



# Fife Council Capital Strategy 2026



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# 1 Foreword

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# Foreword

Fife Council and our community planning partners are committed to delivering a fairer, more prosperous and sustainable Fife. This Capital Strategy sets out how we will invest in the assets and infrastructure that are essential to achieving that ambition, and to delivering the long-term priorities of the Plan for Fife.

Our shared vision for Fife is clear. We want to tackle poverty and prevent crisis, lead economic recovery and build community wealth, and respond decisively to the climate emergency. These priorities guide every aspect of our planning and decision-making, and this strategy demonstrates how our capital investment will support real, lasting change for our communities.

We are developing this strategy at a time of significant challenge. Ongoing economic and market volatility, rising costs, national supply chain pressures and increasing demand for public services all place sustained pressure on the resources available to local government. Against this backdrop, it is more important than ever that we target investment carefully, maximise value for money and work in partnership to deliver the greatest possible benefit for Fife.

This strategy recognises the dual challenge we face: the need to maintain and improve our existing infrastructure – such as roads, schools and essential public assets – while also investing in transformation, regeneration and the transition to net zero.

Maintaining the condition, safety and resilience of our assets remains critical to supporting communities and delivering high-quality services, and we will continue to invest significantly in this essential work.

We will also seek to make the best possible use of investment opportunities from a range of sources, including government programmes and regional partnerships such as the Edinburgh and South East Scotland and Tay City Region Deals. By working collaboratively with partners, we can align investment, unlock additional funding ensuring that activity is coordinated to deliver maximum impact.

This Capital Strategy provides a clear framework for decision-making over the next decade. It strengthens the link between capital investment and revenue implications, supports robust business case development, and improves our ability to measure benefits, outputs and outcomes. Above all, it ensures that our investment decisions are firmly aligned with the needs of our communities and our long-term ambitions for Fife.

Delivering this strategy will require continued collaboration, difficult choices and a relentless focus on affordability and sustainability. We are confident, however, that by working together and targeting investment effectively, we can continue to make a positive difference for the people and places of Fife – now and for future generations.

Ken Gourlay, Chief Executive  
Councillor David Ross, Leader of Fife Council

# 2 Strategic Context

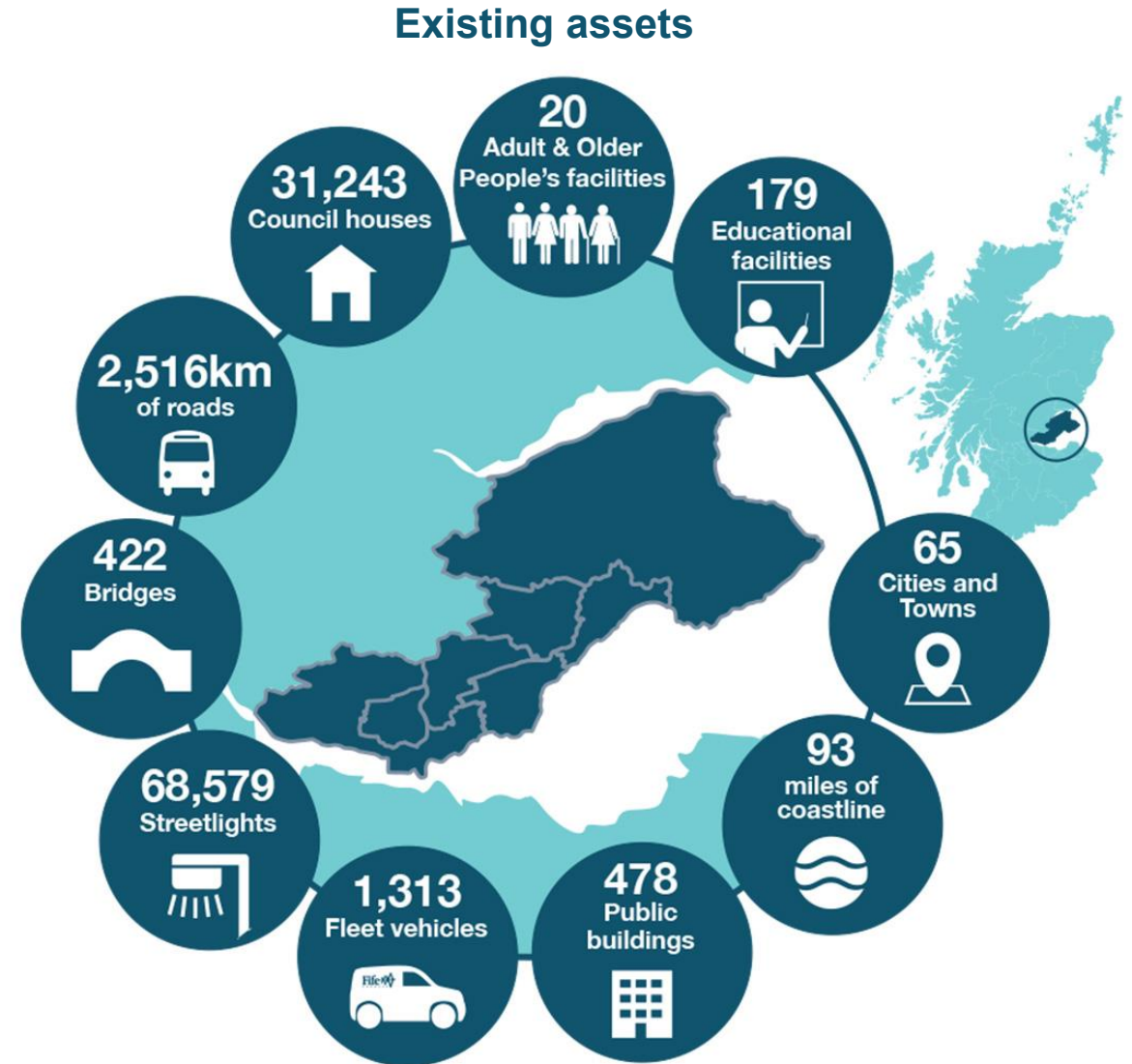
# Setting the Scene

The 3rd largest Council in Scotland, Fife Council has ambitious plans to continue to ensure that the services provided are fit for purpose and meet the needs and aspirations of its residents. The Council needs to balance increasing demand through demographic changes with pressure on both revenue and capital resources. Changes to how we do things and how we operate will require a level of investment in facilities to deliver sustainable services in the coming years.

The Capital Strategy 2025-2035 outlines the Council's corporate priorities and the considerations required relating to funding, governance and assessing affordability. There is recognition that there is a need to balance investment in maintaining and enhancing existing infrastructure against the ambition for developing new assets.

The Council currently has ambitious plans to deliver over £1.3bn of investment in assets over a ten-year period, including significant expenditure on schools, infrastructure, housing and net zero. The investment is vital for the provision of services and to achieve the Council's ambitious outcomes detailed in the Plan for Fife.

Key to the strategy is making the best use of the capital resources available to us. There is a requirement to demonstrate that capital expenditure and investment decisions are taken in line with corporate aims and objectives and take account of stewardship, value for money, prudence, sustainability and affordability. Our current Plan for Fife includes three cross cutting priorities: Supporting Fife's Economy, Tackling Poverty and Preventing Crisis, and Addressing the Climate Emergency and our investment plans will be reflective of these priorities.



# Capital strategy approach

- Our capital strategy is unique to Fife Council and its area – taking account of unique challenges, such as Mid Fife inequality and deprivation
- We recognise the geography of Fife – aiming to align the city and town challenges with the coastal and rural challenges
- Our Capital investment planning stretches over a 10-year period with a robust planning approach
- We plan at a strategic level and our investment priorities and ambitions are being influenced by our climate change commitment and the stark economic realities we face
- Identifying partnership and collaboration opportunities with other local authority and public partner opportunities is essential
- Our capital investment is restricted in terms of affordability, and our investment need and ambition goes well beyond the resources we have available to us – we prioritise use of existing resources and continue to review all funding options and financing models available to us
- This strategy provides a strong base for business case development, improving recognition of revenue impact, measurement of benefits, outputs and outcomes, and aiding decision making
- Longer term strategic planning stretching 20-30 years is an ambition but will take some time to achieve



# Associated Strategies and Plans

- Plan for Fife Recovery and Renewal
- Medium Term Financial Strategy
- Treasury Management Strategy
- Edinburgh & South East Scotland Regional Prosperity Framework
- Edinburgh & Tay City Region Deals
- Fife Economic Strategy
- Fife Local Transport Strategy
- Fifeplan (Local Development Plan)
- Local Housing Strategy
- Property Asset Strategy
- Building Fife's Future: the School Estate
- Climate Fife 2024 Strategy and Action Plan
- Digital Strategy
- Health & Social Care Strategic Plan



# Capital Plan Review Process

The Capital Plan Review Process will involve a series of steps and dialogue with relevant stakeholders before approval by the Council.



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# Key Influences

## External, Internal and Partner

There are many influences that will impact on the way we invest for the future. Some of the key influences include:

### External

- The Scottish Government is a key external influencer of this strategy, with a number of significant policies and ambitions influencing what we plan to do. There are many aspects of government policy where there is a role for investment by both the private and public sector.
- A major influence is the level of resources provided to Local Authorities, with the Scottish Government's latest Spending Review giving no reason to change the assumption of a flat cash revenue settlement for 2027/28. Affordability of any increased borrowing beyond that planned will be a challenge.
- The Scottish Government's key revenue spending priorities including social security, the NHS, eradicating child poverty, and tackling the climate emergency are likely to absorb any additional cash funding rather than going to existing non-priority budgets.
- Some of these priorities will be challenging given the impact on existing assets, future assets being developed and the resources available.

### Internal

- We have a number of internal strategies that influence our investment plans, and these are considered in the Capital Investment planning process.
- Examples of the key internal influences include our Climate Fife 2024 Strategy and Action Plan, our Fife Local Housing Strategy, and our Local Transport Strategy.
- Our Medium Term Financial Strategy recognises that the Council is operating with finite resource and that affordability and sustainability associated with capital investment and the associated revenue consequences will continue to be challenging over the coming decade.
- The scale of our asset base has a large influence on the level of resource and investment needed to keep existing assets maintained and operational.
- Our school estate planning is mature with collaboration by internal partners continuing to ensure strong partnership focus and delivery of cross cutting priorities and bridging infrastructure to Education.
- We have an ambitious Capital Investment Plan, and we will need to ensure we continue to support the necessary internal capacity and resource required to deliver a plan of this size.

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# Key Influences - continued

## Internal, External and Partner

### Partner Influences

- As outlined in the introduction to this strategy, our capital investment is influenced by the ambitions in our Plan for Fife and agreed priorities for recovery and renewal. These are joint commitments, made with our community planning partners and we will seek to maximise the value of our investment by supporting shared projects and goals.
- Major partner-led investment or transformation programmes may impact when and where our capital is used. We aim to build this into forward plans through strategic collaboration with other agencies.
- Along with NHS Fife, the council is responsible for funding the infrastructure of Health and Social Care Partnership. We also work closely with arms length organisations and Trusts that run services on our behalf, to appropriately develop and maintain the council-owned facilities that enable their operations.
- Fife is involved in two City Region Deal partnerships. These bring significant capital funding into the area, however the investment strategy for these funds must align with the terms of the deals and the priorities and plans of the other local authority areas. We work with a range of other agencies and partnership groups that manage regional or national strategy and funding streams linked to specific areas of work. Funding we receive from them will be directed according to the objectives of these bodies.

See more information about the major influences on our capital strategy in appendices 1-4.

# 3 The Plan for Fife

# The Plan for Fife

The Plan for Fife runs to 2027. Its vision is for Fife to be a place where all residents live good lives, make informed choices and have a sense of control so that they can reach their full potential, and where all children are safe, happy and healthy.

We are responding to the Fairness Matters' challenge to be ambitious for Fife by putting a Fairer Fife at the heart of our plan. We aim to reduce inequalities and to promote fairness in everything we do. To deliver these outcomes for communities, as well as provide best value from public money, we must make best use of our assets and facilities, while sustaining them for future generations.

Within the overall vision, four priority themes direct our work:

- Opportunities for All
- Thriving Places
- Inclusive Growth and Jobs
- Community-Led Services

The Plan for Fife 2021-24 update reviewed the plan as we came out of the COVID-19 pandemic and set out the key recovery and renewal priorities to be reflected throughout our plans and strategies.

