

MINUTES of MEETING of the MIDLOTHIAN COUNCIL CABINET held in the Council Chambers, Midlothian House, Buccleuch Street, Dalkeith on Tuesday, 27 May 2014 at 11.00am.

Present:- Councillors Thompson (Convener), Bryant, Johnstone and Rosie.

Religious Representatives Present:- Mr V Bourne, Mr P Hayes and Mrs M Harkness.

Apology for Absence:- Councillor Constable.

1 Order of Business

Advice was noted from the Clerk that in relation to Agenda Item 8 (Environmental Regeneration – McNeill Terrace, Loanhead – Report by the Joint Director, Health and Social Care), the plan referred to at Appendix 1 of this report had not been circulated as the writing was illegible due to the small scale of the plan and that this could be viewed instead on the Council's Intranet or website. A large scale plan was also on display at the meeting.

2 Declarations of Interest

No declarations of interest were intimated.

3 Minutes

The Minutes of Meeting of the Cabinet of 22 April 2014 were submitted and approved as a correct record.

4 Inspection of Midlothian Residential Services for Young People

There was submitted report, dated 6 May 2014, by the Director, Education, Communities and Economy, outlining the outcome of an announced inspection of Midlothian Residential Services for Young People, carried out by the Care Inspectorate in March 2014.

The report advised that Midlothian Residential Services consisted of three small residential homes, in Penicuik, Dalkeith and Gorebridge. Each home cared for a maximum of four young people who were aged between 10 and 18 years who could not safely stay with their own family or in any substitute family and whose needs would best be met in a residential setting. It was explained that at the time of the inspection only the homes in Penicuik and Gorebridge had young people staying in them.

The/

The evaluations arising from the inspection were as follows:-

Quality of care and support	Grade 4 – Good
Quality of Environment	Grade 4 - Good
Quality of staffing	Grade 4 – Good
Quality of Management and Leadership	Grade 3 – Adequate

The Inspectors also noted that significant progress had been made in a number of areas and had awarded a grade of 'Very Good' for:

- Service users' health and wellbeing needs being met.
- Ensuring that the environment was safe and service users were protected.
- Having a professional, trained and motivated workforce.

The report also identified the strengths of the service which had been noted by the inspection team and areas for improvement.

The Care Inspectorate concluded that Midlothian Council continued to demonstrate that they were committed to improvement of the services for accommodated children and had aspirations to provide an excellent service. They also noted that the prospective change of manager may have an impact on the service in the coming months.

Decision

- To note the content of the inspection report;
- To pass the report to the Performance, Review and Scrutiny Committee for its consideration;
- To acknowledge the positive and ongoing work by management and staff connected with the Midlothian Residential Service for Young People;
- To note that the Council would continue to challenge, support and monitor the service in relation to achieving excellence through further improving performance; and
- To note that it was anticipated that the Inspectors would return again in a year's time.

(Action: (b) Legal and Secretariat Manager; and (c) and (d) Director, Education, Communities and Economy)

5 School Session Dates for the Academic Year 2015/16

There was submitted report, dated 14 May 2014, by the Director, Education, Communities and Economy, appending a list proposed day school session dates for 2015/16.

The report advised that consultations had been undertaken with the appropriate teaching unions, schools and Parent Councils in drawing up the dates. Efforts had also been made to synchronise these with neighbouring council areas.

The Head of Children's Services was asked how well the dates harmonised and whether there were major differences with the dates for City of Edinburgh and East Lothian Councils, as this was an issue that could cause difficulties for parents in particular and people working. She advised that she was unable to provide clarification at this stage, but would liaise with the Head of Education to obtain clarification and provide feedback.

Decision

- (a) To note that work which had been undertaken in drawing up the Midlothian school session dates for 2015/16;
- (b) To note that the Head of Children's Services would provide feedback on how well these harmonised with City of Edinburgh and East Lothian Councils and whether there were any major differences; and
- (c) To otherwise note the report.

