessing an organisation's capability / performance in relation to climate change.

Not within the 2021/22 year but there is potential to explore this in the next financial year given appropriate resources are available.

2(h) Supporting information and best practice

Provide any other relevant supporting information and any examples of best practice by the body in relation to governance, management and strategy.

PART 3: Corporate Emissions, Targets and Project Data

3(a) Emissions from start of the year which the body uses as a baseline (for its carbon footprint) to the end of the report year

Complete the following table using the greenhouse gas emissions total for the body calculated on the same basis as for its annual carbon footprint / management reporting or, where applicable, its sustainability reporting. Include greenhouse gas emissions from the body's estate and operations (a) (measured and reported in accordance with Scopes 1 & 2 and, to the extent applicable, selected Scope 3 of the Greenhouse Gas Protocol (b). If data is not available for any year from the start of the baseline year to the end of the report year, provide an explanation in the comments column.

(a) No information is required on the effect of the body on emissions which are not from its estate and operations.

(b) This refers to "The greenhouse gas protocol. A corporate accounting and reporting standard (revised edition)", World Business Council for Sustainable Development, Geneva, Switzerland / World Resources Institute, Washington DC, USA (2004), ISBN: 1-56973-568-9.

Reference Year	Year	Year type	Scope 1	Scope 2	Scope 3	Total	Units	Comments
Baseline Year	2011/2012	Financial			95,803	95,803	tCO2e	Used as baseline year because this was the first year we reported using the WRI 3 scopes methodology (but no record of 3 scopes)
Year 1 carbon footprint	2012/2013	Financial			92,124	92,124	tCO2e	(no record of 3 scopes)
Year 2 carbon footprint	2013/2014	Financial			91,813	91,813	tCO2e	(no record of 3 scopes)
Year 3 carbon footprint	2014/2015	Financial			93,431	93,431	tCO2e	This figure is a revision as an error was discovered in our fleet fuel consumption figures (the feeder data used for capturing fuel consumption uses a slightly different date range to the reporting year).
Year 4 carbon footprint	2015/2016	Financial	34,588	48,270	6,003	88,861	tCO2e	Full audit of carbon footprint data undertaken.
Year 5 carbon footprint	2016/2017	Financial	34,882	42,497	5,753	83,133	tCO2e	Calculated in line with the lessons learned from previous audits of the footprint (in 15-16 and 16-17).
Year 6 carbon footprint	2017/2018	Financial	36,069	34,619	5,125	75,814	tCO2e	Calculated in line with lessons learned from previous submissions and Fife Council footprint policy.
Year 7 carbon footprint	2018/2019	Financial	32,733	25,489	4,103	62,325	tCO2e	
Year 8 carbon footprint	2019/2020	Financial	31,359	21,236	2,990	55,585	tCO2e	
Year 9 carbon footprint	2020/2021	Financial	27,367	16,089	6,200	49,655	tCO2e	
Year 10 carbon footprint	2021/2022	Financial	30,954	17,035	6,369	54,358	tCO2e	
Year 11 carbon footprint	0	Financial					tCO2e	
Year 12 carbon footprint	0	Financial					tCO2e	
Year 13 carbon footprint	0	Financial					tCO2e	
Year 14 carbon footprint	0	Financial					tCO2e	
Year 15 carbon footprint	0	Financial					tCO2e	

3(b) Breakdown of emission sources

Complete the following table with the breakdown of emission sources from the body's most recent carbon footprint (greenhouse gas inventory); this should correspond to the last entry in the table in 3(a) above. Use the 'Comments' column to explain what is included within each category of emission source entered in the first column. If there is no data consumption available for an emission source enter the emissions in kgCO2e in the 'Consumption' column of one of the "Other" rows and assign the scope and an emission factor of 1.

(a) Emissions factors are published annually by the UK Department for Business, Energy & Industrial Strategy

Emission Factor Year The emission factor year is auto-assigned based on your answer to Q1f, if it is incorrect please contact SSN.

You can now filter emission sources by "type" in column C to enable quicker selection of emission source in column D.

User defined emission sources can be entered below remote/homeworking emissions - rows 101 to 129. If you require extra rows in the table please send the template to ccreporting@ed.ac.uk.

Emission	Emission source	Scope	Consumption data	Units	Emission factor	Units	Emissions (tCO2e)	Comments
Electricity	Grid Electricity (generation)	Scope 2	80,228,984	kWh	0.21233	kg CO2e/kWh	17,035.00	FC owned non-domestic buildings including inhabited by Trusts plus Infrastructure and EV charging points
Electricity	Grid Electricity (transmission & distribution losses)	Scope 3	80,228,984	kWh	0.01879	kg CO2e/kWh	1,507.50	FC owned non-domestic buildings including inhabited by Trusts plus Infrastructure and EV charging points
Fuels	Natural Gas	Scope 1	111,033,063	kWh	0.18316	kg CO2e/kWh	20,336.80	FC owned non-domestic buildings including inhabited by Trusts
Fuels	Gas Oil kWh	Scope 1	780,669	kWh	0.25679	kg CO2e/kWh	200.5	FC owned non-domestic buildings including inhabited by Trusts
Fuels	Burning Oil (Kerosene) kWh	Scope 1	41,097	kWh	0.24677	kg CO2e/kWh	10.1	FC owned non-domestic buildings including inhabited by Trusts
Renewables	Renewable Heat Purchase Direct Supply	Scope 2	111,854,829	kWh	0.000000	kg CO2e/kWh		RWE biomass plant supply to Glenrothes district heat network
Fuels	LPG kWh	Scope 1	237,823	kWh	0.21449	kg CO2e/kWh	51.00	FC owned non-domestic buildings including inhabited by Trusts
Biofuels	Biomass (Wood Chips) kWh	Scope 3	11,915,691	kWh	0.01513	kg CO2e/kWh	180.3	FC owned non-domestic buildings including inhabited by Trusts. Plus Dunfermline District Heat and Anaerobic Digester
Water	Water - Treatment	Scope 3	593,142	m3	0.23000	kg CO2e/m3	136.4	*Incomplete* FC owned non-domestic buildings including inhabited by Trusts that are on our monitoring system

Water	Water - Supply	Scope 3	593,142	m3	0.11000	kg CO2e/m3	65.2	*Incomplete* FC owned non-domestic buildings including inhabited by Trusts that are on our monitoring system
Fuels	Gas Oil litre	Scope 1	547,202	Litres	2.75857	kg CO2e/litre	1,509.50	Fleet use and AD back up boiler
Fuels	Diesel (average biofuel blend)	Scope 1	3,470,316	Litres	2.51233	kg CO2e/litre	8,718.60	Fleet use and plant at the resource recovery sites
Fuels	Petrol (average biofuel blend)	Scope 1	57,990	Litres	2.19352	kg CO2e/litre	127.2	Fleet and tools
Transport	Average car - Unknown fuel	Scope 3	8,517,603	km	0.17148	kg CO2e/km	1,460.60	FC staff business mileage obtained from mileage expense claims, do not log the vehicle fuel used
Waste	Refuse commercial & Industrial to landfill	Scope 3	5,001.903	Tonnes	467.04580	kg CO2e/tonne	2,336.10	Average weight per uplift applied
Waste	Organic Food and Drink AD	Scope 3	1,547.189	Tonnes	8.95070	kg CO2e/tonne	13.8	Average weight per uplift applied
Waste	Organic Garden Waste Composting	Scope 3	40.222	Tonnes	8.95070	kg CO2e/tonne	0.4	Average weight per uplift applied
Waste	Mixed recycling	Scope 3	1,083.232	Tonnes	21.29357	kg CO2e/tonne	23.1	Average weight per uplift applied
Waste	Glass recycling	Scope 3	161.298	Tonnes	21.29357	kg CO2e/tonne	3.4	Average weight per uplift applied
	Hybrid/Homeworking emissions	Scope 3	14%	of total FTEs	0.30000	tCO2e/FTE/annum	642.5	estimate

3(c) Generation, consumption and export of renewable energy

Provide a summary of the body's annual renewable generation (if any), and whether it is used or exported by the body.

Technology	Renewable Electricity		Renewable Heat		Comments
	Total consumed by the body (kWh)	Total exported (kWh)	Total consumed by the body (kWh)	Total exported (kWh)	
Air Source Heat Pump					There are a variety of small air source heat pump installations mostly on nurseries and extensions but they are not separately metered so this figure is unknown
Biogas			2,632,625	504,305	Anaerobic digester produces biogas, electricity generation is claimed by 3rd party. Heat used by Dunfermline District Heat Network.
Biomass			12,205,371	752,964	Exported via district heat
Landfill Gas CHP			6,669,500	1,277,608	CHP from council landfill gas, turbines owned and operated by external company claiming the revenue for electricity

Solar PV	62,532				Electric figure is for Kelty PS, Kirkcaldy HS and Falkland PS. Array on a shed at Lower Melville Wood that uses the full supply.
Wind	20,267	60,576			Lower Melville Wood Turbine only

3(d) Organisational targets

List all of the body's targets of relevance to its climate change duties. Where applicable, targets for reducing indirect emissions of greenhouse gases, overall carbon targets and any separate land use, energy efficiency, waste, water, information and communication technology, transport, travel and heat targets should be included. Where applicable, you should also provide the body's target date for achieving zero direct emissions of greenhouse gases, or such other targets that demonstrate how the body is contributing to Scotland achieving its emissions reduction targets.

Name of target	Type of target	Target	Units	Boundary/ scope of target	Year used as baseline	Baseline figure	Units of baseline	Target completion year	Progress against target	Comments
Climate Emergency Carbon Reduction Target	Absolute	Net Zero	tCO2e reduction	All emissions	2011/12	95,803	tCO2e	2045/46	54,358.10	Net zero is based on current emissions
Zero direct estate emissions	Absolute	Net Zero	tCO2e reduction	Scope 1	2014/15	62,485.04	tCO2e	2038/39	40,503	35% reduction

3(da) How will the body align its spending plans and use of resources to contribute to reducing emissions and delivering its emission reduction targets?

Provide any relevant supporting information

The council recognises the role of finance choices in supporting the climate emergency. The Innovative Finance for addressing the Climate Emergency project is looking at new ways of working, investment in innovative approaches and revision to policy to help ensure a reduction in the impact of the Climate Emergency. The Capital Plan is in the initial focus. [Finance approved text].

For non-domestic buildings: the council will invest £2 million in 2022/2023 to begin deploying ASHP, and pragmatic building fabric improvements at non-domestic buildings, with the intention of this being the start of a wider programme of investment in projects to reach net zero. To oversee the forthcoming programme of works the council has recruited a Net Zero Lead Officer and a BEMS (Building Energy Management Systems) Officer, both posts additional to current staff.

3(db) How will the body publish, or otherwise make available, it's progress towards achieving its emissions reduction targets?

Provide any other relevant supporting information. In the event that the body wishes to refer to information already published, provide information about where the publication can be accessed.

Fife Council include climate within its annual Finance Account reporting [Finance approved text].

Fife Council Climate Emergency webpages has a section for 'what are we doing' which includes the climate change duties report. Committee reports are also available publicly.

Projects and changes

3(e) Estimated total annual carbon savings from all projects implemented by the body in the report year

Emissions source	Total estimated annual carbon savings (tCO2e)	Comments
Electricity	56	Internal EMRF (Energy Management Revolving Fund) work - 2 x LED lighting projects + 2 x solar pv projects and BTS efficiencies
Natural gas	-	
Other heating fuels	-	
Waste	-	
Water and Sewerage	-	
Travel	-	
Fleet transport	-	
Other (please specify in comments)	-	

3(f) Detail the top 10 carbon reduction projects to be carried out by the body in the report year

Provide details of the 10 projects which are estimated to achieve the highest carbon savings during report year.

Project name	Funding source	First full year of CO2 savings	Are these savings figures estimated or actual?	Capital cost (£)	Operational cost (£/annum)	Project lifetime (years)	Primary fuel/emission source saved	Estimated carbon savings per year (tCO2e/annum)	Estimated cost savings (£/annum)	Behaviour change	Comments
LED lighting - Kirkcaldy High School	FC Energy Management Revolving Fund	2021/22	Estimated	93,000	0	25	Grid Electricity (transmission & distribution losses)	9	4800	No	All based on 2021/2022 CO2 intensities. Can't select correct 1st year 2022/2023 in drop down
LED lighting - Dunfermline High School	FC Energy Management Revolving Fund	2021/22	Estimated	47,387	0	25	Grid Electricity (transmission & distribution losses)	2	1024	No	All based on 2021/2022 CO2 intensities. Can't select correct 1st year 2022/2023 in drop down
136kW Solar PV array, Cowdenbeath Leisure Centre	FC Energy Management Revolving Fund	2021/22	Estimated	344,355	0	25	Grid Electricity (generation)	31	19,869	No	All based on 2021/2022 CO2 intensities. Can't select correct 1st year 2022/2023 in drop down
76kW Solar V array, Cupar Sports Centre	FC Energy Management Revolving Fund	2021/22	Estimated	98,697	0	25	Grid Electricity (generation)	14	7,518	No	All based on 2021/2022 CO2 intensities. Can't select correct 1st year 2022/2023 in drop down
BEMS (Building Energy Management System) actions	Fife Council - no extra funding required	2021/22	Estimated	-		1.5	Natural Gas	475	70,075	No	No cost as part of normal maintenance. Short life as BEMS actions must be maintained and not overridden to last
BEMS (Building Energy Management System) actions	Fife Council - no extra funding required	2021/22	Estimated	-		1.5	Grid Electricity (generation)	180	112,072	No	No cost as part of normal maintenance. Short life as BEMS actions must be maintained and not overridden to last

3(g) Estimated decrease or increase in the body's emissions attributed to factors (not reported elsewhere in this form) in the report year

If the emissions increased or decreased due to any such factor in the report year, provide an estimate of the amount and direction

Emissions source	Total estimated annual emissions (tCO2e)	Increase or decrease in emissions	Comments
Estate changes			
Service provision		Increase	COVID changes to service provision still in effect (well ventilated buildings increasing fuel use over winter)
Staff numbers			
Other (please specify in comments)	868	Increase	Increase due to returning to full activities after the pandemic (fuel use 858tCO2e) also due to world-wide shortage of vehicles the council fleet are holding onto surplus vehicles (av. 15tCO2e)
Total	868		

3(h) Anticipated annual carbon savings from all projects implemented by the body in the year ahead

Emissions source	Total estimated annual carbon savings (tCO2e)	Comments
Electricity	48	Increase in electric use for ASHPs at 6 Primary Schools. Cut from 4 x solar pv arrays
Natural gas	281	Reduction in gas use from ASHPs at 6 Primary Schools

Other heating fuels		
Waste		
Waste and Sewerage		
Travel		
Fleet transport	134	Switching from using gas oil to diesel average bio blend
Other (please specify in comments)		
Total	367	

3(i) Estimated decrease or increase in emissions from other sources in the year ahead

If the body's corporate emissions are likely to increase or decrease for any other reason in the year ahead, provide an estimate of the amount and direction.

Emissions source	Total estimated annual emissions (tCO2e)	Increase or decrease in emissions	Comments
Estate changes			
Service provision			
Staff numbers			
Other (please specify in comments)		Increase	Fleet purchase of additional Refuse Collection Vehicles due to change in shift pattern
Total	-		

3(j) Total carbon reduction project savings since the start of the year which the body used as a baseline for its carbon footprint

If the body has data available, estimate the total emissions savings made from projects since the start of that year ("the baseline year").

Total savings	Total estimated emissions savings (tCO2e)	Comments

Total project savings since baseline year	31,840	*partial as Buildings projects including BEMS actions only* This is using the 2021/2022 CO2 intensities. This is the amount that would be being emitted today if the projects had not been implemented (including BEMS actions). The estimated cumulative carbon reduction savings for projects completed in buildings since 2012/2013 is 31,840 tonnes of CO2. This involved implementing 358 projects costing £14.5 million, reducing the annual energy cost by around £2.2 million and saving a cumulative £11.8 million in 2021/2022 terms, since 2012/2013.
---	--------	--

3(k) Supporting information and best practice

Provide any other relevant supporting information and any examples of best practice by the body in relation to corporate emissions, targets and projects.

PART 4: Adaptation**4(a) Has the body assessed current and future climate-related risks?**

If yes, provide a reference or link to any such risk assessment(s).

Fife Council has corporate climate change risk in the Corporate Risk Register. SEPA produced Flood Risk Management Strategies which informed Local Flood Risk Management Plans requiring flood risk studies, including coastal, to be conducted. FC are progressing these studies as part of our first 6 year cycle required under the Flood Risk Management Act 2009. Our Flooding, Shoreline, and Harbours team has supported the Scottish Government on the Scotland's Dynamic Coast project to provide a National Coastal Change Assessment for Scotland. The outcomes from the Dynamic Coast project can be found online here: <http://dynamiccoast.com/> Further works were carried out by SEPA under the National Flood Risk 2 assessment issued in Autumn 2018. A Fife Local Climate Impacts Profile (LCLIP) 2000-2010, was produced by Fife Council Transportation Services, with guidance from the UK Climate Impacts Programme (UKCIP) and the Scottish Climate Change Impacts Partnership (SCCIP). The LCLIP considered the vulnerability of Council services to severe weather events in that decade. It is also available online at: <https://climatechange.fife.scot/> As signatories to the Covenant of Mayors' Initiative on Adaptation to Climate Change (aka EU Mayors Adapt - <http://mayors-adapt.eu/>) the Council completed a risk and vulnerability assessment for the region https://www.fife.gov.uk/__data/assets/pdf_file/0028/219970/Climate-Fife-Sustainable-Energy-and-Climate-Action-Plan-2020-2030.pdf.