Recognising that we should retain our overall ambitions but needed to change the way we work, it identified three cross-cutting priorities to underpin our activity:

- Supporting Fife's economy
- Tackling poverty and preventing crisis
- Tackling the climate emergency

As we come to the end of the 10-year Plan for Fife, we are working with partners to develop a new community plan which will be adopted in 2027. There will be a period of transition to appropriately connect or adjust other plans and strategies. However, we know there will be continuity of purpose in terms of improving population health and driving economic growth through evidence-led collaborative working around people and places. Our aim is to develop a stronger joint reform agenda that reflects national trends for regional and integrated funding, delivers impact at scale, and maximises opportunities for efficiency.



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# Opportunities for All

Opportunities for All is about ensuring that no-one is left behind. We aim to ensure that every Fifer can access opportunities in education, training, jobs and wider society, and that all Fifers have equal access to the support and advice they might need to support a fulfilling and decent life.

Key investment priorities within this theme include:

- Improving access to learning opportunities by improving the condition, sustainability and suitability of our school estate and ensuring that our schools continue to meet the needs of learners and the communities we serve. Building on the recent delivery of a number of community campus models including Dunfermline Learning Campus, we will continue to develop the school estate as multi service facilities, working in collaboration with other Council services as well as our partners and communities.
- Our investment has a strong link with the Local Development Plan and will see us continue to work with developers and others to ensure that as Fife continues to grow, we will have sufficient capacity within our schools, including the provision of new primary schools and additional secondary capacity to meet the needs of these new communities.
- Investing in technology to support people to live independently at home or in a homely setting in their community and where this is not practical, ensure we have adequate community provision available across Fife.
- Additional capacity has been created across Fife to deliver the increased entitlement to Early Learning and Childcare. A programme of work to deliver against 1140 hour commitments has been completed in line with Scottish Government expectations, however improving the condition and suitability of all existing facilities must be prioritised, to continue to meet Care Inspectorate requirements.
- Investing in digital opportunities for all so everyone has the support, motivation, skills and confidence to use technology safely in their daily lives to improve their health and wellbeing.
- Working hard to keep all Fife children within the Fife boundary, working with key partner organisations and investing appropriately to achieve this aim.
- Embracing complex partnerships and addressing many service needs, for example the Dunfermline Learning Campus and replacing care facilities with care villages.

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# Thriving Places

Thriving Places are safe, well designed and maintained places that promote wellbeing, where people are proud to be, and where they have access to the services and facilities they need at different stages of their lives.

Key investment priorities within this theme include:

- Meeting our climate change resilience and net zero obligations is one of our top priorities. Activity will focus on decarbonising our buildings and fleet, working with our communities and customers to improve climate resilience, reduce the waste we create and working with partner organisations to tackle climate change, including flood resilience. Working with our communities to improve Fife's biodiversity and green space is also an important aspect of our work on climate change.
- Increasing the supply of housing, including social care housing, improving the conditions in the private rented sector and improving access to information and advice on housing. This will include working with developers to unlock funding to support transport and educational infrastructure, as well as the continued delivery of our Affordable Housing Programme in partnership with the Fife Housing Association Alliance (FHAA) to meet the housing need identified through the combined HNDA's for Tayside and Southeast Scotland.
- Maximising the benefits arising from city status for Dunfermline, including developing a city plan. Likewise, we have an investment focus on our key town centres through a 'town centre first' principle. Town centre capital will be used to attract and leverage external and market investment to help regenerate our places and improve the environment and built heritage. Place proposals are being developed for Kirkcaldy alongside ongoing active investment in other communities, such as Levenmouth, Glenrothes and Dunfermline.
- Facilitating new investment that is consistent with FifePLAN and align public sector capital investment to unlock developer funding for transport, education infrastructure and economic growth.
- Investing in sport, leisure, cultural, community and learning activities incorporating an integrated approach where feasible.
- Targeting investment in Fife's green, public and open spaces, play parks, river restoration and promote sustainable management solutions.
- Attracting and securing external match funding to help delivery these aspirations, such as recent UK Government funding for Growth Mission and Pride in Place priorities for Fife.
- Investing in adapting to climate change/flood resilience. Improving the flooding resilience of our communities is a key requirement of climate change adaptation. We have made commitments to undertake the feasibility/design options for flood related projects.
- Build on strong partnerships with partner bodies to continue the success of investing in environmental projects.
- Build on strong partnerships to continue the delivery of sustainable transport infrastructure including walking, wheeling and cycling routes, bus priority measures, and rail links and stations.
- Enabling community groups to be involved in co-design of community assets.
- Collaborate with partners to deliver place-based planning that targets improved outcomes and supports early intervention through community-led initiatives.

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# Inclusive Growth and Jobs

Growth in the local economy should benefit everyone and shouldn't pass people and places by. We will therefore focus on improving investment, growth and participation by businesses, people and communities, particularly in the mid- Fife area. We aim to support businesses to grow and to make sure that communities benefit from new business investment.

Key investment priorities within this theme include:

- Investing in a modern business infrastructure and in developing national and international markets for Fife's businesses. This work will be supported by Edinburgh and Tay City Region Deals.
  - Investing in connectivity, particularly transport and digital infrastructure, and workforce mobility. This will include developing business cases for investment in transport infrastructure and an investment plan for Fife's digital assets.
  - **Sector-Specific Investment Prioritisation** – to enhance the targeting and impact of capital investment, future planning will align more explicitly with the UK Industrial Strategy 2025 and Fife's own economic sector priorities. This includes identifying and prioritising key growth sectors such as clean energy, advanced manufacturing, digital technologies, creative industries, and tourism. For example, Fife's Tourism approach highlights opportunities for year-round visitor growth, supported by investment in cultural and natural assets. Aligning sectoral investment with strategic infrastructure and innovation priorities will help stimulate inclusive economic growth and attract inward investment.
- Investment plans are linked to the Local Development Plan where the evidence of need underpins future requirements for infrastructure
  - The Forth Green Freeport provides an opportunity for inward investment and the creation of up to 50,000 jobs across the freeport area. The Full Business Case was completed by FGFP partners in September 2025.
  - Continued investment in new and refurbished business infrastructure through the Fife Industrial Innovation Investment programme (I3 programme).
  - Place based investment proposals are being developed for Kirkcaldy, Levenmouth, Glenrothes and Dunfermline with the aim of helping to transforming our places into vibrant, inclusive, and sustainable centres by addressing deprivation, enhancing infrastructure, and fostering community-led development.

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# Community Led Services

Community Led Services means putting communities and service users at the heart of how we design services, and building on the strengths and assets we have in our workforce and in our communities in order to deliver valued services.

Key investment priorities within this theme include:

- Investing in community capacity to get involved and develop confidence to support Community Asset Transfer.
- Making better use of digital opportunities to improve service responsiveness, support independent living and better connect communities and individuals.
- Integrating community facilities by implementing a whole-systems approach to optimise the use of community assets. Working collaboratively with partners to co-design and utilise our properties to create environments that promote health and wellbeing, prioritise prevention and early intervention, reduce inequalities, and enhance access to services for all.

The Plan for Fife prioritises improving the way that the Council and partners work with people and communities in delivery of Community Led Services. The development of new buildings requires communities to be engaged to support the delivery of outcomes. Communities also have views and ideas as to what is best for their communities. We will continue to engage with communities relevant to community investment.

Approaches to the use of Participatory Budgeting with capital funding have already shown the benefits of allowing communities to directly influence and decide on priorities and this approach will be used more widely going forward.

Underpinning delivery against and across these priorities will be our investment in new and improved digital solutions that will improve the quality of life for people who live in, work in or visit Fife. Over the next ten years, we have committed to putting people and communities at the heart of everything we do. Increasingly our service offer will include a large component of digital provision, catering for both direct needs and to ensure we make the best of the knowledge and resources available to us.

Local plans and neighbourhood plans provide good visibility of investment need at a local level and can bring together services and communities through the local people and Place Groups as part of partnership working in Fife.

Community Buildings across Fife range from historically significant and older significant community buildings, to newly developed and completed facilities. Many of these older buildings will pose a significant challenge to adapt to meet net zero requirements and climate resilience but present opportunities for local communities to be involved in their future.

Fife has significant infrastructure in physical activity, sport, leisure and culture ranges from greenspace to modern sport and renewed cultural facilities. The changing nature of society and its use of outdoor space and sporting and cultural assets will present demands for future investment.

# 4 Asset & Infrastructure Investment

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# Assets & Infrastructure Investment

In order to maintain or improve service provision it is imperative that we recognise the need to invest in our significant existing assets and infrastructure to ensure they remain viable and sustainable. There are further key investment priorities as follows:

## Roads and Transportation

Fife's roads and transportation infrastructure is critical to supporting our communities with affordable, seamless and sustainable access to all aspects of their daily lives. Effective asset management and maintenance of this significant infrastructure is a statutory duty. Our asset management strategies support sustained capital investment in roads and transportation infrastructure with continued funding essential to preserve the resilience of the transport network; ensure fair access for daily activities; provide safe and secure travel for all; and support the just transition to net zero and the Council's climate action plan. These cover the following key investment priorities:

- Roads Infrastructure: (maintenance of carriageways, footways, footpaths, cycle tracks, verges, drainage, traffic signals, driver information signs & street furniture) Projects to sustain network condition and prevent growth of road defects.
- Structures Infrastructure: (maintenance of bridges & retaining walls) Key replacement or strengthening projects on critical elements of the transportation network.
- Street Lighting: (column replacement) Following a period of investment, further investment is now required to replace columns which are beyond the expected service life.
- Traffic Management & Road Safety: Local road projects improving road safety, reducing congestion, tackling parking problems and reducing traffic speeds.
- Sustainable Transport: (new walking, wheeling and cycling infrastructure) It is both the Scottish Government's and Fife Council's objective to support the transition to net zero, increase walking, wheeling and cycling trips and reduce transport emissions.
- Property Assets: Harbours & Piers: (Maintenance of critical marine infrastructure supporting Fife's tourism and fishing industries), Bus Stations and Interchanges (Maintenance of bus station and terminus buildings and operational areas to maintain accessibility to employment, tourism and social opportunities).
- Dunfermline Strategic Transport Intervention Measures: Delivery of transport infrastructure to support the Strategic Development Areas in Dunfermline.

# Assets & Infrastructure Investment

## Cemeteries and Crematoria

Fife Council is responsible for 115 cemeteries of which approximately half still take interments. Of the cemeteries that take interments, about 20 have limited remaining burial capacity. Our Cemeteries strategy aims to ensure that our cemeteries remain safe, well looked after and provide fitting places for contemplation and remembrance. Reflecting feedback, the strategy also balances investment to improve and enhance existing provision with the need for a small number of new cemeteries.

## Technology

The need for investment in technology has grown significantly in recent years, with investment in systems moving from one off capital investment to cloud based systems that incur an ongoing revenue cost. The shift to home working has grown substantially, bringing with it new investment need. Technology underpins everything we do and demands have never been higher for reliable, usable, trusted and innovative digital public services and infrastructure.

Our strategy and approaches to technology and digital investment seek to right-size and optimise our investments, through a continual focus on ensuring we can deliver the widest possible benefits, while also harnessing opportunities which deliver change at a local level. We will be innovative and look at opportunities where technology can fulfil more than one objective.

We will also invest to ensure that current digital infrastructure and services can be maintained, supported, upgraded and protected and that old or obsolescent technology can be retired or replaced.

Our strategy recognises the need to remain adaptable to ensure that new opportunities from technological change can be quickly evaluated and harnessed where they can improve outcomes for those who visit, live, work or learn in Fife.

## Fleet, Plant and Equipment

We continue to decarbonise our commercial road transport fleet in line with Scottish and UK Government policies. Whilst good progress has been made in the decarbonising of some parts of our fleet, in other areas progress has been limited due to inadequate alternative fuel supply arrangements, infrastructure and fleet supply challenges. We have trialed a range of alternative fuel powered vehicles with varying degrees of success. Until the supply of hydrogen is stable, and hydrogen powered vehicles are manufactured to a reliable standard, an electric fleet is likely to be the direction of travel.

We have made significant changes to the size and management arrangements for our fleet of vehicles. We have also invested in sustainable vehicles to include hydrogen, electric and hybrid powered vehicles.

Our strategy for managing our Fleet going forward includes:

- Carrying out a review to reprofile and prioritise the vehicle replacement programme, recognising the age of some of the fleet as well as the maintenance and downtime this can create for essential services.
- We will maximise vehicle utilisation and promote environmentally responsible practices to reduce fuel consumption and carbon footprint.
- We will continue to invest in low carbon vehicles and other technology that will make our fleet sustainable into the future.