(Action: Head of Children's Services)

6 Midlothian Draft Autism Strategy

There was submitted report by the Joint Director, Health and Social Care, describing the new Midlothian Autism Strategy, outlining the needs and demands on services and how these could be addressed, in line with national policy. A copy of the Strategy was appended to the report.

Decision

- (a) To note and endorse the Midlothian Autism Strategy; and
- (b) To request that the Director provide an update on the progress of the strategy within the next 6 to 12 months.

(Action: (b) Joint Director, Health and Social Care)

7 Environmental Regeneration – McNeill Terrace, Loanhead

There was submitted report, dated 6 May 2014, by the Joint Director, Health and Social Care, providing an overview of the proposed programme of environmental improvement and refurbishment works for McNeill Terrace, Loanhead and seeking agreement to use funding from the Housing Revenue Account to undertake these in 2014/15.

It was recalled that a report had been presented to Cabinet in May 2013, which detailed a range of issues, such as dog fouling, fly tipping and vandalism, which were adversely affecting the quality of the environment in McNeill Terrace and having a negative impact on the long term sustainability of demand from housing applicants to live in these properties. It had been agreed that Council Officers should engage with the residents to determine collectively how best to address these issues. Details were given of the consultation process and the improvement works now proposed.

It was explained that of the 36 properties in McNeill Terrace, there were three privately owned properties that were purchased from the Council. It was intended to include these as part of the works, although this would include redesignating the garden areas for these properties and consent would have to be obtained from the owners to do this and for the title deed transfers required.

A budget of £417,000 had included within the Housing Revenue Account Capital Plan 2014/15 to provide for environmental improvements at McNeill Terrace. The proposed works could be delivered within this budget. In addition, some elements of the works were able to be funded by a separate budget allocation as these were required to meet the Scottish Housing Quality Standard.

Decision

- (a) To note the content of the report; and
- (b) To approve the improvement works identified by Council Officers working with the McNeill Terrace Estate Action Group.

(Action: Head of Customer and Housing Services)

8 Purchasing new Properties in Dalkeith for Use as Council Housing

There was submitted report, dated 6 May 2014, by the Joint Director, Health and Social Care, seeking agreement to utilise available resource from the Housing Revenue Account to purchase additional properties for use as social rented housing by the Council, to help meet housing need in Midlothian.

The report recalled that in October 2013 the Scottish Government had announced an additional allocation of £27 million of funding to support affordable housing development, with £477,000 being allocated for investment in Midlothian. However, this additional funding required to be allocated to developments that were in development or completed by March 2015. Only the first six developments of the Council's second phase of development could be awarded funding from this additional funding and these projects had already received funding from an earlier allocation. Moreover, other affordable housing development partners such as Melville Housing Association and Dunedin Canmore Housing Association were not in a position to commence further development which could be completed within the specified timescale. This left £400,000 unallocated, and if not utilised in Midlothian, would be reallocated to another local authority area.

The report advised that the Scottish Government's Housing Investment Division had accepted the use of affordable investment funding for purchasing units from the open market as a means of increasing the supply of affordable housing in Midlothian. Since 2005 the Council had purchased 141 homes on the open market under a "spend to save" approach which avoided the need to utilise higher levels of bed and breakfast accommodation.

The/

The report also recalled that in 2012, the Council agreed to act as a lender to Dunedin Canmore Housing Association in order that they could take forward an innovative approach to providing affordable housing without reliance on grant funding. Midlothian Council received consent from Scottish Ministers to act as a lender to in July 2013. A development of 20 flats had been agreed to be developed by Dunedin Canmore Housing Association in partnership with the National Housing Trust for Registered Social Landlords initiative. This was proposed for a site at Wester Cowden in Dalkeith which became available through the Council's Affordable Housing Policy. The properties would have been managed and maintained by Dunedin Canmore Housing Association and let at a Mid Market Rent (approximately 80% of the Local Housing Allowance for Midlothian).