4(b) What arrangements does the body have in place to manage climate-related risks?

Provide details of any climate change adaptation strategies, action plans and risk management procedures, and any climate change adaptation policies which apply across the body.

Fife Council produced its Climate Change Adaptation Framework in 2010 in partnership with community planning partners. The Council were keen to be proactive in this area and this framework was produced ahead of any guidance or legislation from the Scottish Government. The overarching aim of this Adaptation Framework is to assess the likely impacts that Climate Change is going to have on Fife Council, and it's Community Planning Partners. This aim was achieved by;

- Projecting changes in climate in Fife over the next 40-50 years using UKCP09 (United Kingdom Climate Projections 2009) climate projections.
 - Assessing the potential consequences of the projected climate changes in respect to the Scottish Government's 12 Key Sectors, from a Fife Council context.
- A number of services have their own contingency plans which are implemented during severe weather events.

The following strategies and plans already consider climate change adaptation:

- Shoreline Management Plan
- Plan4Fife (LOIP)
- Flood Risk Management Strategy
- Local Flood Risk Management Plans
- Fife Council Transportation Development Guidelines
- Fife Climate Change Impact Profile (LCLIP)
- Local Transport Strategy

- Fife Safeguarding of Infrastructure Programme (Roads and Bridges)
- Roads Maintenance Policies and Standards 2011
- Bridge Strengthening Programme
- SEStran Regional Transport Strategy
- Climate Change Adaptation Framework 2010
- Climate Change Strategy - Climate Fife,
- Flooding Emergency Procedures
- Fife Local Development Plan.

As part of the SECAP process and Plan4Fife (LOIP), we are working to identify which cross sector policies and plans will need to incorporate climate change adaptation to ensure that unintended consequences and uncoordinated adaptation is avoided.

4(c) What action has the body taken to adapt to climate change?

Include details of work to increase awareness of the need to adapt to climate change and build the capacity of staff and stakeholders to assess risk and implement action. The body may wish to make reference to the Scottish Climate Change Adaptation Programme (“the Programme”).

The following adaptation actions were undertaken in the reporting year:

- To increase awareness of the need to adapt, and to build staff capacity via a National Lottery funded partnership project Climate Action Fife and a programme of Climate training.
- Actions written into the Plan4Fife
- Pre-flood checking
- We continue to maintain our Flood Pods in high risk areas within Fife.
- A number of services have their own adaptation actions and contingency plans which are implemented during severe weather events, the Council also already has a suite of well-developed response plans for generic emergency events which could impact Fife-wide or Council-wide.
- Vaisala weather data from the Met Office is passed onto the Emergency Resilience team who then issue notices to services of severe weather events being forecast especially waste services and gritting.

Working in partnership is an essential part of our adaptation strategy. Fife Council is a core member of the Fife Local Resilience Partnership (LRP) which already has a severe weather plan for Fife dealing with snow, wind storms, ice and flood events. LRP partners:

- Maintain, test and exercise plans and procedures for an effective multi-agency response to severe weather events.
- Distribute early notification of severe weather forecasts,
- Work with communities to develop community emergency plans for their local area,
- Identify and target assistance to the most vulnerable members of communities.
- Run a severe weather exercise annually. Fife Council officers are a core part of these exercises.
- Flood Studies have been completed. There are additional Surface Water Management Plans and Natural Flood Management that have started. All these studies have sustainable approaches, including managed adaptive principles embedded, and include awareness raising and self help for local communities.

Leven Programme water & flooding collaboration: 21/22

4(d) Where applicable, what contribution has the body made to helping deliver the Programme?

Provide any other relevant supporting information

The following actions outline Fife Council's contribution to delivery of the Adaptation programme:

As a 'Major Player' Fife Council have completed 10 Flood Studies and have a further 12 underway that will seek to address the potential impacts of climate change on all sources of flooding in Fife.

Fife Council are currently partners in a number of nature based solutions projects with adaptation outcomes, including:

- Lyne Burn Project - naturalisation of 800m of culverted burn, planting of 2,000 trees, nature education classes, renovation of a derelict community garden, wildflower meadows, tree adoption
- River Leven project, aiming to naturalise part of the lower catchment.
- Our Open Space Strategy, Forest and Woodland Strategy and Local Biodiversity Action Plan are being revised to include adaptation as a core outcome.

We have established a Coastal Communities Fund, which in 2021-22 provided £130,000 funding towards climate resilience projects undertaken by local community groups.

4(e) What arrangements does the body have in place to review current and future climate risks?

Provide details of arrangements to review current and future climate risks, for example, what timescales are in place to review the climate change risk assessments referred to in Question 4(a) and adaptation strategies, action plans, procedures and policies in Question 4(b).

Fife Council includes climate risk as part of its Corporate Risk Register. This risk is monitored and updated every 6 months to ensure that it remains current, and is informed by the latest science, with a formal review every two years.

A review of the Risk & Vulnerability Assessment (as noted in 4a) is due to take place in late 2022. This will inform the overall risk profile and a climate risk indicator will be added to the corporate performance reporting from 2023. The Addressing the Climate Emergency Board will review the findings and make recommendations for future revision and update of adaptation plans.

4(f) What arrangements does the body have in place to monitor and evaluate the impact of adaptation actions?

Please provide details of monitoring and evaluation criteria and adaptation indicators used to assess the effectiveness of actions detailed under Question 4(c) and Question 4(d).

The overall strategic risk is scored and review as noted above. Operationally, the frequency of winterisation activities (gritting, snow clearing etc.) undertaken is recorded on the corporate reporting system, allowing a year to year comparison of how winter weather has changed. The amount of time spent by Transportation Services road operations crews on responding to flooding events is recorded to allow an understanding of how external events impact the Services work schedule and staff deployment. External contractors working on construction projects capture wet-day information (i.e. days when construction work was suspended or delayed because of inclement weather) to comply with Fife Council procurement contract terms. Fife Council has to pay passenger transport subcontractors standstill costs on days that services cannot operate due to severe weather conditions. These costs are 50% of normal operating costs. Standstill data costs are collated but are not readily available (they are stored on ERP, or xls database).

4(g) What are the body's top 5 climate change adaptation priorities for the year ahead?

Provide a summary of the areas and activities of focus for the year ahead.

1. Review and revise the Risk & Vulnerability Assessment, develop Adaptation Action Plan
2. Incorporate climate resilience into local community plans
3. Develop approach to local climate place
4. Climate Literacy programme (incorporating climate adaptation) for 150 staff and Elected Members.
5. The Flooding, Shoreline & Harbours team within Structural Services, as part of our statutory duties concerning the Flood Risk Management (Scotland) Act 2009 have assessed areas within Fife that are deemed to be Potentially Vulnerable Areas (PVAs) at risk of flooding. Fife Council are in 4 Local Plan Districts and have work to carry out in 18 PVA's. In Cycle 2 (2022-2028), they are tasked with completing the Cycle 1 actions, and also seeking to translate the Study recommendations into activity on the ground by way of flood mitigation works.

4(h) Supporting information and best practice

Provide any other relevant supporting information and any examples of best practice by the body in relation to adaptation.

PART 5: Procurement**5(a) How have procurement policies contributed to compliance with climate change duties?**

Provide information relating to how the procurement policies of the body have contributed to its compliance with climate changes duties.

Fife Council is a major procurer of goods and services within Fife. The embodied carbon of our up and downstream supply chain is likely to be a significant contributor to Fife-wide carbon emissions and to emissions further afield. The Council is keen to try to reduce the environmental impacts of our procurement activities, and to use procurement to assist with compliance with our duties under the Climate Change (Scotland) Act and is seeking to do this via a number of activities. The Procurement service works with other services to develop contract terms and procurement award criteria. Procurement weightings are developed in collaboration with the service area. If any barriers are identified in such discussion, effort is made to overcome these barriers.

We utilise the Scottish Government's 'Procurement Journey' guidance in terms of best practice and also Sustainable Procurement Tools. The tools available that aid sustainable considerations include:-

- Flexible Framework assessment Tool
- Prioritisation Tool
- Life Cycle Impact Mapping Tool
- Sustainability Test
- E- Learning modules including an Introduction to Sustainable Public Procurement, Climate Literacy for Procurers and Circular Procurement and Supply.

Mainstreaming these tools and best practice principles to our procurement activities will contribute to our compliance with climate change duties.

Fife Council's Procurement Strategy acknowledges the national legislative framework for sustainable public procurement in Scotland. To aid the Council achieving its aim of 'Inclusive Growth' (Fife's Economic Strategy 2017-2027), the Council, through its procurement activities will incorporate the Sustainable Procurement Duty into its processes and consider prior to defining procurement requirements. Fife Council shall consider/support:

- the use of whole life cost where appropriate;
- the use of Sustainable Procurement Duty Tools that aid the prioritisation of sustainability to achieve maximum benefits within all regulated procurement and also to prioritise and focus on those categories of spend that offer the greatest potential sustainable outcomes;
- the use of the Scottish Government Flexible Framework Self-Assessment Tool (FFSAT) to ascertain the level of performance of sustainable procurement across the Council. This tool will provide a clear action plan that will set out how, and by when, improvements in sustainable procurement will be made;
- Encourage recycling and reuse of materials through waste management plans in order to minimise waste to landfill;
- The use of low energy equipment and environmentally friendly chemicals,
- Maximise use of materials from sustainable sources in accordance with government buying standards; and
- Support corporate initiatives/working groups in relation to the sustainability agenda where supplies/services are relevant and undertake any associated procurement activity, e.g. Food4Fife Partnership, Local Procurement Group, Addressing the Climate Emergency Board, and elimination of single use plastics. The procurement function has ongoing engagement with climate change & partnership colleagues to support Sustainable Procurement activity.

Fife Council's Procurement Strategy acknowledges the national legislative framework for sustainable public procurement in Scotland. To aid the Council achieving its aim of 'Inclusive Growth' (Fife's Economic Strategy 2017-2027), the Council, through its procurement activities will incorporate the Sustainable Procurement Duty into its processes and consider prior to defining procurement requirements. Fife Council shall consider/support:

- the use of whole life cost where appropriate;
- the use of Sustainable Procurement Duty Tools that aid the prioritisation of sustainability to achieve maximum benefits within all regulated procurement and also to prioritise and focus on those categories of spend that offer the greatest potential sustainable outcomes;
- the use of the Scottish Government Flexible Framework Self-Assessment Tool (FFSAT) to ascertain the level of performance of sustainable procurement across the Council. This tool will provide a clear action plan that will set out how, and by when, improvements in sustainable procurement will be made;
- Encourage recycling and reuse of materials through waste management plans in order to minimise waste to landfill;
- The use of low energy equipment and environmentally friendly chemicals,
- Maximise use of materials from sustainable sources in accordance with government buying standards; and
- Support corporate initiatives/working groups in relation to the sustainability agenda where supplies/services are relevant and undertake any associated procurement activity, e.g. Food4Fife Partnership, Local Procurement Group, Addressing the Climate Emergency Board, and elimination of single use plastics. The procurement function has ongoing engagement with climate change & partnership colleagues to support Sustainable Procurement activity.

5(b) How has procurement activity contributed to compliance with climate change duties?

Provide information relating to how procurement activity by the body has contributed to its compliance with climate changes duties.

Regulated procurement requires the consideration and application, where applicable and appropriate, of the Sustainable Procurement Duty in all procurements as per the Procurement Reform (Scotland) Regulations 2016 and the Public Contracts (Scotland) Regulations 2015.

The Procurement Service works with Fife Council services to develop contract terms and procurement criteria. Procurement weightings are developed in negotiation between the procurement team and client services. Procurement/Client services can and do, consider direct and indirect carbon emissions (i.e. supply chain emissions, provenance, and manufacturing methods) within their procurement specifications, but these have to be balanced against other procurement criteria so that the requirements are proportional and are not so specific as to effectively reduce options down to only one supplier as this could be seen as raising barriers to business. Examples of procurement activities which have contributed to our compliance with climate change duties in the reporting year include: The continued procurement of

- Alternative Fuelled vehicles including Electric Vans and Pool Cars as part of the Council's Fleet Replacement Programme:
- Continued use of a collaborative framework to support the increase of the number of charge points allowing wider use of electric vehicles and positively contributing to our climate change commitment
- Heavy Goods Vehicles generally contain in excess of 90% recyclable materials which can be reclaimed at the end of the vehicle's life and the primary goal of the Euro VI (or latest Euro Engine) emissions standards is to reduce harmful emissions from vehicles
- LED Lights and LED street lighting and luminaries programmes have resulted in carbon and CO2 reductions
- Inclusion of climate change and carbon reduction content within tender documents and procurement strategy documents
- Promotion of E Learning modules to all procurement officers within Fife Council and the further use of sustainable procurement tools such as the Sustainability Test, where deemed appropriate in all regulated procurement exercises
- Construction projects to be designed and constructed to be 'Net Zero' e.g. Dunfermline Learning Campus. These will include a number of sustainable features which will reduce energy consumption and carbon emissions

- Use of emerging technology (Drones) for high level inspection across the Council estate has reduced CO2 emissions from reduced use of scaffolding
- Technical Forum established to review Construction Materials for Council Housing Stock looking at both Whole Life Costing and other sustainability factors
- Working to reduce the quantity of single use plastics used throughout the Council. This includes the maintenance of a register of products that are considered for alternative solutions
- All vehicles used on bus contracts must not be older than 20 years and must be manufactured on or after 1 October 2000. All taxi contracts use vehicles in line with the Council's Licensing requirements (no older than 10-12 years old). Minibuses must be no older than 15 years old. R12
- All bus, coach, taxi and minibus suppliers (160+) are members of the ECO Stars Fleet Recognition Scheme (<https://www.ecostars-uk.com>) as required for all contracts.
- Recent discussions have taken place with contractors, the Climate Change Team and ECO Stars with a view to strengthening the Council's commitment in future tendering rounds. This is likely to focus on minimum Euro emission standards; increased percentage of quality scoring devoted to environmental questions; higher scores for exceeding minima and use of the ECO Stars star ratings as part of tender evaluation.

Further information

5(c) Supporting information and best practice

Provide any other relevant supporting information and any examples of best practice by the body in relation to procurement.

Fife Council is a Real Living Wage Accredited Employer, and the payment of the Real Living Wage by suppliers and contractors is heavily encouraged where deemed appropriate. Continual engagement with climate change colleagues (contributing to the Addressing the Climate Emergency Board) and colleagues within Economic Development (Community Wealth Building and Recovery and Reform Agenda) is going to review and enhance sustainability within procurement exercises. Areas that will continually be addressed include General Sustainable Policy, Supply Chain Opportunities, Community Benefits and Community Wealth Building, Modern Slavery and Fair Work First (including Real Living Wage), Sustainable Procurement Toolkits, Whole Life Costing and Mapping, Use of 3rd Sector and Supported Businesses.

PART 6: Validation and Declaration

6(a) Internal validation process

Briefly describe the body’s internal validation process, if any, of the data or information contained within this report.

Fife Council's audit team undertakes regular audits of our performance across the range of Council Performance Indicators (including carbon emissions). Internal audits are undertaken on a 3 to 5 year cycle. An internal audit of Council climate activities is underway since Autumn 2022.

Validation and sign off of this Public Sector Bodies Duties Report, the report was submitted for scrutiny and sign off to the following Fife Council officers and Committee:

Cabinet Committee

Head of Property Service

Head of Planning

Head of Environment and Building Services

Head of Roads & Transportation

Head of Communities and Neighbourhoods

Head of Finance

Head of Legal and Democratic Services

Head of Revenue & Commercial Services

Chief Executive Officer, Fife Coast & Countryside Trust

Executive Direction, Enterprise and Environment

6(b) Peer validation process

Briefly describe the body’s peer validation process, if any, of the data or information contained within this report.

No formal peer validation is undertaken.

6(c) External validation process

Briefly describe the body’s external validation process, if any, of the data or information contained within this report.

This report has not been subject to formal external validation primarily due to resourcing ie staff time and budget constraints.

6(d) No validation process

If any information provided in this report has not been validated, identify the information in question and explain why it has not been validated.

6(e) - Declaration

I confirm that the information in this report is accurate and provides a fair representation of the body's performance in relation to climate change.

Name:	Shona Cargill
Role in the body:	Lead Officer (Sustainable Development)
Date:	26/10/2022

Recommended Reporting: Reporting on Wider Influence

Wider Impact and Influence on GHG Emissions

Q1 Historic Emissions (Local Authorities only)

Please indicate emission amounts and unit of measurement (e.g. tCO2e) and years. Please provide information on the following components using data from the links provided below. Please use (1) as the default unless targets and actions relate to (2).

