

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

**25th August, 2022**

**10.00 a.m. – 12.55 p.m.**

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

**ATTENDING:** Steve Grimmond, Chief Executive; Mike Enston, Executive Director, Communities; Carrie Lindsay, Executive Director, Education & Children's Services; Kathy Henwood, Head Children & Families & Criminal Justice; Lynn Gillies, Service Manager, Family Support, Education & Children's Services; Eileen Rowand, Executive Director, Finance & Corporate Services; Elaine Muir, Head of Finance; John Mills, Head of Housing Services; Gavin Smith, Service Manager (Housing Management Executive); Paul D'Arcy, Project Manager, New Build Housing; Ken Gourlay, Executive Director, Enterprise & Environment; Gordon Mole, Head of Business & Employability; Peter Corbett, Lead Officer; Morag Millar, Programme Manager, Economy Tourism & Town Centre Economy, Planning & Employability Services; Lindsay Thomson, Head of Legal and Democratic Services; Helena Couperwhite, Service Manager, Committee Services; Lesley Robb, Lead Officer, Committee Services; and Diane Barnet, Committee Officer (minute taker), Legal & Democratic Services.

**APOLOGIES FOR ABSENCE:** Councillors Lesley Backhouse and Carol Lindsay.

**1. DECLARATIONS OF INTEREST**

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

**2. MEMBERSHIP AND REMIT OF COMMITTEE**

The Committee considered a report by the Head of Legal and Democratic Services advising members of the membership and remit of the Cabinet Committee.

**Decision**

The Committee noted the report having acknowledged a recent change in membership - Councillor Dave Dempsey had replaced Councillor Kathleen Leslie as a permanent member of this Committee.

### **3. APPOINTMENTS TO EXTERNAL ORGANISATIONS**

The Committee considered a report by the Head of Legal and Democratic Services seeking nominations for member representation on those external organisations detailed in Appendix 1 of the report.

#### **Decision**

On a motion proposed by Councillor Craik, seconded by Councillor Erskine, the Committee agreed member appointments to the organisations detailed in the appendix to the report – as outlined in the appendix to this minute – nominations to be advised to the Head of Legal and Democratic Services.

### **4. CITY OF DUNFERMLINE - MEMBERSHIP OF THE SCOTTISH CITIES ALLIANCE**

The Committee considered a joint report by the Head of Business and Employability Services and the Head of Communities and Neighbourhoods Service seeking approval of Fife Council's membership of the Scottish Cities Alliance.

#### **Decision**

The Committee:-

- (1) approved the membership of Scottish Cities Alliance following the conferment of city status for Dunfermline in Her Majesty The Queen's Platinum Jubilee Civic Honours competition;
- (2) noted the governance arrangements for the Alliance as set out in Section 2 of the report; and
- (3) noted the draft Operational Plan for 2022/2023 set out in Appendix 1 of the report.

### **5. REVENUE MONITORING - PROVISIONAL OUTTURN 2021-22**

The Committee considered a report by the Executive Director (Finance and Corporate Services) providing a strategic overview of Fife Council's finances and reporting on the provisional outturn position for 2021-22. The report also detailed the continued financial implications of Covid-19 and the impact of additional funding that had been provided for that purpose. Explanation was also provided detailing the exceptional financial position that would be short term given the extent of the economic conditions faced by the organisation.

#### **Decision**

The Committee:-

- (1) noted the scale and complexity of the financial impacts during the pandemic and the extent of additional funding provided over the course of the year;
- (2)/

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- (2) noted the high level financial position as detailed in the report;
- (3) noted that detailed monitoring reports would be submitted to the relevant Scrutiny Committees;
- (4) approved the earmarking of balances for Covid-19 funding for use in future years; and
- (5) approved the suspension of the Budget Carry Forward Scheme for 2021-22.

### **6. CAPITAL INVESTMENT PLAN UPDATE (PROVISIONAL OUTTURN 2021-22)**

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

#### **Decision**

The Committee noted:-

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

### **7. BUDGET 2023-26 UPDATE**

The Committee considered a report by the Executive Director (Finance and Corporate Services) providing members with an update on the General Fund Revenue Budget for 2023 onwards, following the Scottish Government's Resource Spending Review (RSR) and the impact on the Council's financial planning assumptions and planned approach to achieve a sustainable budget.

#### **Motion**

Councillor Ross, seconded by Councillor Craik moved as follows:

"Committee notes the intention to bring a report on Tackling Poverty and Cost of Living to the September meeting of the Cabinet Committee and that this will include proposals for a Warm Places initiative, Hardship and Fuel Support. Food Support and review of school meal debt as part of an Autumn and Winter support programme.

Committee/

Committee requests officers to bring forward proposals for funding this programme taking account of the latest financial monitoring information.