The Council also owns and operates a significant amount of plant and equipment which also requires to be maintained and replaced on a scheduled basis.

# Assets & Infrastructure Investment

In order to maintain or improve service provision it is imperative that we recognise the need to invest in our significant existing assets and infrastructure to ensure they remain viable and sustainable. There are further key investment priorities as follows:

## Property Estate

Fife Council has a strategic approach to property asset management. It is based on the principles of **improving efficiency** (doing more with less); **the effectiveness of our activities** (achieving better outcomes); and **improving leverage** through driving inclusive growth and working in partnership. It supports and aligns with the Recovery and Renewal Plan4Fife.

Recent years have seen unprecedented challenges through external factors and changes in social expectation, to include (but not limited to) a much greater focus on net zero and environmental sustainability. We have adapted and continue to evolve in meeting these challenges. However, the need to make the most effective use of our resources whilst supporting recovery to build resilient communities has never been greater. The evidence of our delivery against the Council's priorities is in the class leading buildings and facilities we provide. From new high schools and early learning settings, care villages, energy efficiency projects, housing improvement and investment in new affordable homes, integrated community facilities, net-zero projects, sport, and recreational facilities, blended working facilities; these projects contribute directly to improved services and outcomes for the people of Fife and the overarching Council priority of **Community Wealth Building**.

While much has been achieved, the Council still has a large and ageing estate and we need to continue to innovate and manage change in the way we develop new approaches to the governance, coordination and use of assets so that we make best use of our resources and support delivery of outcome priorities. To help meet these objectives we are currently reviewing the **sustainability of our estate** with the aim of:

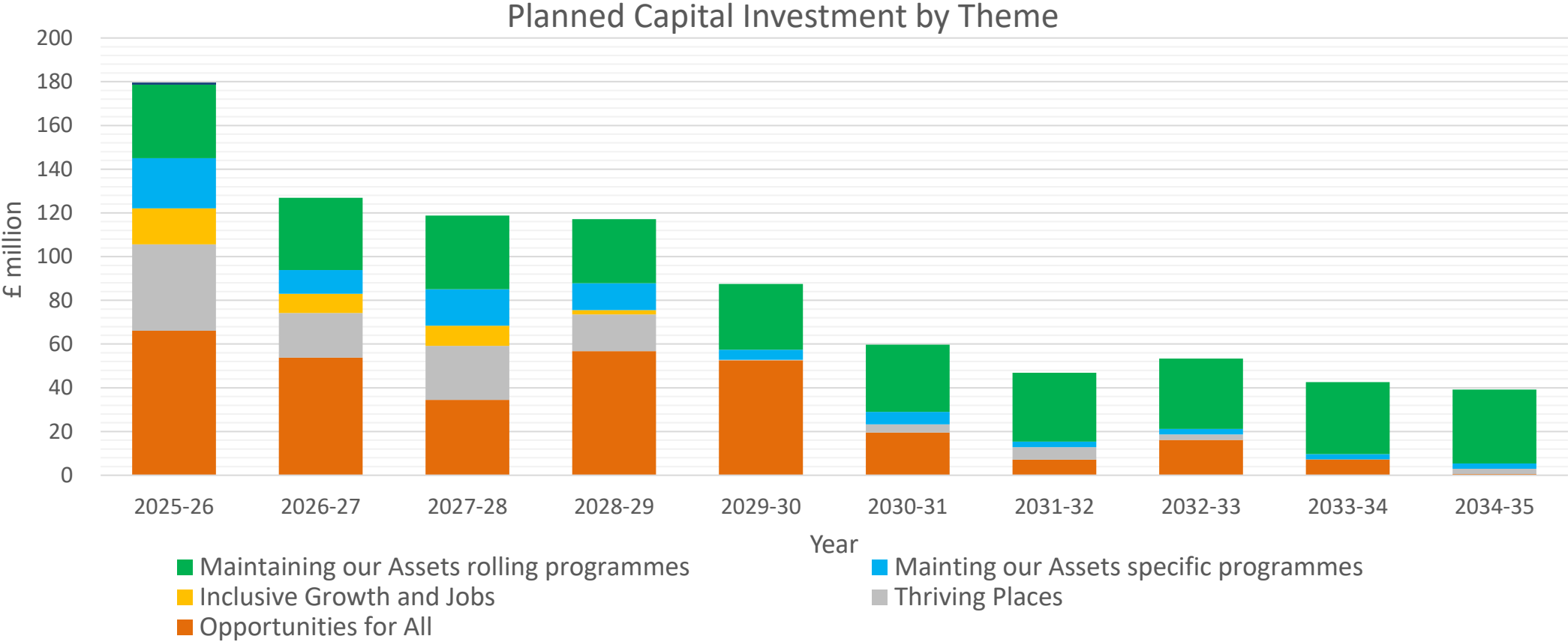
- **Improving Stewardship** – having the right assets in place to support future needs and priorities. We will have a smaller network of modern fit for purpose, integrated community and operational facilities that are sustainable, energy efficient and maintained to a high standard.
- **Alignment with the Plan for Fife** – all our resources collaborate to meet the needs of our communities and customers. We will continue to invest in assets and facilities that support the delivery of our policy priorities, make it easier for our customers to access the services they need, and add value to our communities.
- **One Fife Approach (No Wrong Door)** – adopting a collaborative approach with local partners and our communities to ensure public assets are viewed as part of a joined-up service offering. We will make it easy for our customers to access the services they need and empower our staff to work more flexibly and efficiently in terms of frontline service delivery.
- **Addressing the Climate Emergency** - by continuing to reduce the size of our estate and investing in proven and sustainable solutions to meet our climate change and net zero obligations.

Changing planning and building control regulations (that support improved building performance and environmental safety) alongside innovation in building materials and methods of construction will be reflected within the delivery of our property strategy. Likewise, our place-based investment strategies will also reflect our greenspace, environmental and community wealth building strategies, a good example of which is the Dunfermline Learning Campus.

# 5 Capital Investment Plan

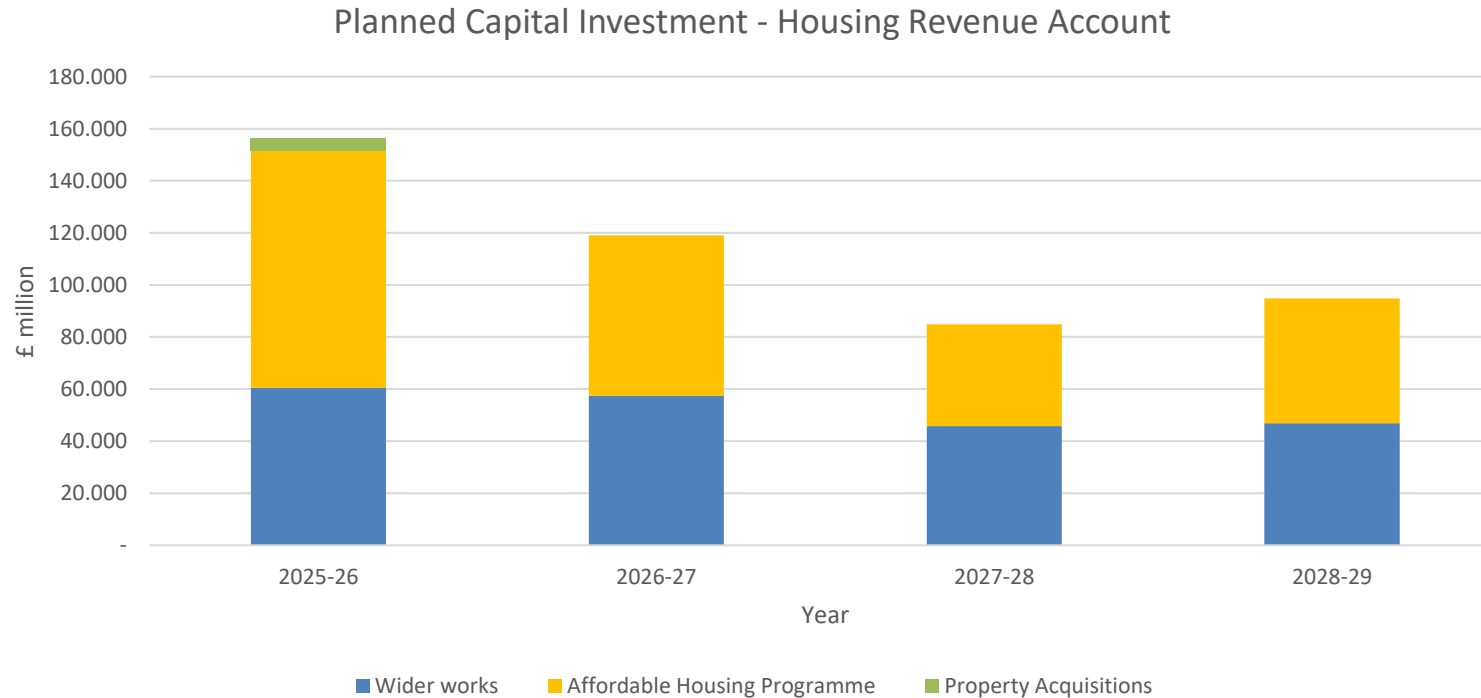
# Capital Investment Plan 2025-35 – General Fund

Planned investment over the period of the Capital Investment Plan underpins the delivery of our ambitions contained within this Capital Strategy. The graph demonstrates that investment is high in the early years of the plan and reducing in the later years, indicating uncertainty in the future and is reflective of current affordable investment over the ten years. The Plan For Fife's cross cutting priorities should be integrated within all investments.



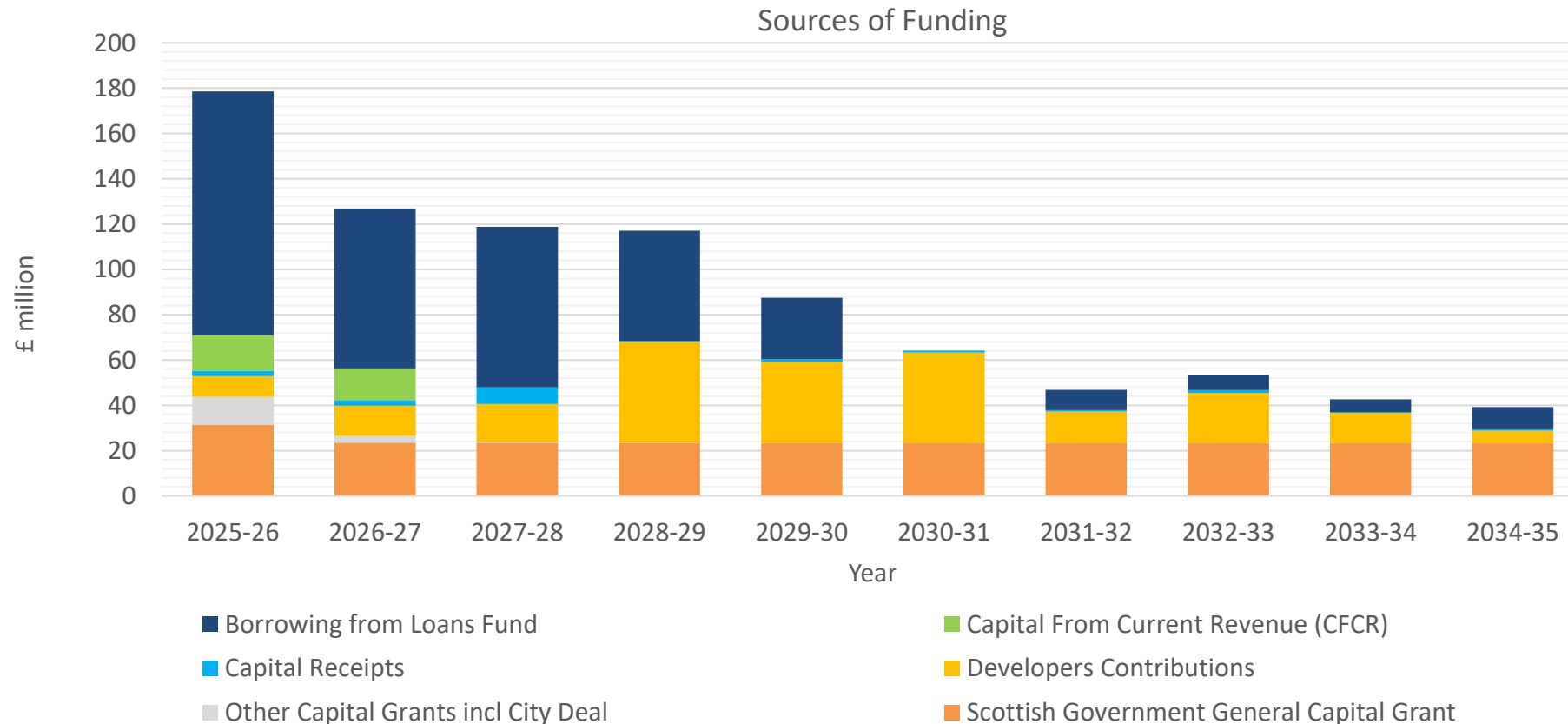
# Capital Investment Plan 2025-29 – Housing Revenue Fund

Planned investment over the period of the Capital Investment Plan underpins the delivery of our ambitions contained within this Capital Strategy. The graph demonstrates that investment is high in the early years of the plan and reducing in the later years, indicating uncertainty in the future and is reflective of current affordable investment over the four years. The Plan For Fife's cross cutting priorities should be integrated within all investments.