(1) UK local and regional CO2e emissions: **subset dataset** (emissions within the scope of influence of local authorities):

(2) UK local and regional CO2 emissions: **full dataset**:

Local Authority: (please state)	Fife
BEIS Dataset: (full or sub-set)	Full

Source	Sector	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Units	Comments
BEIS Sectors	Total Emissions	[x]	3,210.14	2,883.23	2,910.53	ktCO2e									
	Industry and Commercial	2,033.75	2,436.61	2,036.82	2,017.19	1,672.47	1,488.80	1,478.36	1,470.43	1,444.90	1,369.91	1,070.86	1,315.33	ktCO2e	
	Domestic	879.73	943.07	828.52	889.58	862.55	726.03	726.27	666.04	642.16	618.64	612.34	580.06	ktCO2e	
	Transport total	705.16	693.1	675.8	654.49	646.75	651.87	655.48	663.62	674.76	658.59	644.38	508.41	ktCO2e	
	Per capita	[x]	8.63	7.72	7.78	ktCO2e									
Other Sectors															

2(a) Targets

Please detail your wider influence targets

Sector	Description	Type of target (units)	Baseline value	Start year	Target	Target/End year	Saving in last year measured	Latest year measured	comments
Overall reduction target	Net Zero Carbon Emissions in Fife by 2045	Absolute (TCO2)	5133	1990	Net Zero	2045		2020	
Waste and resource efficiency	Household waste •70% recycling and composting (all waste) by 2025. • Maximum of 5% of waste to landfill by 2025. • 15% waste reduction (against 2011 levels) by 2025. • 33% food waste reduction (against 2013 level) by 2025	Other (please specify in comments)		N/A	Less than 5% to landfill	2025	53.10%	2020	Figures given are for the proportion of waste diverted from landfill. Waste diversion for 2020 was 53.1%, falling from 55.3% in 2019 and 57.4% in 2018. Household waste recycling rate was 43.7% down from 44.5% in 2019.

2b) Does the organisation have an overall mission statement, strategies, plans or policies outlining ambition to influence emissions beyond your corporate boundaries? If so, please detail this in the box below.

In September 2019, Fife Council declared a climate emergency. Following public consultation, Climate Fife, the Fife Sustainable Energy and Climate Action Plan (SECAP), was approved by Committee in February 2020. The Climate Fife vision to 2050 is to be: Climate friendly, having transformed the economy, infrastructure, land use and energy system to decarbonise how we live; Climate ready, with plans and projects to increase the resilience of Fife communities and the economy to help minimise the impacts from unavoidable climate change; and Climate just, ensuring that all Fifers and the Fife environment can benefit from this transition.

Climate Fife recognises the transformation needed over the next decade to tackle the climate emergency across Fife Council and other community planning partners. Governance includes the Fife Partnership board. An update of the Local Outcome Improvement Plan, the Plan4Fife, now has the Climate Emergency as one of four core priorities, with the Addressing the Climate Emergency Board.

Q3) Policies and Actions to Reduce Emissions

Please detail any of the specific policies and actions which are underway to achieve your emission reduction targets

Sector	Start year for policy/action implementation	Year that the policy/action will be fully implemented	Annual CO2 saving once fully implemented (tCO2)	Latest year measured	Saving in latest year measured (tCO2)	Status	Metric/indicators for monitoring progress	Delivery role	During project/policy design and implementation, has ISM or an equivalent behaviour change tool been used?	Please give further details of this behaviour change activity	Value of investment (£)	Ongoing Costs (£/year)	Primary funding source of implementation of Policy/Action	Comments
Waste and Resource Efficiency	2018	2028		2020		In implementation	% of household waste diverted from landfill. % of household waste recycled. Amount of wood waste diverted to RWE & amount of waste sent to EFW facilities (RDF production has now ceased).	Direct delivery	Yes-ISM	Zero Waste Recycling Charter changes implemented with associated communications. Ongoing public communications.			Grant funding (UK)	
Transport	2012	N/A		2020		In implementation	In 2021-22, the eFife network was expanded with 2 new rapid chargers (50kW) installed for public use at Cupar Road Car Park Newburgh and additional unit at Petherm Bridge Car Park St Andrews, giving Fife a total of 9 rapid chargers. Funding was secured from Transport Scotland for additional chargepoints for 2020/21. This is Fife a public EV network of 64 units at 48 locations	Direct delivery	No	We can monitor take up and use of each unit, as well as the different EV users on the eFife network. The network is marketed through ChargePlace Scotland as well as on the Fife Council website.			Grant funding (UK)	
Transport	2012	N/A		2020		In implementation	Bikeability is the Scottish Cycle Training Scheme for school pupils aimed at P4's to S2's. Level 2 (Teaches rules of the road and basic skills for riding on road) - 44 schools delivering to 1136 pupils. Overall this increases the number of pupils completing Level 2. Level 1 (Teaches basic skills such as balance, controlling the bike and making turns) – 47 schools delivering to 1557 pupils. Level 3 was not delivered last year, as no schools were able to deliver.	Direct delivery	No	We monitor all training of staff and pupils that the Bikeability is delivered to.			Grant funding (UK)	

Transport		N/A					School Travel Plans: Engagement with schools continues - Primary Schools, 59 schools have up to date travel plans and 74 are under review. High Schools, 9 have up to date travel plans.							
Transport		N/A		2021		In implementation	Walk Once a Week (WOW) - initiative which encourages pupils to walk to school. The pupils log their mode of travel daily and receive a badge each month if the target set by the school for active journeys is reached. 18 schools and a total 4,207 pupils took part in academic year 2021/22.							
Other (please specify in comments)		N/A				In implementation	A review of the Shoreline Management Plan (SMP2) is underway given the publication of the second iteration of the National Coastal Change Assessment (NCCA2) published by Scottish Government.	Direct delivery	No					
Other (please specify in comments)	2022		2011			In implementation	The SuDS policy was updated and published in May 2022 building on the previous Nov 2016 document to align with current sustainable design practices in relation to Flood Risk management and SuDS design for all developments in Fife.	Direct delivery	No					

Please provide any detail on data sources or limitations relating to the information provided in Table 3

Q4) Partnership Working, Communications and Capacity Building

Please detail your Climate Change Partnership, Communication or Capacity Building Initiatives below.

Key Action Type	Description	Organisation's project role	Lead organisation (if not reporting organisation)	Private partners	Public partners	3rd Sector partners	Outputs	Comments
Partnership Working	Climate Action Fife, funded by the National Lottery's Climate Action Fund. Led by Greener Kirkcaldy, Fife Council is a Partner engaging the public sector to take action on climate change.	Participant	Greener Kirkcaldy	National Lottery	Fife College	Fife Communities Climate Action Network Clear Buckhaven, PLANT, Eats Rosyth, Youth 1st, STandEN	2 Local Place Plans/year. Public sector specific events/engagement	5 year funded project from June 2022 https://climateactionfife.org.uk/
Capacity Building (ie. Staff training and development initiatives)	Climate Knowhow, programme of climate training to build the public sector capacity, confidence and knowledge to take action on climate change. Using shared resources with Climate Action Fife partners and the same data and language.	Lead		National Lottery	Fife College	Fife Communities CLimate Action NetworkClear Buckhaven, PLANT, Eats Rosyth, Youth 1st, STandEN	150 learners/year	5 year funded project from June 2022

Communications	Climate Emergency Campaign, delivering climate communications to the residents of Fife in response to the climate emergency. Also highlighting community action, like Climate Action Fife.	Lead				Greener Kirkcaldy and Climate Action Fife	Climate Communication Strategy	
Partnership Working	H100 Fife Project - SGN are developing a world-first hydrogen network in Levenmouth that will bring green hydrogen into homes in 2023/24, providing low carbon fuel for heating and cooking. In the project's first phase, the network will heat around 300 local homes using green hydrogen produced by a dedicated electrolysis plant, powered by a nearby offshore wind turbine. The project is the first of its kind to employ a direct supply of green power to produce hydrogen for domestic heating – putting Fife at the forefront of the clean energy revolution. The system is being designed and built to ensure the same high safety and reliability standards expected from the current gas system. An on-site storage unit will circa 5 days hydrogen to ensure supply won't be disrupted during even the coldest weather conditions.	Supporting	SGN	SGN in process of contracting private partners		SGN working with Greener Kirkcaldy	A green hydrogen generation and storage facility, a demonstration facility & hydrogen network connected to up to 300 homes, going past 1000 homes	Fife Council is working with SGN to make SGN's offer to connect attractive to council tenants, other RSLs and private households.
Partnership Working	Dunfermline Learning Campus - Fife Council is committed to investment in school estate, and is enhancing the building standards by participating in Scottish Government's Net Zero Carbon Public Sector Buildings Standard. The new Dunfermline Learning Campus (DLC) is funded in part by the Scottish Government's Learning Estate Investment Programme (LEIP). This will bring together 2 high schools and a Fife College campus to create a major hub of exemplar education, training and development of innovative industry links for current and future learners. Fife Council and Fife College have collaborated to develop key briefing documents to deliver a vision for a unique high quality, low carbon and digitally enabled learning environment. The strong commitment to sustainability builds on the context of Fife Council's "Making Fife's Places" Planning Policy Guidance. Fife Council aim to deliver a low carbon, low energy use and sustainable facility including: •Aiming to design the schools building to achieve Passivhaus standards •Embodied carbon budget under 650kg CO2e/ m2 in line with RIBA's 2025 target as at February 2021 •Designing to achieve 67 kWh/m2 for energy in use •Meet Scottish Government's goal to achieve Net Zero carbon emissions by 2045 By balancing a reduction of embodied carbon of construction against low operational energy consumption and a target for whole life carbon achieving net zero, the DLC project is enhancing design, construction and supply chain knowledge and skills. This safeguards the environment and tackles climate change, engaging contractors and the supply chain in the solution to encourage the industry to reduce carbon emissions. The DLC schools building is currently programmed to be completed, commissioned and handed over in 2024.	Lead	Fife College	BAM lead contractors and their sub-contractors. Support from SFT to part-fund engagement of sub-contractors and IES for verification of NZC Standard.	With SFT support for the NZCPSB Standard		The schools element of the campus will accommodate a combined student role of 2,700, with total staff count of 346, designed to meet the needs of the Scottish Government's "Curriculum for Excellence" within 27,000m2. Fife Council aim to deliver a low carbon, low energy use and sustainable facility	
Partnership Working	The Leven Programme: Multiple benefit, large-scale project bringing together bodies to make a positive difference to the River Leven and surrounding area. By improving the physical and ecological conditions of the river; creating better access to the river and between communities; as well as creating opportunities to improve people's health, well-being and economic prospects, all partners realise that more can be achieved working together than can be achieved working in isolation. www.theleven.org	Participant	Scottish Environment Protection Agency (SEPA)	Diageo, Fife College	Scottish Enterprise, Nature Scot, Fife Council, Scottish Water, Historic Environment Scotland, Fife Coast and Countryside Trust, The Coal Authority	Sustrans, Forth Rivers Trust, Green Action Trust, Keep Scotland Beautiful, Zero Waste Scotland	Set of projects to 2030	

Partnership Working	Work undertaken with businesses to support carbon emissions reduction	Lead			BGFife		A Net-Zero grant is open (up to £3k) to application from Fife Businesses. BGFife advisors and Ec Dev staff are engaging local businesses to encourage take up of the grant which can cover some costs of capital improvements that can reduce CO2 emissions.	
Partnership Working	Construction sector engagement to look at future sustainable/net zero build. A small survey of the Construction Sector was carried out by Fife Council Ec Dev team. The results are still being fully analysed, however the early indication is that the Sector is focused on recovery from Covid restrictions and staff shortages. Ec Dev Projects focused on increasing leadership skills and raising awareness of Net Zero best practice in the Sector are being developed. The Ec Dev property & land team are commissioning a survey of all FC commercial property that will ascertain the Energy rating for each property- A programme of work (or disposal) will be formed to ensure the properties are refurbished to ensure the highest Energy efficiency rating possible is obtained. A programme through the City Deal will facilitate building of new commercial properties.	Lead			Ceed, SMAS, NMIS	Survey and programme of works		
Partnership Working	Review of food procurement and supply chain to support sustainable food. Ongoing work with FC Procurement Service and Anchor Organisations within Fife to establish current frameworks, identify joint and differing objectives and identify common pinch points that prevent local producers from fully engaging with public bodies.	Participant			NHS Fife, University of ST Andrews, Fife College, Supplier Development Programme. Tay Cities (Perth & Kinross, Dundee, Angus LA's)	A pilot project is being developed between FC catering and local farmer to better examine cost and benefit implications for both sides. Discussion across the Tayside and Fife LAs (Tay city deal) have commenced to examine areas where Regional projects to increase the supply of local produce to Public Sector, and large private sector businesses, can be formulated.		
Partnership Working	The Fife Environmental Partnership is a group of organisations in Fife who collaboratively act on the climate and nature emergencies as part of Fife's community planning process. The Partnership provide strategic oversight to climate and nature emergency strategy, plans and action across Fife - such as for Climate Action Fife. The Group provided input to key council wide strategic documents: Local Housing Strategy, Local Transport Strategy, Local Development Plan, Food4Fife, Openspace Strategy, Fife Forestry and Woodland Strategy, Local Heat and Energy Efficiency Strategy.	Lead						
Partnership Working	Local Heat and Energy Efficiency Strategy. Undertook at pilot using the methodology v3.0. Added work with SPEN and SGN on linking energy supply with changes to decarbonised heat. Improved methodology and data around non-domestic data in Fife and heat network opportunity data in Fife. Collaborated with Perth & Kinross Council and SSEN to support Scotland wide approaches. The Council provided partnership with Scottish Government, Energy Saving Trust and Zero Waste Scotland to improve the core methodology and a new methodology for non-domestic buildings. The council is also supporting national coordination and sharing around energy modelling approaches.	Lead						
Partnership Working	Fife Council is a member of the Natural capital on public land working group. This looks at methodologies / approaches to assess natural capital on public land.	Participant						

Other Notable Reportable Activity

Q5) Please detail key actions relating to Food and Drink, Biodiversity, Water, Procurement and Resource Use in the table below

Key Action Type	Key Action Description	Organisation's Project Role	Impacts	Comments
Water	The Leven Programme. Restoration and improvement works to the River Leven and Backburn led by FCCT on behalf of Fife Council.	Supporting	Improvements to the in-water and riparian habitats around the lower reaches of the Leven and its tributary the Backburn. Will have a direct impacts on water quality and biodiversity.	
Biodiversity	Invasive Non Native Species (INNS) control on the river Eden (upper reaches) by FCCT.	Supporting	Multi-year (now year 9) programme to control and remove INNS (Giant Hogweed, Few Flowered Leek, Himalayan Balsam, Japanese Knotweed) from the upper reaches of the Eden from its issue.	New group set up via Sustainable Cupar to look at catchment-wide, landscape scale, solution to INNS in the Eden.
Water	Lyne Burn Project, delivered in part by FCCT on behalf of Fife Council.	Supporting	Delivering part of the Lyne Burn Green Network Project.	Delivering community and education opportunities linked to FC project via FCCT.
Biodiversity	Projects delivered through the Nature Restoration Fund via FCCT.	Supporting	Several biodiversity projects are delivered via this project, including species rich meadow management across Fife at sites both managed directly by FCCT and those out with.	Expectation is to continue this project to include subsequent financial years through applications to NatureScot Nature Restoration Fund in 2023/24 financial year and beyond.
Biodiversity	Restoration Forth, led by FCCT. Restoration of seagrass habitat and crustaceans in the Forth.	Supporting	Improvements to water-borne habitat and water quality.	
Biodiversity	FCCT input to Fife Outdoor Tourism Infrastructure Programme (FOTIP).	Supporting	INNS are managed at various locations across the Fife Coastal Path (Ruby Bay, Lower Largo and LHRP), with infrastructure and access developments also being made along the route.	

Q6) Please use the text box below to detail further climate change related activity that is not noted elsewhere within this reporting template

Equality Impact Assessment Summary Report

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

Cabinet, 17th November 2022

What are the main impacts on equality?

None have been identified.

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

n/a

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

This work reports mainly on Fife Council's carbon emissions.

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

Shona Cargill / Lead Officer (Sustainable Development) / ShonaM.Cargill@fife.gov.uk

17th November, 2022.
Agenda Item No. 11

Review of the mothballing of Milton of Balgonie Primary School

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

Wards Affected: Ward 14

Purpose

This report responds to the decision of the Cabinet Committee of 22nd September, 2022 by outlining the legal position regarding the previous decision to mothball Milton of Balgonie Primary School and clarifying the position regarding any previously approved planning applications within the Milton of Balgonie PS catchment area. It also provides the detail of the August 2022 formal review of the mothballing of Milton of Balgonie Primary School.

Recommendation

The Cabinet Committee is asked to:

1. note the terms of the report in respect of the matters that the committee on 22nd September, 2022 asked to be addressed; those being the legal position regarding the previous decision to mothball Milton of Balgonie Primary School and clarification of any previously approved planning applications within the catchment area; and
2. consider and comment upon the proposed timing for the next steps, following the review of the mothballing Milton of Balgonie Primary School, having regard to:
 - (a) officers bringing forward an amended statutory consultation proposal paper in terms of the Schools (Consultation) (Scotland) Act 2010 relating to the proposed closure of Milton of Balgonie Primary School and rezoning of the catchment areas of Coaltown of Balgonie, Pitteuchar East and Thornton Primary Schools to the next meeting of the Cabinet Committee;
 - (b) the three-year time limit referred to in the Scottish Government guidance, to ensure that a decision on the future of the school is made sufficiently far in advance of that date to allow, for example, a closure proposal to proceed or for the school to reopen.

Resource Implications

There are no direct resource implications relating to finance, people or assets. As requested by Fife Council's Risk Management Team, the building has been emptied of resources and furniture to comply with the Building Insurance Policy and to reduce risk to the Council of vandalism and fire.

Legal & Risk Implications

The consideration and determination of this report is by the Council acting as Education Authority. There are no risks associated with this paper, however, as noted previously, there will be a requirement for statutory consultation on any future proposal to formally close this school, which would be carried out in accordance with the terms of the Schools (Consultation) (Scotland) Act 2010.

Impact Assessment

An EIA (Equalities Impact Assessment) was not required in the preparation of this report. A full impact assessment will be carried out as part of any statutory consultation process.