Committee also agrees to allocate now £10m of balances earmarked for Covid recovery as a Community Recovery Fund and asks officers to bring detailed proposals for the operation of this fund to the September meeting of the Cabinet Committee."

### **Amendment**

Councillor Beare, seconded by Councillor Barrett moved as an amendment to also include the following:

"The proposals noted above be considered by a members workshop(s) of the Cabinet Committee, working with Officers to develop the detail of the relevant programme proposals prior to the Cabinet Committee of 22nd September, comprising two members of each Group."

The proposer and seconder of the motion agreed to conjoin the motion and amendment.

### **Decision**

The Committee:-

- (1) noted the impact of the RSR on previously published financial planning assumptions;
- (2) noted the continued uncertainty around those planning assumptions;
- (3) noted a planned approach to achieve a sustainable budget for 2023-24 and future years; and
- (4) agreed in terms of the conjoined Motion and Amendment that –

"Committee notes the intention to bring a report on Tackling Poverty and Cost of Living to the September meeting of the Cabinet Committee and that this will include proposals for a Warm Places initiative, Hardship and Fuel Support. Food Support and review of school meal debt as part of an Autumn and Winter support programme.

Committee requests officers to bring forward proposals for funding this programme taking account of the latest financial monitoring information.

Committee also agrees to allocate now £10m of balances earmarked for Covid recovery as a Community Recovery Fund and asks officers to bring detailed proposals for the operation of this fund to the September meeting of the Cabinet Committee.

The proposals noted above be considered by a members workshop(s) of the Cabinet Committee, working with Officers to develop the detail of the relevant programme proposals prior to the Cabinet Committee of 22nd September, comprising two members of each Group."

**8. LEADING ECONOMIC RECOVERY (LER) ACTION PLAN: PROGRESS UPDATE (JUNE 2022)**

The Committee considered a report by the Head of Business and Employability Services providing a six monthly update on progress against actions identified within the Leading Economic Recovery Action Plan agreed by the Policy and Co-ordination Committee at its meeting on 4th March, 2021 as part of Fife Council's wider Reform and Recovery Programme.

**Decision**

The Committee:-

- (1) noted the progress in relation to actions identified within the Leading Economic Recovery (LER) Action Plan;
- (2) recognised continuing uncertainties in terms of the economic impact of the Covid-19 pandemic, consequences of the EU Exit and associated government responses to both;
- (3) noted that the outcomes of the Leading Economic Recovery workstream (which formed part of the Council's wider Reform and Recovery Programme) had fed into the recent refresh of the Plan4Fife; and
- (4) noted that the LER Board, established as part of the recent review of Fife Partnership governance arrangements, was currently supporting a wider ranging review of the Fife Economic Strategy which was expected to be completed by autumn 2022. The refreshed Strategy would effectively replace the short-term LER Action Plan that was developed in response to the economic impact of the Covid-19 pandemic.

*The Committee adjourned at 11.35 a.m. and reconvened at 11.50 a.m..*

**9. FIFE'S UK SHARED PROSPERITY INVESTMENT PLAN**

The Committee considered a report by the Executive Director (Enterprise and Environment) advising of the steps taken to develop Fife's UK Shared Prosperity Investment Plan and seeking retrospective endorsement for the Plan that was submitted to the UK Government for the 1st August, 2022 deadline.

**Decision**

The Committee:-

- (1) endorsed the approach to developing the UKSPF Investment Plan set out in the report (due to the local government elections, there were no Committees during the development period so the priorities of the Plan4Fife 2017-27 and its Recovery and Renewal Plans 2021-2024 had formed the basis of the UKSPF Investment Plan);
- (2) retrospectively approved the Interventions for 2022-23 set out in Appendix 1 of the report (the report set out the approach, i.e. to allocate the UKSPF to/

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to each Investment Priority based on the historical investment levels for EU funding for similar activities in a "typical" year for that funding. This meant up to 50% for People and Skills, up to 29% for Supporting Local Businesses and at least 21% for Communities and Place);

- (3) approved the proposed governance, the prioritisation principles, allocations by UKSPF Investment Priority and process to confirm interventions for 2023/24 and 2024/25 as detailed in the report and noted that this aligned with the governance arrangements for the Plan4Fife;
- (4) noted that the revised Investment Plan would be submitted to the Cabinet Committee in February, 2023 to approve interventions for 2023/24 and 2024/25;
- (5) noted that there would be Annual Reviews of the UKSPF and reports of progress in Quarter 2 of each financial year and noted that the UK Government required these by Fife's four UK Parliamentary Constituencies; and
- (6) delegated to the Executive Director (Finance and Corporate Services) and Executive Director (Enterprise and Environment) to complete the negotiations with the UK Government on the terms of the Investment Plan to enter into the Legal Agreement to secure the funding.