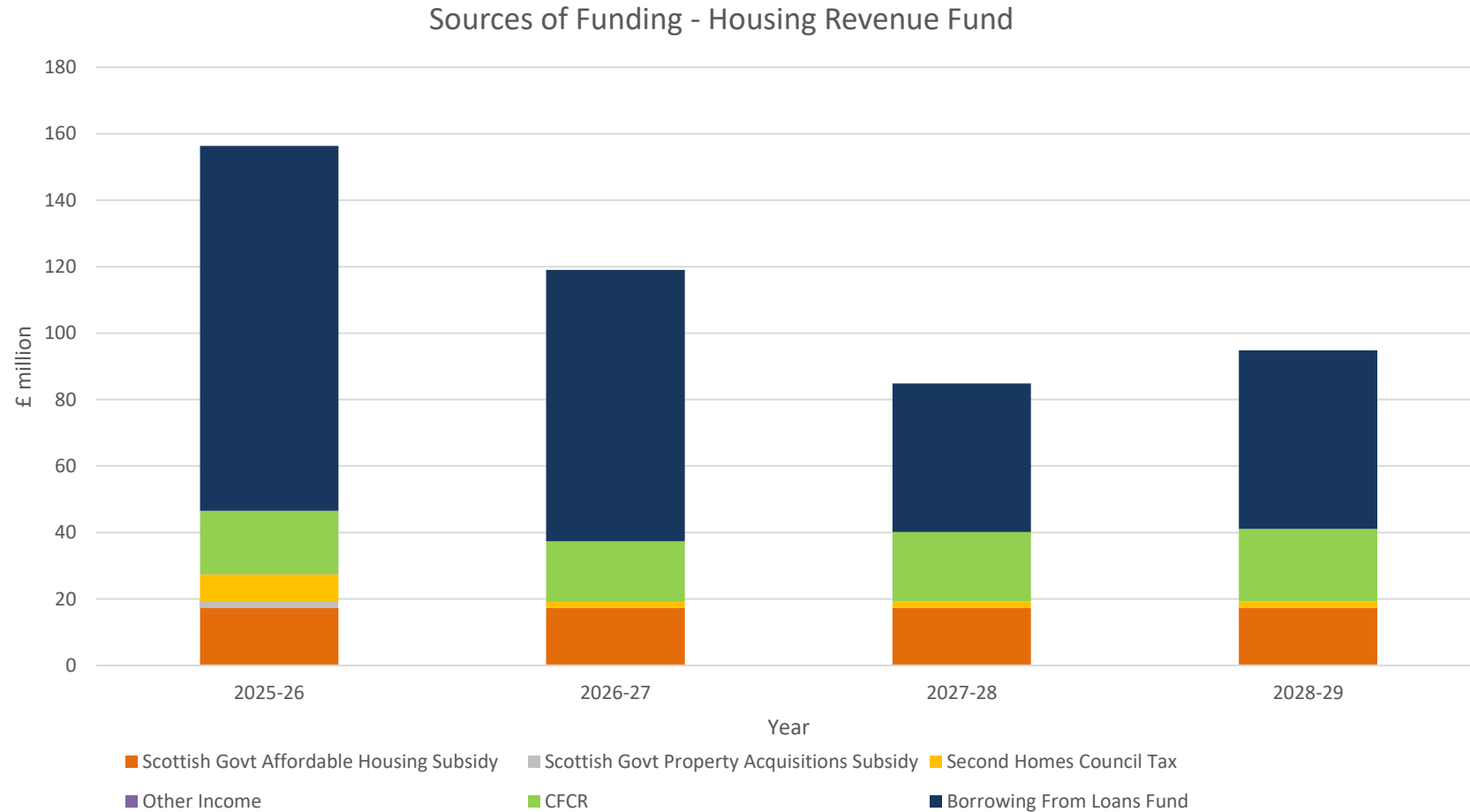
# Capital Investment Plan 2025-35 – Sources of Funding – General Fund

In order to support the planned investment over the period of the General Fund Capital Investment Plan a number of sources of funding are used. The graph demonstrates the different sources of funding and highlights the high level of borrowing supporting the plan in the early years, which mirrors the high level of expenditure in the early years. No growth is assumed for Scottish Government General Capital Grant which reflects the potential challenging fiscal position for the government going forward.



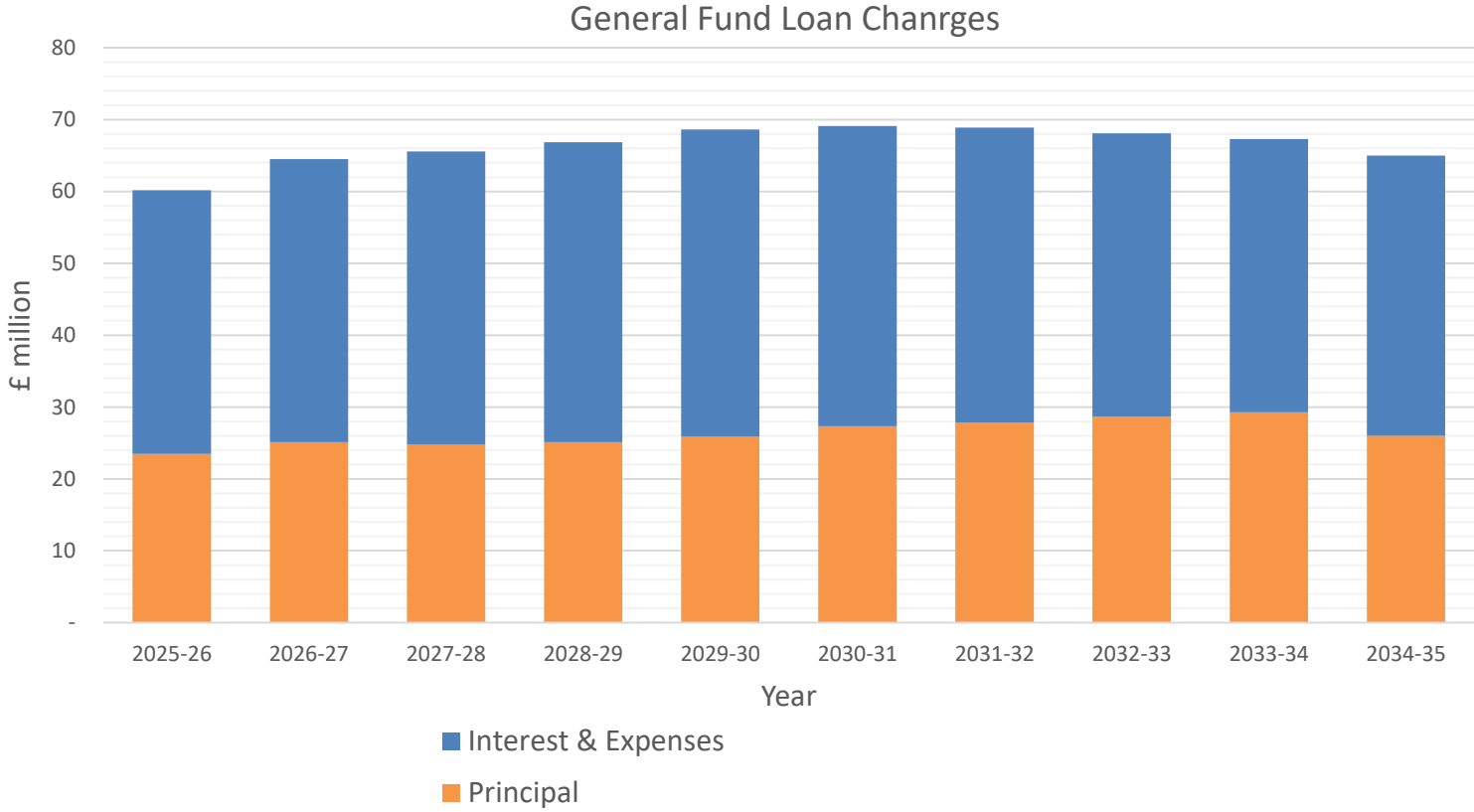
# Capital Investment Plan 2025-29 – Sources of Funding – Housing Revenue Fund

In order to support the planned investment over the period of the Housing Revenue Capital Investment Plan a number of sources of funding are used. The graph demonstrates the different sources of funding and highlights the high level of borrowing supporting the plan. No growth is assumed for Scottish Government Affordable Housing Subsidy which reflects the potential challenging fiscal position for the government going forward.



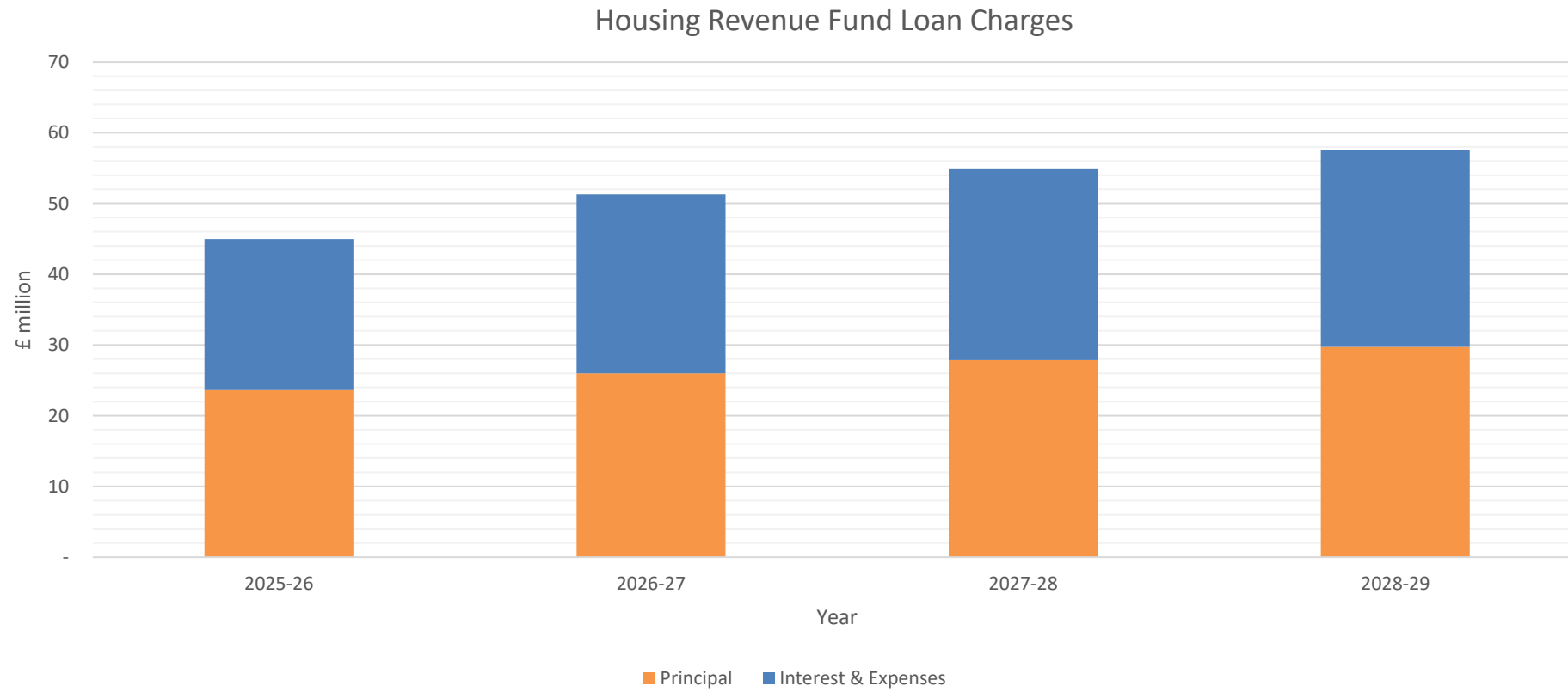
# Capital Investment Plan 2025-35 – General Fund Loan Charges

In order to support the planned investment over the period of the Capital Investment Plan borrowing will need to take place. Charges are made to the General Fund to reflect the cost of borrowing, these have 3 elements; principal, interest and expenses. Details of the Loans Fund policy are included in the Treasury Strategy.