Consultation

Discussion has taken place with the Headteachers of Coaltown of Balgonie, Pitteuchar East and Thornton Primary Schools.

The Education Service wrote to all parents living in the Milton of Balgonie Primary School catchment area in July 2019 to advise them on the position of the school. The Education Service also held a parent meeting, in Coaltown of Balgonie Primary School on 28th January 2020 to allow parents an opportunity to ask questions about education provision. A further letter was sent to parents in January 2021 advising them of the current position with Milton of Balgonie Primary School and to notify parents that the Education Service would be seeking approval by the Education and Children's Services Sub-Committee to mothball the school with immediate effect. In November 2021, a further letter was issued to parents advising that an update paper regarding Milton of Balgonie Primary School would be submitted to the Education and Children's Services Sub-Committee on 9th November 2021 and providing notice of the current position.

1.0 Background

- 1.1 A paper was submitted to the Cabinet Committee of 22nd September, 2022 to seek approval to consult on a proposal to close Milton of Balgonie Primary School and to rezone the catchment areas of Coaltown of Balgonie, Pitteuchar East and Thornton Primary Schools from 30th June, 2023.
- 1.2 The Cabinet Committee of 22nd September, 2022 agreed to defer any decision relating to statutory consultation on a proposal to close Milton of Balgonie Primary School and rezone of the catchment areas of Coaltown of Balgonie, Pitteuchar East and Thornton Primary Schools and, in relation to closure of Milton of Balgonie Primary School, agreed that a report outlining the legal position regarding the previous decision to mothball the school and clarifying the position regarding any previously approved planning applications, be considered at a future meeting of the Cabinet Committee.

2.0 Mothballing – The Legal Position

- 2.1 The Education Service sought advice from Legal Services prior to mothballing of Milton of Balgonie Primary School and has sought updated advice at each review and in the preparation of this report.
- 2.2 The practise of mothballing schools is not specifically governed by statute. It is addressed in the statutory guidance issued by the Scottish Government on the Schools (Consultation) (Scotland) Act 2010. In terms of section 19 of the Act, the Council, as Education Authority must have regard to the guidance in exercising its functions under the Act. A link to the guidance is provided below. Mothballing is referred to in paragraphs 63 – 65. The points relative to this report can be summarised as follows:
 - In considering alternatives to closure, authorities may consider mothballing a school
 - Mothballing is a temporary closure which does not trigger a statutory consultation under the 2010 Act

- Mothballing is only appropriate in very restricted circumstances. An example provided is where the school roll has fallen to zero and continues to be zero as was the case with Milton of Balgonie Primary School. Another example is that although not presently viable, there is a “reasonable prospect” that the number of pupils in the catchment area will increase sufficiently to justify it re-opening in the future
- Where a school is mothballed rather than closed and some children remain in the catchment area, as is the case with Milton of Balgonie Primary School, the decision to mothball should be taken in consultation with the parents involved and the possibility should be raised as early as possible
- Mothballing should not be used as a way of denying parents access to the statutory consultation process and, if the majority of parents oppose mothballing, it would be appropriate to move on to statutory consultation on closure as soon as possible
- Mothballing should not be used to undermine the requirement to consult on all school closure proposals. It is only appropriate for a temporary period and must be subject to regular review (at least annually) against the same requirements which led to the original decision to mothball. The maximum length of duration will depend on the location of the school and the desirability of maintaining capacity to reopen the school “but it is unlikely that it should exceed 3 years in areas that are not very remote.” The condition of the school building and the cost of maintaining it while mothballed will also be relevant to this.

3.0 The Mothballing of Milton of Balgonie Primary School

3.1 Milton of Balgonie Primary School is a small rural school with capacity for 75 pupils. The school roll steadily declined from 45 pupils in 2003 to 14 pupils in 2018. The individual school rolls, per year, are as follows:

Academic session	School Roll	Academic session	School Roll
2003	45	2013	27
2004	31	2014	24
2005	27	2015	26
2006	30	2016	26
2007	25	2017	23
2008	26	2018	14
2009	30	2019	0
2010	24	2020	0
2011	27	2021	0
2012	29	2022	0

3.2 As can be seen from the above table, it then fell to zero in 2019. The expected school roll for August 2019 was one pupil. In light of this, the parent(s) chose to send the child to Coaltown of Balgonie Primary School.

3.3 As a result, in January 2021 the Education Service recommended temporary closure of the school, “mothballing” in terms of the Scottish Government guidance, as the roll had fallen to zero and remained at zero. Mothballing was recommended, rather than progressing immediately to consultation on closure under the 2010 Act, to provide an opportunity for the school to reopen should circumstances change.

3.4 The Education Service did not bring forward a report to Committee to mothball the school until January 2021, as the COVID-19 pandemic lockdown started on 23 March 2020, and it was not feasible to bring the proposal earlier.

- 3.5 The original reasons for mothballing were the school roll at Milton of Balgonie Primary School had fallen from 14 pupils to 0 pupils by the end of academic session 2018/19; for sessions 2019/20 and 2020/21 the school had no pupils; the roll was expected to be 0 pupils for session 2021/22 and the absence of any feedback from parents disagreeing with the proposal of the Education Service.
- 3.6 This recommendation also reflected the fact that the Housing Land Audit, in 2016, listed a local plan site for 63 units at Main Street Milton of Balgonie. The Education Service anticipated this housing would come forward and wanted to provide time to assess any likely impact on the future school roll.
- 3.7 The Education and Children's Services Sub-Committee, on 26 January 2021, considered the recommendation to formally mothball Milton of Balgonie Primary School, as the school had had no pupils enrolled for the academic session from August 2019, August 2020 or for August 2021.
- 3.8 The Committee Decision of 26 January 2021 was:
- (a) mothball Milton of Balgonie Primary School with immediate effect;
 - (b) that, during the mothballing period, any children wishing to enrol at Milton of Balgonie Primary school would be offered a place at Coaltown of Balgonie Primary School and provided with free transport if they meet the distance criteria;
 - (c) that the resources and furniture within the school be offered to surrounding schools; and
 - (d) that a further report reviewing the decision be considered by the Sub-Committee in September 2021.
- 3.9 In August 2021, the Education Service reviewed the decision to mothball Milton of Balgonie Primary School against the requirements which led to the decision in January 2021. The Service recommended to Committee that there be a continued period of mothballing to allow for further analysis of proposed housebuilding and births in the catchment area and advised, in light of that, consideration would be given as to whether to proceed to a statutory consultation on closure.
- 3.10 The Education Service wrote out to all parents of pupils living in the Milton of Balgonie Primary School catchment area on 1 November 2021 advising that an update paper regarding Milton of Balgonie Primary School would be submitted to the Education and Children's Services Sub-Committee on 9 November 2021. On that date, the Committee agreed:
- (1) to continue with the existing mothballing arrangements for Milton of Balgonie Primary School;
 - (2) that, during the mothballing period, any children wishing to enrol at Milton of Balgonie Primary School would continue to be offered a place at Coaltown of Balgonie Primary School and provided with free transport if they met the distance criteria; and
 - (3) that a further review by the Education Service would take place in June 2022, reporting the outcomes to the earliest relevant and available Committee of the Council thereafter.

4.0 Current Review of the Mothballing of Milton of Balgonie Primary School

- 4.1 In June 2022, and again following the Cabinet Committee of 22nd September 2022, the Education Service reviewed the decision to mothball Milton of Balgonie Primary School against the requirements which led to the decision in January 2021.
- 4.2 The position on anticipated housing development within the catchment area is dealt with in part 5 below.
- 4.3 Current information shows that the number of births in the catchment area and the number of school age children have not significantly increased.
- 4.4 The school has been formally mothballed since January 2021 and there has been no attempt by parents to seek the reopening of Milton of Balgonie Primary School for academic session 2019/20, 2020/21 or 2021/22. For 2022/23, all 12 primary aged pupils living in the Milton of Balgonie Primary School catchment area have either enrolled at Coaltown of Balgonie Primary School, the catchment denominational primary school or made placing requests to attend other schools.
- 4.5 If the school were operational and all the primary age pupils living in the Milton of Balgonie catchment area had chosen to attend there (which is not supported by current or historical trends in parental choice as outlined below), the school would be operating as a single class school with children from primary 1 to primary 7 being taught in the same class. More than half of the year groups would have a single pupil or no pupil at that stage. Opportunities to learn alongside peers of a similar age and stage of development would be limited, as would social interactions and other learning activities that require a larger number of pupils to make them viable, e.g. School Show, Sports Day or Assemblies.
- 4.6 If operational as outlined in paragraph 4.5, the school would not meet the guiding principles agreed within our school estate strategy, which state that:
- schools should have an occupancy rate greater than 60% of capacity and, in order to ensure equity in provision, schools should be operating within an optimal occupancy and efficiency range of 80-100%, and
 - schools should have a minimum of 3 classes, recognising that effective learning requires interaction between pupils. This group activity is most effective when children are of a similar age and, to enable this, where possible schools should have a minimum roll of 50 pupils.
- 4.7 Milton of Balgonie Primary School is situated 1.9 miles from Coaltown of Balgonie Primary School.
- 4.8 Although Milton of Balgonie Primary School has only been mothballed formally for 18 months, the school has not been operational since August 2019, which is a period in excess of 3 years. Continuing to mothball the school for a further period could be argued not to be in the spirit of the statutory guidance.
- 4.9 Mothballing schools for lengthy periods is discouraged as it is viewed as a way of undermining the authority's obligation to conduct a statutory consultation on school closure. Continual mothballing can make closure ultimately inevitable and denies the current parents and other stakeholders including Education Scotland HM Inspectors an opportunity to have their say on the closure.

- 4.10 The report to Cabinet Committee of 22nd September 2022 was presented in response to the June 2022 review and sought approval of the content of a statutory Consultation Proposal paper, in terms of the Schools (Consultation) (Scotland) Act 2010, relating to the proposed closure of Milton of Balgonie Primary School and rezoning of the catchment areas of Coaltown of Balgonie, Pitteuchar East and Thornton Primary Schools.
- 4.11 This report reflected the guidance that the closure of a school for a temporary period should not be used to undermine the requirements under the 2010 Act to consult on all school closure proposals.
- 4.12 It also reflected the fact that mothballing is only appropriate for a temporary period and should be subject to regular review, at least annually, against the same requirements which led to the original decision to mothball the school (or stage of education) and that it is unlikely that the maximum length of a mothballing duration should exceed 3 years in areas that are not very remote.
- 4.13 Milton of Balgonie Primary School is classed as a rural school in accordance with the Scottish Government's Rural School Classification. However, the school is not very remote and is situated less than 2 miles from 2 other primary schools.
- 4.14 The recommendation also reflected the fact that the condition of the school building and cost of maintaining the mothballed provision is relevant to the review.
- 4.15 The condition and suitability ratings of Milton of Balgonie Primary School are category B for condition and suitability. To comply with the Council's Risk Management policy, all resources have been removed from the Milton of Balgonie Primary School building. The school building is managed by Orbis through Property Services to ensure it is wind and watertight. Costs for Orbis so far total £4815.09.
- 4.16 As it is a Category B Listed Building the Council has a duty to ensure the longevity of the school building and, if closed, the Education Service would wish to consider an alternative Educational use of the building.
- 4.17 Therefore, the reasons for the extant decision to mothball remain and it continues to appear unlikely that there will be any meaningful change that would result in the school reopening.
- 4.18 Although it is not the recommendation of officers at this time, it would be lawful to extend the mothballing of the school for a further limited period. As the school is not "very remote", the Council must have regard to the three-year time limit referred to in the Scottish Government guidance and ensure that a decision on the future of the school is made sufficiently far in advance of that date to allow, for example, a closure proposal to proceed or for the school to reopen.
- 4.19 This would mean that a decision to continue the current mothballing arrangements would require to be reviewed again in June 2023, to ensure the Committee has an opportunity to consider the officers recommendations in light of that review before the 3rd anniversary of the original decision to mothball (Jan 2024).

5.0 Previously Approved Planning Applications

- 5.1 Milton of Balgonie Primary School is set within a small village, currently with 204 residential units.

- 5.2 The adopted Fife Local Development Plan details the housing development sites across Fife to support housing demand in accordance with the South East Scotland (SES) Plan and Tay Plan requirements.
- 5.3 The Housing Land Audit is produced annually by Business and Employability Services and this details all the proposed sites with planning permission, sites that are effective but not yet with planning permission and sites which are non-effective, i.e. those that may have market constraints.
- 5.4 Milton of Balgonie Primary School catchment area has one development site, reference MOB001 – Balfour Place/Main Street, detailed within the Local Development Plan. This site has been listed in the Housing Land Audit for several years, as shown below. This site has not yet received planning permission and, therefore, no construction has commenced. However, even though the site has not received planning consent, as this is an effective site contained within the Housing Land Audit, it is included in school roll projections.

HLA Year	Site Ref	Site Name	Qty	Construction period/year	Status
2014	GLE135	Milton Sawmill	13	15/16 and 16/17	Planning permission in principle
2015	GLE144	Balfour Place/Main Street	63	19/20, 20/21, 21/22, post 22	No consent
2015	GLE135	Milton Sawmill	13	15/16 and 16/17	Planning permission in principle
2016	GLE144	Balfour Place/Main Street	63	19/20 20/21, 21/22, 22/23 post 23	No consent
2016	GLE135	Milton Sawmill	13	15/16 and 16/17	Planning permission in principle
2017	GLE144	Balfour Place/Main Street	63	22/23, 23/24, post 24	No consent
2018	GLE144	Balfour Place/Main Street	63	Post 2023	No consent
2019	GLE144	Balfour Place/Main Street	63	Post 2024	No consent
2020	GLE144	Balfour Place/Main Street	63	Post 2025	No consent
2021	GLE144	Balfour Place/Main Street	63	25/26, post 2026	No consent

- 5.5 The Housing Land Audit 2021 has the start date for this site to be 2025/26 with a completion rate of 6 units during year 25/26 and 51 units post 2026. It is understood that, through ongoing discussions with the developer, the phasing will differ when the 2022 Housing Land Audit is finalised later this year. A Pre-Application Notice has also been submitted (22/02991/PAN) for this site, which is a pre-requisite to submitting a formal planning application. The developer will be required to undertake wider stakeholder community engagement before they can formally submit a planning application. It is at this stage that more up-to-date build rates will be available, but current indications suggest a formal application will be submitted before the end of this year, suggesting that house building is due to start in 2024.
- 5.6 The pupil product expected from this site, over the 2-3-year build period, would be 22 primary age pupils, based on the average 0.354 pupil product per house. Whilst it might not be anticipated that this figure will be manifested in Milton of Balgonie Primary School, this average is reflected in the school roll projections.

- 5.7 Other planning applications in the Milton of Balgonie Primary School catchment area, listed in the Planning Portal, are as follows:
- 4 residential units – application December 2020 (Belfield Farm Steading)
 - 9 single storey extensions to existing dwelling houses within the period June 2015 to October 2021
 - House conversion to create one extra residential unit June 2016.
- 5.8 The Education Service recognises that housing developments may also come forward for non-allocated sites, in line with planning policies. Whilst it is not possible to include non-allocated sites in our pupil projections, available information has been utilised for the purpose of this exercise.

6.0 Milton of Balgonie Primary School – Pupil Roll Projections

- 6.1 School Roll Projection, with no anticipated additional housing, but all **new** primary age pupils living in the catchment area attending Milton of Balgonie Primary School.

Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
School Roll	2	3	4	6	8	10	12	12	13	14	14	14
Capacity	75	75	75	75	75	75	75	75	75	75	75	75
Classes	1	1	1	1	1	1	1	1	1	1	1	1

- 6.2 School Roll Projection, with all anticipated additional housing and all **new** primary age pupils living in the catchment area attending Milton of Balgonie Primary School.

Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
School Roll	2	5	19	31	31	31	31	28	27	25	23	23
Capacity	75	75	75	75	75	75	75	75	75	75	75	75
Classes	1	1	1	2	2	2	2	2	2	1	1	1

6.3 Pupils Within the Catchment Area

- 6.3.1 The 2018 pupil census information (i.e. the year immediately prior to there being no pupils enrolled at Milton of Balgonie Primary School) details the following:
- From the Milton of Balgonie Primary School catchment area there were 16 primary age pupils in non-denominational schools.
 - Of these, 56% (9 pupils) attended Milton of Balgonie Primary School and 44% (7 pupils) chose another primary school in the Glenrothes area.
- 6.3.2 The 2019 pupil census information details the following:
- From the Milton of Balgonie Primary School catchment area there were 16 primary age pupils in non-denominational schools.
 - Of these, 0% (0 pupils) attended Milton of Balgonie Primary School, 38% attended Coaltown of Balgonie Primary School and 62% (10 pupils) chose another primary school in the Glenrothes area.
- 6.3.3 Although not published yet, the 2022 pupil census information details the following:
- From the Milton of Balgonie Primary School catchment area there are 11 primary aged pupils in non-denominational primary schools.
 - Of these, 64% (7 pupils) are attending Coaltown of Balgonie Primary School, 36% (4 pupils) have chosen other schools in the Glenrothes area.