Unfortunately this development could not progress due to the Dunedin Canmore Group being unable to secure permission from their current lender to obtain loan funding from Midlothian Council. However, the units required to be affordable housing, have planning permission and meet the Scottish Housing Quality Standard. Therefore, they would be suitable for use as council housing. In addition the cost of the development was a substantial discount on the market value due to the site being an affordable housing policy site.

Given that Dunedin Canmore Group's housing development team had worked with Cruden Homes to negotiate these costs and agree a suitable specification for the units, the report now advised that it was more straightforward for them to continue to act as a development agent on behalf of Midlothian Council. It was also pointed out that the Dunedin Canmore Group had acted as a development agent in this way before, for example on a recent development in Prestonpans on behalf of East Lothian Council.

A site start of September 2014 was considered possible, with units proposed for completion by September 2015. 8 of the properties would be one bedroom flats which would help meet the need for housing single people and couples, whilst the remaining 12 would be two bedroom units which would provide accommodation to families.

In order to finance the purchase of the properties, it was proposed that this be funded through the Housing Revenue Account (HRA) Capital Plan. The total development cost was proposed to be £2,100,000, with the Scottish Government having committed grant funding of £400,000 to the project. Consequently, the maximum total level of investment to the Council for these purchases would be £1,700,000. Financial modelling had suggested that the HRA could support this additional investment and was affordable without having to impose any further increases in weekly rents.

In addition, the purchase of the development was considered to be affordable as part of the Housing Revenue Account Capital Plan and would be funded separately from the Council's Phase 2 Social Housing Programme, which would continue to have £60million allocated for development.

The/

Finally, the report explained that while the proposed properties had not been designed in accordance with the Council's Phase 2 design guide, they would comply with the Scottish Housing Quality Standard and building standards which would be similar to meeting the Housing for Varying Needs standard which all council homes were built to in the first phase of new build council housing development. Due diligence would be required in terms of recognising liability for defects and therefore this would be the subject to a legal agreement between Midlothian Council and the developer.

Decision

- (a) To note the content of the report, and
- (b) To agree to the Council increasing the supply of new housing by funding the purchase of 20 units for use as council housing, subject to agreement of satisfactory contracts overseen by the Council's Legal Section.

(Action: (b) Head of Customer and Housing Services)

9 Council House Building Programme Phases 1 and 2 - Progress Report April 2014

There was submitted report, dated 19 May 2014, by the Head of Property and Facilities Management, providing an update on the progress made on the Council's Housing Building Programmes.

The report advised that Phase 1 of the Council Housing Programme had provided 864 additional Council Homes within the Midlothian area over a period of 7 years and with a total budget of £108.7m. Construction works had been completed and 4 sites remained in the defects liability period.

It was also pointed out that a separate joint report had been presented to Cabinet on 22 April 2014 by the Director, Resources and Joint Director, Health and Social Care, regarding emissions at Newbyres Crescent, Gorebridge, and that further reports would be considered at future meetings of the Council.

With regard to Phase 2 of the Housing Programme, the report advised that this aimed to deliver the maximum number of social homes within Midlothian over the next 4 - 5 years within the approved development budget of £63.7m. There were currently 2 completed sites within the defects period.

The report commented on the preferred housing mix for the various Phase 2 sites and advised that following a Framework Tendering Exercise across the following three Lots, CCG Scotland Ltd and Hart Builders (Edinburgh) Ltd had been notified that they were to be appointed to the Framework:-

Lot	Size	Details	Units
Lot 1	Small	Site 42 Jackson Street, Penicuik (with Planning Approval)	14
		Site 108 Polton Street, Bonnyrigg	18
Lot 2	Medium	Site 9 Craigiefield Crescent, Penicuik (with Planning Approval)	17
		Site 18 Eastfield Drive, Penicuik (with Planning Approval)	17

Lot 3	Large	Site 51a Stobhill Road, Gorebridge Site 60 Edgefield Road, Loanhead	78 39
--------------	--------------	--	------------------------

The report commented in detail on the construction delivery programme for Phase 2. Reference was also made to an approach from Houses for Heroes regarding the possibility of identifying around eight houses for disabled ex-Service personnel in the Penicuik area and of the decision by Social Work to identify Site 41 (Eastfield Farm Road, Penicuik) as the preferred location for a 12 person complex care housing cluster unit. Discussions with Health and Social Care were ongoing to assist consideration of how to progress this option.