# Capital Investment Plan 2025-29 – Housing Revenue Fund Loan Charges

Similarly, charges are made to the Housing Revenue Fund to reflect the cost of borrowing, these have 3 elements; principal, interest and expenses. Details of the Loans Fund policy are included in the Treasury Strategy.



# Capital Investment Plan 2025-35 – General Fund

Following the biennial Capital Plan Review and approval of the Capital Investment Plan in February 2025 for the General Fund, the levels of investment and funding are summarised in the following table:

**FIFE COUNCIL**  
**CAPITAL INVESTMENT PLAN 2025-35**  
**GENERAL FUND**

Capital Theme	2025-26 £m	2026-27 £m	2027-28 £m	2028-29 £m	2029-30 £m	2030-31 £m	2031-32 £m	2032-33 £m	2033-34 £m	2034-35 £m	TOTAL £m
<b>Opportunities for All</b>	66.146	53.771	34.462	56.772	52.603	19.594	7.110	16.185	7.245	0.541	314.428
Thriving Places	39.431	20.406	24.691	16.831	0.250	3.701	5.777	2.460	-	2.458	116.004
Inclusive Growth and Jobs	16.540	8.865	9.281	1.932	-	-	-	-	-	-	36.618
Maintaining Our Assets - Specific Programmes	22.862	10.778	16.607	12.283	4.616	5.714	2.521	2.521	2.412	2.373	82.688
Maintaining Our Assets - Rolling Programmes	33.662	33.117	33.789	29.277	29.983	30.711	31.452	32.214	32.995	33.794	320.994
<b>TOTAL EXPENDITURE</b>	<b>178.640</b>	<b>126.937</b>	<b>118.830</b>	<b>117.095</b>	<b>87.452</b>	<b>59.720</b>	<b>46.860</b>	<b>53.380</b>	<b>42.652</b>	<b>39.166</b>	<b>870.732</b>
<b>Income</b>											
Other Capital Grants	(2.637)	(0.945)	(0.340)	(0.125)	(0.050)	-	-	-	-	-	(4.097)
City Deal and Growth Deal Grants	(5.801)	(1.979)	-	-	-	-	-	-	-	-	(7.780)
Contributions	(4.084)	-	-	-	-	-	-	-	-	-	(3.993)
Developer Contributions	(9.147)	(13.391)	(16.718)	(44.449)	(35.700)	(39.816)	(13.791)	(22.039)	(13.161)	(5.312)	(213.524)
Capital From Current Revenue (CFCR)	(15.567)	(14.000)	-	-	-	-	-	-	-	-	(29.567)
<b>TOTAL INCOME</b>	<b>(37.145)</b>	<b>(30.314)</b>	<b>(17.058)</b>	<b>(44.574)</b>	<b>(35.750)</b>	<b>(39.816)</b>	<b>(13.791)</b>	<b>(22.039)</b>	<b>(13.161)</b>	<b>(5.312)</b>	<b>(258.960)</b>
<b>NET EXPENDITURE</b>	<b>141.495</b>	<b>96.622</b>	<b>101.773</b>	<b>72.521</b>	<b>51.701</b>	<b>19.904</b>	<b>33.068</b>	<b>31.341</b>	<b>29.491</b>	<b>33.853</b>	<b>611.772</b>
<b>Funding</b>											
Scottish Government General Capital Grant	(31.327)	(23.500)	(23.500)	(23.500)	(23.500)	(23.500)	(23.500)	(23.500)	(23.500)	(23.500)	(242.827)
Capital Receipts	(2.446)	(2.466)	(7.381)	(0.410)	(1.095)	(0.829)	(0.521)	(1.115)	(0.314)	(0.540)	(17.116)
Borrowing from Loans Fund	(107.723)	(70.657)	(70.891)	(48.612)	(27.107)	4.425	(9.047)	(6.726)	(5.678)	(9.814)	(351.830)
<b>TOTAL FUNDING</b>	<b>(141.496)</b>	<b>(96.623)</b>	<b>(101.772)</b>	<b>(72.521)</b>	<b>(51.701)</b>	<b>(19.904)</b>	<b>(33.068)</b>	<b>(31.341)</b>	<b>(29.491)</b>	<b>(33.853)</b>	<b>(611.772)</b>

# Capital Investment Plan 2025-29 – Housing Revenue Fund

Following the biennial Capital Plan Review and approval of the Capital Investment Plan in February 2025 for the Housing Revenue Fund, the levels of investment and funding are summarised in the following table:

FIFE COUNCIL					
CAPITAL INVESTMENT PLAN 2025-35					
HOUSING REVENUE FUND					
Capital Theme	2025-26	2026-27	2027-28	2028-29	TOTAL
	£m	£m	£m	£m	£m
Wider works	60.552	57.485	45.832	46.870	210.739
Affordable Housing Programme	90.938	61.540	39.026	47.908	239.412
Property Acquisitions	4.810	-	-	-	4.810
<b>TOTAL EXPENDITURE</b>	<b>156.300</b>	<b>119.025</b>	<b>84.858</b>	<b>94.778</b>	<b>454.961</b>
<b>Funding</b>					
Scottish Govt Affordable Housing Subsidy	(17.278)	(17.278)	(17.278)	(17.278)	(69.112)
Scottish Govt Property Acquisitions Subsidy	(1.848)	-	-	-	(1.848)
Second Homes Council Tax	(8.285)	(1.930)	(1.930)	(1.930)	(14.075)
Other Income	(0.095)	(0.010)	-	-	(0.105)
CFCR/Borrowing from Loans Fund	(128.794)	(99.807)	(65.650)	(75.570)	(369.821)
<b>TOTAL FUNDING</b>	<b>(156.300)</b>	<b>(119.025)</b>	<b>(84.858)</b>	<b>(94.778)</b>	<b>(454.961)</b>

1) CFCR and Borrowing funding split dependent on approved rental increase for 2025-26.

# 6 Funding Strategy

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# Funding Strategy – Guiding Principles

Development of the Capital Investment plan operates within a set of guiding principles:

- Planning over at least a 10-year planning horizon
- Review of the plan is undertaken on a biennial basis
- Priority is given to rolling programmes to secure investment in the maintenance and enhancement of existing assets
- Rolling programmes are Fife Wide and spend is allocated based on need meaning that over time there will be investment across all seven areas of Fife
- Revenue budget for loan charges is assumed at a steady future level when assessing affordability
- The Capital Investment Plan must remain fully funded throughout its lifetime
- The Capital Investment Plan must be evidenced to be affordable and sustainable
- Costs should be contained within existing budgets by critical evaluation, value engineering and economies of scale
- Where costs cannot be contained funding options will be considered by Directorates and the Investment Strategy Group prior to consideration by the Cabinet Committee
- External Borrowing and sources of external borrowing will be evaluated, considered and undertaken by the Investment Team having regard to the Council's Treasury Strategy and affordability criteria

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# Funding Strategy

## Funding the Capital Investment Plan

We will develop a funding strategy that will determine the likely level of investment over the ten-year period. The funding strategy will determine how the investment will be funded. The plan will continue to be subject to review on a biennial basis. Affordability and sustainability will be a key feature of this assessment and in the coming years is likely to remain challenging whereby investment needs are likely to continue to outweigh the affordable level of funding available.

There are a number of funding sources that contribute to financing the Capital Investment Plan. When preparing the ten-year capital plan, a number of assumptions are made in relation to each of the possible funding streams:

- An estimate is made of general and specific capital grants from Scottish Government
- Capital receipts are estimated based on the likely assets which may be disposed of over the life of the plan. Application of capital receipts is based on a contingent approach with care taken over optimistic forecasts.
- All known contributions from revenue budgets
- An estimate is made of the affordable and sustainable level of borrowing, taking cognisance of the long-term nature of the cost of borrowing
- Other innovative funding sources including Tax Incremental Finance and City Region Deals
- Developer contributions are a significant funding source given the predicted level of strategic growth across Fife
- Any planned commitments from reserves
- Each time the Capital Investment Plan is reviewed we will assess the available level of funding compared to the investment needs.

The associated borrowing requirement will be calculated and the impact will be reported in the Treasury Management Strategy alongside the prudential indicators annually.

The review will also consider the running costs associated with Capital Investment. The Council's Medium Term Financial Strategy states that Services themselves must make budget provision for these costs. This will form part of the affordability assessment carried out as part of the review.

Assessment of capital receipts will include recognition that caution should be applied, given current and likely future economic volatility.

Whilst a robust funding strategy will be developed each time the Capital Investment Plan is reviewed, there remains the challenge that investment needs are likely to continue to outweigh the available resource, leaving a capital investment gap. Available resources will need to be carefully balanced and prioritised.

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# Funding Strategy – Capital Plan Review

## Funding the Capital Investment Plan

To determine the level of investment required the Council will continue to undertake the biennial Capital Plan Review process. This process is robust, comprehensive and designed to critically review the existing investment plan as well as considering future investment needs of the Council to ensure these are in line with the key investment priorities set out in this strategy. The process involves:

- Critical assessment of the current plan to identify cost pressures, phasing and status of project
- Assessment of new pressures, requirements and additional investment needs
- Financial modelling and affordability testing
- Scenario planning
- Consultation with relevant stakeholders including Services, Council Executive Team and Elected Members
- Elected Members approve the Capital Investment Plan

Following approval of the Capital Investment Plan, regular monitoring is undertaken and reported to Committee. Rephasing of capital expenditure is carried out on an annual basis.

During the biennial Capital Investment Plan review, consideration is given to the overall affordability and costs of borrowing. This is assessed in line with the Council's Medium Term Financial Strategy and the revenue budget process.

Careful consideration of phasing and financing capital expenditure is given during this process to ensure that the Council can continue to operate affordable levels of borrowing, maximise our grant levels and contain costs at a sustainable level.

Controls around the level of borrowing will be assessed and agreed. We will also consider the impact on the Council's balance sheet in relation to liquidity and sustainability.

# Funding Strategy - Financing

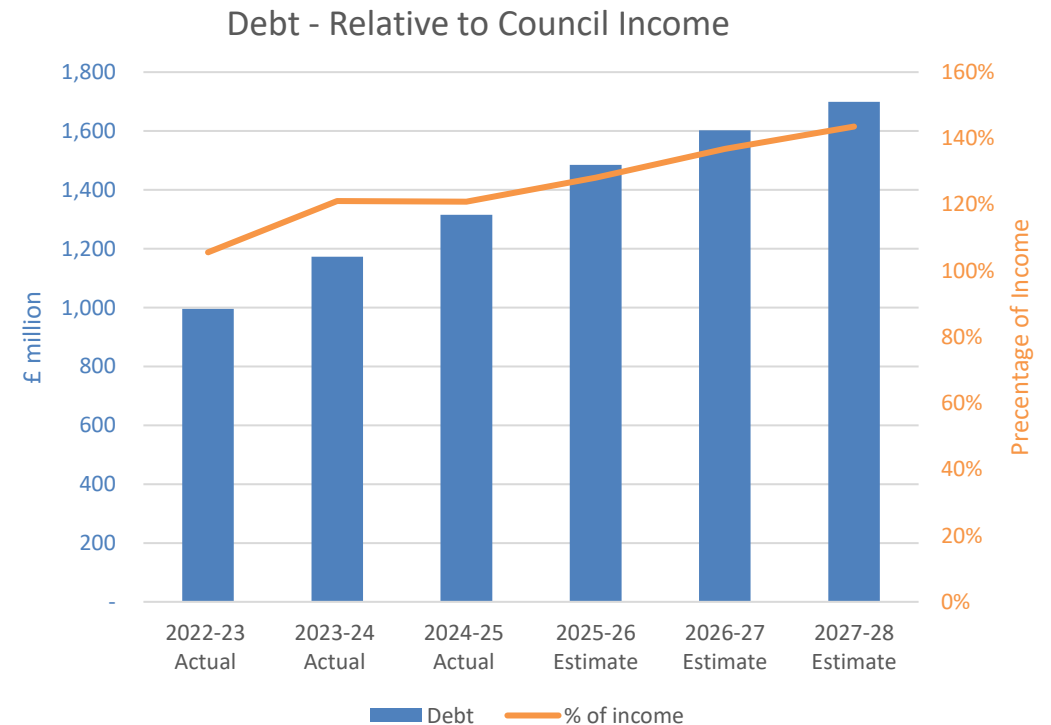
## Changing Nature of Financing

The graph demonstrates the growing trend for increased borrowing requirements to fund the Capital Plan. While the level of government grant has been reducing in real terms, the level of debt outstanding is estimated to increase over time. Increasing debt levels impacts on the revenue budget as there is a requirement to repay debts and the associated interest costs.