- 6.3.4 This information indicates that prior to 2019, a substantial number of families in the catchment area chose not to enrol their children in Milton of Balgonie Primary School. In 2019, all families chose to enrol their children elsewhere. In 2022, during the current mothballing period, most families have chosen to enrol at Coaltown of Balgonie Primary school, however, a third of families continue to choose other schools in the Glenrothes area.
- 6.4 This suggests that the above tables, showing the School Roll Projections, with **all new** primary age pupils living in the catchment area attending Milton of Balgonie Primary School, are extremely unlikely to reflect parental choice. Based on current and historic trends in parental choice, even if all the anticipated housing were to be realised, the actual school roll, should it be determined that the school were to become operational, is unlikely to go above 1 class by the end of 2033.
- 6.5 Analysis of data collected, regarding future pupils who were residing in the Milton of Balgonie Primary School catchment area when their birth was registered, shows one pupil for session August 2023/24, one pupil for session 2024/25, 3 pupils for session 2025/26 and one pupil for session 2026/27. These numbers show that the school would continue to be a one class school, unless new pupils move into the catchment area
- 6.6 If Milton of Balgonie Primary School were to reopen in session 2023/24, based on the current 2022 census data, there could be a maximum of one class of 10 pupils, spanning P1 to P7. However, this would be entirely dependent on the parents currently living in the Milton of Balgonie Primary School catchment area choosing to move their children from Coaltown of Balgonie Primary School and the one nursery aged pupil currently living in the Milton of Balgonie Primary School catchment area choosing to attend there.
- 6.7 Mothballing was recommended, rather than progressing immediately to consultation under the 2010 Act, to provide the opportunity for the school to reopen should circumstances change. Based on the roll projections, it continues to remain unlikely that there will be any meaningful change that would result in the school reopening.

7.0 Conclusions and Next Steps

- 7.1 This report outlines the legal position regarding the previous decision to mothball Milton of Balgonie Primary School and clarifies the position regarding any previously approved planning applications within the Milton of Balgonie Primary School catchment area.
- 7.2 This is the fourth academic session that the school at Milton of Balgonie has had no pupils on the roll. All parents living in the catchment area have either chosen to place their children in Coaltown of Balgonie Primary School or have made placing requests to other schools.
- 7.3 Officers will bring forward an amended proposal for the closure of Milton of Balgonie Primary School to the next Committee for consideration.
- 7.4 It would be feasible to mothball Milton of Balgonie Primary School for a further limited period, but currently there is no basis for doing so beyond the 3-year period referred to in the statutory guidance.

Background Papers

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

Schools (Consultation) (Scotland) Act 2010

<https://www2.gov.scot/Resource/0047/00477028.pdf>

Scottish Government Schools (Consultation) (Scotland) Act 2010 Guidance

<https://www.gov.scot/publications/schools-consultation-scotland-act-2010-statutory-guidance/>

Report Contacts

Shelagh McLean

Head of Education & Children's Services

(Early Years & Directorate Support)

Fife House

Telephone: 03451 55 55 55 + 444229

Email - shelagh.mclean@fife.gov.uk

Lyn Meeks

Quality Improvement Officer (School Estate Development & Change)

Education & Children's Services

Fife House

Telephone: 03451 55 55 55 + 430253

Email – lyn.meeks@fife.gov.uk

Avril Graham

Team Manager (Systems & Infrastructure)

Education & Children's Services

Fife House

Telephone: 03451 55 55 55 + 444204

Email – avril.graham@fife.gov.uk

17th November, 2022.

Agenda Item No. 12

Education and Children's Services' Mental Wellbeing Supports and Services for School-Aged Children and Young People

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

Wards Affected: All

Purpose

This report seeks to respond to the Cabinet Committee's request of September 2022:

"To undertake an urgent rapid review of the Council's support for mental health, particularly for young people through schools, and bring a report back to the Committee as soon as possible"

Recommendation(s)

The Cabinet Committee is invited to:

- (1) consider the current context of Fife young people's mental health needs following on from the Covid-19 pandemic and at a time where many families are experiencing financial pressures;
- (2) consider the overview of the strategic approach, and the key actions taken, with regards to provision of mental health support for young people through schools and partnerships; and
- (3) consider, and comment upon, the next steps outlined in the report.

Resource Implications

- (1) **Our Minds Matter (Fife Council funding:**
Since its introduction in May 2017 the OMM framework has been supported through annual revenue funding of £286,048 as part of the Fife Council budget.
- (2) **School Counselling Services:**
In financial year 2019/20, the Scottish Government allocated Fife Council its share of £12 million to implement School Counselling Services. This amounted to £738,000. This increased to a share of £16 million in 2020/21, namely £1m. That figure continued for 2021/22 and 2022/23 and is now to be baselined into the Local Government Settlement as permanent funding.
- (3) **Community Mental Health and Wellbeing Supports and Services Funding:**
In 2020/21 Fife Council was allocated £261,750 of Scottish Government funding to begin work to establish a Community Health and Wellbeing Supports and Service Framework. In April 2021, a figure of £1.047m was confirmed for the 2021/22 financial year to continue the work of that framework. This funding has continued for 2022/23 and will for 2023/24.

Legal & Risk Implications

New approaches and ways of supporting young people's emotional wellbeing can take time to embed and become established into our broad, general practice to ensure success in improving the emotional wellbeing of our young people in Fife. The Covid-19 context has impacted upon everyone's way of life, leading to potential societal mental health issues.

There is a risk that long term investment will not be sustained or secure the required improvements within a reasonable timescale, therefore maintaining pressures on other parts of the system. This will be kept under review

Impact Assessment

An impact assessment has been completed and is available on request. An impact assessment on children and young people in Fife with protected characteristics, (including those supported through Child Well Being meetings and Belonging to Fife), and their pathways through supports, will be undertaken to further inform the validity of the approaches and spend. This will also give cognisance to the expectations set out within The Promise, for services to work together, through early intervention and preventative measures, to make sure children can stay with their families and families are actively supported to stay together

Consultation

Consultation with young people and the adults around them is a constant feature of Our Minds Matter work, activity has included:

- Inquiry-based workshops with focus groups of young people, which gathered views on useful supports for emotional wellbeing
- Pupil surveys
- Discussion with a wide range of focus groups (young people and adults)
- Feedback from Service Users

1.0 Context – What we know

1.1 Introduction

1.1.1 The prevalence of mental ill-health and poor emotional wellbeing across Scotland's children and young people has incrementally increased over the past ten years, with all services who support children and young people experiencing year-on-year increases in presentations and complexity. Support requirements have continued to extend following the COVID-19 Pandemic and are likely to be compounded by other societal factors such as economic constraints and world issues which can cause worry and anxiety to adults and children alike.

1.1.2 The picture of young people's mental health needs in Fife has been formed from survey activity, review of requests for mental health service supports and consultation with young people within Fife community settings.

1.2 Survey Activity

1.2.1 In order to inform our understanding of Fife young people's emotional wellbeing, in 2021 all pupils in P7, S2 and S4 were invited to take part in the online Schools' Health Improvement Research Network (SHINE) Mental Health Surveys; with 87% uptake from P7 pupils, and 42% uptake from S2 and S4 pupils. This helped to identify key themes impacting on Fife young people's mental health, which were: poor body image; low mood; emotional difficulties; loneliness and difficult peer relationships.

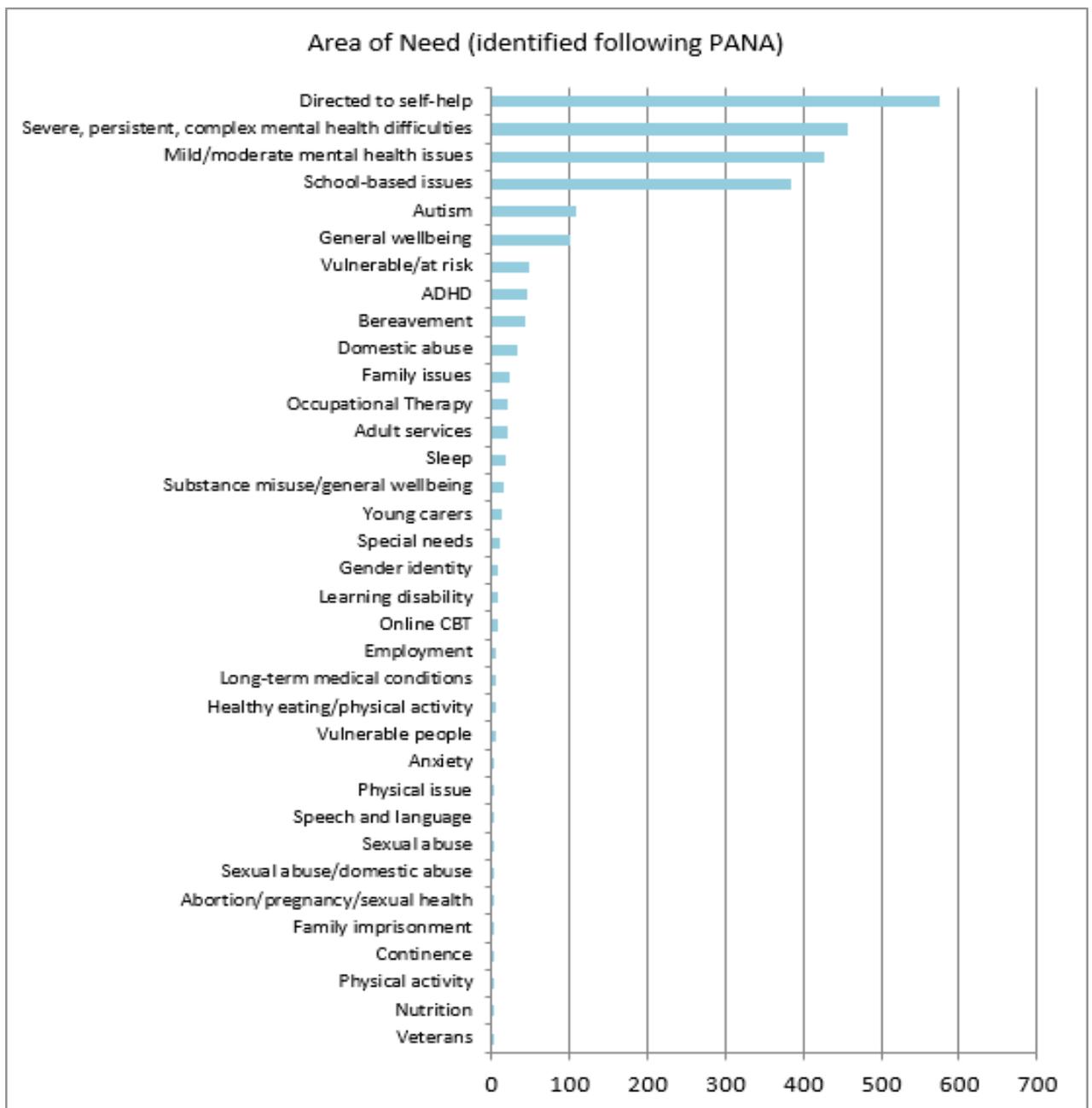
- 1.2.2 This year, we followed the same cohort of pupils and invited them to complete the survey again, as they transitioned from S1, S3 and S5 to S2, S4 and S6 respectively. This allowed us to measure and track any progress from last year, and to continue to inform school and cluster improvement plans with Health and Wellbeing data. All eighteen secondary schools participated between April and June 2022.
- 1.2.3 The data is seen as an overview and a snapshot in time. As there has been a difference in the numbers participating over both years, direct comparisons cannot be made and, instead, discussions and facilitated conversation around mental health, within school communities, and across the Local Authority have opened.
- 1.2.4 The key themes which are emerging from this year's data are similar to last year's, namely:
- 2.1 Low mood, with 47% of pupils across the year groups scoring as low in mood, with a fifth at risk of depression.
 - 2.2 Unhappiness in relation to appearance for all ages and for both boys and girls. This appears to peak for S4 girls where 41% reported being unhappy with their appearance.
 - 2.3 Self-harm, with more than a quarter of all pupils who took part in the survey stating that they have hurt themselves on purpose at some point, with a further 18% preferring not to say. This appears to be more of an issue for girls, and for S4 and S6 pupils.
 - 2.4 Lack of self-confidence in all pupils, particularly in girls. Every cohort scores lower than the Scottish average and this is significantly worse in girls than it is boys, across all ages.
 - 2.5 Emotional regulation and symptoms such as regular headaches and stomach-aches, worrying a lot, feeling unhappy and tearful, feeling fearful/easily scared and nervous in new situations and low in confidence (taken from the SDQ Questionnaire) particularly evidenced amongst S4 girls.
- 1.2.5 A full report of the SHINE findings, discussion, next steps and recommendations is included in the background papers.

1.3 Requests for Mental Health Service Supports

- 1.3.1 The demand upon services also gives us information on Fife young people's mental health needs.
- 1.3.2 The demand on the commissioned Schools' Counselling Service has continued to grow over the past three years. Within the last year there has been an overall increase of 52 requests for service to date, which is almost a 28% increase in demand. (For financial year 2022/23, an additional £100,000 has been allocated to address peaks in demand following the Covid Pandemic. The period for this funding ends in March 2023.)
- 1.3.3 The Schools' Counselling Service provides regular updates on young people's stated reasons for referral, as well as waiting lists on a school-by-school basis. The table below shows the percentage of referrals associated with each reason, for referrals from August to October 2021, compared to the reasons for referral from August to October 2022.

	August - October 2021 Reason for Referral (%)	August - October 2022 Reason for Referral (%)
Sexual trauma	1.2	1.1
Low self esteem	3.9	1.9
ACEs	2.8	1.7
Sexuality issues	0.3	1.2
Suicidal - acted on	0.3	0.3
Suicidal thoughts	2.3	1.3
Low mood	15.2	13.0
Self-harming	3.9	4.1
Stress at home	19.8	22.5
Stress at school	22.4	21.3
Gender issues	0.4	0.3
Bereavement	2.3	5.0
Eating disorders	1.2	3.2
Anxiety	20.1	17.5
Anger issues	3.9	5.5

- 1.3.4 Referrals for support connected to bereavement and eating disorders have both doubled, although numbers remain low. Stress at home is now the top reason for referral, followed by stress at school. This might suggest that we should continue to focus our efforts on supporting parents, carers and families to ensure that a whole family and wider community approach is taken to supporting mental health.
- 1.3.5 The SHINE data tells us that pupils are significantly happier at school than they were a year ago (by 21%).
- 1.3.6. Referral data provided by Fife Child Adolescent Mental Health (CAMHS) shows that approximately 60% of the referrals made to Fife CAMHS do not meet the criteria for this service i.e. 'Severe, persistent, complex mental health difficulties'. The table below shows assessment data.



1.4 Consultation with Young People and Families within Community Settings

1.4.1 The initial phase of implementing the community mental health & wellbeing support framework within Fife supported a consultation with young people, families and community partners. The recurring themes of need, highlighted from the consultations, were as follows:

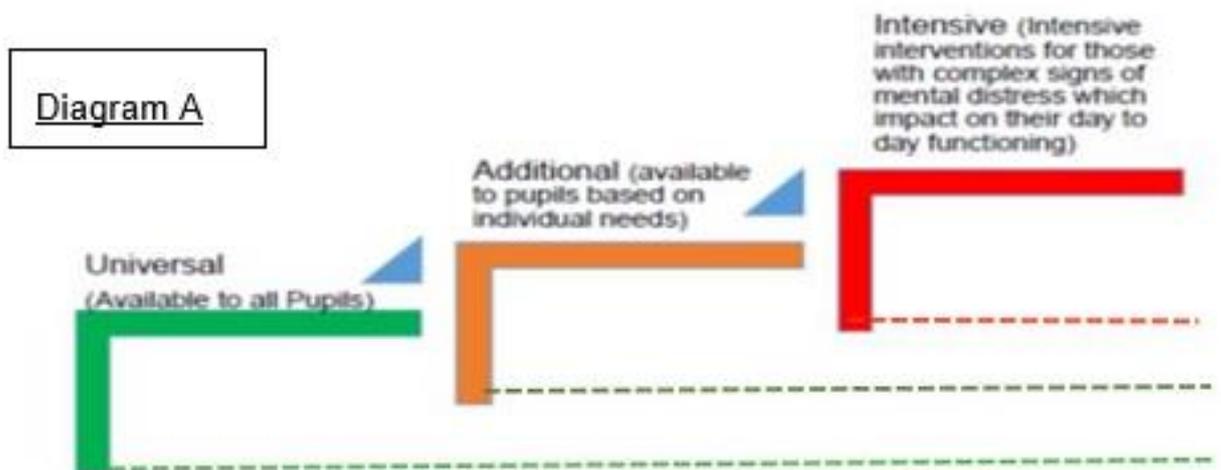
- a. need to recover from impacts of Covid-19 (particularly regarding feelings of being disconnected from people)
- b. need for visibility of services and clear signposting
- c. need to reduce stigma
- d. need to address challenges of accessibility and transport issues
- e. need for more mental wellbeing additional support services for young people who are neurodiverse

1.4.2 The consultation also identified that Young People and families are seeking early interventions, to support their needs before they “reach crisis point”.

2.0 Strategic Approach

2.1 In 2017 we devised and introduced Fife's 'Our Minds Matter' framework' as a reference for everyone in Fife who supports Young People's mental wellbeing, founded on the following key principles:

- Recognition that children and young people need support from the broad pastoral care around them, through solution-focused approaches, and a means of identifying and providing additional help if they experience difficulties.
- Emotional health does not sit separately to general health and wellbeing and must be seen in the context of wider needs. It is recognised widely that young people face many challenges growing up and so some caution should be exercised in labelling young people with 'mental illness' diagnoses or medicalising the normal growing up process.
- Responsibility for children and young people's health lies with the wide range of supporters around them – families, friends and professionals.
- Through Getting it Right for Every Child (GIRFEC), staged intervention approaches provide a common language and structure to understanding how support can be planned and joined across services, see Diagram A below.