### **10. LEVELLING UP FUND UPDATE**

The Committee considered a report by the Executive Director (Enterprise and Environment) providing an update on the bids made to the UK Levelling Up Fund on 2nd August, 2022.

#### **Decision**

The Committee:-

- (1) noted the Bids submitted to the competitive UK Levelling Up Fund for a Fife transport bid and four Constituency bids on 2nd August, 2022;
- (2) endorsed the changes to the Bid for the North East Fife Constituency where the Park and Ride at Tay Bridge was substituted and to the Bid for Glenrothes and Central Fife where the two path projects were combined into a single submission; and
- (3) delegated to the Executive Director (Finance and Corporate Services) and Executive Director (Enterprise and Environment) to complete the Legal Agreements with the UK Government in the event any of the Bids were successful.

### **11. STRATEGIC COMMISSIONING UPDATE**

The Committee considered a report by the Executive Director (Education and Children's Services) providing a summary of the progress in strategic commissioning activity, including plans associated with the next stage of work and recommendations for grant awards for the remainder of 2022-23 with respect to Service brief 2a and 6.

**Decision**

The Committee:-

- (1) noted the progress on the proposals to further develop the programme of work associated with strategic commissioning in Children's Services for 2022/23 and onwards;
- (2) approved the recommendations for grant awards for 2022/23 in respect of organisations associated with service brief 2a (£400,000) and 6 (£178,298) for the remaining six months; and
- (3) approved the recommendation for grant award for 2022/23 for DAPL of £63,000 for the remaining six months.

**12. RESETTLEMENT OF VULNERABLE PEOPLE IN FIFE**

The Committee considered a report by the Head of Housing Services which followed on from a briefing to the former Policy and Co-ordination Committee outlining the proposed commitment to welcome Ukrainian Refugees to Fife. The report broadened the focus to all strands of Resettlement Work and placed this in a national context to support detailed consideration of the Fife Resettlement approach with a focus on the Ukrainian response.

**Decision**

The Committee agreed:-

- (1) the continued focus on private sector sponsors as the primary accommodation resource in Fife;
- (2) to identify a number of longer-term empty Council properties to be entered into the matching programme; and
- (3) the development of a longer-term housing approach with Registered Social Landlords (RSLs) and private sector landlords for all streams of resettlement activity.

**13. VOLUNTARY SECTOR RECURRING GRANTS: NORTH EAST FIFE TENANTS & RESIDENTS FEDERATION (NEFTRF) SUPPLEMENTARY GRANT (3 YEARS 2022/23 - 2024/25)**

The Committee considered a report by the Head of Housing Services requesting approval to award North East Fife Tenants and Residents Federation (NEFTRF) a supplementary grant for the purpose of expanding their services to include an accessible shopfront location in Cupar, for three years. The report detailed the funding requested and recommended by Housing Services.

**Decision**

The Committee:-

- (1) noted the work undertaken between NEFTRF and Housing Services Tenant Participation Team to reach agreement on service provision to be commissioned; and

- (2) agreed the level of funding being recommended for the period of the three year lease (2022-2025).

**14. HOUSING REVENUE CAPITAL ACCOUNT: PROPERTY ACQUISITIONS TO MARCH 2025**

The Committee considered a report by the Head of Housing Services seeking agreement to increase the acquisition of housing in the private sector for the period 2022-2025.

**Decision**

The Committee accepted a revised recommendation and agreed to acquire properties beyond the annual target of 50 in 2022/23 to mitigate increasingly pressurised housing access operational requirements.

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 paragraph(s) 8 and 9 of part 1 of schedule 7A of the Act.

**15. AFFORDABLE HOUSING PROGRAMME - 19 NEW HOUSES, ORDNANCE ROAD, CROMBIE**

The Committee considered a report by the Head of Housing Services seeking authority, as part of the ongoing implementation of the Transitional Affordable Housing Programme (TAHP 2022-24) for Affordable Housing within Fife, to continue negotiations and conclude legally binding agreements with the Developer for the development of 19 new Affordable Houses in Crombie.

This was a change to a previous approval by Committee of 13th February 2020 for the purchase of 19 Affordable Houses as the Developer had withdrawn from this type of work due to market conditions.

The Developer had approached various other developers who operated in the affordable housing market and an alternative Developer had agreed terms with them to acquire the site known as Ordnance Road, Crombie and develop the affordable houses for Fife Council.

The new Developer provided Heads of Terms and offered Fife Council the same terms and price as previously agreed between Fife Council and the original Developer to develop these affordable houses.

**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 for:

- (1) the acquisition from the Developer of the site of the proposed housing development of 19 new Affordable Houses for rent at the site known as Ordnance Road, Crombie for an increased sum due to market inflation, as detailed in the report;



- (2) the direct award of a construction contract to the Developer for the construction of the development of 19 new Affordable Houses for social rent at the site known as Ordnance Road, Crombie for an increased sum due to market inflation and an increase of one additional house being supplied, recognising that figure may be adjusted as detail of the proposal was worked through; and
- (3) to suspend the CONTRACT STANDING ORDERS – Scheme of Tender Procedures 2018 in terms of Contract Standing Order 6.1 in respect of the proposed direct award of the construction contract to the Developer on the grounds of the special circumstances described in the report.