Currently, the cost of servicing outstanding debt represents 5% of the Council's revenue income for general fund. The equivalent for the HRA is 27%. This is predominantly a fixed cost, given the long term nature of borrowing. In the context of reducing revenue resources and a financially challenging environment there will be a limit to what the Council can afford to borrow in the future.

The forecast debt outstanding figures includes borrowing required for several large school projects with debt outstanding of over £100m, as well as three Service Concession Arrangements with a liability in excess of £68million. The debt outstanding figure also includes projects where the Council will invest but income will be received over a long period of time. In these instances, the Council will undertake the borrowing to finance the investment with either revenue grant or S75 contributions being received over a long period of time to cover the costs in the future. It is recognised that the changing nature of financing heightens the level of risk for the Council.

The coming years will see the level of debt increasing significantly in the first few years of the plans, illustrating the ambitious investment in the medium term. It may be challenging in future to increase borrowing to a significant degree without additional revenue to cover the costs.



# Capital investment mapping

Main aspects	Details
Mapping investment requirement against priority themes and outcomes	<ul style="list-style-type: none"><li>➤ As part of developing our capital strategy our Plan for Fife priority themes and outcomes have been mapped to our capital investment requirement over a 10-year period</li><li>➤ We aim to develop this further to our wider strategic priorities based on our view of external, partner and other internal influences – in particular, mapping to the medium term actions in the Recovery and Renewal Plan and against the Plan For Fife cross-cutting priorities</li><li>➤ We recognise that we need to represent the Council’s capital strategy requirement in a way that is understandable to a much wider audience of interested stakeholders – for this purpose we will also visually represent some of our key areas of investment</li></ul>
Benefits, outputs and outcomes	<p>Throughout our capital planning and reporting processes it is our ambition that we report on the emerging capital investment requirement to benefits, outputs and outcomes, as follows:</p> <ul style="list-style-type: none"><li>➤ Benefits – consider the impact of emerging capital investment to both financial and non-financial benefits, such as savings, new funding streams, increase climate resilience and reduction in carbon emissions</li><li>➤ Outputs – report capital investment to outputs, such as new houses, new school places and new active travel routes</li><li>➤ Outcomes – consideration of reporting emerging capital investment to planned outcomes, such as contribution to housing target, achievement of climate commitments and improved connectivity</li></ul>
Enabling investment and delivery investment	<ul style="list-style-type: none"><li>➤ In developing the capital strategy, we will examine enabling investment (‘business as usual’) to ensure that the initial 10-year planned investment is based on detailed supporting plans – this includes investment in existing infrastructure / assets, ICT / digital refresh and business transformation</li><li>➤ In developing the capital strategy, we are continuing to strengthen our business case approach to emerging capital investment proposals for new infrastructure, assets and digital solutions</li></ul>

# 7 Capital strategy risk

# Capital strategy risk

Main aspects	Details
Articulation of risk appetite	<ul style="list-style-type: none"><li>➤ Although the Council is not focused on investment for commercial return, it is still necessary to examine and define the Council's risk appetite as part of the emerging capital strategy</li><li>➤ The defined risk appetite needs to have a longer-term focus, which is challenging when considering the short to medium term nature of the democratic cycle and the lack of longer-term approach from Government</li></ul>
Alignment with risk management framework	<ul style="list-style-type: none"><li>➤ Any examination of risk in the emerging capital strategy will need to align with the Council's risk management framework</li><li>➤ This will ensure that any risk assessment follows the corporate approach and can successfully link to individual business case, proposal and project risk assessments</li></ul>
Risk assessment	<p>The Council will need to undertake a high-level risk assessment, to include risks such as:</p> <ul style="list-style-type: none"><li>➤ continuing and potentially worsening revenue position, outside of the control of the Council</li><li>➤ potential further reduction in external capital funding from Government and other external funding opportunities</li><li>➤ lack of focus to date on link of capital investment to revenue impact, both negative and positive, and benefits, outputs and outcomes</li><li>➤ lack of investment demonstrated by capital investment requirement gap, potentially resulting in threat to public health and poor climate resilience</li><li>➤ negative impact of investment in potentially obsolete technology and solutions, particularly when looking at green initiatives</li><li>➤ financial impact of the current and future pressures on the construction industry, both locally and nationally</li><li>➤ Impact of general cost inflation, market volatility and supply chain issues potentially leading to abortive and / or delayed projects</li><li>➤ Local Development Plan, Regional Prosperity Framework, and Regional Spatial Strategy</li></ul>

# High level risk assessment

There will be risks inherent in the Capital Investment Plan and we will assess these as part of the capital plan review process and as part of our programme and project management processes. We will assess both strategic and financial risks including uncertainty of funding, inflation, interest rate risk, and exchange rate risk in uncertain economic times. This will ensure that future financial consequences are understood and risk is managed.

Following our review of risk, a recommendation will be made in relation to the planned level of funding to provide for future risk.

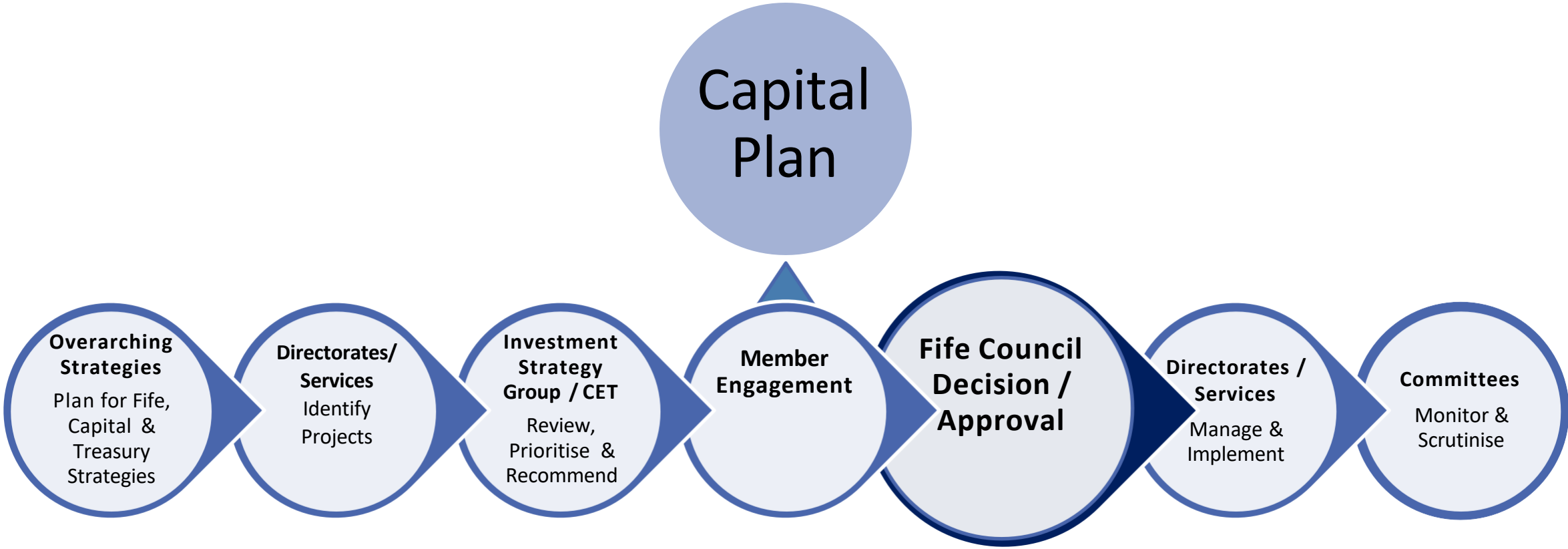
We will also factor in an assessment of future maintenance costs and liabilities associated with the assets currently in our control, namely around our property estate and roads and transportation infrastructure.

Category	Risk and potential consequences
<b>Political</b>	Delay in the implementation of Scottish Government policies such as Net Zero. Increased cost pressures for the Council on delivering on Scottish Government priorities without funding has the consequence of increased borrowing costs for the Council or reduced capacity to deliver on Fife priorities. Changes in political landscape during the planning period may change the investment priorities included in the plan.
<b>Economic</b>	Inflation continues to be above the Bank of England target of 2%, with funding not keeping pace. Construction prices could rise above the level assumed and provided for in the investment plan resulting in planned projects being deprioritised and/or delayed. Shortage in materials and Labour Market could result in increased costs and projects being delayed. Continued increases in interest rates could result in increased cost of borrowing meaning that the plan will need reviewed as affordability could come under pressure, resulting in pressure on revenue budgets. Private housing developments not being achieved and/or developers having financial difficulty could impact on the level of developer contributions being used to fund the investment plan, resulting in increased borrowing levels or projects being stopped or delayed.
<b>Social</b>	Population growth and demographic change meaning that the level of provision of assets is insufficient. House building higher or lower than anticipated putting additional pressure on Council Services and budgets.
<b>Technological</b>	Technological advancement not being sufficient to meet Net Zero and Low Carbon targets meaning that investment is required for longer periods and pressure to maintain aging fleet and buildings.
<b>Legal</b>	Council Plans and strategies being subject to legal challenges or regulatory changes resulting in delay of capital projects. Non-compliance with legislative requirements in terms of Net Zero and other legislation could mean increased investment required and/or fines/penalties resulting in financial pressures.
<b>Environmental</b>	Severe Weather events such as flooding could result in reactive and unplanned expenditure meaning capacity to fund other projects is reduced. Climate Change and associated legislation requires significant investment.

# 8 Governance

# Governance

The diagram below summarises the arrangements through which the Capital Strategy is developed and the process followed and the influence the Capital Strategy will have in relation to the biennial review and ultimate engagement with and approval by members of Fife Council. The Capital Strategy is an overarching strategy which provides long term focus.



# Governance

Main aspects	Details
Decision making and reporting	<ul style="list-style-type: none"><li>➤ The capital strategy is approved through the democratic decision-making process by the members of Fife Council who understand and are responsible for stewardship, value for money, prudence, affordability and sustainability. The strategy is built around both the ambitions in the Plan for Fife and the policy intent underpinning these ambitions.</li><li>➤ Whilst the Capital Strategy is inextricably linked to the financial planning process, it recognises that there are financial and affordability constraints. However, this does not constrain the ambition to deliver and invest to enhance and improve the services to the people of Fife.</li><li>➤ Our capital strategy links with our revenue, capital and Balance Sheet planning and whilst we have made good progress towards this approach, we will continue to develop this by further integrating with our long-term financial planning.</li><li>➤ The Capital Investment Plan is planned in line with the Capital Strategy and is reviewed biennially. The investment plan is set by the members of Fife Council and delivery of the investment plan is overseen by the Investment Strategy Group, an officer group chaired by the Head of Finance with additional Heads of Service representing each of the Directorates. Delivery of projects rests with responsible Services.</li><li>➤ Governance is in place which is proportionate to the size of investment programmes or projects, with major projects (over £5m) having additional governance with business cases approved by the Cabinet Committee.</li><li>➤ Business cases for major projects or programmes will also be approved by the relevant regional Joint Committee.</li></ul>