2.2 Our strategy for supporting young people's mental wellbeing in Fife centres upon:

- **Building early intervention and prevention practices and supports:** at the Universal and Additional levels of practice to reduce the instances of young people's needs escalating to an intensive level. Working to develop equity of core, quality provision across Fife in terms of young people's access to support. Developing a distributed leadership model for emotional wellbeing development work, with an 'across-partners, shared' approach wherever possible
- **Enhancing and extending community supports and services** that target mental wellbeing and emotional distress. It supports an approach based on prevention and early intervention, enhancing provisions of additional (targeted) supports for young people aged 5-24 (up to 26 if care experienced), and their families to support their mental health and wellbeing, reducing the need for intensive interventions from the likes of CAMHS.

3.0 Key Actions Taken – What we are doing

3.1 Universal Supports for all children and young people

3.1.1 A wide range of projects are underway to help to develop effective universal practices for all children and young people.

- We promote five key ways of talking and thinking about our mental wellbeing – Be Active, Take Notice, Give, Learn and Connect. These Five Ways to Wellbeing are now widely used across Fife by young people, school staff, partners and community members.
- School pupils from P7 to S3 have access to a curricular Mental Wellbeing resource. 'Branch-Out' has been designed in Fife in partnership with Health colleagues and aims to develop young people's knowledge and understanding of mental health generally, promoting positive emotional wellbeing and providing coping strategies they can use.
- The 'Cool in School' resource which supports positive relationship building and encourages pupils to be assertive and aware of their own responses, verbally and physically, is being updated. It will become available online and will be digitally interactive, increasing its accessibility and use across all Fife pupils.
- We are working to empower young people to lead strategic improvement and to have authentic ownership of their mental and emotional wellbeing through The See Me, See Change Programme; Peer Mediation training; Gender-based Violence programmes and resources such as Mentors in Violence Prevention (MVP) and Equally Safe at School.
- We ensure that key messages and sources of support and information are accessible to young people. These are regularly shared on a wide variety of social media platforms and young people are regularly consulted to find out their views of how best to communicate with them. The OMM wakelet, with signposting and information for young people, has been viewed more than 2500 times in the past year. You can view the wakelet here:
<https://wakelet.com/wake/uarJazimikLPbzVlpGeX>

3.2 Additional, targeted supports for those who require them

3.2.1 Additional supports and interventions for young people's needs have been enhanced and extended.

3.2.2 *Low Mood* - A clear overview of supports and services for low mood, self-harm and suicide has been produced and two lessons discussing low mood have been added to the Branch Out resource aimed at Second and Third Year, Secondary pupils.

3.2.3 *Unhappiness in relation to appearance* - An across Fife campaign is being devised with partners across communities to promote positive body image, ensuring that school aged young people are involved in the co-design of this process, and that schools feel confident to deliver aspects of this within the curriculum and throughout the wider school community. We have already done some small tests of change with local primary schools, and plan to follow up on this work on a larger scale.

3.2.4 *Self-harm* - A Branch Out lesson aimed at Second and Third Year, Secondary pupils has been introduced which explores some of the stigma and myths that surround self-harming behaviour and encourages young people to speak to someone if they, or one of their peers are self-harming. A pupil workshop has also been devised with our colleagues in Health Promotion, based on the 'Ask, Tell' animations, and these facilitate discussions with young people about self-harming and suicidal thoughts. These will be piloted in Fife schools this session.

- 3.2.5 *Supporting Self-Confidence* - Taking into consideration the low levels of confidence and high levels of loneliness, along with the Strengths and Difficulties Questionnaire scores for peer relationships, Peer Mediation training and ongoing support is continuing to be rolled out to all primary schools in Fife in partnership with Scottish Mediation. This programme encourages young people to develop and sustain healthy relationships and develop the skills needed to resolve conflict in a positive way. It builds confidence, self-esteem and improves communication skills in the peer mediators and will benefit the wider school communities as a result.
- 3.2.6 *Anti-Stigmatisation* - Staff and pupils from every secondary school have been trained in the 'See Me – See Change' programme which will challenge mental health stigma and discrimination and provide a whole school approach for pupils, staff, and the wider school community. It is hoped that this programme will enhance programmes in several Fife schools who already have Mental Health Ambassadors and other Young Leaders pathways.
- 3.2.7 *Emotional Regulation* - Fife School Counselling data confirms that S4 girls are more likely than any other cohort to be referred to their service, with anxiety one of the main reasons for referral. We have updated our overview of staged interventions for Anxiety (see appendix 3) and work alongside our colleagues in CAMHS, School Nurses, Educational and Child Psychology teams, to ensure that there is a broad spectrum of support for pupils struggling to regulate their emotions
- 3.2.8 *Bereavement, Loss and Change* - We continue to support and coordinate Seasons for Growth peer support groups for children and young people who have experienced Bereavement, Loss or Change. This is more important now, in the context of covid recovery, when many young people have either lost a loved one, or experienced significant changes in their lives. In September, 80 companions attended an in-person event to build capacity and confidence in practitioners and encourage networking. At the time of writing, there are more than 250 active seasons companions throughout Fife, including staff from primary, secondary and pupil support as well as community partners and volunteers. 309 young people attended 95 Seasons for Growth groups within schools last session (2021-22) and most of these took place within 6 months due to Covid-19 restrictions. The plan for this session is to continue funding annual training through OMM to ensure sustainability, but the focus is to ensure that companions are supported and feel confident to deliver the programme, ensuring consistency.
- 3.2.9 *Continued Development of Fife Schools' Counselling Services* - Drugs Alcohol and Psychotherapies (DAPL) are commissioned for a three-year period, via short-term grant funding, to provide services for school- aged children aged ten and above. Fife Schools' Counselling Service has four core aspects to its service:
- Counselling Commissioned Service a) School Digital Drop-in Service for school aged young people aged 10 and above and b) One to One Counselling for school aged young people of 10 and above
 - OMM Family Engagement Team
 - Educational Psychologist Leadership and Support
 - A one-year pilot project providing art therapy support for school-aged young people aged nine and under
- 3.2.10 Fife Schools' Counselling model is evaluated on an ongoing basis and refreshed on a rolling three-year basis. This ensures that the model and approaches used continue to evolve in line with a) our learning in the past three years and b) in response to any changes to the context of needs of young people in Fife. The demand on the commissioned Schools' Counselling Service has continued to grow over the past three years, see table below:

Year (April to end of March)	No of YP accessing Schools Counselling	Target Output Per annum	Average Wait Time* (for Fife as a whole)	Total Financial Allocation to Schools' Counselling service in that period
2019/20	261	600	5.6 weeks	£450 000
2020/21	628	600	7.1 weeks	£450 000
2021/22	780	600	13.6 weeks (0.7 weeks or 5 days for digi-drop in self referrals)	£450 000
2022/23		<i>For first 6 months (April to end of September)</i>		<i>For whole financial year</i>
	366	300 for 6 months output	8.9 weeks (0.7 weeks or 5 days for digi-drop in self referrals)	£450 000 Plus £100 000 top up (one year) Total £550 000

*Average wait time between referral and being seen (for Fife as a whole)

3.3 Enhancing and extending community supports and services

3.3.1 *Continued Development of community-based supports* - A wide range of new services have been commissioned to provide enhanced and extended mental wellbeing services in Fife communities:

- a. Barnardos and Includem to deliver support to young people and their families for mental wellbeing, within each of the seven areas, through the development and delivery of 1:1 and group work programmes, working collaboratively with other agencies or specialist services to enhance and extend services
- b. Barnardo's and Includem also support capacity building with young people, families and community groups through increasing knowledge and understanding about mental health; recognising early signs of poor mental health and implementing self-help strategies and knowledge of where to get further support.
- c. Scottish Autism has been commissioned to provide support, advice and signposting to Parents and Carers of Young People where neurodevelopmental difficulties have been identified, to support their mental health through a multidisciplinary partnership approach.
- d. Includem is now delivering 'Keeping Connected' to provide a direct, targeted intervention of 1:1 support through a bespoke mentoring model for young people who are experiencing distress, aiming to develop confidence, build resilience and support engagement within universal supports and services
- e. CAMHS Early Intervention Service now has increased capacity within the Primary Mental Health Workers team. Embedding specialist CAMHS practitioners within the community has supported capacity building of staff and volunteers working with young people, increasing knowledge and understanding about child and adolescent brain development; how to support emotional regulation and understanding the impact of trauma on young people and families. Community staff also have a direct link to a CAMHS consultation line, to seek support in relation to a specific young person.

- f. Active Schools has been funded to deliver community-based programmes, “Club Connect,” supporting YP with low levels of attendance at school, promoting positive connections between physical and emotional wellbeing and offering hands on support to assist with transition into community groups.

3.3.2 *Support and Development for Adults who Support Young People* - Within communities we are focusing on building the capacity and confidence of staff, parents and carers in supporting children and young people with their mental health and emotional wellbeing, to equip the people closest to the young person to support early intervention. For example:

- a. We are working to provide training across Fife community partners to deliver Seasons for Growth workshops to young people aged 18 and under. By May 2023 all community partners (commissioned services) will be trained to deliver Season for Growth parent and carers Workshops, to build knowledge and confidence in supporting their young person at home, focusing on two key areas - Support for young people following separation and divorce and Support for young people following the death of someone they love. Community staff will also be trained to deliver workshops for adults, aimed at young people over 18 years old. All the above workshops will be adapted to support young people and their families living with neurodiversity.
- b. Positive mental health programmes, co-developed with CAMHS early intervention service, are being delivered within the community with the aim of improving knowledge and awareness of mental health and how to use self-help strategies to support emotional wellbeing. These programmes are being delivered to both young people and parents/carers.
- c. A series of 2-day OMM workshops for ECSD and community staff and volunteers, was delivered over the summer period with the aim of increasing knowledge and understanding of mental health and emotional wellbeing issues in children, young people.
- d. Education and Children’s Services staff have been trained in the use of a Cognitive Behavioural Therapy based model ‘Decider Skills.’ Workshops for young people, and parent and carer workshops are being delivered within the community, to support young people, through these skills. Evidence suggests this is most successful when the whole family are using these skills. By May 2023 commissioned community professionals will be trained to deliver ‘Decider Skills’ as a professional development opportunity across Fife.

3.3.3 *Improved visibility* - Our core services work closely with community partners and regularly engage in community events to promote their supports and services. For example:

- a. We have improved the visibility of supports and services through increased social media presence, linking Facebook, Instagram and Twitter pages called ‘Wellbeing in Fife.’ These pages promote supports and services available for young people and their families in Fife. Posts promoting new supports have reached over 18,000 people.
- b. We now have a digital Wakelet promoting services and resources to support the mental health of young people. We have recently expanded this to include a Wakelet aimed at parents and carers. The digital nature of this resource allows information to be updated in real time, ensuring it is accurate at time of access.

3.4 Short-term Intervention and Transformative Projects

3.4.1 The Community Mental Health and Wellbeing Strategic Oversight Group are:

- currently processing applications in connection with short-term funding opportunities to support interventions and transformative projects. This funding seeks to achieve the following broad aims, to build capacity to address a short-term, temporary need:
- Extending/strengthening/enhancing or improving existing relevant services for a temporary period. For example, for services which are experiencing short-term, temporary increased demand because of the covid pandemic or to address short-term gaps in services and peaks in demand, or adversity people are experiencing (perhaps Covid related).
- Introducing temporary additional services which provide reassurance and containment to young people (or their families) who are worried about their mental wellbeing, but who do not need intervention from a specialist health service.

3.4.2 Applicants were invited to apply for a minimum of £10,000 per project and a total of 20 applications were received. Short-term grant applications were received from health, social work, education and 3rd sector organisations.

3.4.3 Through the current work of the community provision, and ongoing engagement with young people and their families, we have identified specific targeted themes, and shortlisted applications against these themes, coupled with their ability to meet the essential criteria of the community framework (e.g. community-based, outwith 9am-3pm)

3.4.4 Themes:

- Meeting the needs of the population of YP who are disengaged from universal services due to the ongoing impact of covid
- Supports for young people on the Neuro Developmental Pathway
- Supports around Body Image
- Provide opportunities for adolescent young people and their families to reflect upon their gender identity
- Supports around self-harming
- Supports for crisis intervention
- Projects which provide insight into Fife young people's views and needs in relation to supporting their mental wellbeing, perhaps through sharing their lived experiences.

3.4.5 In addition, further Community Mental HWB short-term funding will also be directed towards projects which:

- promote and raise awareness of existing supports and services
- develop a Fife wide campaign with focus on key mental health messages to support topics that young people are continuing to tell us that they are struggling with (e.g. body image, toxic impacts of social media)
- explore opportunities to partner with other local authorities to increase wider visibility of digital services and key mental health messages
- develop a visual aid for GPs to support triage and improve visibility of supports and services available to young people and their families
- support improvement of the referral pathway for young people
- increase supports and services throughout school holiday periods targeted at YP and families where there is increased risk of poor mental health or disengagement with education during the holiday period.

4.0 Conclusion & Next Steps – What we need to do

- 4.1 This report summarises the current context and key provisions. The key themes emerging, based on what our children & young people are telling us are: low mood; unhappiness in relation to appearance; self-harm; lack of self-confidence and emotional regulation.
- 4.2 Referrals for support connected to bereavement and eating disorders have both doubled, although numbers remain low.
- 4.3 Stress at home is now the top reason for referral for mental health support, followed by stress at school.
- 4.4 This might suggest that we should continue to focus our efforts on supporting parents, carers and families to ensure that a whole family and wider community approach is taken to supporting mental health.
- 4.5 The following actions have been identified as the next steps.
 - 4.5.1 **Our Minds Matter** - Continue our work to improve and extend the continuity and breadth of effective early intervention and preventative practices experienced by school-aged young people, responding to feedback from young people, families, partners and data.
 - 4.5.2 **Schools' Counselling Services** - Funding is allocated for the remainder of this financial year. Work will continue to test and evaluate new models, with a commitment to ongoing review of budgets. Transitional funding for DAPL has been approved, to progress a new service brief, along with investment for counselling supports for children impacted by substance use. A refreshed service brief, for the commissioned School Counselling Services, needs to be developed for the next three years (April 2023-March 2026).
 - 4.5.3 Review the outcomes of the Art Therapy pilot for young people of school age nine and under and consider potential for continuation and extension of the service.
 - 4.5.4 **Community Mental Health and Wellbeing Fund** - Review the short-term funding application process and grant funding application process, to better evidence the measurement of outcomes achieved. Review uptake and impacts of the Togetherall resource and consider opportunities to evolve investment in this provision through partnership with Fife College. Take a Fife wide digital approach to supporting young people's mental health. Further progress a potential collaboration with St. Andrews University to identify suitable approaches. Evaluate Community Core services, delivered by Barnardos and Includem, and better evidence the measurement of outcomes achieved and identify potential changes required. Undertake a Fife wide awareness raising campaign around young people's mental wellbeing (promoting awareness of resources and supports available and working to de-stigmatise and build knowledge of mental health in relation to the growth and development of children)
 - 4.5.5 **CAMHS** - Fife CAMHS will continue to be an integral part of the Fife children and young people's framework for emotional and mental wellbeing: Our Minds Matter (OMM), which ensures that clear pathways exist to support children and young people who experience emotional and mental health issues. It promotes clear points of access, early intervention and broad ranging strategies to enhance mental health through all agencies. CAMHS will continue to work towards recruiting to the remaining vacant posts, specifically around difficult to recruit to posts in Psychiatry and Psychology. This will ensure that the broad range of services delivered by Fife CAMHS remain sustainable; Scottish Government waiting times targets are achieved by March 2023; the workforce is developed and effective and services are delivered in a person-centred, timely and evidence-based way.

4.5.6 **Gathering Evidence of Fife Young People’s Needs and Views in connection to Mental Wellbeing** – Implementation of a Fife Young People Health & Wellbeing Survey would ensure we better understand and respond to the current wellbeing needs of children and young people in Fife and inform our work to improve services for children and families. A range of key themes can be included within the questions. Children and young people can be asked questions that cover a wide range of topics, as summarised in the following table:

<ul style="list-style-type: none"> • attitudes to school • perceptions of achievement • perceptions on the pressure of schoolwork • physical activity/exercise • eating behaviours • general health • general wellbeing (life satisfaction) • physical or mental health condition 	<ul style="list-style-type: none"> • sleep pattern • feeling of discrimination • relationship with peers • self-perception (body image) • experience of social media and being online • relationships with family / environment • relationships with parents/carers • resilience 	<ul style="list-style-type: none"> • involvement in decision making • involvement in positive activities • caring responsibilities • experience of bullying • aspirations and career planning • involvement in positive activities • sedentary behaviour • perception on places to play
---	--	---

4.5.7 Some topics would only be asked of certain groups of young people. These are:

<p><i>At S2 and above:</i></p> <ul style="list-style-type: none"> • mental wellbeing • use of alcohol • use of tobacco 	<p><i>At S4 and above:</i></p> <ul style="list-style-type: none"> • use of drugs • relationships and sexual health
---	--

Background Papers

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

- Five Ways Leaflet
- Full 2022 SHINE report findings, discussion, next steps & recommendations.
- Staged approaches and supports for Anxiety
- Staged approaches and supports for Bereavement and Loss
- Staged Approaches and Supports for Low Mood, Self-harm and Suicide

Report Contact

Shelagh McLean
Head of Service
Fife House

Telephone: 03451 55 55 55 + VOIP Number 444229 - Email: shelagh.mclean@fife.gov.uk

Report Contact

Rona Weir
Education Manager
Fife House

Telephone: 03451 55 55 55 + VOIP Number 441985 - Email: rona.weir@fife.gov.uk

Treasury Management Annual Report 2021-22 and Update 2022-23

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

Wards Affected: All

Purpose

This Annual Report and Update is prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) publication, Treasury Management in the Public Services – Code of Practice and Cross Sectorial Guidance Notes, which was adopted by the Policy and Co-ordination Committee on 12 April 2018. This report provides an update against the Annual Treasury Policy and Investment Strategy for both the previous year and the current year to date.