Decision

- (a) To note the progress updates on Phases 1 and 2;
- (b) To note the continued efforts by the Project Team on having achieved establishing the Framework Appointments and progress towards arranging Contract Awards for the initial sites;
- (c) To note the necessity that existed to extend the Tender Return submission dates to maintain Contractor involvement;
- (d) To note the progress updates on:
 - Site 41 (Eastfield Farm Road, Penicuik)
 - 51a (Stobhill Road, Gorebridge)
 - 60 (Edgefield Road, Loanhead)
 - 108 (Polton Street, Bonnyrigg)
- (e) To note the relationship of Complex Care, Houses for Heroes and Site 101 in relation to other project initiatives alongside the list of Preferred Development sites for Phase 2 Council Housing; and
- (f) To note the intention to receive further updates at future meetings.

(Action: Head of Property and Facilities Management)

10 Business Gateway: Delivery of Start Up Finance Scotland Loan Funding Programme in Midlothian

There was submitted report, dated 8 May 2014, by the Director, Education, Communities and Economy, seek approval to deliver the Start Up Finance Scotland loan funding programme through Business Gateway (Midlothian).

The report advised that the Start Up Loan Company currently operated in England, Wales and Northern Ireland with funds from the UK Government and through a network of delivery partners. The loan funding was available for start up businesses and those which had been trading for less than 12 months. Loans of up to £25,000 were available at an interest rate of 6%.

It/

It was now proposed that this programme be rolled out in Scotland. WSLF Management Services Ltd had been set up jointly by the West of Scotland Loan Fund and East of Scotland Investment Fund Boards to deliver the programme in Scotland with local delivery partners who it was anticipated would be local Business Gateway offices. It was anticipated that loans would be issued from the end of May 2014.

It was envisaged that Business Gateway business advisers would provide advice to applicants and assist them in preparing applications to submission stage. Applications would be checked by Council Economic Development Section staff and forwarded on to WSLF Management Services Ltd with an appropriate recommendation. Business Gateway staff would also provide aftercare services to successful applicants to maximise the chances of business success for the applicants.

The report also explained that there was no direct funding required from Midlothian Council for the loan funding programme. There would however be additional demands on existing staff such that any requirement over time for additional staff resource would need to be carefully monitored. Budgetary allocation arrangements for the UK Government funded programme would be handled by WSLF Management Services Ltd and a fee of £400 would be paid to Midlothian Council for every successful loan application that was processed. This fee, which was designed to cover application support and aftercare advisory costs, was ring-fenced for Business Gateway purposes only.

Decision

- (a) To approve the delivery of the Start Up Finance Scotland loan funding programme in Midlothian through the Council's Business Gateway service;
- (b) To agree that regular progress reports be prepared on the operation of the Start Up Finance Scotland loan funding programme; and
- (c) To agree that appropriate publicity arrangements be implemented to ensure maximum take up of the Start Up Finance Scotland loan funding programme in Midlothian.

(Action: Director, Education, Communities and Economy)

11 Exclusion of Members of the Public

In view of the nature of the business to be transacted, the Cabinet agreed that the public be excluded from the meeting during discussion of the undernoted item of business, as contained in the Addendum hereto, as there might be disclosed exempt information as defined in paragraphs 4 and 6 of Part I of Schedule 7A to the Local Government (Scotland) Act 1973:-

- Application for Loan Assistance from the East of Scotland Investment Fund – Application approved.

The Cabinet thereafter agreed to proceed as detailed in the Addendum hereto.

The meeting terminated at 11.40am.