**16. AFFORDABLE HOUSING PROGRAMME - 42 NEW HOUSES, WESTWOOD PARK, GLENROTHES**

The Committee considered a report by the Head of Housing Services seeking authority, as part of the ongoing implementation of the Transitional Affordable Housing Programme (TAHP 2022-24) for Affordable Housing within Fife, to continue negotiations and conclude legally binding agreements with the Developer for the development of 42 new Affordable Houses in Glenrothes.

Committee approval was also sought for an alternative method of acquisition from a previous approval by Committee of 26th May, 2021 and 29th October, 2021 for the purchase 42 Affordable Houses. The previous Committee approval was for the acquisition of completed houses.

The Developer had requested and the Council had agreed to change the contract delivery method from an "Off the Shelf" purchase of 42 Affordable Houses to a standard Design and Build SBCC contract delivery method.

The Developer also requested a change of contracting method which provided an improved cash flow profile at the earlier part of the delivery programme. A full performance bond and the standard warranties would be provided.

**Decision**

The Committee authorised 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 for:

- (1) the acquisition from the Developer of the site of the proposed housing development of 42 new Affordable Houses for rent at the site known as Westwood Park, Glenrothes for the sum detailed in the report;
- (2) the direct award of a construction contract to the Developer for the construction of the development of 42 new Affordable Houses for social rent at the site known as Westwood Park, Glenrothes for the sum detailed in the report, plus an allowance beyond 2022 for inflation linked to national BCIS indices (including land acquisition and construction costs), recognising that the figure may be adjusted as detail of the proposal was worked through;
- (3)/

- (3) to suspend the CONTRACT STANDING ORDERS – Scheme of Tender Procedures 2018 in terms of Contract Standing Order 6.1 in respect of the proposed direct award of the construction contract to the Developer on the grounds of the special circumstances described in the report.

**17. AFFORDABLE HOUSING PROGRAMME - 25 NEW HOUSES, COMMERCIAL CRESCENT, LADYBANK, CUPAR**

The Committee considered a report by the Head of Housing Services seeking authority, as part of the ongoing implementation of the Transitional Affordable Housing Programme (TAHP 2022-24) for Affordable Housing within Fife, to continue negotiations and conclude legally binding agreements with the developer for the development of 25 new Affordable Council houses for rent at the site known as Commercial Crescent, Ladybank.

The revision was required following the previous Developer going into administration in August 2021 and the site subsequently being acquired from the Administrator by another Developer who approached Fife Council offering terms to complete the project.

The original terms were for Fife Council to acquire 34 built units from the original Developer for an agreed sum as detailed in the report. The units were partially built before the original developer went into administration. Under the new proposal, the Developer planned to site the SUDS pond on the development meaning fewer units would be delivered.

The proposal was now for Fife Council to acquire 25 completed houses on the Site from the Developer for a total sum as detailed in the report, recognising that figure may be adjusted as detail of the proposal was worked through, all as described in the report. There was no spend by Fife Council to the original developer.

**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 for the acquisition from the Developer, the proposed housing development of 25 new Affordable Council houses for rent at the site known as Commercial Crescent, Ladybank for the sum detailed in the report, recognising that the figure may be adjusted as detail of the proposal was worked through, all as described in the report.

**18. AFFORDABLE HOUSING PROGRAMME - 39 NEW HOUSES, WEST ROAD, SALINE**

The Committee considered a report by the Head of Housing Services seeking authority, as part of the ongoing implementation of the Transitional Affordable Housing Programme (TAHP 2022-24) for Affordable Housing within Fife, to continue negotiations and conclude legally binding agreements with the Developer for the development of 39 new Affordable Houses and one Staff and Tenant's communal facility at West Road, Saline.

**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 for:

- (1) the acquisition from the Developer of the site of the proposed housing development of 39 new Affordable Houses and one Staff and Tenant's communal facility for social rent at the site known as West Road, Saline;
  - (2) the direct award of a construction contract to the Developer for the construction of 39 new Affordable Council houses and one Staff and Tenant's communal facility (total of 40 units) for social rent at the site known as West Road, Saline for the sum detailed in the report (including a sum for land acquisition and construction costs), recognising that figure may be adjusted as detail of the proposal was worked through;
  - (3) to suspend the CONTRACT STANDING ORDERS – Scheme of Tender Procedures 2018 in terms of Contract Standing Order 6.1 in respect of the proposed direct award of the construction contract to the Developer on the grounds of the special circumstances described in the report.
-