Recommendations

The Cabinet Committee is asked to consider and comment on the contents of this report.

Resource Implications

None.

Legal & Risk Implications

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

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

Impact Assessment

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

Consultation

None.

1.0 Background

- 1.1 The Council is required, through regulations issued under the Local Government in Scotland Act 2003, to produce an annual treasury management review of its activities and the actual prudential and treasury indicators for 2021-22. This report also meets the requirements of both the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (the Code) and CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.2 The regulatory environment for Treasury Management places responsibility on members for the review and scrutiny of treasury management policy and activities. At this Committee on 12 April 2018, it was noted that: -

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

- 1.3 Following the local government elections in May 2022 and updated Committee arrangements, the responsibility is now delegated to the Cabinet Committee. The Annual Treasury Policy and Investment Strategy for the Council is approved by this Committee in line with the Committee powers and this report provides an update against that strategy for both the previous year and the current year to date.

2.0 Prudential and Treasury Indicators

- 2.1 The Prudential Code plays a key role in the capital finance in local authorities. A local authority can determine its own programmes for capital investment but must ensure it acts prudently, i.e., the Code requires the authority to take account of affordability when it makes decisions on borrowing. The Code also requires an authority to report on various indicators which are detailed below and reported in full in Appendix 1. The indicators are calculated over a five-year period, showing past and future years. The following paragraphs provide some explanation of the main components of the Prudential Indicators.

2.2 Capital Expenditure

A report detailing the 2021-22 outturn expenditure for the Council's Capital Investment Plan was reported to this Committee on 25 August 2022. The table below shows a summary of this expenditure as well as the prior year's expenditure for comparison purposes.

	2020-21 £m	2021-22 £m
General Fund	81.272	89.911
Housing Revenue Account	57.201	73.894
Total Capital Expenditure	138.473	163.805

2.3 Capital Financing Requirement

The underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). The CFR results from the capital activity of the Council and what resources have been used to pay for the capital spend. It represents capital expenditure in 2021-22 and prior years which has not yet been paid for from revenue or other resources.

The Council's CFR for the year is shown below and represents a key prudential indicator. The CFR includes leasing schemes and the Council's Public and Private Partnerships (PPP) and similar contracts for the construction and servicing of several secondary and primary schools.

	2020-21 £m	2021-22 £m
Opening Capital Financing Requirement	1,121.785	1,118.254
Capital Expenditure	138.473	163.805
Capital Income	(104.677)	(106.187)
Repayments of Principal	(31.202)	(36.339)
PPP and Lease repayments	(6.124)	(6.412)
Closing Capital Financing Requirement	1,118.254	1,133.121

2.4 Net Debt

To ensure borrowing levels are prudent over the medium term, the Council's net debt (borrowings less investments) must only be for capital purposes. Gross external debt should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2022-23 and the next two financial years, this is known as the operational boundary and is detailed at para. 2.5 below. This allows some flexibility for limited early borrowing for future years.

The 2021-22 Borrowing Strategy identified a new long-term borrowing requirement of £63.726m. During 2021-22 two new long-term loans were taken from the PWLB for £30.000m each.

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

	2020-21 £m	2021-22 £m
Long- and Short-Term Debt	971.664	940.794
PPP and Lease Liabilities	88.273	81.861
Total External Debt	1,059.937	1,022.655

2.5 Operational Boundary / Authorised Limit for External Debt

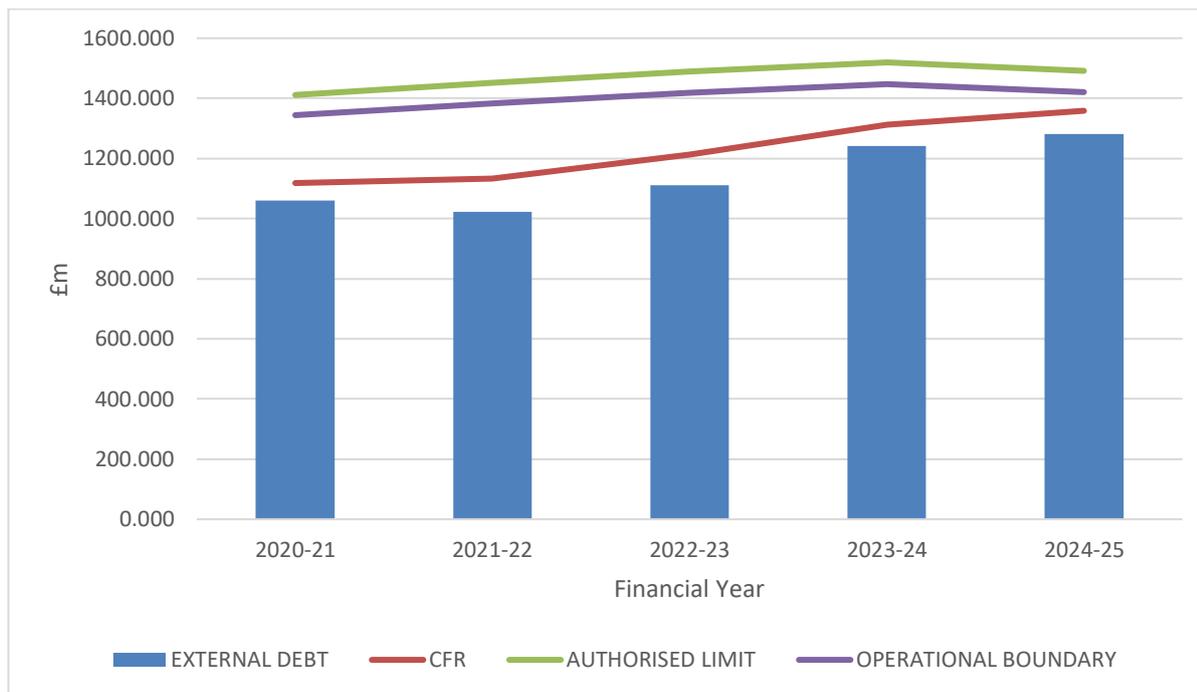
These are approved limits which are used to monitor operationally the total borrowings of the Council on a day-to-day basis. The authorised limit is the maximum borrowing limit, and the Council does not have the power to borrow above this level. The table below demonstrates the Council has maintained total external debt in 2021-22 within the limits approved by Fife Council in March 2022.

	2020-21 £m	2021-22 £m
Total External Debt	1,059.937	1,022.655
Approved Operational Boundary for External Debt	1,344.084	1,382.634
Approved Authorised Limit for External Debt	1,411.288	1,451.766

2.6 Comparison of Borrowing Parameters to Actual External Borrowing

The table below provides details of the actual and estimated external debt for Fife Council, in relation to its approved borrowing parameters for 2020-25.

	2020-21 £m	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
CFR	1,118.254	1,133.121	1,213.189	1,312.606	1,358.622
External Debt	1,059.937	1,022.655	1,111.528	1,240.644	1,280.508
Operational Boundary	1,344.084	1,382.634	1,418.129	1,447.189	1,420.606
Authorised Limit	1,411.288	1,451.766	1,489.036	1,519.548	1,491.636



2.7 Financing Costs as a proportion of net revenue stream

This is a key indicator that identifies what proportion of the Council's revenue funding is used to meet the financing costs of the Council borrowing. The higher this percentage, the less revenue resources there are available to spend on the direct provision of Council services.

A limit has been set for the percentage of financing costs to net revenue stream for the Housing Revenue Account per the Housing Revenue Account Business Plan. The current level of debt is within this limit, however future planned expenditure will increase the level of debt. There is no agreed limit in terms of General Fund, however, care needs to be taken to ensure that the level of expenditure required to service debt is sustainable given the financial challenges the Council continues to face. This is reviewed routinely and in depth as part of the capital plan review.

General Fund	2020-21 £m	2021-22 £m
General Revenue Grant	622.309	605.234
Non-Domestic Rates	111.709	135.763
Council Tax	170.789	172.593
Net Revenue Stream	904.807	913.590
Total Financing Costs	55.242	58.349
% of Financing Costs to Net Revenue Stream	6.11%	6.39%

Housing Revenue Account	2020-21 £m	2021-22 £m
Housing Lets	119.439	121.740
Garage Lets	2.897	2.869
Net Revenue Stream	122.336	124.609
Total Financing Costs	26.771	27.464
% of Financing Costs to Net Revenue Stream	21.88%	22.04%

3.0 Interest Rates

3.1 Forecast

The Borrowing Strategy for 2021-22 forecast short-term interest rates to be in the 0.50% - 1.5% range and long-term rates in the range of 2.0% - 4.0%.

3.2 Actual

During 2021-22 the rates available for investment was 0.1% and the cost of temporary borrowing was 0.7%

In the money market, long-term borrowing rates in the less than 5-year maturity range continued to be low.

4.0 Debt Rescheduling and Debt Outstanding

4.1 Performance

The Council continually monitors its portfolio of debt for opportunities to manage the cost of borrowing. Over the years, Fife Council has been very active in this area by taking account of low short-term interest rates which has resulted in reduced financing costs.

4.2 Debt Rescheduling

Debt rescheduling refers to restructuring the terms of an existing loan to extend or reduce the repayment period or to take advantage of lower interest rates. In most circumstances this would also involve the payment of an additional one-off premium to the lender. No rescheduling was undertaken during 2021-22 and opportunities for debt rescheduling are kept under review.

4.3 Debt Outstanding

Appendix 2 shows the movement in borrowings and investments during the year. Net borrowing has reduced by £2.840m in the year to a total of £828.804m.

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

4.4 Temporary Investments

Temporary investments represent the cash held by Fife Council at any given time. As per the Treasury Strategy, this is invested in triple A rated Money Market Funds until required as these provided higher interest rates than those of the Council's bank accounts.

5.0 Performance

5.1 Lending Limits and Breach of Limits

The Council has a policy which limits the sums invested with any one institution at any one time. It is accepted that, on occasion, the limit may be breached for operational reasons such as public holidays which cannot be avoided. In accordance with procedures in the Treasury Policy Statement, details of such breach of limits are reported.

During 2021-22 there were 1 breach of this limit. On 18 March 2022, £10.332m was received from Brodies LLP for NHT Hilton Rosyth. This was repayment of the National Housing Trust loans for Hilton of Rosyth. This was received late afternoon and was after the deadline for investing in the Money Market Funds.

There have been no breaches in the current financial year to 30 September 2022.

5.2 Maturities

The Council's strategy provides for a maximum of 15% of long-term debt maturing in any one year, based on loans running to their maturity date. In 2065-66, 9.43% of the current total long-term debt is due to mature and is the highest in any one year. We continue to operate within this limit.

The following table shows the percentage of long-term debt maturing in each of the next 2 years: -

Year	% of total Debt maturing (as at 31 March 2022)
2022-23	2.22
2023-24	4.03

5.3 Cost

Over recent years, Fife Council has been actively taking advantage of the low borrowing rates available and as a result, the average cost of servicing Loans Fund Advances in the year reduced to 3.34% for Loans Fund Interest and Expenses, (3.53% in 2020-21 and 3.61% in 2019-20).

5.4 Member and Officer Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. A training session, to support members' scrutiny role took place on a virtual basis on 20 June 2022.

Officers attended training webinars throughout 2021-22 hosted by Link Group.

6.0 Update 2022-23

6.1 Capital Investment Plan

The current Capital Investment Plan, which extends to the year 2031, was approved by Fife Council in March 2022 and the biennial Capital Investment Plan review will be undertaken in 2022-23. Any review of the ten-year plan will have an impact on Treasury Management.

6.2 Investment Portfolio 2022-23

In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. It is currently a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades, as rates have been very low, in recent weeks interest rates have begun to increase and will be kept under review by the Executive Director of Finance and Corporate Services.

The Council held £244.680m of short-term investments at 30 September 2022 (£111.990m at 31 March 2022) and the investment portfolio yield for the first six months of the year is 1.18%.

6.3 Borrowing

The Council's capital financing requirement (CFR) for 2022-23 is £1,213.189m. The Council may borrow from the Public Works Loan Board (PWLB) or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. Utilising cash flow funds in lieu of borrowing is a prudent and cost-effective approach in the current economic climate.

The Net Borrowing Requirement for 2022-23 was estimated at £97.690m and reported to this Committee on 14 April 2022. No long-term external borrowing has been undertaken to date this financial year.

6.4 Debt Rescheduling

The Executive Director of Finance and Corporate Services will continue to review opportunities for debt rescheduling. Link Group have been commissioned to undertake a review of current market loans to assess any early repayment and rescheduling opportunities that may exist.

6.5 Interest rate forecasts

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

	Dec22	Mar23	Jun23	Sep23	Dec23	Mar24	Jun24	Sep24	Dec24	Mar25
	%	%	%	%	%	%	%	%	%	%
Bank Rate	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75
3mth	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80
6mth	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00
12mth	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10
5yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30
10yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30
25yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60
60yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30

Detailed economic and interest rate commentary from Link Group can be found in Appendix 3

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

7.0 Conclusions

- 7.1 Performance against the approved 2021-22 Prudential and Treasury Indicators was within agreed limits for the financial year.
- 7.2 There was long-term borrowing undertaken in 2021-22 of £60.000m.
- 7.3 There was one breach of investment limits during 2021-22. The highest percentage of long-term debt maturing in one year is within the strategic range and the average cost of servicing Loans Fund Advances was 3.34%
- 7.4 No new long-term borrowing has taken place in 2022-23.

List of Appendices

- 1. Prudential Indicators 2022-25
- 2. Summary of Borrowing and Investments 2021-22
- 3. Link Group – Interest Rate Risk Commentary.

Background Papers

None

Report Contact

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

Appendix 1

2020-21	2021-22		Approved April 2022		
			2022-23	2023-24	2024-25
		Affordability Indicators			
£m	£m	Capital Expenditure	£m	£m	£m
81.272	89.911	General Fund	122.646	148.171	123.895
57.201	73.894	Housing Revenue Account	82.251	80.867	47.099
138.473	163.805		204.898	229.038	170.994
£m	£m	Financing Costs	£m	£m	£m
55.242	58.349	General Fund	57.702	61.216	63.213
26.771	27.464	Housing Revenue Account	30.196	32.332	34.599
82.014	85.813		87.898	93.548	97.812
£m	£m	Net Revenue Stream	£m	£m	£m
904.808	913.590	General Fund	882.515	879.926	874.695
122.337	124.608	Housing Revenue Account	127.092	130.669	135.017
1,027.144	1,038.198		1,009.607	1,010.595	1,009.712
		Ratio of Financing Costs to Net Revenue Stream			
6.11%	6.39%	General Fund	6.54%	6.96%	7.23%
21.88%	22.04%	Housing Revenue Account	23.76%	24.74%	25.63%
£m	£m	Capital Financing Requirement	£m	£m	£m
752.738	746.223	General Fund	809.930	889.694	941.247
365.516	386.898	Housing Revenue Account	403.259	422.912	417.374
1,118.254	1,133.121		1,213.189	1,312.606	1,358.622
1,059.937	1,022.655	External Debt	1,111.582	1,240.644	1,280.508
1,411.288	1,451.766	Authorised Limit for External Debt	1,489.036	1,519.548	1,491.636
1,344.084	1,382.634	Operational Boundary for External Debt	1,418.129	1,447.189	1,420.606
		Prudence Indicators			
£m	£m	Debt and the Capital Financing Requirement	£m	£m	£m
1,059.937	1,022.655	Forecast External Debt	1,111.582	1,240.644	1,280.508
1,118.254	1,133.121	Forecast Capital Financing Requirement	1,213.189	1,312.606	1,358.622
(58.317)	(110.467)		(101.607)	(71.962)	(78.114)
		Adoption of CIPFA Code of Treasury Management			
		Code adopted in 1996 and compliance maintained through the Treasury Management Strategy			
100%	100%	Fixed Interest Rate Exposure Upper Limit	100%	100%	100%
75%	75%	Variable Interest Rate Exposure Upper Limit	75%	75%	75%
0%	0%	Total Principal Sums Invested beyond 364 days	0%	0%	0%
		Maturity Structure of Borrowing			
		% of total debt maturing in any single year			
		Under 12 Months	50%		
		12 months and within 24 months	50%		
		24 months and within 5 years	50%		
		5 years and within 10 years	50%		
		10 years and above	100%		

Summary of Borrowing and Investments 2021-22

	Opening Balance 2021-22 £m	Borrowed / (Invested) During 2021-22 £m	(Repaid) / Received During 2021-22 £m	Closing Balance 2021-22 £m
Public Works Loans Board	540.064	60.000	(21.620)	578.444
Market Loans	330.600	0.000	(3.250)	327.350
Temporary Borrowings	101.000	35.000	(101.000)	35.000
Total Borrowings	971.664	95.000	(125.870)	940.794
Temporary Investments	(140.020)	(1,043.200)	1,071.230	(111.990)
Net Borrowings	831.644	(948.200)	945.360	828.804