# Governance

Main aspects	Details
Roles and responsibilities	<p>Our capital planning and decision making processes are governed through a number of layers, each with clear roles and responsibilities and documented remits.</p> <ul style="list-style-type: none"><li>➤ The members of Fife Council are responsible for retaining a clear focus on delivering improvements in line with the priorities in the Plan for Fife. The plan sets clear ten year investment plans relevant to each of these priorities, identifies what needs to change in our approach and proposes actions over the period of the plan (Financial Regulations).</li><li>➤ Our Cabinet Committee has a responsibility to exercise strategic leadership of the Council, recommend to the Council the budget strategy and also to monitor and control the Council's overall capital expenditure (including major capital projects), taking responsibility for all executive decisions within the budget and policy framework approved by the Council and considering all proposals or business cases which have increased financial consequences (Committee Terms of Reference).</li><li>➤ S95 Officer is the Proper Officer in terms of the provisions of The Prudential Code for Capital Finance in Local Authorities, and, accordingly, shall be responsible for the administration of the financial affairs of the Council. In adherence with the Prudential Code, the S95 Officer will also facilitate the decision making process and support capital investment decisions, and monitor a number of prudential indicators including external borrowing limits, in order to assess the affordability, prudence and sustainability of the capital plan and will advise members of the Council accordingly. The S95 officer is also responsible for the treasury management functions underpinning the capital strategy.</li><li>➤ The Council's Investment Strategy Group (ISG) has a responsibility to co-ordinate the estimates of capital expenditure for each of the Council's Policy Priorities for the planning period view to being submitted to Fife Council for approval (Financial regulations and ISG remit).</li><li>➤ Directorates/Services are responsible for ensuring that all Capital Programmes &amp; Projects follow, as a minimum, the Council's Programme and Project Management Framework procedures, as must Corporate Improvement programmes and associated projects. Executive Directors are required to identify the full revenue consequences of capital projects being proposed for funding when preparing proposed Capital Plans. In addition, they will be required to demonstrate from where the funding for the revenue consequences will be met. (Financial Regulations and Plan for Fife).</li></ul>

# Governance

Main aspects	Details
Skills and training	<ul style="list-style-type: none"><li>➤ Our capacity to plan and deliver an ambitious capital strategy could be impacted by any lack of appropriate skills and training, and could have serious consequences – we will undertake an ongoing review of any potential skills and training gaps associated with capital planning and identify actions for improvement.</li><li>➤ We recognise that skills or training gaps, can lead to delay or scaling back of planned activity and this is a high-level risk that will need kept under review.</li><li>➤ We will develop a capital strategy action plan to ensure this risk is managed and kept under review.</li></ul>
Consultation and stakeholder engagement	<ul style="list-style-type: none"><li>➤ Our consultation approach is wide ranging and co-ordinated through the Investment Strategy Group and its participants. Consultation is collated and built into the consideration of our capital investment requirement and, provides the basis for decision making by elected members.</li><li>➤ Participatory Budgeting – the council is continuing to promote participatory methods for communities to shape public spending in their areas. Devolved budgets to Area Committees are supporting how the council and partners can improve places and meet local needs.</li></ul>

# 8 Appendices

# Appendix 1 – Evidence of need

Main aspects	Details
Sources of evidence	<ul style="list-style-type: none"><li>➤ We will undertake an initial review across Fife services, focusing on current sources of data, current methods for building future evidence of need and identify any concerns with the quality of supporting data.</li><li>➤ This review will give an initial view of any risk areas that may need explored in more detail to establish if we can make internal improvements and / or seek external solutions.</li><li>➤ We will work with our internal strategic partner network as part of this review – we will seek opportunities to make better links with existing data sources and identify opportunities to collaborate on improving available data sources.</li></ul>
Challenges to be addressed	<ul style="list-style-type: none"><li>➤ If we determine any evidence gaps, we will seek to address these internally, and establish a methodology for gathering the relevant data or start to measure the required evidence.</li><li>➤ Where we are unable to solve an evidence gap internally, we will speak to partner and peer organisations in the first instance to see if there is a good methodology that has been identified elsewhere.</li><li>➤ Where external support is required, we will clearly articulate the evidence gap and the desired outcome to obtain appropriate support.</li></ul>
Spatial representation of need	<ul style="list-style-type: none"><li>➤ In future we will explore new ways of examining and analysing the investment needs for the Fife population and area and whether different tools can be used to support scenario modelling and the future assessment of investment needs. Investments will also be informed by spatial representations of risks, such as climate.</li><li>➤ We will look for opportunities to share learning with other authorities and organisations that are also exploring this approach.</li></ul>

# Appendix 2 - External influences

Influence	Source	Details
Programme for Government 2025 to 2026	Scottish Government	<ul style="list-style-type: none"> <li>➤ Growing the Economy – export plan, innovation funding, and green industry investment</li> <li>➤ Eradicating Child Poverty – free services for families, winter fuel payments, and cheaper rail travel</li> <li>➤ Tackling the Climate Emergency – support for carbon capture and green transformation</li> <li>➤ High Quality and Sustainable Public Services – more NHS appointments, better GP access, and school support</li> </ul>
Resource & Capital Spending Reviews (Jan-26)	Scottish Government	<ul style="list-style-type: none"> <li>➤ Published alongside 2026-27 Scottish Budget</li> <li>➤ John McLaren’s Analysis quoted “The LG capital allocation falls by 12.3%, in cash terms, in 2026-27 (14.2% in real terms). Thereafter, ‘core’ capital spend (General Capital Grant + Specific Capital Grants) remains flat in cash terms (i.e. falling by 2% a year in real terms) to 2029-30”</li> </ul>
Medium Term Financial Strategy 2025 (Jun-25)	Scottish Government	<ul style="list-style-type: none"> <li>➤ The capital funding available to the Scottish Government is assumed to fall in real terms every year from 2025-26 to 2030-31</li> <li>➤ The revenue funding available to the Scottish Government is assumed to be flat in cash terms between 2026-27 and 2028-29. Taking into consideration rising NHS funding then other budgets can anticipate real terms cuts.</li> </ul>
Fiscal Sustainability Delivery Plan (Jun-25)	Scottish Government	<ul style="list-style-type: none"> <li>➤ Three pillars:</li> <li>➤ “Ensuring public money is focused on delivering government objectives, underpinned by reform and prioritisation to maximise impact.”</li> <li>➤ “Supporting sustainable, inclusive, economic policies with the greatest potential to grow Scotland's economy, expand and broaden the tax base to fund public services.”</li> <li>➤ Ensuring a strategic approach to tax revenues which considers the longer-term impact of our tax choices and competitiveness.</li> </ul>

# Appendix 2 - External influences cont.

Influence	Source	Details
Scottish Government Update to the Climate Change Plan (December 2020) Next update will cover 2026- 2040	Scottish Government	<p>The update incorporates a number of priorities, including:</p> <ul style="list-style-type: none"> <li>➤ Recognising the role that both public and private investment must play in delivering the transition to net zero.</li> <li>➤ Commitment to increase the number of good, green jobs, and to enable people to access these jobs through training and reskilling.</li> <li>➤ Commitment to delivering a place-based approach.</li> </ul>
Embedding Delivery in Scotland's Climate Change Plan: Improving Design, Governance and Implementation (Sept 2025)	Climate Emergency Response Group	<p>Summary of Recommendations:</p> <ul style="list-style-type: none"> <li>➤ Explicitly link climate policies and proposals to outcomes. Create robust monitoring frameworks</li> <li>➤ Highlight the economic, social, and environmental benefits, the risks of delay, and the cost of inaction.</li> <li>➤ Present policies and proposals with clear routes to delivery and defined outcomes / milestones</li> <li>➤ Develop operational delivery and investment plans for policies and proposals, codesigned with stakeholders, and supported by robust programme management.</li> <li>➤ Establish a clear pipeline process and timetable to guide proposals through development into policies and ultimately into delivery programmes.</li> </ul>
Response to Just Transition Commission (Sep-21)	Scottish Government	<p>Recommendations:</p> <ul style="list-style-type: none"> <li>➤ Implement Green Participatory Budgeting with agreed target levels of funding</li> <li>➤ Empower and resource Local Authorities to deliver a just and green recovery.</li> <li>➤ Scottish Government, Local Authorities and Developers must commit to creating communities that embed low-carbon lifestyles, while improving our health and wellbeing</li> </ul>

# Appendix 2 - External influences cont.

Influence	Source	Details
National Transport Strategy 2 (Feb-20)	Transport Scotland	<p>Vision: We will have a sustainable, inclusive, safe and inclusive transport system, helping deliver a healthier, fairer and more prosperous Scotland for communities, businesses and visitors.</p> <p>Priorities:</p> <ul style="list-style-type: none"> <li>➤ Reduces inequalities</li> <li>➤ Takes climate action</li> <li>➤ Helps deliver inclusive economic growth</li> <li>➤ Improves our health and wellbeing</li> </ul>
National Planning Framework 4 (Scotland 2045) (Feb-23)	Scottish Government	<ul style="list-style-type: none"> <li>➤ Establishes national planning policy and is now part of Fife's Development Plan together with Fifeplan. The spatial principles and national policies will guide future development in a way which reflects our overarching spatial principles through which Scotland can be planned and developed to create: Sustainable places; Liveable places; Productive places; Distinctive places</li> <li>➤ In line with NPF4, Fife Council is developing a new set of checklists (energy, biodiversity, climate) to be applied in the determination of planning applications, and to inform creation of Local Development Plan 2, due to be published in 2027/28.</li> </ul>
Infrastructure Investment Plan 21-26 (Feb-21)	Scottish Government	<ul style="list-style-type: none"> <li>➤ Focus on three core strategic themes for guiding investment decisions in Scotland: <ul style="list-style-type: none"> <li>• Enabling the transition to net zero emissions and environmental sustainability</li> <li>• Driving inclusive economic growth</li> <li>• Building resilient and sustainable places</li> </ul> </li> </ul>
Scottish National Adaptation Plan 2024-2029 (Sept 2024)	Scottish Government	<p>Vision and outcomes aim to create a Scotland well-adapted to the unavoidable impacts of climate change. Objectives set for nature, communities, public services and infrastructure and economy.</p>

# Appendix 2 - External influences cont.

Influence	Source	Details
Housing to 2040	Scottish Government	<p>Housing to 2040 sets out an ambitious aspiration to deliver an additional 100,000 affordable homes by 2032 with at least 70% of these for social rent. These homes will be of high quality, with zero emissions and will help create strong and vibrant places.</p> <p>The aim is for everyone to have a safe, high-quality home that is affordable and meets their needs in the place they want to be.</p> <p>We will:</p> <ul style="list-style-type: none"><li>➤ Continue to invest in the supply of affordable homes so they are available for the people who need them.</li><li>➤ Attract private investment to help us to deliver more homes and ensure those homes are energy-efficient, use zero emissions heating, are adapted to our future climate and meet the needs of people who live in them.</li><li>➤ Take a place-based approach so that homes and places work together seamlessly and people can live in communities that meet their needs and support their health and wellbeing.</li><li>➤ Make changes so that the whole housing system works well to deliver affordable and good quality homes for everyone.</li></ul>
National Strategy for Economic Transformation and UK Levelling Up	Scottish and UK Governments	<p>The Council will look to work within the NSET strategic priorities and UK Levelling Up missions when we seek to maximise grant funding for regeneration in Council and/or third party assets.</p>
Regional Prosperity Framework		<p>Collective infrastructure investment in advancing transport or strategic infrastructure investment priorities will be informed by the adopted Regional Prosperity Fund, taking into account local strategy and policy.</p>

# Appendix 2 - External influences cont.

Influence	Source	Details
National Care Service (Scotland) Bill (Jun-22)	Scottish Government	<ul style="list-style-type: none"> <li>➤ The Independent Review into Adult Social Care (IRASC) recommended the establishment of a National Care Service.</li> <li>➤ Following these recommendations and our National Care Service consultation, we introduced the National Care Service (Scotland) Bill to Parliament on 20 June 2022.</li> <li>➤ Whilst the government will continue with the National Care Service (Scotland) Bill it will be without structural overhaul. Responsibility for Adult Social Care will remain with local councils and existing integration authorities will be reformed instead of replaced.</li> </ul>
Digital strategy for Scotland: sustainable digital public services - delivery plan 2025-2028	Scottish Government and CoSLA	<p>Actions are organised around the following themes:</p> <ul style="list-style-type: none"> <li>➤ system leadership</li> <li>➤ common approaches</li> <li>➤ data</li> <li>➤ public sector workforce and capability</li> <li>➤ advanced technology and innovation</li> <li>➤ cyber resilient services</li> </ul>
Scotland's Digital Health and Care Strategy (Oct-21)	Scottish Government and CoSLA	<p>Our Vision: 'To improve the care and wellbeing of people in Scotland by making best use of digital technologies in the design and delivery of services.'</p> <p>To achieve our aims, and ultimately our vision, we will focus on six priority areas.</p> <ul style="list-style-type: none"> <li>➤ Digital access</li> <li>➤ Digital services</li> <li>➤ Digital foundations</li> <li>➤ Digital skills and leadership</li> <li>➤ Data-driven services and insight</li> </ul>