Note – the figures above exclude PPP and lease liabilities

Link Group Economics and Interest Rates

1. Economics update

- The second quarter of 2022/23 saw:
 - GDP in Q1 2022/23 revised upwards to 0.2% q/q from -0.1%, which means the UK economy has avoided recession for the time being;
 - Signs of economic activity losing momentum as production fell due to rising energy prices;
 - CPI inflation ease to 9.9% y/y in August but domestic price pressures showing little sign of abating in the near-term;
 - The unemployment rate fell to a 48-year low of 3.6% due to a large shortfall in labour supply;
 - Bank Rate rise by 100bps over the quarter, taking Bank Rate to 2.25% with further rises to come;
 - Gilt yields surge and sterling fall following the “fiscal event” of the new Prime Minister and Chancellor on 23rd September.
- The UK economy grew by 0.2% in July following an upward revision to Q1's GDP data (+0.2% q/q), though revisions to historic data left it below pre-pandemic levels.
- There are signs of higher energy prices creating more persistent downward effects in economic activity. Both industrial production (-0.3% m/m) and construction output (-0.8% m/m) fell in July 2022 for a second month in a row. Although some of this was probably due to the heat wave at the time, manufacturing output fell in some of the most energy intensive sectors (e.g., chemicals), pointing to signs of higher energy prices weighing on production. With the drag on real activity from high inflation having grown in recent months, GDP is at risk of contracting through the autumn and winter months.
- The fall in the composite PMI from 49.6 in August to a 20-month low of 48.4 in September points to a fall in GDP of around 0.2% q/q in Q3 and consumer confidence is at a record low. Retail sales volumes fell by 1.6% m/m in August, which was the ninth fall in 10 months. That left sales volumes in August just 0.5% above their pre-Covid level and 3.3% below their level at the start of the year. There are also signs that households are spending their excess savings in response to high prices. Indeed, cash in households' bank accounts rose by £3.2bn in August, which was below the £3.9bn rise in July and much smaller than the 2019 average monthly rise of £4.6bn.
- The labour market remained exceptionally tight. Data for July and August provided further evidence that the weaker economy is leading to a cooling in labour demand. Labour Force Survey (LFS) employment rose by 40,000 in the three months to July (the smallest rise since February). But a renewed rise in inactivity of 154,000 over the same period meant that the unemployment rate fell from 3.8% in June to a new 48-year low of 3.6%. The single-month data showed that inactivity rose by 354,000 in July itself and there are now 904,000 more inactive people aged 16+ compared to before the pandemic in February 2020. The number of vacancies has started to level off from recent record highs but there have been few signs of a slowing in the upward momentum on wage growth. Indeed, in July, the 3my/y rate of average earnings growth rose from 5.2% in June to 5.5%.
- CPI inflation eased from 10.1% in July to 9.9% in August, though inflation has not peaked yet. The easing in August was mainly due to a decline in fuel prices reducing fuel inflation from 43.7% to 32.1%. And with the oil price now just below \$90pb, we would expect to see fuel prices fall further in the coming months.
- However, utility price inflation is expected to add 0.7ppts to CPI inflation in October when the Ofgem unit price cap increases, typically, to £2,500 per household (prior to any benefit payments). But, as the government has frozen utility prices at that level for two years, energy price inflation will fall sharply after October and have a big downward influence on CPI inflation.
- Nonetheless, the rise in services CPI inflation from 5.7% y/y in July to a 30-year high of 5.9% y/y in August suggests that domestic price pressures are showing little sign of abating. A lot of that is being driven by the tight labour market and strong wage growth. CPI inflation is expected to peak close to 10.4% in November and, with the supply of workers set to remain unusually low, the tight labour market will keep underlying inflationary pressures strong until early next year.
- The new Prime Minister and Chancellor have appeared to make a step change in government policy. The government's huge fiscal loosening from its significant tax cuts will add to these domestic inflationary pressures and will leave a legacy of higher interest rates and public debt. Whilst the government's utility price freeze, which could

cost up to £150bn (5.7% of GDP) over 2 years, will reduce peak inflation from 14.5% in January next year to 10.4% in November this year, the long list of tax measures announced at the “fiscal event” adds up to a loosening in fiscal policy relative to the previous government’s plans of £44.8bn (1.8% of GDP) by 2026/27. These included the reversal of April’s national insurance tax on 6th November, the cut in the basic rate of income tax from 20p to 19p in April 2023, the cancellation of next April’s corporation tax rise, the cut to stamp duty and the removal of the 45p tax rate, although the 45p tax rate cut announcement has already been reversed.

- Fears that the government has no fiscal anchor on the back of these announcements has meant that the pound has weakened, adding further upward pressure to interest rates. Whilst the pound fell to a record low of \$1.035 on the Monday following the government’s “fiscal event”, it has since recovered to around \$1.12. That is due to hopes that the Bank of England will deliver a very big rise in interest rates at the policy meeting on 3rd November and the government will lay out a credible medium-term plan in the fiscal statement on 23rd November. Nevertheless, with concerns over a global recession growing, there are downside risks to the pound.
- Since the fiscal event, we now expect the Monetary Policy Committee (MPC) to increase interest rates further and faster, from 2.25% currently to a peak of 5.00% in February 2023 (up from our previous forecast peak of 2.75%). The combination of the government’s fiscal loosening, the tight labour market and sticky inflation expectations means we expect the MPC to raise interest rates by 100bps at the policy meetings in November (to 3.25%) and 75 basis points in December (to 4%) followed by further 50 basis point hikes in February and March (to 5.00%). Market expectations for what the MPC will do are volatile. If Bank Rate climbs to these levels the housing market looks very vulnerable, which is one reason why the peak in our forecast is lower than the peak of 5.50% priced into the financial markets at present.
- Gilt yields rose sharply at the end of September as investors demanded a higher risk premium and expected faster and higher interest rate rises to offset the government’s extraordinary fiscal stimulus plans. The 30-year gilt yield rose from 3.60% to 5.10% following the “fiscal event”, which threatened financial stability by forcing pension funds to sell assets into a falling market to meet cash collateral requirements. In response, the Bank did two things. First, it postponed its plans to start selling some of its quantitative easing (QE) gilt holdings until 31st October. Second, it committed to buy up to £65bn of long-term gilts to “restore orderly market conditions” until 14th October. In other words, the Bank is restarting QE, although for financial stability reasons rather than monetary policy reasons.
- Since the Bank’s announcement on 28th September, the 30-year gilt yield has fallen back from 5.10% to 3.83%. The 2-year gilt yield dropped from 4.70% to 4.30% and the 10-year yield fell back from 4.55% to 4.09%.
- There is a possibility that the Bank continues with QE at the long-end beyond 14th October or it decides to delay quantitative tightening beyond 31st October, even as it raises interest rates. So far at least, investors seem to have taken the Bank at its word that this is not a change in the direction of monetary policy nor a step towards monetary financing of the government’s deficit. But instead, that it is a temporary intervention with financial stability in mind.
- The S&P 500 and FTSE 100 climbed in the first half of Q2 2022/23 before falling to their lowest levels since November 2020 and July 2021 respectively. The S&P 500 is 7.2% below its level at the start of the quarter, whilst the FTSE 100 is 5.2% below it as the fall in the pound has boosted the value of overseas earnings in the index. The decline has, in part, been driven by the rise in global real yields and the resulting downward pressure on equity valuations as well as concerns over economic growth leading to a deterioration in investor risk appetite.

MPC meetings 4th August and 22nd September 2022

- In August, the Bank of England's Monetary Policy Committee (MPC) increased Bank Rate to 1.75%, and on 22nd September moved rates up a further 50 basis points to 2.25%. The increase reflected a split vote – five members voting for a 50 basis points increase, three for 75 basis points and one for 25 basis points. The MPC continues to grapple with getting inflation back on track over a three-year horizon.
- Moreover, the UK now has a new Prime Minister, a new Chancellor and new economic policies that seek to grow the UK economy faster than at any time since the 1980s. The central planks to the government's new policies are tax cuts and regulatory simplification. It is too early to say whether such policies will boost growth in the ways intended, but what is clear at this juncture is that the lack of scrutiny of the various projections, ideally by the Office of Budget Responsibility (OBR), and an emphasis upon borrowing to fund the significant cost of the proposals scared the markets.
- Subsequently, the Government has announced that the OBR will scrutinise their spending plans on 23rd November, after the MPC next meets on 3rd November. Naturally, the Bank Rate forecast set out below will be dependent on a more joined-up set of communications from the Bank of England and the government than that which we have seen or heard so far. In addition, the fiscal governance aspects referred to in the OBR's upcoming review in November will need to be suitably couched in reassuring language and analysis to persuade the markets that fiscal rectitude has not been abandoned.
- Of course, what happens outside of the UK is also critical to movement in gilt yields. The US FOMC has led with increases of 300 basis points in the year to date and is expected to increase rates further before the end of the year. Similarly, the ECB has also started to tighten monetary policy, albeit from an ultra-low starting point, as have all the major central banks apart from Japan. Arguably, though, it is US monetary policies that are having the greatest impact on global bond markets.
- What happens in Ukraine will also impact the global economy, but particularly in Europe. The search for alternative providers of energy, other than Russia, will take both time and effort. The weather will also play a large part in how high energy prices stay and for how long.

2. Interest rate forecasts

The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

The latest forecast on 27th September sets out a view that both short and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy, whilst the government is providing a package of fiscal loosening to try and protect households and businesses from the ravages of ultra-high wholesale gas and electricity prices. The increase in PWLB rates reflects a broad sell-off in sovereign bonds internationally but more so the disaffection investors have with the position of the UK public finances after September's "fiscal event". To that end, the MPC has tightened short-term interest rates with a view to trying to slow the economy sufficiently to keep the secondary effects of inflation – as measured by wage rises – under control, but its job is that much harder now.

Our current and previous PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View 27.09.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
BANK RATE	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
3 month ave earnings	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50
6 month ave earnings	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60
12 month ave earnings	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70
5 yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20
10 yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20
25 yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40
50 yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10

Link Group Interest Rate View 09.08.22													
	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
BANK RATE	2.25	2.50	2.75	2.75	2.75	2.50	2.50	2.25	2.25	2.25	2.25	2.25	2.00
3 month ave earnings	2.50	2.80	3.00	2.90	2.80	2.50	2.40	2.30	2.30	2.30	2.20	2.20	2.20
6 month ave earnings	2.90	3.10	3.10	3.00	2.90	2.80	2.70	2.60	2.50	2.50	2.40	2.30	2.30
12 month ave earnings	3.20	3.30	3.20	3.10	3.00	2.90	2.80	2.70	2.40	2.40	2.40	2.40	2.40
5 yr PWLB	2.80	3.00	3.10	3.10	3.00	3.00	2.90	2.90	2.80	2.80	2.80	2.70	2.70
10 yr PWLB	3.00	3.20	3.30	3.30	3.20	3.10	3.10	3.00	3.00	3.00	2.90	2.90	2.80
25 yr PWLB	3.40	3.50	3.50	3.50	3.50	3.40	3.40	3.30	3.30	3.20	3.20	3.20	3.10
50 yr PWLB	3.10	3.20	3.20	3.20	3.20	3.10	3.10	3.00	3.00	2.90	2.90	2.90	2.80

Link Group Interest Rate View 21.06.22												
	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
BANK RATE	1.75	2.25	2.75	2.75	2.75	2.75	2.50	2.50	2.25	2.25	2.25	2.25
3 month ave earnings	2.00	2.50	2.80	2.80	2.80	2.80	2.60	2.50	2.30	2.30	2.20	2.20
6 month ave earnings	2.50	2.80	3.00	3.00	2.90	2.90	2.80	2.70	2.60	2.50	2.40	2.30
12 month ave earnings	3.10	3.20	3.20	3.20	3.00	2.90	2.80	2.60	2.50	2.40	2.40	2.40
5 yr PWLB	3.20	3.30	3.30	3.30	3.30	3.20	3.10	3.00	3.00	3.00	2.90	2.90
10 yr PWLB	3.40	3.50	3.50	3.50	3.50	3.40	3.30	3.20	3.20	3.20	3.10	3.10
25 yr PWLB	3.70	3.70	3.70	3.70	3.70	3.70	3.60	3.50	3.50	3.40	3.40	3.30
50 yr PWLB	3.40	3.40	3.50	3.50	3.40	3.40	3.30	3.20	3.20	3.10	3.10	3.00

- LIBOR and LIBID rates ceased at the end of 2021. In a continuation of our previous forecasts, our money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.
- Our forecasts for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short-term cash at any one point in time.

A SUMMARY OVERVIEW OF THE FUTURE PATH OF BANK RATE

- Our central forecast for interest rates was previously updated on 9th August and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened but the “fiscal event” has complicated the picture for the MPC, who will now need to double-down on counteracting inflationary pressures stemming from the government’s widespread fiscal loosening.
- Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures are behind us – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.
- The CPI measure of inflation will peak at close to 10.4% in November 2022. Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market.
- Regarding the “provisional” plan to sell £10bn of gilts back into the market each quarter, this is still timetabled to take place but not until October at earliest.
- In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the government over its fiscal policies, but the on-going conflict between Russia and Ukraine. (More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)
- On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent households whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

PWLB RATES

- The yield curve has shifted upwards since our August update and PWLB 5 to 50 years Certainty Rates are, generally, in the range of 4.25% to 5.75%. The yield curve is currently inverted.
- We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the poor inflation outlook but markets are volatile and further whipsawing of gilt yields across the whole spectrum of the curve is possible.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is to the downside.

Downside risks to current forecasts for UK gilt yields and PWLB rates include: -

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).
- **The Bank of England** acts too quickly, or too far, over the next two years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Geopolitical risks**, for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PwLB rates: -

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates an even more rapid series of increases in Bank Rate faster than we currently expect.
- **The Government** acts too quickly to cut taxes and/or increases expenditure in the light of the cost-of-living squeeze.
- **The pound weakens** because of the UK's growing borrowing requirement resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer term **US treasury yields** continue to rise strongly and pull gilt yields up even higher than currently forecast.

17th November, 2022.
Agenda Item No. 14

Retirement of Chief Executive

Report by: Sharon McKenzie, Head of Human Resources

Wards Affected: None

Purpose

To note that the Chief Executive has advised of his intention to retire in June 2023 and to outline the recruitment process for a new Chief Executive.

Recommendation(s)

To agree to initiate a recruitment exercise for a new Chief Executive, with membership of the Appointments Sub-Committee as per paragraph 2.5.

To note that the Appointments Sub-Committee will agree the process for the recruitment exercise with the salary in line with nationally agreed rates.

Resource Implications

There may be some salary savings should there be a gap between retirement of current Chief Executive and appointment of a new Chief Executive. There will be costs associated with the recruitment process.

Legal & Risk Implications

None.

Impact Assessment

An EqIA is not required for the purposes of this report.

Consultation

The Council Leader has been consulted on the proposals for the recruitment process.

1.0 Background

- 1.1 The Chief Executive has confirmed that he will retire from the Council in June 2023, on a date to be confirmed, but to coincide with the appointment of a new Chief Executive. The timing of this report and the indicative timetable for the recruitment process is intended to enable this transition to take place smoothly and without disruption to the running of the council.

2.0 Recruitment Process

- 2.1 The recruitment process for a Chief Executive will take a number of months to conclude. The indicative dates from the draft timetable are as follows and are subject to agreement from the Appointments Sub-Committee:

Appointments Sub-Committee: first meeting December

Advertising Period: closes late January

Short-listing: mid February

Tests: late February / early March

Advisers' Interview: mid March

Appointments Sub-Committee (formal interviews): late March

- 2.2 The above outline timetable would ensure that a successful candidate would be in post for June 2023.
- 2.3 The process will be led by the Council's Head of Human Resources working closely with the Council's Appointments Sub-Committee.
- 2.4 Part 2 of the Governance Scheme on Committee Powers sets out the arrangements for the appointment of a Chief Executive. The Terms of Reference provide the Appointments Sub-Committee with powers to consider arrangements, undertake shortlisting, interview and appoint candidates for 1st and 2nd tier posts including the post of Head of Paid Service. The Appointments Sub-Committee comprises 9 members for a Chief Executive appointment drawn from a panel comprising 24 Elected Members. The relevant extract from the Scheme of Governance is attached for reference at Appendix 1.
- 2.5 The composition of the Appointments Sub-Committee is drawn from 24 elected members with the panel arranged as follows:
- Labour (2 members), SNP (4 members), Liberal Democratic Group (2 members) and Conservative Group (1 member).
- 2.6 An early meeting of the Appointments Sub-Committee will be required in December to consider key aspects of the recruitment process.
- 2.7 Salaries for Chief Executives are agreed nationally through COSLA as part of the national bargaining arrangements for Scottish local government.

3.0 Conclusions

- 3.1 It is in the Council's best interests to initiate a recruitment process for the post of Chief Executive, and Head of Paid Service. With the retirement of the existing Chief Executive, planned for June 2023, there is the opportunity for a seamless transition as set out in this report.

List of Appendices

Appendix 1 – Extract from Governance Scheme on Committee Powers, part 2.

Background Papers

None

Report Contact

Sharon McKenzie

Head of HR

Fife House

Glenrothes

Email - Sharon.Mckenzie@fife.gov.uk

EXTRACT FROM GOVERNANCE SCHEME ON COMMITTEE POWERS, PART 2

Appointments Sub-Committee

(9 members in the case of the Chief Executive, 8 members in the case of first tier posts and 4 members in the case of second tier posts)

(The sub-committee shall be drawn from a panel comprising twenty-four elected members). The appropriate Spokesperson shall be given the option of a place on the Appointments Sub-Committee whether or not they are a member of the Panel.

Terms of Reference

- with powers, to consider arrangements, undertake shortlisting, interview and appoint candidates for first and second tier posts including the post of Head of Paid Service