# Appendix 2 - External influences cont.

Influence	Source	Details
Learning Estate Strategy (Sep- 19)	Scottish Government	<p>Vision is a Learning Estate which supports Improving Outcomes for All. The learning estate should be well-managed and maintained, making the best of existing resources, maximising occupancy and representing and delivering best value:</p> <ul style="list-style-type: none"><li>➤ Ensuring that the Council makes best use of its assets and facilities, while sustaining them for future generations</li><li>➤ Responding to current data e.g. pupil census (occupancy and capacity); core facts (condition and suitability); impact of new housing in the catchment areas (based on the Housing Land Audit (HLA) and detailed officer knowledge of the schools.</li><li>➤ Delivering learning environments which support and facilitate excellent joined up learning and teaching to meet the needs of all learners</li><li>➤ Providing a clear focus on delivering high quality, low carbon and digitally enabled learning environments and outcomes</li><li>➤ Serving the wider community and where appropriate integrating with the delivery of other public services in line with the place principle</li><li>➤ Adopting a sustainable, whole life approach</li></ul>

# Appendix 3 - Partner influences

Influence	Details
Scottish Cities Alliance	<ul style="list-style-type: none"><li>➤ The Scottish Cities Alliance is the unique collaboration of Scotland's eight cities – Aberdeen, Dundee, <b>Dunfermline</b>, Edinburgh, Glasgow, Inverness, Perth and Stirling – and the Scottish Government, working together to promote the country's great economic potential.</li><li>➤ The Alliance was established in 2011 to progress the Agenda for Cities. Our aim is to achieve an economically stronger future for Scotland through the joint efforts of Scotland's eight cities and our long-term investment promotion strategy, in a bid to attract capital investment to Scotland's cities.</li></ul>
Scottish Futures Trust (SFT)	<ul style="list-style-type: none"><li>➤ Our public sector partners include Scottish Government along with its many agencies and central bodies as well as local authorities and regional organisations.</li><li>➤ We want them to have long-term plans and effective delivery mechanisms for innovative and sustainable investment in new and existing infrastructure which underpin their wider organisational aims and create vibrant places across Scotland.</li><li>➤ Our activities are targeted toward progressing the infrastructure-related outcomes agreed upon in our Corporate Plan which are linked to Scotland's National Performance Framework and the UN Sustainable Development Goals.</li><li>➤ SFT has been specifically commissioned by the Scottish Government to support the Learning Estate Improvement Programme and provide a delivery structure for local authorities to apply to their school projects.</li></ul>
Hub East Central Scotland	<ul style="list-style-type: none"><li>➤ Hub East Central Scotland is the public/private partnership organisation delivering new community infrastructure across Falkirk, Stirling, Perth &amp; Kinross, <b>Fife</b>, Dundee, Tayside and Angus.</li><li>➤ Our expertise in strategic development and value driven procurement and project management has so far delivered a no of construction projects across the region which are living social, cultural and educational hubs within the communities they serve.</li><li>➤ Hub focuses on supporting the local economy within communities through the supply chain to help support Community Wealth Building. Around half of project work is undertaken by businesses within the hub territory.</li></ul>

# Appendix 3 - Partner influences cont.

Influence	Details
Central Scotland Green Network	<ul style="list-style-type: none"><li>➤ The CSGN is a national development within the National Planning Framework which will play a key role in tackling climate change and biodiversity loss. It includes Fife and has relevance in areas where there is development pressure as well as significant areas requiring regeneration to address past decline and disadvantage. It involves public agencies and stakeholders (those with an interest in our work) working together to align their policies, programmes and actions to achieve a common aim. The national development is needed to improve quality of place and create new opportunities for investment.</li></ul>
SEStran	<ul style="list-style-type: none"><li>➤ The South East of Scotland Transport Partnership (SEStran) is the statutory Regional Transport Partnership for the South East of Scotland. SEStran encompasses eight local authorities: City of Edinburgh, Clackmannanshire, East Lothian, Falkirk, Fife, Midlothian, Scottish Borders and West Lothian.</li><li>➤ Within the partnership area there is a huge diversity of transportation issues, from urban congestion to rural public transport and from ferry ports to airports. SEStran aims to address these issues and work towards a more sustainable and efficient transport network.</li></ul>
City Region Deal – Edinburgh and South East Scotland	<ul style="list-style-type: none"><li>➤ The Edinburgh and South-East Scotland City Region comprises six local authorities. 26% of the Scottish population live in this part of Scotland.</li><li>➤ The five themes in the City Region Deal and the total amount of capital investment (made up of Government and partner funding) are summarised below:<ul style="list-style-type: none"><li>• Research, Development and Innovation: £751 million</li><li>• Integrated Regional Employability and Skills: £25 million</li><li>• Transport: £156 million</li><li>• Culture: £45 million</li><li>• Housing: £313 million</li></ul></li><li>➤ Discussions are also progressing to secure further funding for Regional Growth through City Deal 2 arrangement for the cities of Edinburgh, Dunfermline and South East Scotland.</li></ul>

# Appendix 3 - Partner influences cont.

Influence	Details
Community Planning Partnership – Plan for Fife 2017-27	<ul style="list-style-type: none"><li>➤ Our Vision for Fife - A Fairer Fife: By 2027 we want Fife to be a place where all residents live good lives, make informed choices and have a sense of control so that they can reach their full potential, and where all children are safe, happy and healthy. We also want Fife to be a place where we make best use of our assets and facilities, while sustaining them for future generations.</li><li>➤ Priority Themes:<ul style="list-style-type: none"><li>• Opportunities for All</li><li>• Thriving Places</li><li>• Inclusive Growth and Jobs</li><li>• Community Led Services</li></ul></li><li>➤ The Fife Partnership has also agreed a Recovery and Renewal Plan with Cross-cutting themes of Leading Economic Recovery, Tackling Poverty, Addressing the Climate Emergency, and Community Wealth Building..</li></ul>
Fife Health and Social Care Partnership	<ul style="list-style-type: none"><li>➤ In Fife we work with around 300 organisations across the Third and Independent sectors and they are a vital part of the Partnership in delivering services.</li><li>➤ Fife is one of the largest Health and Social Care Partnerships in Scotland, next to Edinburgh and Glasgow, with around 6,000 staff and a joint budget of around £780 million.</li><li>➤ With a rapidly ageing population, demand for health and social care will continue to grow. To meet these challenges, we must modernise and evolve our services, focusing on prevention and early intervention to help people stay well and independent for longer.</li><li>➤ Our key Strategic Plan themes are:<ul style="list-style-type: none"><li>• Prevention</li><li>• Communities</li><li>• Digital</li></ul></li></ul>

# Appendix 4 - Internal influences

Influence	Details
Plan for Fife 2017-2027: Our Priorities for 2024-27	<ul style="list-style-type: none"> <li>➤ Our focus for 2024-27               <ul style="list-style-type: none"> <li>• Tackling the root causes of poverty and inequality</li> <li>• Growing the local economy and building community wealth</li> <li>• Addressing the impacts of climate change</li> </ul> </li> <li>➤ We haven't published a revised plan for the 2024-27 period as our ambitions and objectives are still fully articulated in the original 10-year Plan for Fife 2017-2027 and the Recovery and Renewal: Plan for Fife 2021-24 Update <a href="#">Priorities for 2024-27   Our Fife - Creating a successful, confident and fairer Fife</a> <ul style="list-style-type: none"> <li>• Addressing the climate emergency – we need to make Fife resilient to unavoidable climate change that is happening now, while reducing our carbon emissions.</li> </ul> </li> </ul>
Climate Fife 2024: Strategy and Action Plan	<ul style="list-style-type: none"> <li>➤ <b>Vision:</b> Climate Fife's vision is underpinned by three core principles that by 2045, Fife will be:               <ul style="list-style-type: none"> <li>• Climate friendly – having transformed the economy, infrastructure, land use and energy system to decarbonise how we live.</li> <li>• 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.</li> <li>• Climate just – ensuring that all Fifers and the Fife environment can benefit from this transition.</li> </ul> </li> <li>➤ Delivery is overseen by the Addressing the Climate Emergency Board, comprising Council and partner organisations.</li> </ul>

# Appendix 4 - Internal influences cont.

Influence	Details
Local Transport Strategy for Fife 2023-2033 (draft for consultation)	<p>Vision: Fife's transport system supports communities with affordable, seamless and sustainable access to all aspects of our daily lives</p> <p>Priorities:</p> <ul style="list-style-type: none"><li>➤ Fair access to daily activities</li><li>➤ Safe and secure travel for all</li><li>➤ Just transition to net zero</li><li>➤ Transport network resilience</li></ul>
Local Housing Strategy (LHS) 2022-2027	<p>The Fife Housing Partnership supports the Scottish Government's Housing to 2040 vision for everyone in Scotland to have a safe, high-quality home that is affordable and meets their needs in the place they want to be. In line with this national vision, the Fife LHS 2022-2027 provides a range of housing outcomes to 'provide housing choices for people in Fife'. Five priorities forming the basis of the LHS 2022-2027 Outcome Plan have been established to promote equality in housing, help eradicate poverty, provide physical housing improvement, and maintain recovery from the Covid-19 pandemic. These five priorities are:</p> <ul style="list-style-type: none"><li>➤ Ending Homelessness</li><li>➤ More Homes in the Right Places</li><li>➤ A Suitable Home</li><li>➤ A Quality Home</li><li>➤ A Warm Low Carbon Home</li></ul>

# Appendix 4 - Internal influences cont.

Influence	Details
Digital Strategy	<p>New Fife Digital Strategy in Draft "Delivering Fife's Digital Ambition"</p> <p>Fife Council aims to become a connected, digitally empowered organisation that delivers seamless, proactive and human-centred public services. Residents will experience intuitive, personalised and responsive interactions across the channels that suit them, with services that understand and anticipate their needs. Through the delivery of the Strategy, the Council will operate as a unified, insight-driven organisation enabled by high-quality data, modern tools and AI. This will streamline processes, remove manual effort, empower staff to focus on meaningful work and support quicker, better-informed decision-making. Digital adoption will prioritise modern ways of working, avoiding the retrofit of outdated processes into new systems.</p> <p>The Strategy achieve this through;-</p> <ul style="list-style-type: none"><li>- Delivery of our Digital Programme specific focus on<ul style="list-style-type: none"><li>- driving productivity and releasing capacity utilizing new and emergent solutions,</li><li>- Implementing automation and AI technologies to drive improved customer contact,</li><li>- driving our use of data to deliver more joined-up and proactive services</li><li>- Assessing and implementing innovation potentials in the areas of AI, sensor-based technologies and agile systems integration and development.</li></ul></li><li>- Developing our Digital Workforce and Leadership in line with the need to deliver on modern, digital public services</li><li>- Retiring remaining legacy technologies and processes to reduce costs and ensure we have future-proofed systems in place</li><li>- Building Sustainable, Secure and Reliable Digital Services that the public can trust.</li></ul>

# Appendix 4 - Internal influences cont.

Influence	Details
Community Wealth Building Policy Framework	<ul style="list-style-type: none"><li>➤ Fife Council has committed to implementing the community wealth building approach to economic development. Community wealth building is an internationally recognised model that seeks to ensure more wealth is generated, circulated and retained in communities for the benefit of all. The approach uses the power of local public sector bodies (or anchor institutions – organisations with a strong foothold in communities) to change the way systems, policies, processes and decision-making works to ensure money stays local and more decisions are made by the people who live and work here. It focuses on increased local, democratic decision making, and ownership and control of the local economy, which involves increased investment in communities and the release of assets for community transfer or community ownership and control, as well as added social value.</li><li>➤ A policy framework for community wealth building was approved by the Cabinet Committee in April 2023. Progress on the delivery and implementation of community wealth building is reported to Cabinet Committee annually</li></ul>
Fife Local Development Plan	<ul style="list-style-type: none"><li>➤ This Local Development Plan – FIFEplan – sets out the policies and proposals for the development and use of land across Fife.</li><li>➤ FIFEplan has three main parts to it:<ul style="list-style-type: none"><li>• The strategy outlines what this Plan is intended to achieve over ten years from its adoption as Council policy.</li><li>• The policies are the Council's statements on how land will be used and developed.</li><li>• Proposals for towns and villages across Fife are listed in the settlement plan proposals with references which identify which areas or pieces of land are affected by these proposals.</li></ul></li><li>➤ The council is preparing a new Local Development Plan which is programmed for adoption by 2027. LDP2 will reflect the National Planning Framework 4 requirements and will be place-centred identifying land use policies and proposals to meet the environmental, economic and social context and needs of Fife.</li></ul>